

SAFFRON BCI GLOBAL ENHANCED INCOME FEEDER FUND

CLASS A

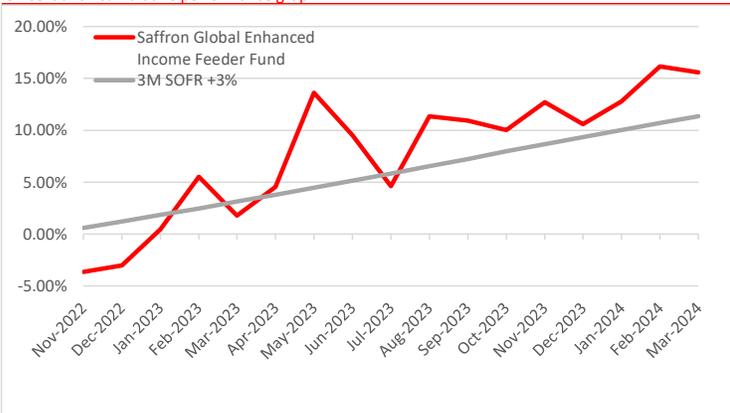
Minimum Disclosure Document (MDD)

31 March 2024



Fund Performance

Since launch cumulative performance graph



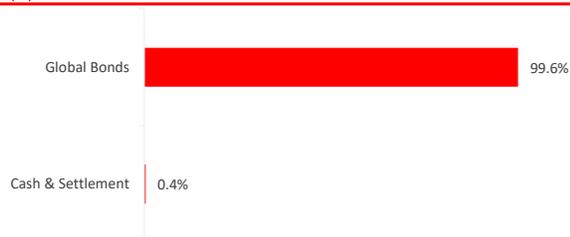
Monthly %	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24
Fund	2.76	9.07	-4.07	-4.94	6.75	-0.42	-0.91	2.70	-2.12	2.17	3.39	-0.56
Benchmark	0.67	0.65	0.68	0.67	0.70	0.70	0.68	0.77	0.68	0.70	0.68	0.42

Yearly %	Mar'23	Mar'24
Fund	1.46	13.68
Benchmark	3.07	8.29

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	13.68	8.29	13.68	8.29
3 Years				
5 Years				
10 Years				
Inception	15.34	11.61	10.69	8.13

Fund Holdings

Asset Allocation (%)



Risk Statistics (1 Year Rolling)

Standard Deviation	4.15%
Sharpe Ratio	0.04
Information Ratio	0.30

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/03/2024

Highest Annual %	16.44%
Lowest Annual %	16.00%

Risk Profile

Low-Moderate Risk

The risk indicator is determined using historical data or, where historical data is not available, using simulated historical data. Historical data, such as is used in calculating the synthetic indicator, may not be a reliable indication of the future risk profile of the Fund. The risk category shown is not a target or a guarantee and may change over time. A category 1 fund is not risk free, the risk of loss is small but the chance of making gains may also be limited. With a category 7 fund, the risk of losing money is high but so also is the possibility of making gains. The risk indicator for the Fund is set at 3 as this reflects the market risk arising from proposed investments.

Annualised return is the weighted average compound growth rate over the period measured.

Fund Objective

The Fund's investment objective is to generate a high level of income and capital appreciation over the medium to long term.

Investment Policy

The portfolio will apart from assets in liquid form, invest solely in the participatory interests of the Saffron BCI Global Enhanced Income Fund, established under the Prescient Global Funds ICAV domiciled in Ireland. The underlying portfolio invests primarily in debt and debt-related securities issued by governments and corporations listed on global recognised exchanges. To the extent that the assets in the portfolio are exposed to exchange rate risk, the manager may enter into financial transactions for the exclusive purpose of hedging such exchange rate risk subject to the conditions and limits as stipulated by the Act.

Fund Information

Fund Manager	Brandon Quinn, CFA
Assistant Fund Manager	Anina Swiegers, CFA
Launch Date	Friday, 4 November 2022
Fund Size	R 120.58 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	114.57 cents
JSE Code	SAFFA
ISIN Number	ZAE000314324
ASISA Fund Classification	Global - Multi Asset - Income
Benchmark	CME Term 3-Month SOFR +3%
Minimum Investment Amount	None
Fee Class	A
Valuation	Daily
Portfolio Valuation Time	08:00 (T+1)
Transaction Cut Off Time	14:00
Regulation 28 Compliant	No

Distribution History (cents per unit)

Income Declaration Date	30 June / 31 January
Income Payment Date	2nd working day of July / January

Cost Ratios

	(%)
TER: 1.18 (PY: 1.18%)	-
TC: -	TIC: 1.18 (PY: 1.18%)

The % of the value of the Fund was incurred as expenses relating to the administration of the Fund.

The % of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.

The % of the value of the Fund was incurred as costs relating to the investment of the Fund.

Fees (Incl. VAT)

	(%)
Annual Service Fee	0.17
Initial Advisory Fee (Max)	3.45
Annual Advice Fee	-
Initial Fee	0.00
Performance Fee	None
Monthly Fixed Admin Fee	R15 (Excl. VAT)



Information & Disclosures

Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.bcis.co.za.

Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.

Actual annual performance figures are available to existing investors on request.

Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

* Monthly Fixed Admin Fee

R15 excl. VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

** Total Expense Ratio (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, the investment decisions of the investment manager and the TER. The prior year ("PY") TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 December 2023, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 31 December 2023.

Risks

Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Effective Annual Cost

Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za. BCI calculates the EAC as per the ASISA standard for a period of 3 years up till the most recent TER reporting period.

FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances, portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

Disclaimer

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Investments in foreign securities may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily. A feeder fund, that a feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

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Investment Manager

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Tel: +27 (21) 441 4100



Fund Manager Quarterly Comment - As at 31 January 2023

The Saffron Global Enhanced Income Fund posted a 1.47% gain in the first quarter of 2024, falling slightly behind its benchmark, the Secured Overnight Financing Rate (SOFR) +3%, which returned 1.98%. The fund remains cautiously positioned to seize potential opportunities in the changing global economic landscape.

Over the quarter, the top-performing asset class was US Treasuries, returning c. 52 basis points, followed by senior unsecured banking instruments at c. 49 basis points, and AT1 securities at c. 42 basis points.

In developed markets, the US Dollar remained strong, with the Dollar Index gaining c. 5.0% due to revised interest rate expectations, with the market anticipating fewer rate cuts later in the year. Conversely, the Euro index lost c. 3.4% over the quarter, influenced by expectations of a divergence in interest rate policies between the US and Eurozone.

Emerging Markets exhibited mixed performance. The South African Rand saw significant depreciation, losing c. 5.50% against the dollar and c. 1.00% against the Euro, despite the Euro's own weakening. The majority of the Rand's decline is attributed to market concerns ahead of the upcoming elections in South Africa. Despite the Rand's downturn, other emerging markets showed strength; the Mexican Peso appreciated by c. 2.50% against the dollar, and the Indian Rupee maintained a relatively stable performance, only losing c. 0.13% against the Dollar.

Over the quarter, equities significantly outperformed bonds. The MSCI World Index posted robust gains, surging by 9.01%, while the MSCI Emerging Markets Index also grew, albeit more modestly, by 2.44%. In contrast, the high yield bond markets presented a mixed picture; the US High Yield Index saw a gain of 1.90%, but the S&P Global Corporate High Yield Index declined by 1.28%. Similarly, the S&P US Aggregate Bond Index experienced a slight downturn, dropping by approximately 0.5%. Emerging market (EM) bonds performed somewhat better, yet still lagged equities, with a return of 1.75% for the quarter.

The US bond curve lifted significantly over the quarter, reflecting the evolving market outlook on anticipated Federal Reserve rate cuts. Initially, there was an expectation for rate reductions as early as January 2024. However, unexpectedly high inflation readings prompted a more cautious stance from the Fed, consequently delaying the onset of the rate-cutting cycle. The Federal Reserve held interest rates steady at a 23-year high of 5.50% for the third consecutive quarter, as it awaits more definitive signs that inflation is under control. Inflation edged up from 3.1% to 3.5% over the quarter, causing the Fed to forego any immediate rate cuts. Fed Chair Powell remains optimistic about the possibility of two rate cuts in the upcoming year, stressing however that they are data dependent. The change in stance resulted in the 2-Year Treasury yield increasing from 4.25% to 4.63%, and the 10-Year Treasury yield climbing from 3.88% to 4.21%. These changes underscore the Fed's "higher for longer" approach in response to the persistent inflation. Despite these fluctuations, the spread in the US 10-year versus 2-year inversion remained almost unchanged, starting the quarter at 38 basis points and closing at 39. US short-dated debt continued to offer attractive yields, maintaining a steady rate of c. 5.36% throughout the period.

In Europe, inflation showed a modest improvement, declining by 0.4% to end the quarter at 2.4% yoy. The decrease was primarily due to lower prices for food and goods. While wage growth has moderated, service price inflation remains high, continuing to exert upward pressure on overall prices. The European Central Bank (ECB) has indicated it is not in a hurry to cut rates and is not aligning its policies with the Fed's actions. The ECB aims to keep rates restrictive to ensure inflation targets are met.

In credit markets, 5-Year USD sovereign credit default swaps (CDS) decreased, moving from 41.1 basis points to 35.0 basis points over the quarter. Notably, South Africa saw a significant increase of 50 basis points, closing the quarter at 253, driven by the uncertainties surrounding its upcoming elections and potential impacts from coalition formations. This contrasted with minor changes in Brazil and Mexico, which only widened by about 4 basis points each. The mixed movements in CDS spreads across different emerging markets highlight varying perceptions of risk and uncertainty, particularly with South Africa's political landscape seen as potentially disruptive. Additional Tier 1 (AT1) had a slower quarter compared to Q4 2023 with the iBoxx CoCo Liquid Developed Europe AT1 returning 2.9% over the quarter compared to the return of last quarter of 7.53%. This muted performance reflects a broader risk-off sentiment influenced by expectations that interest rates will remain high for an extended period.

China's Purchasing Managers Index (PMI) showed significant improvement, recording three consecutive months of gains, from 50.8 to 51.1. This indicates a rising demand for Chinese goods both domestically and internationally. Economic activity in China also saw a robust increase, with a yoy growth rate of 5.3%, surpassing the forecast of 4.8%. Despite setting a 2024 growth target of 5.0%, concerns persist, primarily because the manufacturing sector has disproportionately driven economic expansion while consumer sectors lagged. Significant growth in manufacturing has been fueled by heightened demand for electric vehicles, solar panels, and batteries. This growth trajectory however faces potential challenges as the US and European Union consider measures to curb the influx of these Chinese imports, citing market saturation and its negative impact on domestic industries. Imposing trade tariffs on these products could significantly reduce demand and, consequently, slow China's economic growth. Additionally, the Chinese property market remains a drag on the economy, with property investment falling by 9.5% yoy and new home prices accelerating their decline—dropping 2% in March after a 1.3% decrease in February.

Looking ahead, the fund will continue to redeploy its US Treasury exposure into opportunities which are deemed to offer superior risk adjusted returns.



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