



Opportunities in Global Fixed Income

14 MAY 2025

SAFFRON WEALTH INVESTMENT TEAM



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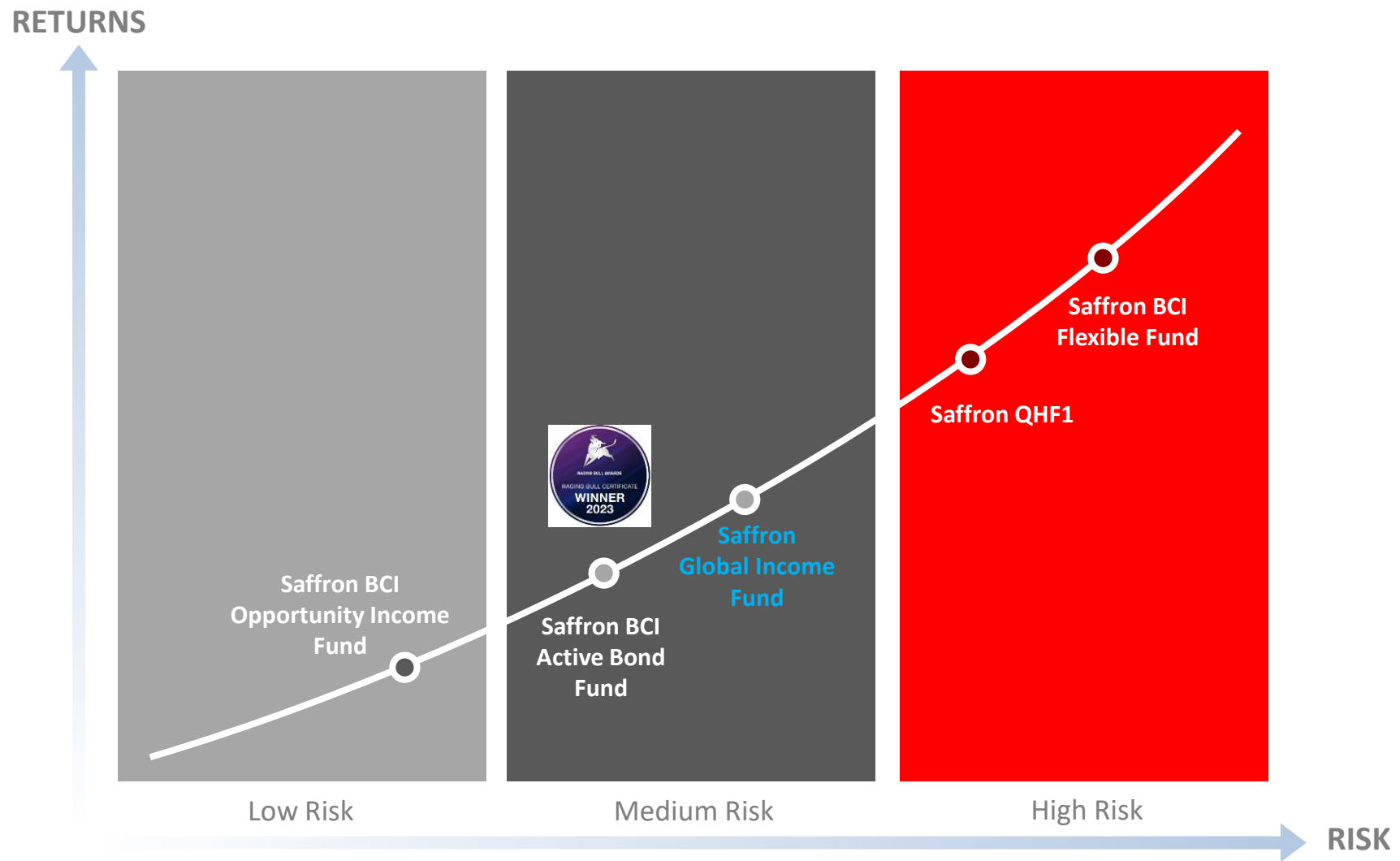


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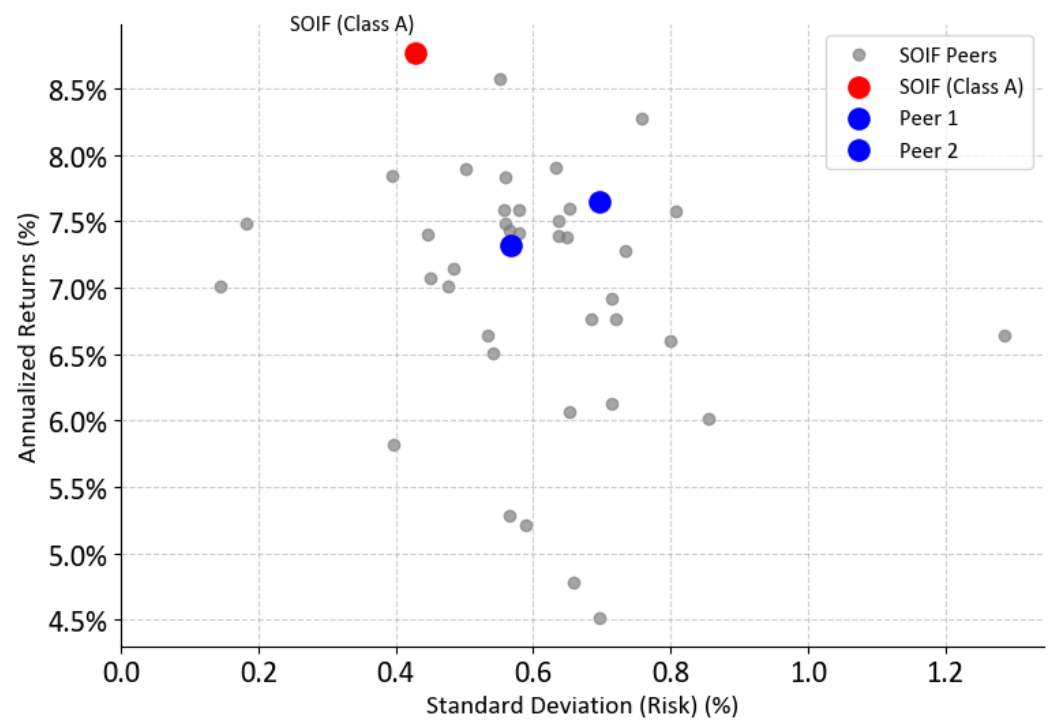
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SAFFRON INVESTMENT STRATEGIES



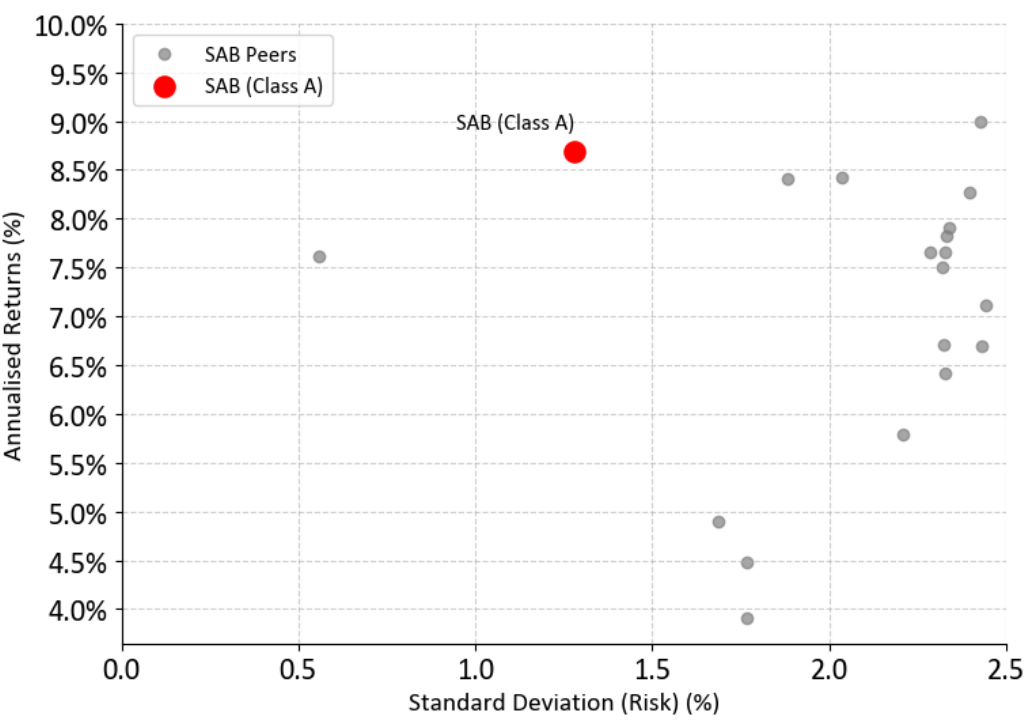
SAFFRON INVESTMENT STRATEGIES

Saffron BCI Opportunity Income Fund (inception = 02/06/2008)



	FUND RETURNS (as at 31/03/2025)	BENCHMARK RETURNS (STeFI Call +2.0%)
1 year return	11.31%	10.14%
3 year return (annualised)	9.64%	9.41%
5 year return (annualised)	8.86%	7.94%
10 year return (annualised)	9.09%	8.33%
Max monthly return since inception	2.75%	
Min monthly return since inception	-2.36%	

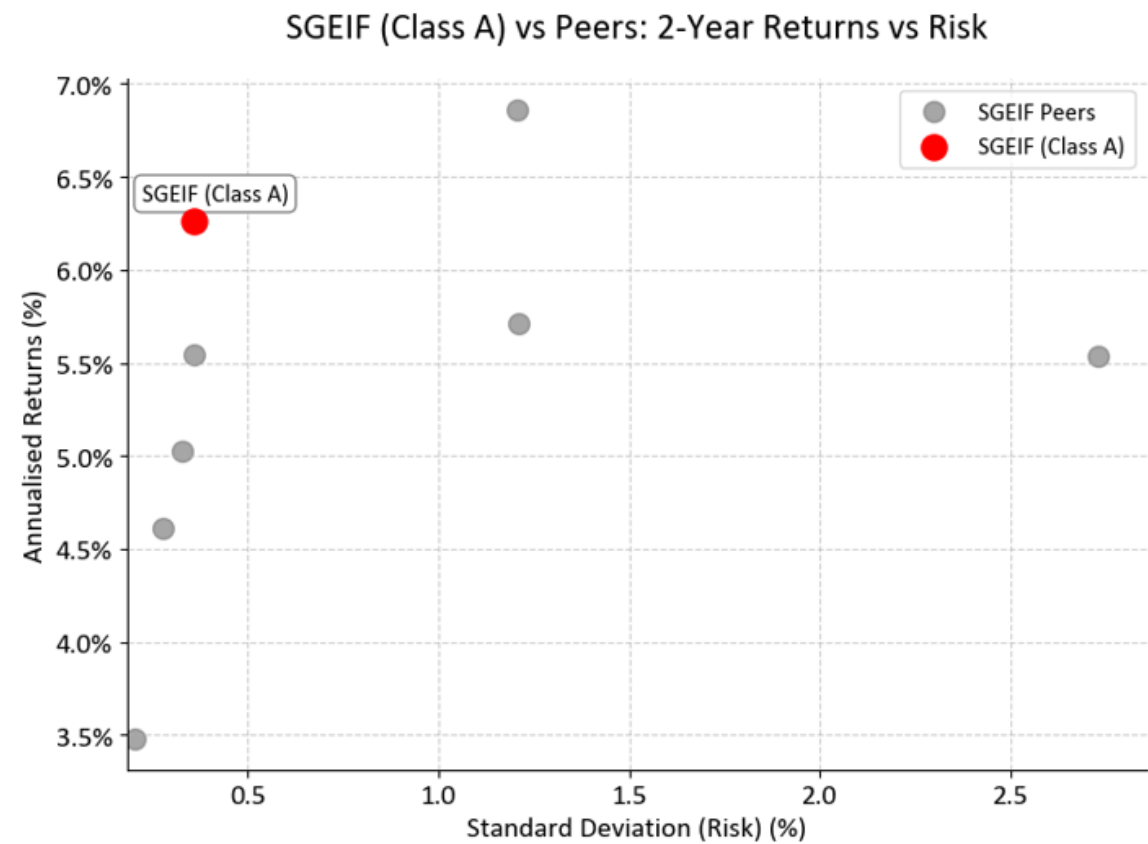
Saffron BCI Active Bond Fund (inception = 02/07/2012)



	FUND RETURNS (AS AT 31/03/2025)	BENCHMARK RETURNS (FTSE/JSE All Bond TR ZAR)
1 year return	16.18%	20.16%
3 year return (annualised)	10.52%	9.83%
5 year return (annualised)	11.66%	11.73%
10 year return (annualised)	9.11%	8.41%
Max monthly return since inception	5.44%	
Min monthly return since inception	-7.05%	

Source:
Bloomberg
and
Saffron
Wealth;
Date: 31
March
2025

SAFFRON INVESTMENT STRATEGIES



	FUND RETURNS (as at 31/03/2025)	BENCHMARK RETURNS (SOFR +3%)
1 year return	5.81%	7.99%
2 year return (annualised)	6.53%	8.21%

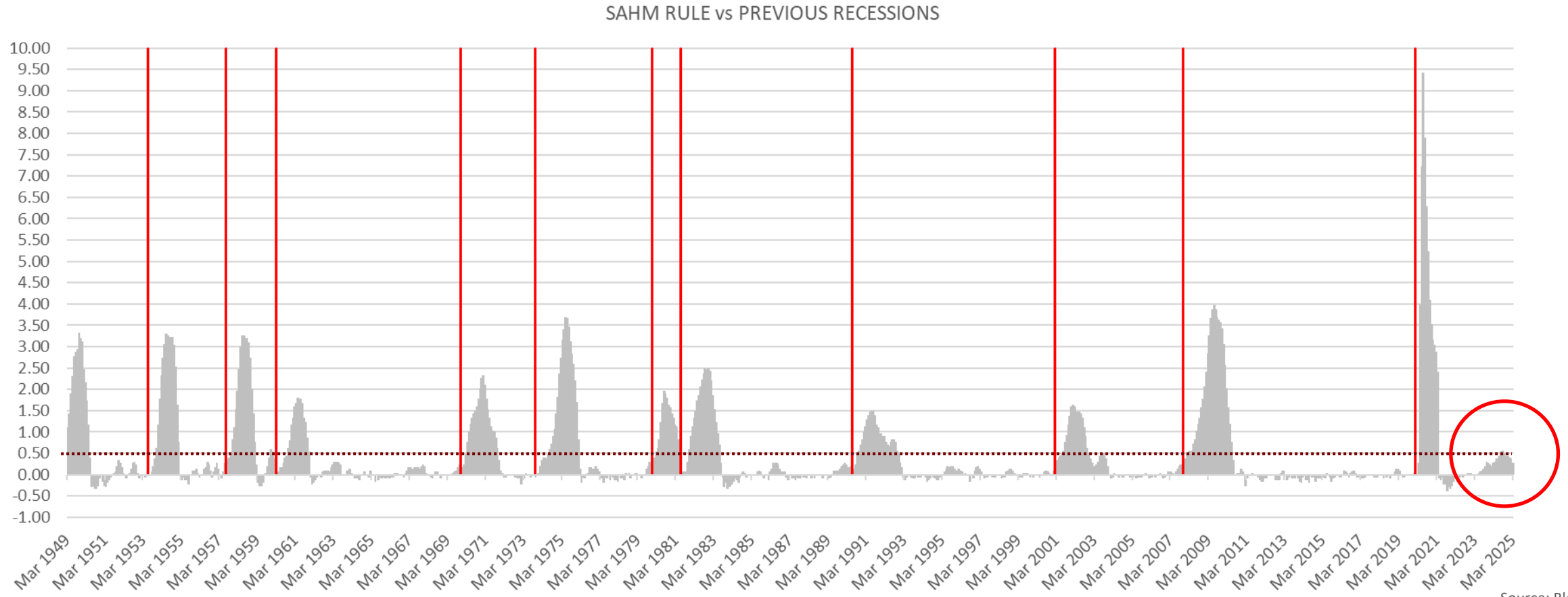
Source: Bloomberg and Saffron Wealth;
Date: 31 March 2025

ARE WE HEADING FOR A RECESSION OR NOT?

Recession Indicator: Sahm Rule

22 April 2025

- Early-stage recession indicator
- ***IF (Current 3-month MA Unemployment Rate > Last 12 months lowest 3-month MA Unemployment Rate) > 0,50%***
- Sahm Rule: grey shaded area; Red Lines: previous US recessions



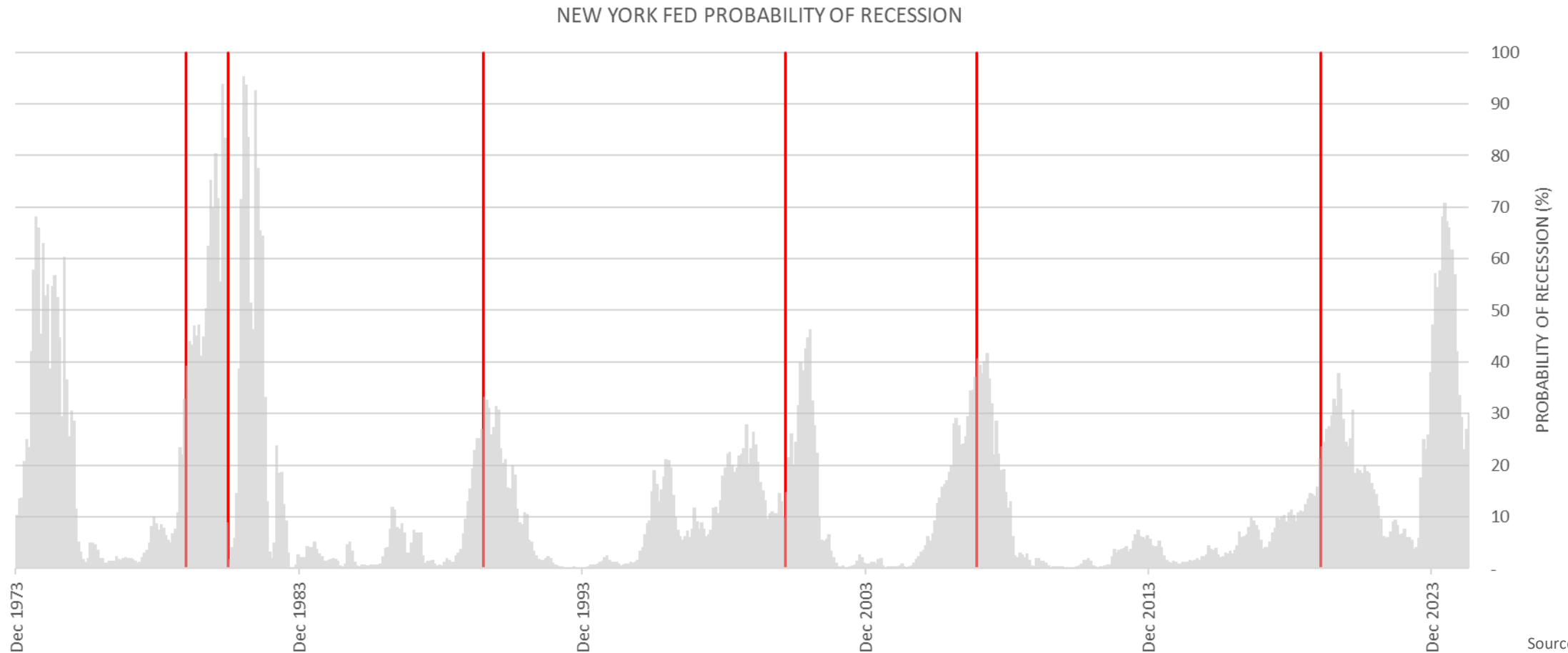
Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

ARE WE HEADING FOR A RECESSION OR NOT?

Recession Indicator: New York Fed Probability of Recession

22 April 2025

- New York FED Model uses yield curve slope (10-year and 3-month Treasury “term spread”) to calculate the probability of a recession in the United States twelve months ahead.
- Grey shaded area = Probability of Recession ; Red Lines: previous US recessions



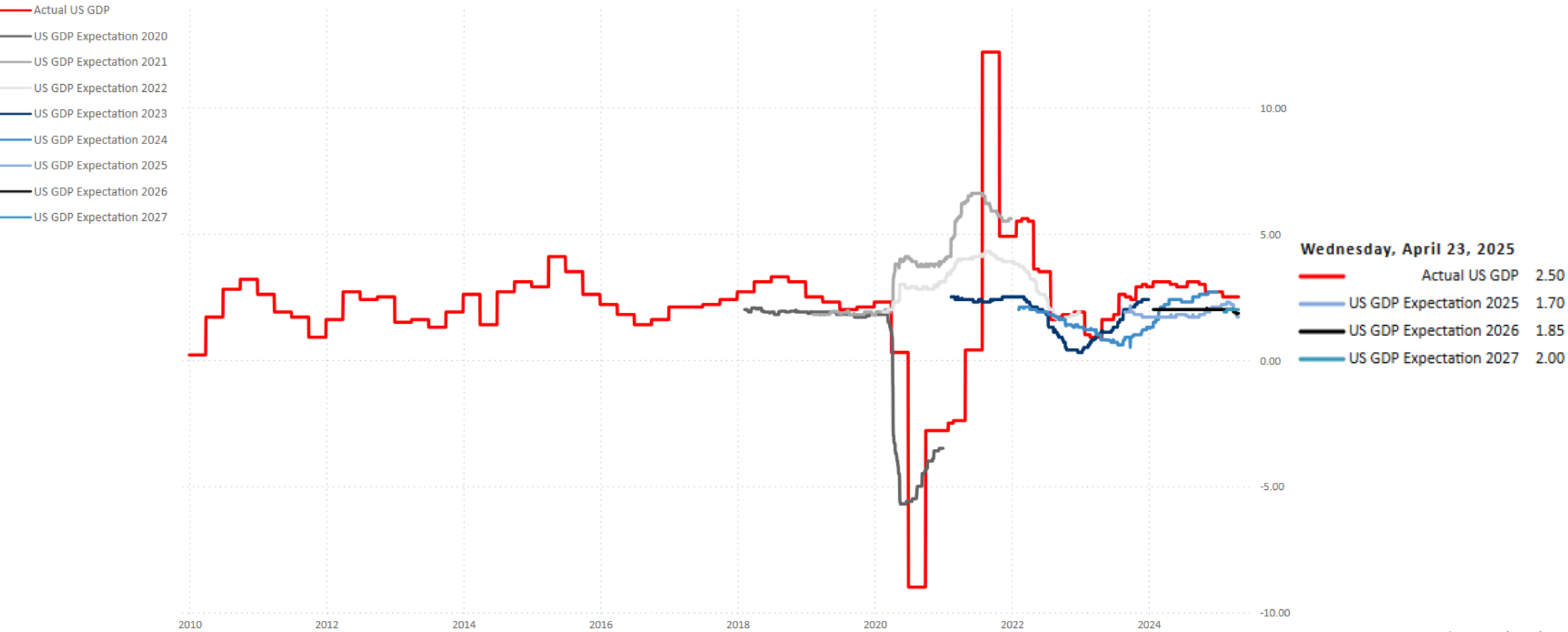
Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

ARE WE HEADING FOR A RECESSION OR NOT?

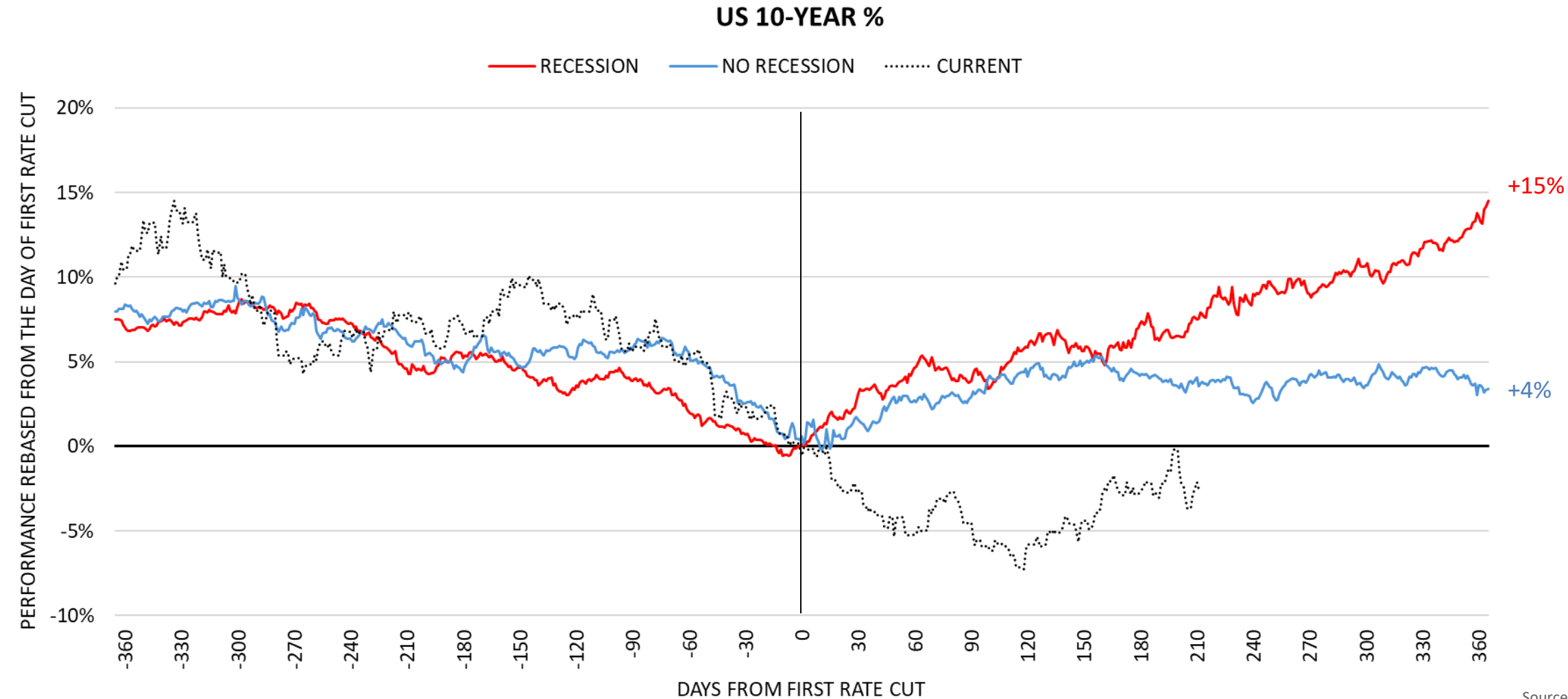
US GDP GROWTH

22 April 2025

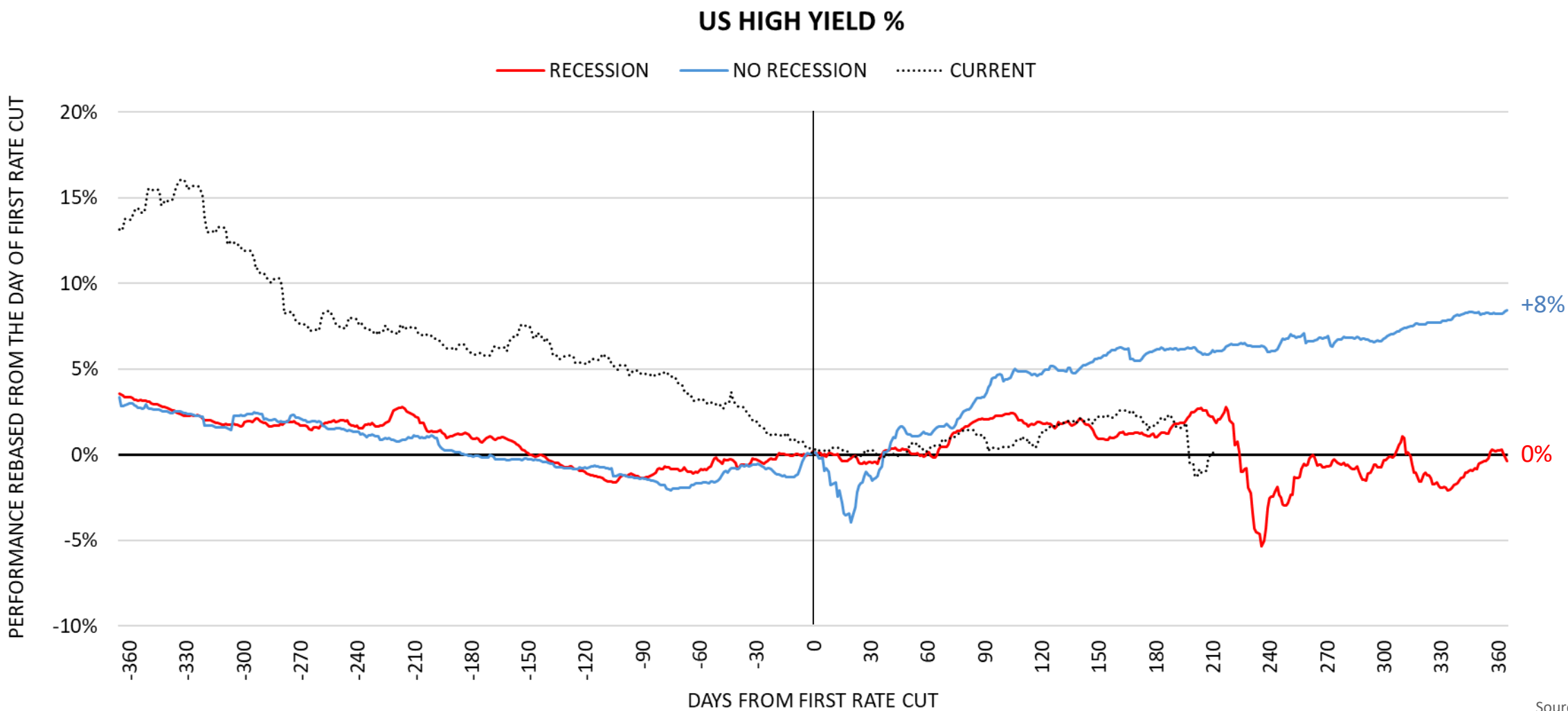
US GDP GROWTH



Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025



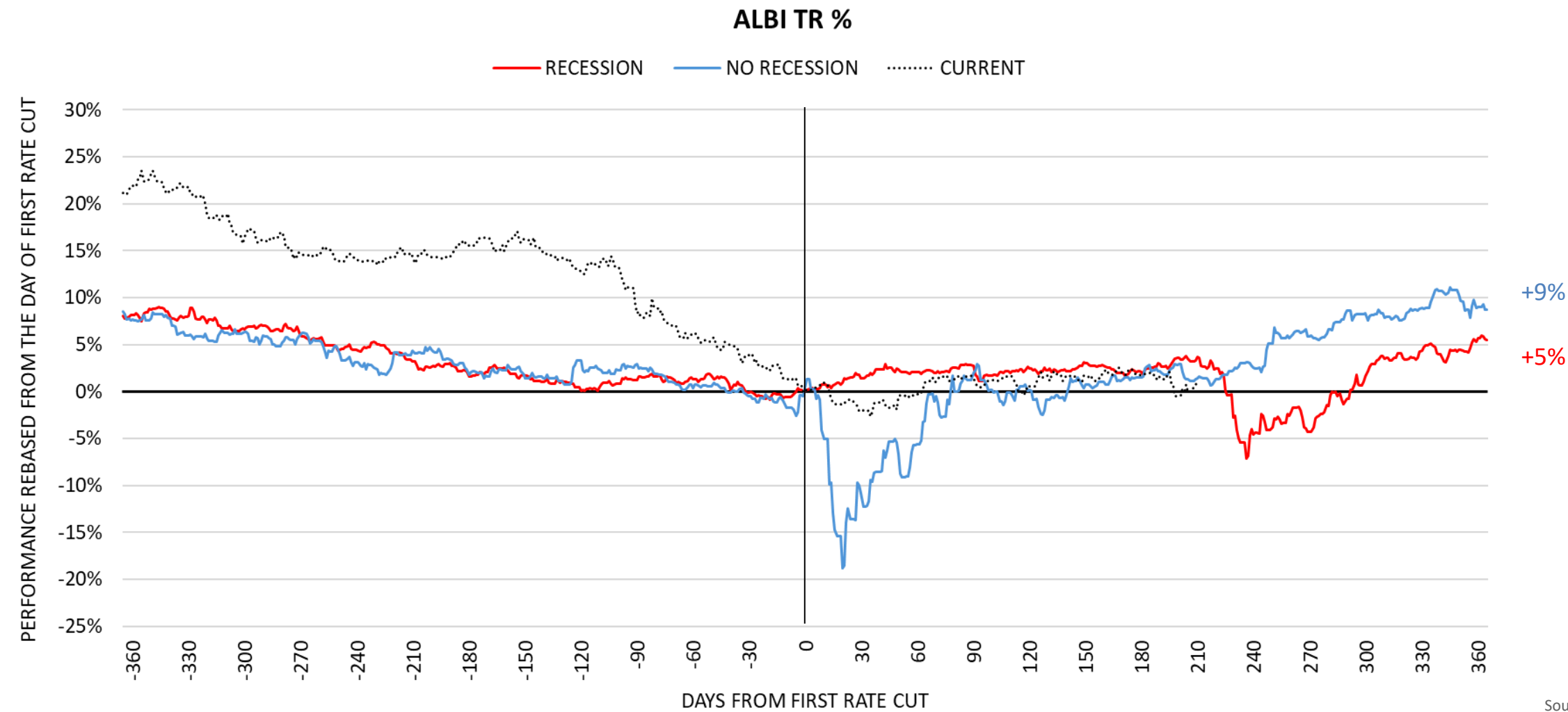
Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025



Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON MARKET VIEW
CUTTING CYCLE : ASSET CLASS RETURNS

22 April 2025

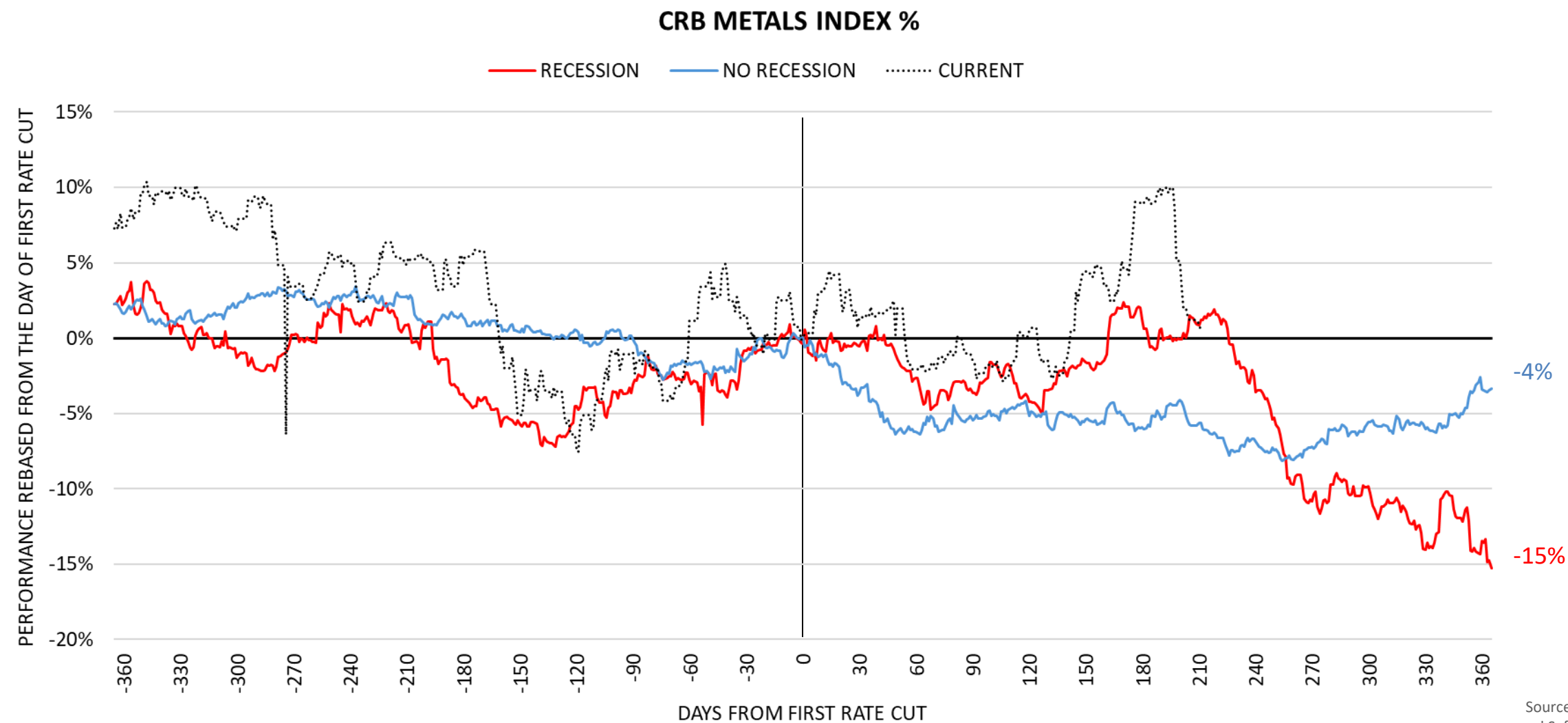


Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON MARKET VIEW

CUTTING CYCLE : ASSET CLASS RETURNS

22 April 2025



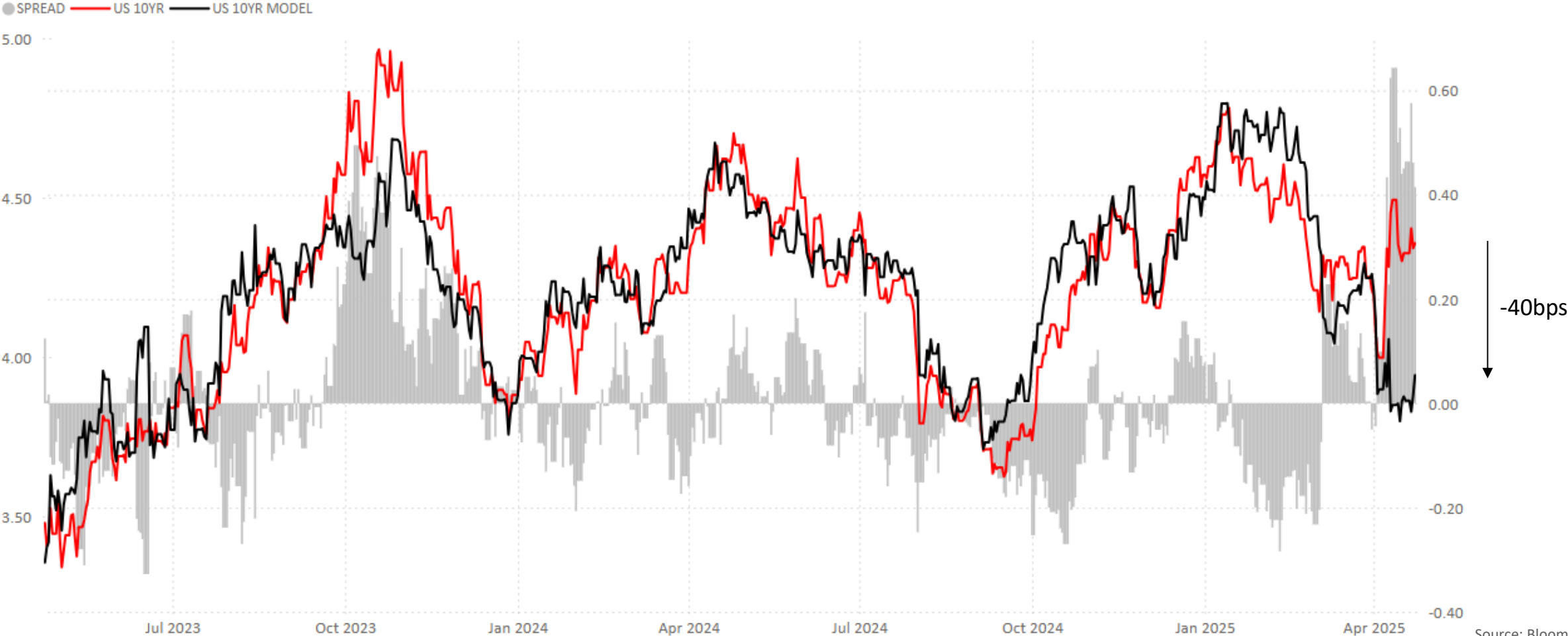
Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON MARKET VIEW

DIVERGENCE BETWEEN US 10YR ACTUAL AND MODEL RATES

22 April 2025

US 10-YEAR ACTUAL VS MODEL RATES



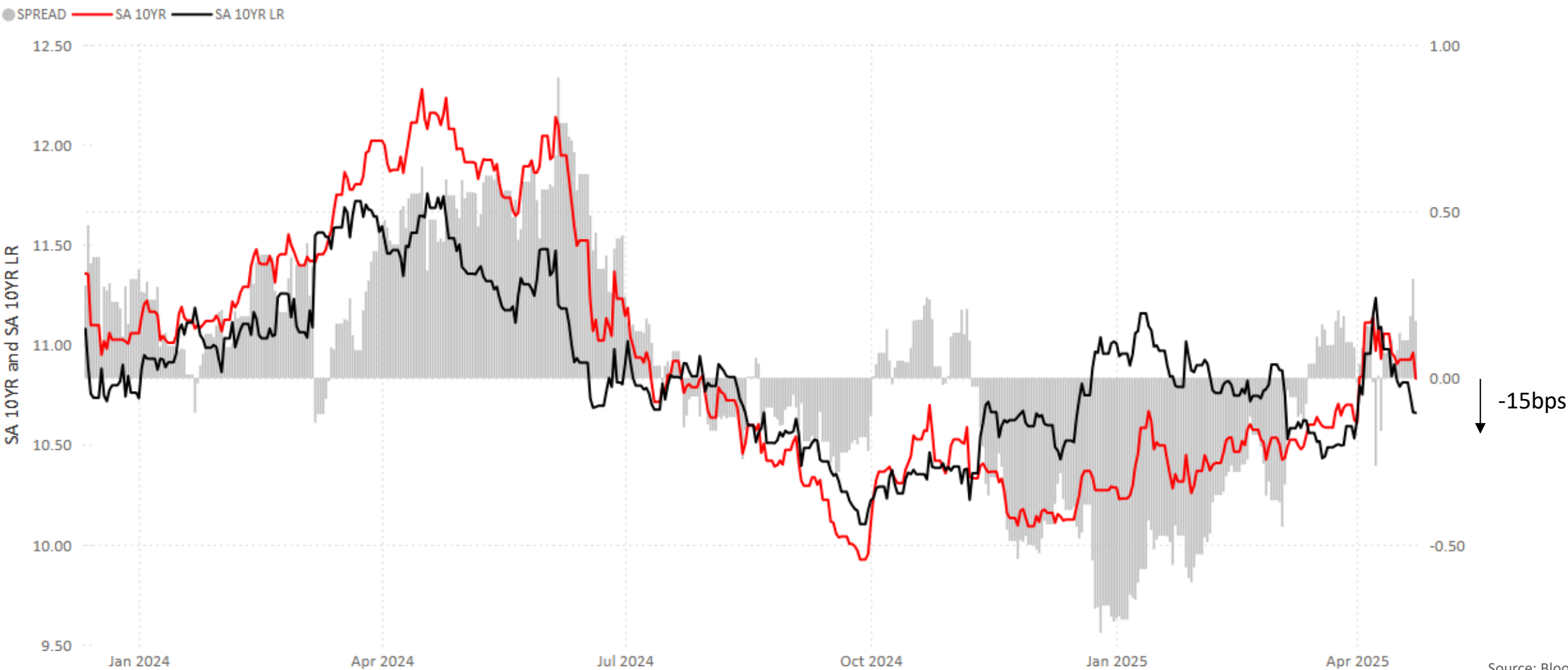
Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON MARKET VIEW

DIVERGENCE BETWEEN SA 10YR ACTUAL AND MODEL RATES

22 April 2025

SOUTH AFRICA 10-YEAR ACTUAL VS MODEL RATES



Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON MARKET VIEW

CUTTING CYCLE : ASSET CLASS RETURNS

22 April 2025

	AVERAGE CUMULATIVE RETURNS 1 YEAR AFTER FIRST RATE CUT		NUMBER OF RECESSIONS / NO RECESSIONS	
	RECESSION	NO RECESSION	RECESSION	NO RECESSION
US 10-YEAR	15.00%	4.00%	3	3
US HIGH-YIELD DEBT	0.00%	8.00%	3	4
ALBI TOTAL RETURN INDEX	5.00%	9.00%	2	1
CRB METAL INDEX	-15.00%	-4.00%	3	6

Source: Bloomberg
and Saffron Wealth;
Date: 22 April 2025

SAFFRON RETENTION FUNDS

Only applicable to investors pre-30 March 2024

31 March 2025

SAFFRON BCI OPPORTUNITY INCOME RETENTION FUND

Fund Performance

MF = Main Fund

RF = Retention Fund

Monthly %	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25
MF	0.63	1.02	1.29	1.17	0.93	0.97	0.55	0.70	1.44	0.68	0.94	0.46
RF	-0.03	-	-0.01	-	-	-0.01	-0.01	-	-51.58	-0.06	-0.03	-
MF + RF	0.61	1.00	1.26	1.14	0.91	0.95	0.53	0.69	0.28	0.67	0.93	0.45

Yearly %	Mar'14	Mar'15	Mar'16	Mar'17	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25
MF	8.16	3.17	8.94	11.87	9.08	10.01	6.77	9.47	5.93	6.89	10.77	11.31
RF												-51.65
MF + RF												9.66

Since Inception (%)

	Cumulative Return (%)	Annualised Return (%)
MF	318.23	8.87
RF	-66.99	N/A
MF + RF	316.09	8.84

SAFFRON BCI ACTIVE BOND RETENTION FUND

Fund Performance

MF = Main Fund

RF = Retention Fund

Monthly %	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25
MF	1.32	1.04	3.78	2.18	1.62	1.47	0.09	1.15	0.50	1.01	0.77	0.22
RF	-0.01	-0.03	-0.01	-	-0.03	0.03	-	-0.01	-51.52	-0.09	-0.03	-0.03
MF + RF	1.30	1.03	3.74	2.15	1.61	1.45	0.09	1.13	-0.04	1.01	0.76	0.22

Yearly %	Mar'14	Mar'15	Mar'16	Mar'17	Mar'18	Mar'19	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24	Mar'25
MF	0.52	5.31	6.45	7.49	9.65	8.01	1.64	16.63	10.25	8.56	7.03	16.18
RF												-51.62
MF + RF												15.39

Since Inception (%)

	Cumulative Return (%)	Annualised Return (%)
MF	180.91	8.44
RF	-66.96	N/A
MF + RF	179.89	8.40

Source: Morningstar
and Saffron Wealth;
31 March 2025

DISCLAIMER

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