

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

August
2017

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 2 182 945

NAV

Class A: 1.9988

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

Geopolitical tension continues to dominate headlines, with spats between US President Trump and Kim Jong-un of North Korea reaching a climax this month. Mr Trump's sensationalist comments, across various social media platforms, did little to help or calm investors' nerves. Instead, it heightened anxiety and increased division within voter groups.

The MSCI World index declined 0.1%, but the MSCI Emerging Market index rose 2.0%, bringing its year-to-date gain to 26.1% versus the MSCI World index's 11.9%. Strong monthly gains were registered in the equity markets of Russia, which rose 8.3%, Brazil 7.5%, South Africa 2.7%, Hong Kong 2.4%, and Turkey 2.3%. The firm euro – it rose another 0.8% against the dollar – retarded the returns of the German equity market. The latter index declined 0.5%, its third consecutive monthly decline. Within the commodity space, the oil price rose 1.1% on the month, while strong gains within the industrial metals complex saw nickel up a whopping 14.5%, copper rose 6.9% (on the back of a 6.8% rise last month), iron ore 4.2%, and coal 1.8%. Unlike last month, agricultural commodity prices were somewhat weaker. Corn was off 11.0%, soybeans 6.5%, and sugar fell 4.3%.

Despite the solid US growth rate, non-farm payroll data, a measure of the health of the US job market, disappointed investors. The Bloomberg Global Aggregate bond index rose 1.0% on the belief that interest rates might not be increased as much as markets had originally anticipated.

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

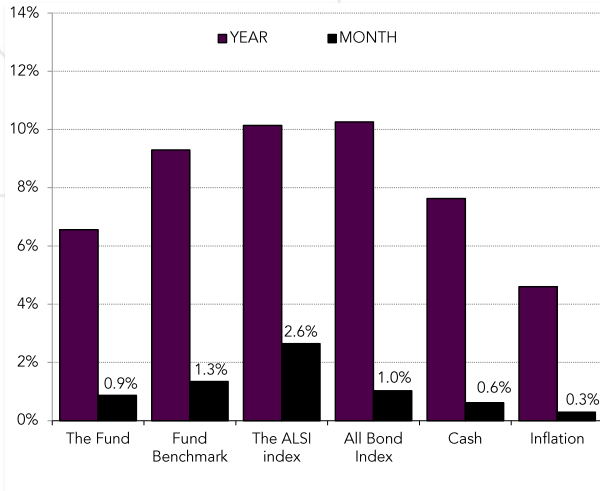
- Leonard Bernstein



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Local market returns

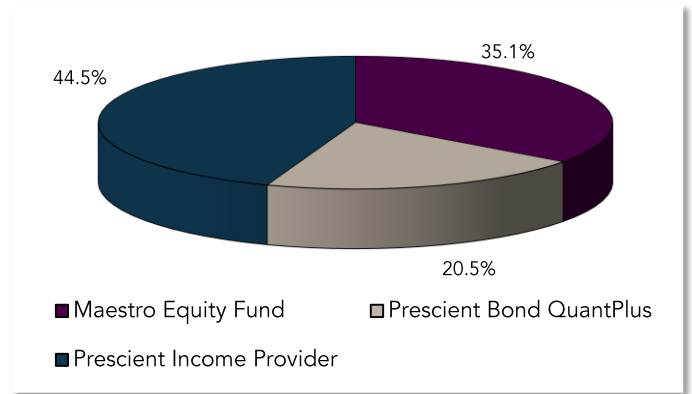


Turning to the South African investment markets, the combination of a fairly stable rand – it appreciated 1.5% against a weak dollar – and firm commodity prices led the Basic Materials index 5.1% higher, following its 13.3% rise last month. A strong showing by the Financial and Industrial indices of 2.1% and 2.0% respectively contributed to the 2.7% monthly gain in the All Share index. The Mid and Small cap indices rose 4.5% and 2.2% respectively. The All Bond index rose 1.0%.

Monthly fund returns

During August the Maestro Cautious Fund's NAV increased by 0.9% versus the Fund's benchmark increase of 1.3. The [Maestro Equity Prescient Fund](#) increased by 1.2% versus the 2.7% increase of the All Share index. The [Prescient Income Provider Fund](#) returned 0.6% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 1.0% versus its benchmark increase of 1.0%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Naspers	5.3%
Prescient Flexible GI	3.5%
Aspen	1.8%
Standard Bank FRN 040820	1.7%
Steinhoff	1.7%
Discovery	1.6%
Prescient Flexible GI Class C	1.6%
RSA 8.50% R2037 310137	1.6%
DB X-Trackers MSCI Wld	1.5%
Firststrand	1.5%
Total	21.8%

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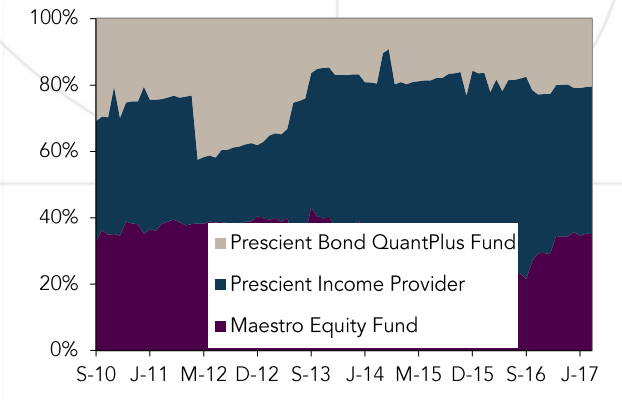
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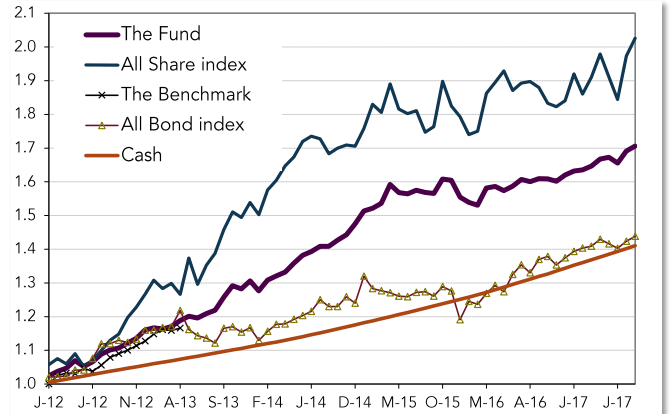
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August 2017

Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.9	6.6	6.6	9.1	9.5
Benchmark	1.3	9.3	6.9	8.5	9.2

Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	5.3	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	8.1	8.4	3.1	8.7	14.8	5.9	13.7

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).

