

SAFFRON GLOBAL ENHANCED INCOME FUND

a sub-Fund of PRESCIENT GLOBAL FUNDS ICAV

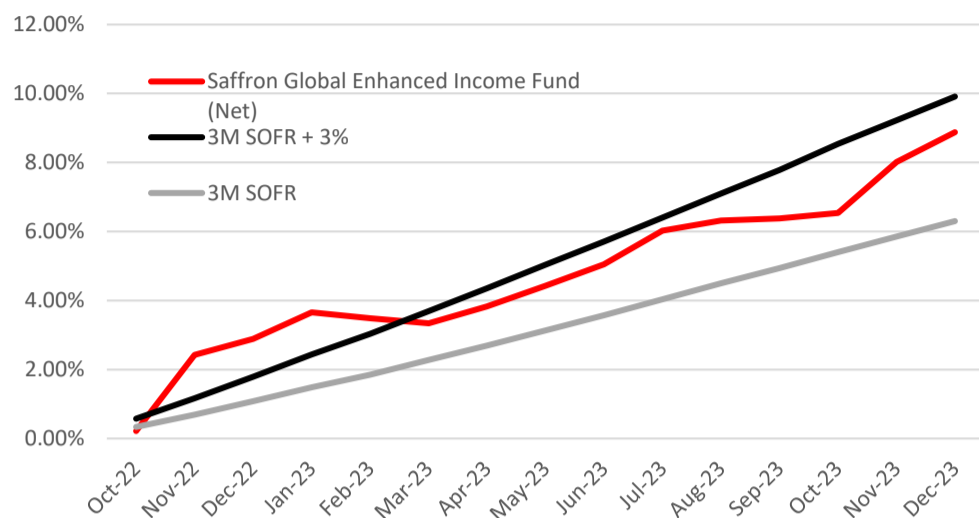
CLASS A2

Minimum Disclosure Document (MDD) and General Investor Report
31 December 2023



Fund Performance

Since launch cumulative performance graph



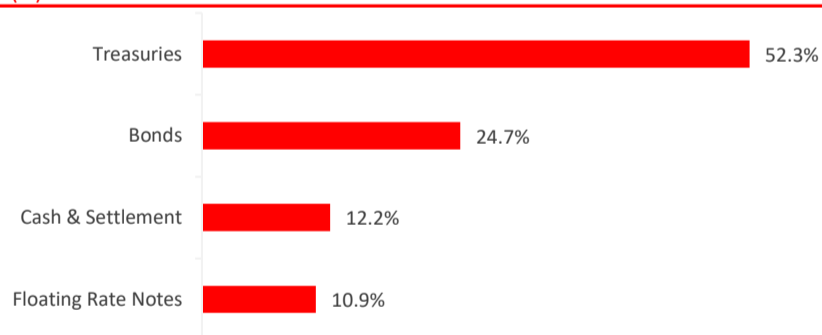
Monthly %	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23
Fund	0.77	-0.17	-0.15	0.49	0.59	0.62	0.98	0.29	0.06	0.15	1.48	0.86
Benchmark	0.63	0.65	0.59	0.67	0.65	0.68	0.67	0.70	0.70	0.68	0.77	0.68

Yearly %	Dec'23
Fund	6.14
Benchmark	8.44

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	6.14	8.44	6.14	8.44
3 Years				
5 Years				
10 Years				
Inception	9.23	10.39	7.29	8.20

Fund Holdings

Asset Allocation (%)



Risk Statistics (1 Year Rolling)

Standard Deviation	0.49%
Sharpe Ratio	0.14
Information Ratio	-0.37

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2023

Highest Annual %	6.54
Lowest Annual %	5.23

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.

Fund Objective

The Saffron Global Enhanced Income Fund is an actively managed global fixed income portfolio that seeks to generate a high level of income and capital appreciation over the medium to long term with a global focus.

Investment Policy

In order to achieve this objective, investments normally 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, equity securities, 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, CFA
Assistant Fund Manager	Anina Swiegers, CFA
Launch Date	Thursday, 29 September 2022
Fund Size	USD 15.04 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	108.76 cents
Bloomberg Code	PGSGEA2 ID
ISIN Number	IE000640LFP1
Fund Classification	Global Bond UCITS
Units	1539.04
Benchmark	CME Term 3-Month SOFR +3%
Minimum Investment Amount	USD 5,000
Fee Class	A2
Valuation	Daily
Portfolio Valuation Time	17:00 (New York)
Transaction Cut Off Time	10:00 (Ireland Rep.)
Regulation 28 Compliant	N/A

Distribution History (cents per unit)

Income Declaration Date	Accumulating Class
Income Payment Date	N/A

Cost Ratios*

	TER:	TC:	TIC:
	0.73%	0.00%	0.73%
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	0.75
Initial Advisory Fee (Max)	-
Annual Advice Fee	-
Initial Fee	-
Performance Fee	N/A
Monthly Fixed Admin Fee	USD 625

Glossary

Annualised Performance: Annualised performance shows longer term performance rescaled to a 1-year period. Annualised performance is the average return per year over the period.

Highest & Lowest Performance: For any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

Alpha: Denotes the outperformance of the fund over the benchmark.

Sharpe Ratio: Used to indicate the excess return the portfolio delivers over the risk-free rate per unit of risk adopted by the fund.

Standard Deviation: The deviation of the return stream relative to its own average.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

Max Gain: Largest increase in any single month.

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Average Duration: The weighted average duration of all the underlying interest-bearing instruments in the Fund.

Total Expense Ratio (TER%): The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product.

Transaction Costs (TC%): The Transaction Costs (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Total Investment Charges TIC (%) = TER (%) + TC (TIC), the TER + the TC is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the that a TIC is the sum of two calculated ratios (TER+TC).

Disclaimer

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER 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. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. 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, investment decisions of the investment manager and the TER. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient Fund Services (Ireland) Ltd by or before 10:00 (Irish time), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient Fund Services (Ireland) Ltd shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at 17:00 (New York time) depending on the nature of the Fund. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.



Risk

Default Risk: The risk that the issuers of fixed income instruments may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Derivatives Risk: The use could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

Developing Market Risk: Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

Foreign Investment Risk: Foreign securities investments may be to risks pertaining to overseas Jurisdictions and markets. including (but not limited to) local liquidity, macroeconomic political, tax, settlement risks and currency fluctuations.

Interest Rate Risk: The value of fixed income investments tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.

Property Risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional, and national economic and political conditions, interest rates and tax considerations.

Currency Exchange Risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

Geographic / Sector Risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

Derivative Counterparty Risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

Liquidity Risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements. and/or large fluctuations in value This may lead to larger financial losses than expected.

Equity Investment Risk: Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

The fund has adhered to its policy objective as stated in the supplement.

Investment Manager

Saffron Wealth (Pty) Ltd

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The Saffron Global Enhanced Income Fund is registered and approved under Section 65 of the Collective Investment Schemes Control Act 45 of 2002. For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za

Fund Manager Quarterly Comment - As at 31 December 2023

The Saffron Global Enhanced Income Fund delivered a strong performance in Q4, achieving a return of 2.49%, surpassing its benchmark, the Secured Overnight Financing Rate (SOFR) +3% return of 2.14%. The fund ended the quarter with a gross running yield of 5.98%, benefiting from an increased allocation to Additional Tier 1 (AT1) instruments and short-dated US Treasuries.

In the US bond market, Treasury yields varied significantly. The 2-Year yield decreased from a quarter open of 5.12% to 4.26% by quarter end, while the 10-Year yield rallied from an initial 4.70% to 3.88% in reaction to the release of Federal Reserve's policy stance on interest rates. The Fed held the funds rate steady at 5.25%-5.5%, with projections indicating a potential decrease to 4.6% by the end of 2024, suggesting a shift from the previous rate hiking position. Notably, the 10v2 yield curve inversion saw significant changes over the quarter, starting at -18 basis points and reaching -53 basis points in mid-December before ending the quarter at -35 basis points.

Inflation, as measured by Core Personal Consumption Expenditures (PCE), continued its downward trend, falling to 2.64% in November from 3.37% in September, supporting the Federal Reserve rhetoric and a more dovish stance on future monetary policies.

Emerging market stability improved Q4. Brazil's 5-year Credit Default Swap (CDS) decreased from 186 to 132, and South Africa's from 278 to 202, indicating reduced risk perceptions and heightened market confidence in these emerging economies.

The European Central Bank (ECB) maintained its high interest rates, keeping the main refinancing operations rate at 4.5% and the deposit facility rate at 4%. However, the inflation rate for December in the Euro area reversed several months of decline, increasing to 2.6% from 2.4% in November. The ECB's overall stance remained cautious, with potential rate cuts anticipated starting in Q2 2024. However, this timeline may be delayed if inflation rates continue to rise.

China's economy showed signs of recovery with improvements in the Caixin Manufacturing PMI to 50.8 and Services PMI to 52.9, though challenges persist. The real estate sector remains a significant risk, with the average price of new homes in 70 major cities falling for six consecutive months. Financial issues among real estate developers and local governments are intensifying, as highlighted by Moody's recent downgrade of China's sovereign credit outlook from stable to negative.

Geopolitical factors, including the upcoming Taiwanese presidential election and the U.S. election, may impact foreign investor interest in China. Despite a surge in industrial production in November, retail sales growth did not meet expectations, indicating a consumption slowdown. This trend, coupled with the real estate market slump, is expected to dampen economic growth and consumer sentiment in the coming year.

Overall, Q4 2023 was characterized by dynamic economic and monetary developments, with the markets adjusting to changing inflation rates and policy directions. The coming quarters will likely continue to be shaped by these evolving economic conditions, and a close watch on these indicators will be essential for informed investment decisions.

In response to the changing landscape in the US Treasury market, particularly the decline in yields influenced by the Federal Reserve's dovish position on interest rates and the anticipation of potential rate cuts in the early part of 2024, the fund is strategically adjusting its portfolio composition. This adjustment entails a reallocation of assets, moving away from short-term US Treasury bills and increasing exposure to Subordinated and Senior Unsecured debt. The fund also aims to enhance its investment in these debt categories by allocating additional capital. This strategic shift is designed to optimize returns in the context of the current and projected interest rate environment.

Looking ahead to 2024, the global financial market is expected to be influenced by several key factors, including the Federal Reserve's interest rate policy, inflation trends worldwide, and significant economic shifts in both emerging and established markets. The performance of emerging markets, particularly in the context of China's economic adjustments, will be important to monitor. Additionally, geopolitical developments, such as the U.S. elections, are likely to contribute to market fluctuations.

These factors will necessitate a dynamic approach to asset allocation, emphasizing both yield optimization and risk management. The fund will closely track these global economic indicators and policy changes, adapting its strategy to align with the evolving market landscape. In this potentially unpredictable environment, the ability to swiftly adjust to new information and trends will be crucial. The fund aims to leverage these changes, seeking opportunities that arise from the shifting global economic conditions.



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