

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

August  
2015

#### 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 839 287

#### NAV

Class A: 1.8377

#### 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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Orchestrating Your Wealth



## Market Overview

August was plagued with global investors' concerns over the "real" growth rate of the Chinese economy which is feared to be a fair bit lower than the official number. China's unexpected devaluation of the yuan and further interest rate cuts added to the nervousness. Commodity prices, already under severe pressure this year, declined further, as did emerging market currencies.

Developed equity markets coped badly; emerging markets fared even worse. The MSCI World index declined 6.8%, with the UK equity market declining 6.7%, the US 6.8%, Japan 8.2%, Germany 9.3% and Hong Kong 12.0%. The MSCI Emerging market index fared worse still, falling 9.2%, led by India, which declined 6.5%, Brazil 6.6% and China 12.5% (following July's 14.3% decline).

Commodity prices were again weak with the CRB and GSCI commodity indices declining 1.3% and 0.7% in August respectively. The gold price was the standout performer, gaining 2.9% for the month. The oil price was exceptionally volatile, plunging 15% at the start of the month, only to rise 27% during the last week of the month and then head lower by another 10% on the first day of September.

Commodity-based currencies suffered even more, with the Australian dollar, the rand, the Brazilian real and the Russian rouble declining 2.6%, 4.0%, 7.3% and 10.7% respectively against the dollar. The euro firmed against the greenback though, rising 2.6%, although sterling lost 1.5%.

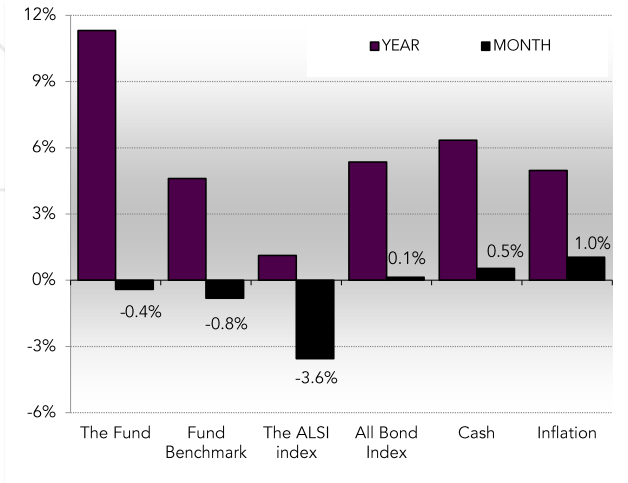
Investors sought safety in global bonds resulting in the Barclays Capital Global Aggregate Bond index rising 0.1% during the month.

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

- Leonard Bernstein



**Local market returns**

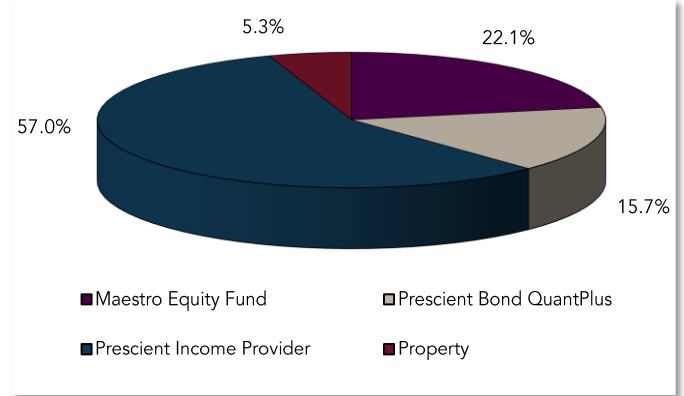


Turning to South African markets, the All Share index lost “only” 3.6%, led lower by the Financial and Industrial indices, which fell 3.0% and 4.4% respectively. The Basic Material index lost 0.9% and the Gold index rose 23.6%. The JSE Mid cap index rose 0.4% while the Small cap index fell 1.3%. The Bond market performed relatively well despite a very weak rand with the All Bond index rising 0.1% in August while cash provided a return of 0.5%.

**Monthly fund returns**

During August the Maestro Cautious Fund's NAV decreased 0.4% versus the Fund's benchmark decline of 0.8%. The [Maestro Equity Prescient Fund](#) decreased 3.4% versus the 3.6% decline in the All Share index. The [Prescient Income Provider Fund](#) returned 0.9% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) returned 0.4% versus its benchmark return of 0.1%. The Maestro Cautious Fund does not invest into the [Central Park Global Balanced Fund](#).

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
ABSA AB011 FRN Tier2 Bond 211	10.1%
Pivotal	7.0%
Nedbank FRN Non-demat 260	2.5%
Steinhoff	2.0%
Naspers	1.7%
Firstrand FRB16 FRN 080720	1.5%
Nedbank FRN Non-demat 190	1.5%
Nedbank Eskom GG CLN 200	1.3%
Firstrand FRN 160418 Jb3+112.5	1.3%
SCATEC 155 (CPV) 30092025 CPI+8	1.3%
<b>Total</b>	<b>30.1%</b>

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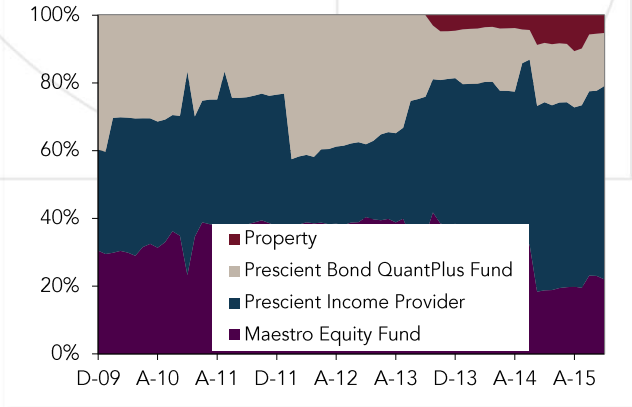
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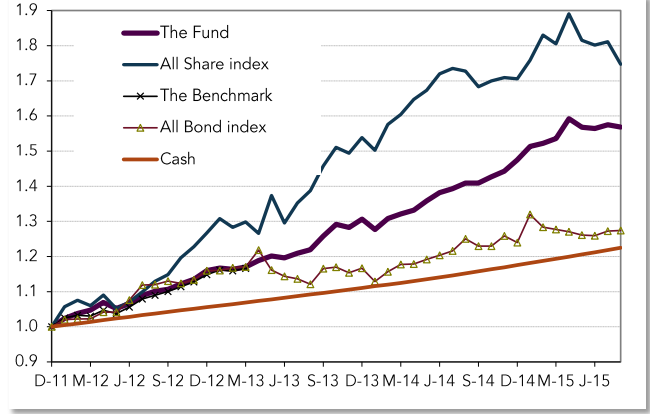
PRESCIENT LIFE

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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	-0.4	11.3	12.5	11.7
Maestro Cautious Fund Benchmark	-0.8	4.6	8.8	9.7

## Monthly and annual average return (%)

Investment	Year to Date	2014	2013	2012	2011	2010
Maestro Cautious Fund	6.3	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	3.4	8.8	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).

