

SAFFRON BCI GLOBAL ENHANCED INCOME FEEDER FUND

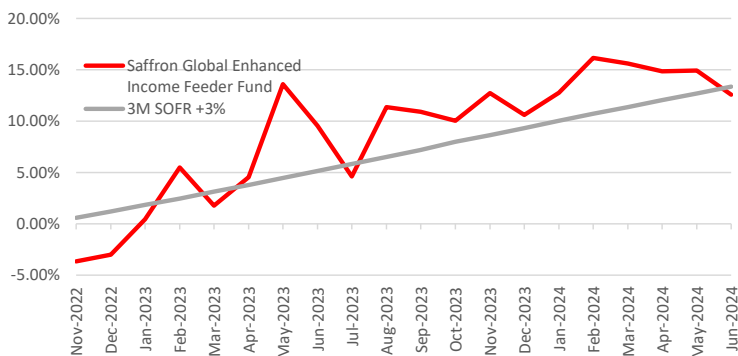
CLASS A

Minimum Disclosure Document (MDD)
30 June 2024



Fund Performance

Since launch cumulative performance graph



| Monthly % | Jul'23 | Aug'23 | Sep'23 | Oct'23 | Nov'23 | Dec'23 | Jan'24 | Feb'24 | Mar'24 | Apr'24 | May'24 | Jun'24 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fund | -4.94 | 6.75 | -0.43 | -0.87 | 2.46 | -2.12 | 2.13 | 3.39 | -0.56 | -0.75 | 0.75 | -2.34 |
| Benchmark | 0.65 | 0.68 | 0.67 | 0.70 | 0.70 | 0.68 | 0.77 | 0.68 | 0.70 | 0.70 | 0.65 | 0.68 |

| Yearly % | Jun'24 |
|-----------|--------|
| Fund | 3.00 |
| Benchmark | 8.56 |

| | Cumulative Return (%) | | Annualised Return (%) | |
|-----------|-----------------------|-----------|-----------------------|-----------|
| | Fund | Benchmark | Fund | Benchmark |
| 1 Year | 3.00 | 8.56 | 3.00 | 8.56 |
| 3 Years | | | | |
| 5 Years | | | | |
| 10 Years | | | | |
| Inception | 17.27 | 14.07 | 10.10 | 8.28 |

Fund Holdings

Asset Allocation (%)



Risk Statistics (1 Year Rolling)

| | |
|--------------------|-------|
| Standard Deviation | 3.07% |
| Sharpe Ratio | 0.03 |
| Information Ratio | -0.11 |

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/06/2024

| | |
|------------------|--------|
| Highest Annual % | 18.83% |
| Lowest Annual % | 1.05% |

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 98.40 million |
| NAV Price (Fund Inception) | 100.00 cents |
| NAV Price as at month end | 111.88 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 |

Asset Allocation

| | |
|-------------------------------------|--------|
| Developed Market (Investment Grade) | 65.53% |
| Fixed Rate Bonds | 65.53% |
| Floating Rate Bonds | 0.00% |
| Emerging Market (Investment Grade) | 11.89% |
| Fixed Rate Bonds | 1.61% |
| Floating Rate Bonds | 10.28% |
| Developed Market (High Yield) | 2.62% |
| Emerging Market (High Yield) | 0.00% |
| Convertibles and Hybrids | 8.74% |
| Listed Property | 0.00% |
| Cash & Money Market | 11.14% |

Top 5 Issuer Exposure

| | |
|-----------------------------------|--------|
| United States Government Treasury | 57.38% |
| ABSA Group LTD | 11.05% |
| Standard Bank Group LTD | 4.14% |
| Sibanye Stillwater LTD | 3.29% |
| Bidvest Group LTD | 2.62% |

Cost Ratios

| TER: | 1.15 (PY: 1.15%) | TC: | - | TIC: | 1.15 (PY: 1.15%) |
|---|------------------|--|---|--|------------------|
| 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 March 2024.

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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Distribution History (cents per unit)

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

Investment Manager

Saffron Wealth (Pty) Ltd
(FSP) License No. 34638
Physical Address: B6 Octo Place, Electron Road, Technopark, Stellenbosch, 7599
Postal Address: Suite 426, Private Bag X5061, Stellenbosch, 7599
Tel: +27 (21) 880 7080
Email: info@saffronwealth.com
Website: www.saffronwealth.com

Management Company Information

Boutique Collective Investments (RF) (Pty) Ltd
Catnia Building, Bella Rosa Village, Bella Rosa Street, Bellville, 7530
Tel: +27 (21) 007 1500/1/2 | +27 (21) 914 1880
Fax: +27 (86) 502 5319
Email: clientservices@bcis.co.za
Website: www.bcis.co.za

Custodian / Trustee Information

The Standard Bank of South Africa Ltd
Tel: +27 (21) 441 4100



Fund Manager Quarterly Comment - As at 30 June 2024

The Saffron Global Enhanced Income Fund posted a 1.77% gain in the second quarter of 2024, slightly lagging its benchmark, the Secured Overnight Financing Rate (SOFR) +3%, which returned 2.02%. In the last year the fund posted a return of 6.34% while the benchmark returned 8.56%. Over the quarter, the top-performing asset class in the fund was US Treasuries, contributing c. 61 basis points. This was followed by senior unsecured bank instruments at c. 30 basis points and junior subordinated securities at c. 17 basis points.

The US bond curve was stable over the quarter. The short end closed relatively unchanged, while the long end experienced a slight upward shift in yields with the 10-Year yield ticking higher from 4.33% to 4.36%. Since the US Federal Reserve started hiking rates in 2022, inflation has reduced from multi-decade highs, while maintaining positive growth and near-record low unemployment rates. Despite encouraging inflation reports, the Federal Reserve stated it is in no rush to cut interest rates early in the year, as it seeks more evidence that inflation is easing. Inflation measures released at the end of the quarter indicated that overall prices were flat in May, with a core reading excluding volatile food and energy items ticking up by 0.10%, nudging the annual increase in core prices down from 2.80% to 2.60%, the lowest since March 2021. The FRA markets currently estimate the first rate cut to occur in mid-September, with a likely second cut by the end of 2024.

In Europe, the European Central Bank cut rates from 4.50% to 4.25%. Inflation in the Eurozone reached c. 2.50% in June, a slight decrease from May. Any further cuts will be tentative, pending evidence of continued downward inflation trends. The ECB has deemed the current inflation rate insufficient to justify further rate cuts for now.

In the United Kingdom, the Bank of England (BOE) held their rates constant at a 16-year high of 5.25% despite measures of inflation indicating that inflation had slowed to 2.00% in May, a level which is in line with their target. Despite this, the BOE remains hesitant to cut rates and has stated that they require clear and definitive proof that inflation will stay low after rates have been cut. Inflation in certain sectors remains high, such as the services sector where inflation was 5.70%y-o-y. There have also been indications that wage growth would be stubborn in the coming months, dampening BOE hopes to cut rates further. Several members of the monetary policy committee have stated that their decision to keep rates steady was "finely balanced," indicating potential switches at the next policy meeting in August, barring any major surprises in inflation figures.

In Developed Market currency markets, the US Dollar saw slight gains, as the US Dollar index appreciated by c. 1.40% over the quarter. This appreciation was largely driven by the strength of the US economy. Despite high interest rates, the US economy performed as indicated by the labour markets low unemployment figure of 4.00%. In the Eurozone, the Euro remained relatively flat over the quarter, with the Euro currency index losing c. 0.05%, while the British Pound index gained roughly 0.22% over the quarter. The Japanese Yen depreciated substantially over the quarter compared to developed market peers, as the Japanese Yen index lost c. 6.10% over the quarter. One major contributor to the Yen weakness was the fading expectations of near-term interest rate cuts by the FED, maintaining the wide gap in the yields between the US-Yen higher for longer. China added to the negative performance in the Asian market with the Chinese Yuan losing c. 0.51% to the United States Dollar over the quarter.

Commodities showed mixed performance over the quarter, with the CRB Food index losing 1.86% while the CRB Metals index saw much stronger performance with a gain of 7.74%. The best-performing metals over the quarter were Platinum, Iron Ore, and Gold, with gains of 9.32%, 6.74%, and 5.40%, respectively. Gold and Platinum's strong performance can be attributed to the expectations of incoming rate cuts by the United States Federal Reserve, which spurs demand for bullion investments.

Equities saw another strong quarter, with the MSCI World Index posting a return of c. 8.32% and the MSCI Emerging Markets Index returning 4.82%. Bond markets also saw positive returns, albeit more modest than equities. The US High Yield Index gained 1.90%, and the S&P Global Corporate High Yield Index rose by c. 2.00%. Emerging markets experienced weaker performance, with the iShares J.P. Morgan USD Emerging Markets Bond losing c. 1.14% over the quarter.

In credit markets, 5-Year USD sovereign credit default swaps (CDS) decreased slightly from the previous quarter, moving from 36 basis points to c. 34.50 basis points. A notable change occurred in the South African market, where the 5-Year CDS dropped by 53 basis points, from 260 to 207 basis points, driven by positive election outcomes and the formation of the GNU. In contrast, Brazil saw an increase in CDS spreads from 143 basis points to 168, and Mexico saw an increase from 99 to 108, following turbulent elections. AT1 securities performed well over the quarter, with the iBoxx CoCo Liquid Developed Europe AT1 returning 2.64%. However, this return remains muted compared to Q4 2023, which showed a return of 7.53%, reflecting broader market caution regarding inflation uncertainty and potential rate adjustments by central banks. Additionally, the 5-Year ITRAXX Europe saw a widening of spreads of c. 22 basis points, starting the quarter at c. 297 and closing at c. 319.

Emerging markets exhibited mixed performance. The South African Rand saw significant gains, appreciating by c. 4.60% against the dollar and 4.50% against the Euro. This appreciation was mainly due to the absence of loadshedding during the winter months and a landmark election that saw the ANC lose the majority of votes for the first time since 1994, leading to the formation of a Government of National Unity (GNU) with the Democratic Alliance (DA). Conversely, the Mexican Peso weakened significantly, losing c. 10.50% against the dollar. This decline was attributed to a controversial election, which allowed President-elect Claudia Sheinbaum's administration to push through a contentious package of reforms, unsettling markets and leading to the Peso's depreciation. The Brazilian Real saw a similar outcome to the Mexican Peso, weakening by c. 10.20% against the US Dollar, attributed to the current fiscal framework implemented by the Lula Government a year ago. The market views the policy as lacking credibility with a high risk of revisions. Additionally, the disconnect between objectives of the Lula Government and the Brazilian Central Bank has also added to market uncertainty, as current fiscal policies implemented by the Lula Government are expansionary in nature while the Brazilian Central Bank is trying to cool inflation rates to 3.00% after revising their inflation target from 4.50%. Despite the general weakness in Emerging Market currencies, the Turkish Lira managed a much stronger quarter compared to its peers, only weakening by c. 0.91% vs USD. The sideways movement over the last quarter is attributed to the expected relief in inflation, with consensus that inflation has reached its peak.

China's Purchasing Managers Index (PMI) showed a significant decline, with the Caixin/S&P Global Services PMI falling to 51.2 in June from 54.0 in May, marking the lowest reading since October 2023. This suggests slower growth in new orders and indicates that more economic stimulus may be needed. Despite this, China's exports jumped by 7.60% in May, marking the fastest pace since April 2023. Industrial output grew by 5.60% in May from a year ago, compared to April's 6.70% increase. Retail sales increased by 3.70% in May, accelerating from a 2.30% rise in April, largely driven by government trade-in programs for used cars and old home appliances aimed at boosting domestic consumption. However, China's property market remains a concern, with prices in 70 major cities down 0.70% in May from April, marking the steepest month-on-month drop since October 2014.

The fund remained cautiously positioned with a duration of 0.94y and a large cash holding available for market opportunities



Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
BCom (Hons), CFA

