

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

April
2018

Investment objective

The Fund's objective is to produce above average long-term returns whilst simultaneously aiming to assume less risk than is inherent in the market itself. The Fund adopts a conservative investment philosophy and is Regulation 28 compliant.

The Fund benchmark

The Fund measures itself against a benchmark consisting of 30% All Share Index, 30% All Bond Index (ALBI) and 40% Short term fixed income (STEFI) index.

Legal structure

The Fund is a pooled portfolio on the Prescient Life Limited balance sheet. The appointed portfolio manager of the Fund is Maestro Investment Management (Pty) Limited, an approved Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, operating under license number 739. Prescient Life Limited is a linked insurer governed by the Long Term Insurance Act. Prescient Life Limited issues investment linked policies. This Fund operates as white label under the Prescient Life License.

Fee structure

There is no initial fee charged. The Maestro Growth Fund is a Fund with an annual management fee of 1.0% (excluding VAT). This is inclusive of investment consulting, all underlying managers, and administrative functions performed by Prescient Life.

Fund size

R 2 223 823

NAV

Class A: 2.0083

Long term insurer

Prescient Life Limited
(Reg. no: 2004/014436/06)

Auditor

KPMG Inc.

Portfolio manager

Maestro Investment Management (Pty) Limited

Enquiries

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Market Overview

Global equity markets continue to struggle with volatility and uncertainty regarding geopolitical considerations more than anything else. With the odd exception – South Africa being one of them – global economies are in good health and the corporate sector is firing on all cylinders. Inflation concerns are omnipresent, but that has not spooked global markets as much as some would have thought. That said, we must not forget in March we emerged from one of the longest periods on record of consecutive equity market monthly gains, so we should not be surprised to see prices churn at their current levels.

A firm dollar was arguably the feature of the past month; the euro lost 2.2% against it, pound sterling lost 2.3%, and the Swiss franc 3.7%. The trade-weighted dollar index rose 1.9%, putting pressure on most emerging market currencies. Consequently, the MSCI Emerging market index lost 0.6%, led by Turkey, which lost 9.6% as the country heads into an election and the ruling party unashamedly greases voters' palms with economic largesse the country can ill-afford. Russian equities lost 7.7% in the face of another wave of US sanctions, this time aimed at oligarchs.

The Chinese equity market declined 2.7%, but the Indian market rose 6.7%. The MSCI World index rose 1.0%, driven higher by markets dominated by companies whose earnings benefit from weaker local currencies. The UK equity market rose 6.4%, but is still 2.5% lower for the year-to-date, while Germany rose 4.3% but remains 2.4% lower on the year so far. The Swiss market rose 1.7%.

"To achieve great things, two things are needed; a plan, and not quite enough time."

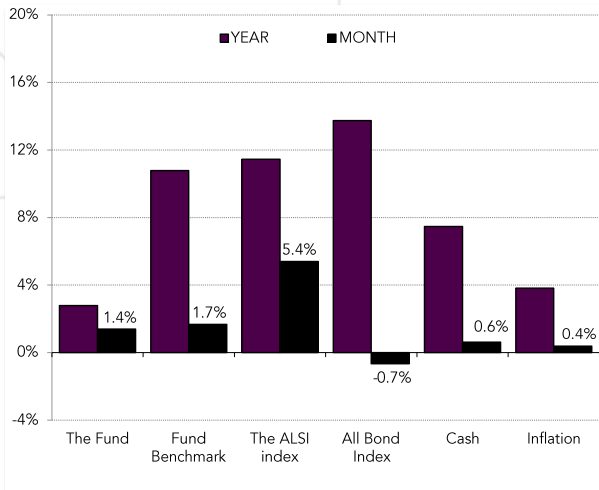
- Leonard Bernstein



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Local market returns

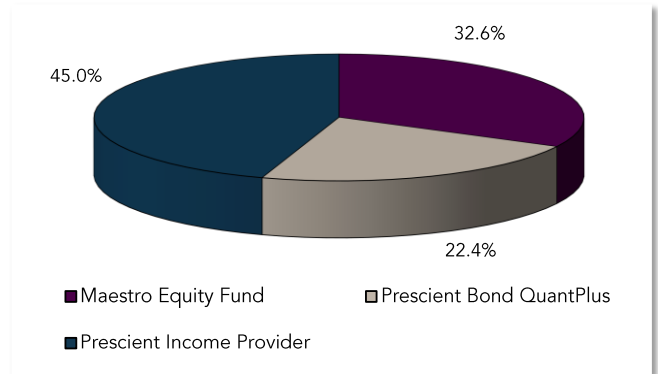


Turning to local markets, the firm dollar put pressure on the rand, which lost 5.6% during April. This aided the Basic Material index, which rose 8.6%, although the Gold index lost 2.0%. The Industrial index rose 5.2%, and the Financial index 3.2%. The Large, Mid and Small cap indices rose 5.8%, 3.5%, and 1.2% respectively. All in all it was a rather profitable month for SA equity investors. The All Bond index lost 0.7%.

Monthly fund returns

During April the Maestro Cautious Fund's NAV increased by 1.4% versus the Fund's benchmark increase of 1.7%. The [Maestro Equity Prescient Fund](#) increased by 3.1% versus the 5.4% increase of the All Share index. The [Prescient Income Provider Fund](#) returned 0.8% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 0.3% versus its benchmark decrease of 0.7%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Nedbank FRN 050219 Jb3+90	6.9%
Naspers	5.8%
Sygnia ITrix MSCI World	2.7%
Sygnia ITrix MSCI US	2.6%
Discovery	2.5%
Billiton	2.0%
Prescient Flexible GI Class D	2.0%
Afrimat	1.9%
Aspen	1.7%
Glencore	1.7%
Total	29.7%

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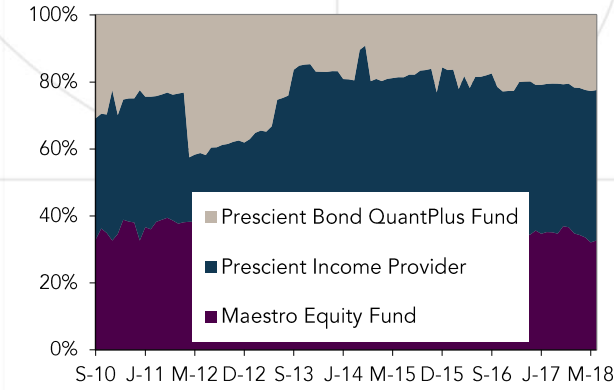
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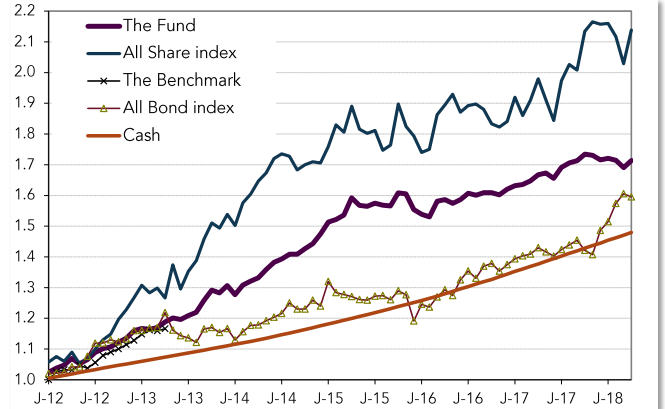
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	1.4	2.8	2.5	7.6	8.5
Benchmark	1.7	10.8	7.2	8.4	9.0

Monthly and annual average return (%)

Investment	Year to date	Year to date							
		2017	2016	2015	2013	2012	2011	2010	
Maestro Cautious Fund	-0.1	5.9	4.2	5.4	12.9	12.6	16.1	2.9	
Benchmark	2.9	12.4	8.4	3.1	8.8	8.7	14.8	5.9	

Units in linked insurance policies should be considered as medium to long-term investments. The value of units may go up as well as down and past performance is not necessarily a guide to future performance. Unit 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, Securities Transfer Tax, VAT, Auditor's fees, Bank Charges, Custodian fees and the annual Management fee) from the portfolio divided by the number of units in issue. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. Forward pricing is used. Maestro Investment Management (Pty) Limited and Prescient Life Limited are members of the Association for Savings and Investments of South Africa (ASISA).