SAFFRON GLOBAL ENHANCED INCOME FUND

a sub-Fund of Prescient Fund Services (Ireland) Limited

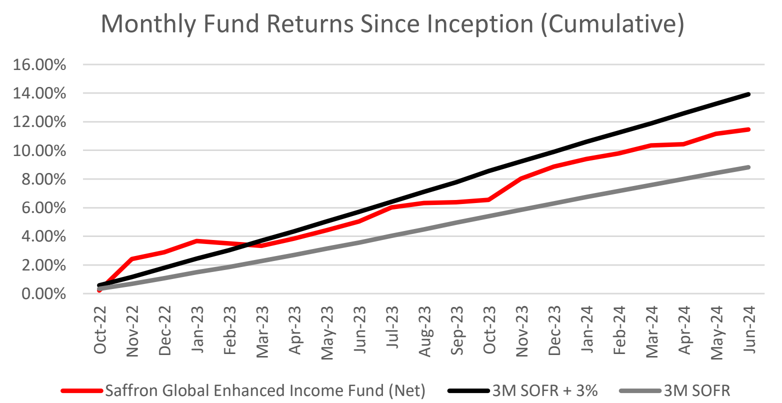
CLASS A2

Minimum Disclosure Document (MDD) and General Investor Report

30 June 2024

Fund Performance

Since launch cumulative performance graph



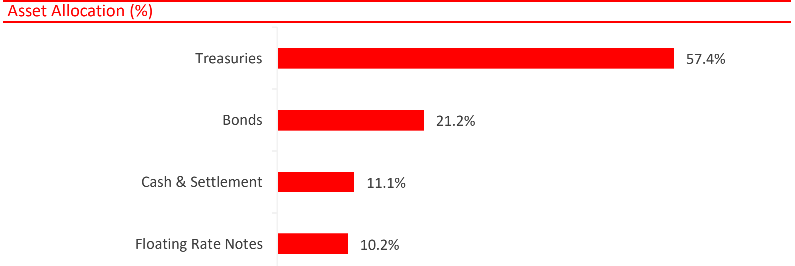
Monthly %	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24
Fund	0.62	0.98	0.29	0.06	0.15	1.48	0.52	0.39	0.55	0.07	0.75	0.29
Benchmark	0.59	0.67	0.65	0.68	0.67	0.70	0.70	0.68	0.77	0.68	0.70	0.70

Yearly %	Jun'24
Fund	6.34
Benchmark	8.56

	Cumulative Return (%)		Annualised Return (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	6.34	8.56	6.34	8.56
3 Years				
5 Years				
10 Years				
Inception	11.11	13.29	6.19	7.38

Fund Holdings

Asset Allocation (%)



Risk Statistics (1 Year Rolling)

Standard Deviation	*0.41%*
Sharpe Ratio (vs SOFR 3M)	*0.19*
Information Ratio (vs SOFR 3M + 3%)	*-0.41*

Highest and Lowest Annual Returns

Time Period: Since Inception to 30/06/2024

Highest Annual %	*7.69*
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 12.57 million
NAV Price (Fund Inception)	100.00 cents
NAV Price as at month end	111.59 cents
Bloomberg Code	PGSGEA2 ID
ISIN Number	IE00064OLFP1
Fund Classification	Global Bond UCITS
Units	2201.01
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

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%

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

Cost Ratios* (%)

TER: 0.61%	**TC:** 0.00%	**TIC:** 0.61%
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.

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).

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.

Disclaimer

Distribution History (cents per unit)

	Accumulating Class
Income Declaration Date	
Income Payment Date	N/A

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

Investment Manager

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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 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 curt 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
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SAFFRON WEALTH
FUND MANAGEMENT