

SAFFRON BCI ACTIVE BOND FUND

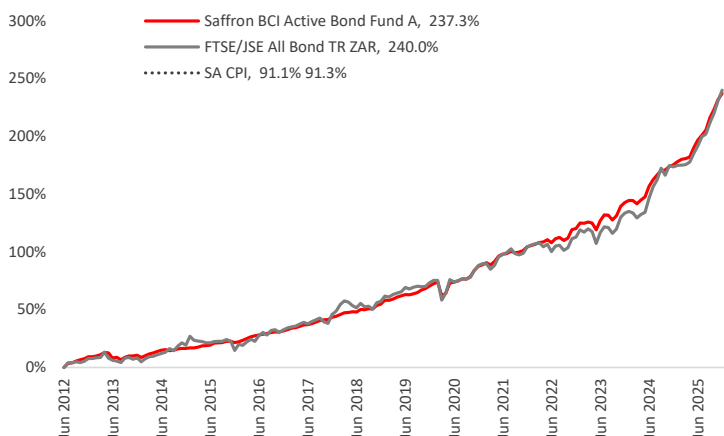
CLASS A

Minimum Disclosure Document (MDD)
31 December 2025



Fund Performance

Since launch cumulative performance graph



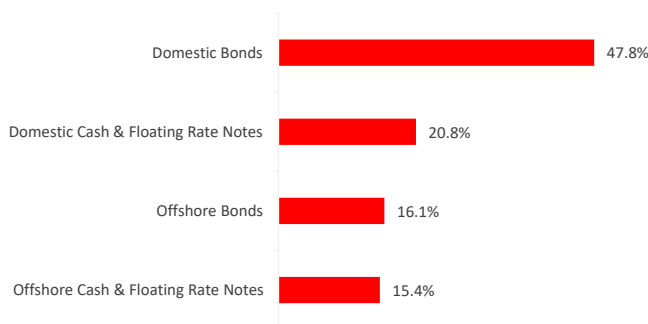
Monthly %	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sept'25	Oct'25	Nov'25	Dec'25
Fund	1.01	0.77	0.22	0.47	2.81	2.33	1.34	1.59	3.49	2.22	2.64	1.63
Benchmark	0.44	0.07	0.19	0.76	2.73	2.28	2.73	0.75	3.32	2.56	3.45	2.70

Yearly %	Dec'14	Dec'15	Dec'16	Dec'17	Dec'18	Dec'19	Dec'20	Dec'21	Dec'22	Dec'23	Dec'24	Dec'25
Fund	5.36	4.25	8.25	8.99	7.97	10.24	9.89	9.02	7.68	10.24	13.47	22.50
Benchmark	10.15	-3.93	15.42	10.24	7.69	10.32	8.65	8.40	4.26	9.70	17.18	24.24

	Cumulative Return (%)				Annualised Return (%)			
	Fund	Benchmark	Cash	Inflation	Fund	Benchmark	Cash	Inflation
1 Year	22.50	24.24	7.26	3.50	22.50	24.24	7.26	3.50
3 Years	53.22	59.70	25.06	12.39	15.29	16.89	7.74	3.97
5 Years	79.87	80.50	35.85	27.34	12.46	12.54	6.32	4.95
10 Years	177.57	196.47	84.27	59.57	10.75	11.48	6.30	4.78
Inception	237.33	240.02	120.58	91.13	9.43	9.49	6.03	4.92

Fund Holdings

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



Risk Statistics (3 Year Rolling)

Standard Deviation	5.05
Sharpe Ratio	0.68
Information Ratio	-0.50
Maximum Drawdown	-2.95

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2025

Highest Annual %	22.50%
Lowest Annual %	-0.75%

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.

Fund Objective

The Saffron BCI Active Bond Fund is an actively managed fixed interest portfolio that invests mainly in nominal and inflation linked government bonds and corporate bonds, with the aim to provide inflation beating returns.

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 and a combination of bonds and interest-bearing securities, including loan stock, debentures, debenture bonds, notes, money market instruments, corporate debt 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	Monday, 2 July 2012
Fund Size	ZAR 549.67 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	175.83 cents
JSE Code	MSIL
ISIN Number	ZAE000168241
ASISA Fund Classification	South African - Interest Bearing - Variable Term
Benchmark	JSE All Bond Index (ALBI)
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)

02/01/2026	2.28	02/01/2025	2.22	02/01/2024	2.39
01/10/2025	2.09	01/10/2024	2.24	02/10/2023	2.41
01/07/2025	2.13	01/07/2024	2.25	03/07/2023	2.55
01/04/2025	2.14	02/04/2024	2.41	03/04/2023	2.40

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**:	TC:	TIC:
1.40% (PY: 1.40%)	0.02% (PY: 0.02%)	1.42% (PY: 1.42%)
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

Effective 25/03/2022: Manager change from SCI. Name change from Saffron SCI Active Bond Fund. Benchmark change from CPI + 2%. ASISA Category change from SA Multi Asset Income. Removal of Reg 28. Annualised return is the weighted average compound growth rate over the period measured.



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 2024, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2025.

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.

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

Investment Manager

Saffron Wealth (Pty) Ltd

(FSP) License No. 34638

Physical Address: Block D, First Floor, Capital Place, Neutron Road, Techno Park, Stellenbosch

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



The fund (Class A) delivered another strong quarterly return of 6.63%, underperforming its benchmark, the ALBI (8.79%), and the ASISA South African Interest-Bearing Variable Term category average (8.13%). Key contributors to the return included Domestic Bonds (+4.26%), Net Offshore Exposure (+0.90%), and Domestic Floating Rate Notes (+0.92%). Over the 12-month period, the fund delivered an impressive return of 22.50%, outperforming the category average (21.58%) but lagging the benchmark (24.24%).

This quarter saw a busy period for central banks. The US Federal Reserve (Fed) cut rates by 25 bps to 3.50–3.75%, highlighting that policy is now at the upper end of neutral and signalling a cautious, wait-and-see approach. Chair Powell noted that underlying inflation is close to 2% once tariff effects are removed, while the labour market appears weaker than headline data suggest, justifying the cut. The Bank of England (BoE) also cut rates by 25 bps, but a narrow 5-4 vote on the Monetary Policy Committee (MPC) and cautious language in the minutes point to a hawkish cut, indicating limited appetite for further easing despite recent softer inflation. Meanwhile, the European Central Bank (ECB) left policy unchanged, keeping the deposit rate at 2.00% and describing policy as in a “good place”, though upgraded growth and inflation projections give a mildly hawkish tone, reducing the likelihood of future rate cuts. Overall, major central banks are entering a period of pause, focused on monitoring economic developments. Future moves will depend on how inflation, growth, and employment evolve, with the Fed likely approaching the end of its easing cycle, the BoE signalling cautious flexibility, and the ECB maintaining a watchful, steady approach.

The VIX Index, a key gauge of market volatility, ended the quarter lower at 14.95, trading in a wide range of 13.5 to 26.4, but still well below its second-quarter peak above 50 amid tariff-related uncertainty. Emerging market debt continued to perform strongly, with the J.P. Morgan EMBI Sovereign Spread tightening by around 18 bps to 270 bps and the index delivering a +3.0% return, supported by flat US interest rates and continued robust demand for emerging market credit. In CDS markets, spreads tightened across the board: South Africa’s 5-year CDS tightened more than 30 bps to 135 bps, Turkey’s by more than 50 bps to 205 bps, while Brazil’s spread remained flat at 138 bps.

Broad US dollar weakness over the past year has been a key driver of these trends, boosting commodities, resource-rich emerging markets, and investor risk appetite more generally. The DXY Index fell roughly 9.4% YTD, partially offset by a +0.5% gain in Q4. Commodity performance was mixed: the CRB Commodity Index fell 1.1% in Q4 but rose 0.6% YTD. Within the commodity complex, metals and industrials delivered substantial gains, with the CRB Metals and CRB Industrials indices up 17.5% and 9.0% YTD, respectively, while the CRB Food Index fell 10.3% YTD. Oil traded in an approximately USD 7 range, trading lower at USD 60.9 per barrel over the quarter (-18.5% YTD). Precious metals again led the way, with platinum and palladium posting exceptionally strong returns of 29.0% and 27.0% for the quarter, and an impressive 127.0% and 77.5% YTD, respectively. Gold also advanced, rising 11.5% QTD (64.6% YTD), while copper gained 21.8% QTD (43.9% YTD).

Currency markets reflected the impact of dollar weakness and commodity-driven gains. The euro rose slightly over the quarter against the dollar, but its year-to-date gain of 13.4% underscores a very strong appreciation. The South African rand also strengthened against major developed-market currencies, gaining 4.3% versus the dollar, 4.0% versus the euro, and 3.9% versus the pound, supported by a strong rally in commodities. Year-to-date, however, the rand has appreciated 12.2% against the dollar, 5.3% against the pound, and traded largely flat against the euro, highlighting the divergent influence of global and domestic factors.

The South African Reserve Bank cut the repo rate by 25bps to 6.75% in a unanimous vote, citing scope to ease policy amid an improved inflation outlook. Headline inflation eased to 3.5% in November, while core and food prices rose modestly. Medium-term CPI is expected to average 3.1% in 2026 and 3.5% by 2028, supported by lower oil prices, a stronger rand, and imported disinflation. The formal adoption of a 3% inflation target with a 1% tolerance band in the Medium-Term Budget Policy Statement provides additional guidance for monetary policy.

The South African economy is supported by elevated commodity prices, fiscal gains, infrastructure improvements, the removal from the FATF grey list, and an S&P rating upgrade. Structural constraints, including low growth potential, high unemployment, fiscal fragility, and political uncertainties around the Government of National Unity, remain. GDP growth is forecast at 1.5% in 2026. On funding, the Treasury has reduced weekly nominal bond issuance by R750m, revised borrowing requirements lower and issued a new dual-tranche US dollar Eurobond raising USD3.5bn. Alternative instruments, including floating-rate notes, linkers, and Sukuk, alongside strong cash buffers, support a manageable funding outlook, although fiscal risks persist. These developments, combined with supportive macro fundamentals, have contributed to strong performance across South African asset markets.

Turning to SA asset classes, property (JSAPY TR Index) were the top performers over the quarter, returning 16.27%, followed by nominal bonds (ALBI TR Index, 8.96%), equities (JALSHTR Index, 8.10%), and inflation-linked bonds (CILI TR Index, 8.10%). YTD, equities remain the standout performer at 42.4%, followed by property (30.6%) and nominal bonds (24.2%).

In the SA rates market, the 3-month JIBAR fell 25 bps to 6.75%, while the average yield on 12-month Treasury bills eased to 7.23% from 7.50%. At the time of writing, the FRA curve is pricing in approximately 50 bps of further cuts, with the first 25 bp reduction expected in six months. South African government bond (SAGB) yields continued to rally, reflecting improved emerging market sentiment and the SARB’s inflation policy stance. In Q4, the short-end R2032 yield fell 80 bps, while the longer-dated R2053 yield decreased 121 bps. This rally across the curve, driven largely by demand for mid- to long-duration bonds, saw the 12+ year ALBI bucket return 13.07%, the 7–12 year bucket 9.17%, the 3–7 year bucket 4.95%, and the 1–3 year bucket 2.48%. YTD, the best-performing segment was the 12+ year bucket, returning 31.21%.

Looking ahead, although major central banks appear to be nearing the end of their rate-cutting cycles, risks persist from potential inflation surprises from ongoing geopolitical tensions and shifts in global trade policies. The fund is strategically positioned at the short end of the curve in anticipation of stable policy rates, whilst expecting more attractive risk-adjusted entry points in longer dated bonds in the short/medium term.

The fund’s duration decreased to 4.01 years from 5.47 years at quarter-end, benefiting from the continued strong performance of duration assets. The fund also maintains an attractive gross running yield of 9.54%. By comparison, the ALBI reflected a modified duration of 6.45 years and a yield of 8.37% at quarter-end, highlighting the fund’s ability to deliver a superior yield pick-up while assuming lower duration risk than the benchmark.



Portfolio Manager
Brandon Quinn
BCom, CFA



Assistant Manager
Anina Swiegers
BCom (Hons), CFA

