SAFFRON BCI OPPORTUNITY INCOME FUND

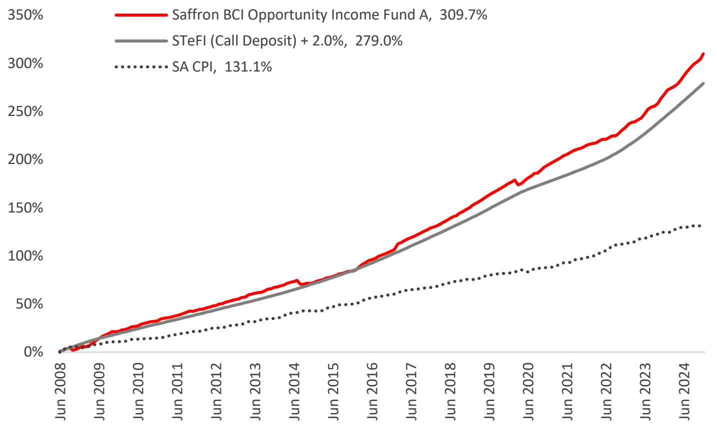
CLASS A

Minimum Disclosure Document (MDD)
31 December 2024

MF = Main Fund ; RF = Retention Fund

Fund Performance

Since launch cumulative performance graph



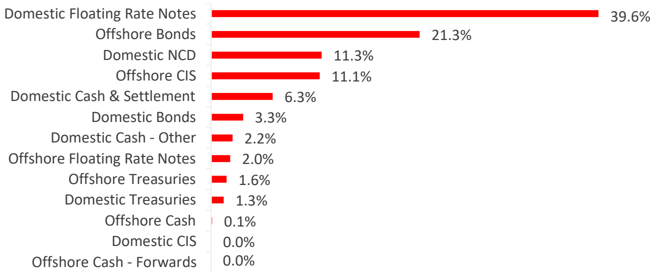
Monthly %	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24	Nov'24	Dec'24
Fund (MF)	1.19	0.48	0.49	0.63	1.02	1.29	1.17	0.93	0.97	0.55	0.70	1.44
Benchmark	0.84	0.79	0.84	0.81	0.84	0.81	0.84	0.82	0.84	0.83	0.79	0.81
RF	-	-	-31.73	-0.03	-	-0.01	-	-	-0.01	-0.01	-	-51.58
MF + RF	1.19	0.48	-0.54	0.61	0.99	1.24	1.13	0.90	0.94	0.53	0.68	-0.26

Yearly %	Dec'13	Dec'14	Dec'15	Dec'16	Dec'17	Dec'18	Dec'19	Dec'20	Dec'21	Dec'22	Dec'23	Dec'24
Fund (MF)	8.16	2.84	6.94	11.43	11.61	9.22	10.03	6.92	7.02	5.89	10.40	11.41
Benchmark	6.88	7.52	7.91	8.98	9.02	8.70	8.77	6.61	5.59	7.02	9.96	10.32
RF												-66.96
MF + RF												8.17

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	11.41	10.32	8.16	2.93	11.41	10.32	8.16	2.93
3 Years	30.23	29.83	22.34	16.70	9.20	9.09	6.95	5.28
5 Years	49.02	46.16	32.38	26.91	8.30	7.89	5.77	4.88
10 Years	138.18	121.55	81.75	61.79	9.07	8.28	6.16	4.93
Inception	309.68	279.26	173.07	134.82	8.87	8.37	6.24	5.28

Fund Holdings

Asset Allocation (%); *(May not add up to 100% due to rounding)*



Risk Statistics (3 Year Rolling)

Standard Deviation	1.40
Sharpe Ratio	-0.13
Information Ratio	0.03
Maximum Drawdown	-0.07

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2024

Highest Annual %	18.73%
Lowest Annual %	2.84%

Risk Profile

Low-Moderate Risk

Where the asset allocation contained in this MDD reflects offshore and equity exposure, the portfolio is exposed to currency and equity risks. The portfolio is exposed to default and interest rate risks. Therefore, it is suitable for medium term investment horizons. The expected potential long-term investment returns are lower but less volatile over the medium to long term than higher risk portfolios.

Effective 25/03/2022: Manager change from SCI. Removel of Regulation 28. Annualised return is the weighted compound growth rate over the period measured.

Fund Objective

The Saffron BCI Opportunity Income Fund is a specialist income portfolio that seeks investment opportunities that meet the objective of delivering an enhanced level of income and stability on capital invested.

Investment Policy

In order to achieve this objective, the investments normally to be included in the portfolio will comprise a combination of assets in liquid form, bonds, inflation linked bonds, loan stock, notes, debentures, debenture bonds, convertible bonds, preference shares, listed property securities and property related securities, money market instruments, corporate debt, convertible equities, other interest-bearing securities and non-equity securities. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes. The portfolio may from time to time invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Fund Information

Fund Manager	Brandon Quinn
Launch Date	02 June 2008
Fund Size	ZAR 1079.10 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	135.44 cents
JSE Code	MIPP
ISIN Number	ZAE000120044
ASISA Fund Classification	South African - Multi Asset - Income
Benchmark	STeFI Call Deposit index plus 2% p.a.
Minimum Investment Amount	None
Monthly Fixed Admin Fee*	R15 excl. VAT on all direct investor accounts with balances of less than R100,000
Valuation	Daily
Portfolio Valuation Time	15:00
Transaction Cut Off Time	14:00
Regulation 28 Compliant	No

Distribution History (cents per unit)

02/01/2025	2.16	02/01/2024	2.41	03/01/2023	2.06
01/10/2024	2.29	02/10/2023	2.40	03/10/2022	2.09
01/07/2024	2.21	03/07/2023	2.33	01/07/2022	1.81
02/04/2024	2.18	03/04/2023	2.29	01/04/2022	0.05

Income Declaration Date	31 March, 30 June, 30 September & 31 December
Income Payment Date	2nd business day of April, July, October & January

Cost Ratios (%)

TER:** 1.28% (PY: 1.26%)	**TC:** 0.01% (PY: 0.01%)	**TIC:** 1.29% (PY: 1.27%)
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

Fees (Incl. VAT) (%)

Annual Service Fee	1.15
Initial Advisory Fee (Max)	3.45
Annual Advice Fee	0.00 - 1.15 (if applicable)
Initial Fee	0.00
Performance Fee	None

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 30 September 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 is part of the Apex Group Ltd. 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.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.

Please refer to the retention portfolio's MDD for the portfolio's performance disclosures including the impact of the retention portfolio.

Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website (www.bcis.co.za).

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 31 December 2024

The fund (Class A) returned +2.71% and +11.41% over the quarter and year respectively, while the benchmark (STeFI Call Deposit +2.0%) returned +2.45% and 10.32%. Over a rolling one-year period, the fund return exceeded the enhanced cash benchmark during a period of notable market volatility and bond strength. The 1-year average for the ASISA category was 10.71%. Domestic Floating Rate Notes (+1.52%), Net Offshore Assets (+0.67%), and Domestic NCDs (+0.31%) were the main contributors to the return over the quarter.

The Federal Reserve's decision to cut rates by 25bps to the 4.25-4.50% in December range was largely expected, but the market reacted strongly, with Treasury yields rising and the S&P 500 falling by 3%. This response stemmed from the Fed's shift towards a more cautious approach to monetary policy. Chair Powell emphasised that the Fed is entering a new phase of more careful decision-making, driven by ongoing inflation risks and economic resilience. The updated economic projections showed stronger-than-expected GDP growth and lower unemployment, but inflation remained a concern, with the PCE inflation forecast revised higher. As a result, the Fed now anticipates only two rate cuts in 2025, down from the four cuts previously expected. This cautious stance, however, is influenced by uncertainty around future policies, especially those from President-elect Trump, whose potential policy moves add an extra layer of unpredictability to the Fed's outlook. Over the quarter, yields on US 5-year and 10-year bonds lifted by 84 bps and 80 bps, respectively, while the DXY (US Dollar Index) gained 7.72%. Looking over the year, 5-year and 10-year yields lifted by 53 bps and 69 bps, respectively, with the DXY up by 7.06%.

Similarly, the European Central Bank (ECB) cut its policy rates by 25bps at their last meeting, bringing the Deposit rate to 3.00%, the Main refinancing rate to 3.15%, and the Marginal lending rate to 3.40%, in line with expectations. While a 50bps cut had been considered, all members ultimately favoured the smaller reduction. The tone of the accompanying statement shifted to a more dovish stance, dropping the previous emphasis on keeping rates restrictive and instead highlighting two-sided risks to inflation. Despite a stronger-than-expected GDP growth forecast for 2024, the ECB downgraded its growth projections for 2025 and 2026, adding a cautious tone to the outlook. President Lagarde noted that inflation risks remain, especially domestically, and that inflation control is not yet guaranteed. She also suggested that the ECB's direction is clear, with further rate cuts likely, though the pace and extent of those cuts remain uncertain. The ECB's forecasts are based on assumptions about global tariffs, but uncertainty around US policies, particularly with the potential for tariffs under President Trump, could alter the outlook. For now, the ECB's future rate cuts are expected to be gradual, with a projected Deposit rate of 1.50% by the end of 2025, although the outlook is subject to change as trade and geopolitical uncertainties persist.

In the UK, the Bank of England's Monetary Policy Committee (MPC) kept the Bank rate on hold at 4.75% during its final meeting of 2024, as expected. However, three members disagreed, voting for a 25bps rate cut, which slightly boosted expectations for future cuts and caused a small dip in the pound. The MPC faces significant uncertainty, particularly regarding the impact of National Insurance hikes and potential US tariff increases on inflation, both of which remain unclear. Recent data presented a mixed picture: while inflation showed signs of persistence, particularly in wages and household expectations, economic growth indicators suggested a loss of momentum, which could reduce inflationary pressures in the longer term. Market expectations now include two to three rate cuts next year, with the first likely in May, though the pace and extent of cuts will depend on how the economic and trade uncertainty unfolds.

The VIX Index, a key gauge of market volatility, closed at 17.35, reflecting an increase of 0.62 points. The J.P. Morgan Emerging Market Bond Index (EMBI) Sovereign Spread tightened by approximately 30 basis points, ending the quarter at 364 bps, while the index posted a negative return of -2.12%, driven by higher US interest rates. In credit spreads, South Africa's 5-year Credit Default Swap (CDS) spread widened by 15 bps to 193 bps, and Brazil's widened by 64 bps to 216 bps. Conversely, Turkey's spread tightened by 7 bps to 263 bps.

In the energy sector, Brent crude oil ended the quarter at USD 72.64 per barrel, marking a 3.94% increase. Commodity prices, important for many emerging-market economies, showed mixed results. The CRB Food Index rose by 3.07%, while the CRB Commodities Index fell slightly by -0.70%. The CRB Metals Index posted a more significant loss of -5.79%. Within metals, prices for gold, palladium, platinum, iron ore, and copper were generally weaker, with returns of -0.56%, -9.50%, -8.15%, -7.41%, and -10.72%, respectively. Over the past 12 months, gold was the best-performing metal, delivering a solid return of 27.22%, while iron ore saw the greatest decline, falling by -27.81%.

The South African rand depreciated by -9.11% against the US dollar, -1.48% against the euro, and -1.98% against the pound during the quarter, a decline that mirrored trends in the metals markets. This correlation highlights the significant role that commodity prices, particularly platinum and copper, play in South Africa's export-driven economy. Over the past year, the USD/ZAR exchange rate fell by -2.60%, while the CRB Metals Index posted a near-flat return of -0.38%. In terms of asset class performance, cash (SteFI) was the best performer, returning +2.01%, followed by inflation-linked bonds (CILI TR Index) at +0.83%, and nominal bonds (ALBI TR Index) at +0.43%. Equities (JALSHTR Index) and listed property (JSAPYTR Index) posted negative returns of -2.14% and -0.83%, respectively. Over the past year, property emerged as the top-performing asset class, delivering an impressive return of +28.96%.

In a significant move, S&P Global Ratings has revised South Africa's credit ratings outlook from stable to positive. While the country remains below investment grade, the improved outlook reflects optimism about South Africa's reform program, increased political stability, and potential GDP growth.

The South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) decided to cut the repo rate by 25bps to 7.75%, aligning with expectations, but adopting a cautious stance on future easing. While acknowledging positive factors like lower inflation, a more stable exchange rate, and falling oil prices, the MPC highlighted medium-term risks, such as administered price hikes and potential wage increases, which could push inflation higher. Inflation forecasts for 2024 were revised down to 4.5%, but projections for 2025 and 2026 were raised due to expected increases in food and electricity prices. Despite a stable inflation outlook in the near term, the MPC expressed concerns about global and domestic inflation risks, including a weaker rand and rising global interest rates. The SARB's growth outlook is more optimistic, with a projected 2% growth by 2027, supported by domestic reforms and improved disposable income. However, the MPC's cautious approach risks missing an opportunity to stimulate demand and accelerate structural reforms. The Quarterly Projection Model now indicates only two repo rate cuts in 2025, down from three previously. The 3-month JIBAR rate tightened to 7.75% (down 30 bps), while the 12-month T-bill average yield increased to 8.42% (from 8.30%). The South African bond market was muted after its rally earlier in the year on the back of the positive outcome of the national elections. The SAGB yield curve lifted, with the short-end R186 and R2032 yields lifting by 33 bps and 26 bps, respectively, and the long-end R209 and R2044 yields tightening by 37 bps and 40 bps, respectively.

Looking ahead, while major central banks have begun their rate-cutting cycles and may be nearing the end of these adjustments, risks remain from potential inflation surprises, particularly related to food and energy prices, as well as ongoing global geopolitical tensions and shifts in trade policies. The fund is strategically positioned to align with prevailing economic conditions by holding positions across both the short and long ends of the rates market. This approach allows us to benefit from stable policy rates in the near term while capturing higher yields in longer-duration bonds as inflation expectations normalise. At the end of the quarter, the fund's duration increased to 0.90 years from 0.61 years, adding duration into bond weakness. The running yield of 9.61% remains attractive. High cash balances provide further flexibility, positioning the fund to capitalise on value opportunities anticipated in the late stages of the global business cycle, in line with our objective of achieving Cash (STeFI Call Deposit) +2.0%.

Portfolio Manager
Brandon Quinn
BCom, CFA

Assistant Manager
Anina Swiegers
BCom (Hons), CFA

SAFFRON WEALTH
FUND MANAGEMENT

FUND ROCK

BOUTIQUE COLLECTIVE INVESTMENTS