

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

July  
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 2 150 881

#### NAV

Class A: 1.9816

#### Long term insurer

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

#### Auditor

KPMG Inc.

#### Portfolio manager

Maestro Investment Management (Pty) Limited

#### Enquiries

David Pfaff  
Maestro Investment Management  
Box 1289  
CAPE TOWN  
8000  
Email: [david@maestroinvestment.co.za](mailto:david@maestroinvestment.co.za)  
Tel: (021) 674 9220

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## Market Overview

July was a profitable month in virtually all global markets. The over-riding feature of July's market activity was the dollar's weakness against all other currencies, with the exception of the rand. Disappointment at the rate of US economic activity has taken some steam out of the expectations of further US interest rate rises. Added to that is the fact that economic growth in the Eurozone is proving to be stronger than expected, leading to a strong euro. The dollar weakness meant that assets denominated in dollar terms rose during the month; this was particularly true of commodities, and emerging equity and currency markets.

Emerging markets have outperformed developed markets every month this year and July was no exception. The MSCI World index rose 2.3% but the MSCI Emerging Market index rose 5.5%, bringing its year-to-date gain to 23.7% versus the MSCI World index's 12.0% year-to-date gain. Strong monthly gains were registered in the equity markets of Brazil, up 4.8%, India 5.2%, Hong Kong 6.1%, South Africa 7.0%, and Turkey 7.1%. The firm euro – it rose 3.4% against the dollar – retarded the returns of the German equity market. The latter index declined 1.7%, its second consecutive monthly decline. The Bloomberg Global Aggregate bond index rose 1.7%.

Within the commodity space, the oil price rose 7.9% on the month, while strong gains within the industrial metals complex saw copper up 6.8%, coal 8.4%, nickel 9.6%, and iron ore 17.5%. Agricultural commodity prices were also firm.

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

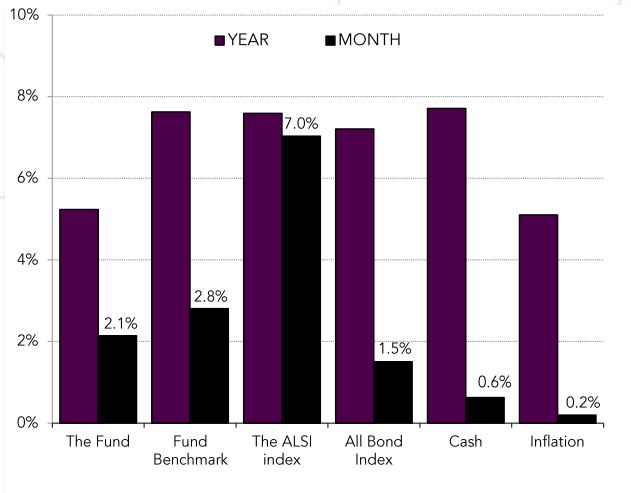
- Leonard Bernstein



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**Local market returns**

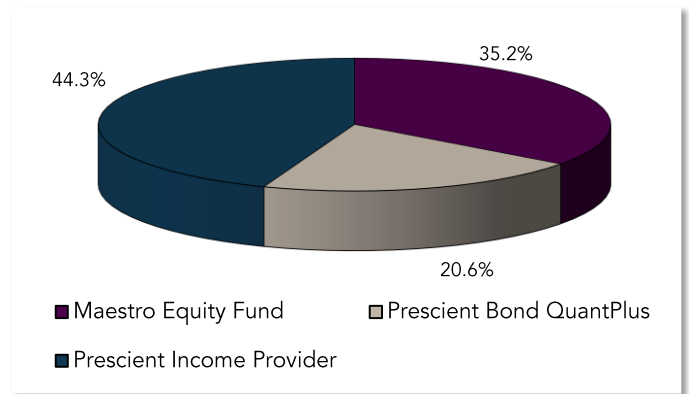


Turning to the South African investment markets, the combination of a weaker rand – it declined 0.7% against an already weak dollar – and firm commodity prices led the Basic Materials index 13.3% higher on the month. A strong showing by the Industrial and Financial indices of 5.7% and 5.0% respectively contributed to the 7.0% monthly gain in the All Share index (Alsi). The Mid and Small cap indices struggled to keep pace with their larger counterparts, rising only 4.7% and 0.8% respectively. The All Bond index rose 1.5%.

**Monthly fund returns**

During July the Maestro Cautious Fund's NAV increased by 2.1% versus the Fund's benchmark increase of 2.8%. The [Maestro Equity Prescient Fund](#) increased by 4.2% versus the 7.0% increase of the All Share index. The [Prescient Income Provider Fund](#) returned 0.9% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 1.5% versus its benchmark increase of 1.5%. 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	3.6%
RSA 6.25% R209 310336	1.8%
Steinhoff	1.8%
Aspen	1.7%
Prescient Flexible GI Class C	1.7%
DB X-Trackers Col In Wld	1.6%
Discovery	1.5%
Firstrand	1.4%
DB X-Trackers MSCI USA	1.4%
<b>Total</b>	<b>21.9%</b>

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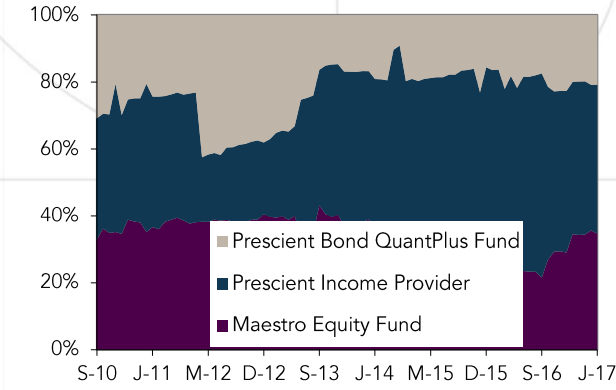
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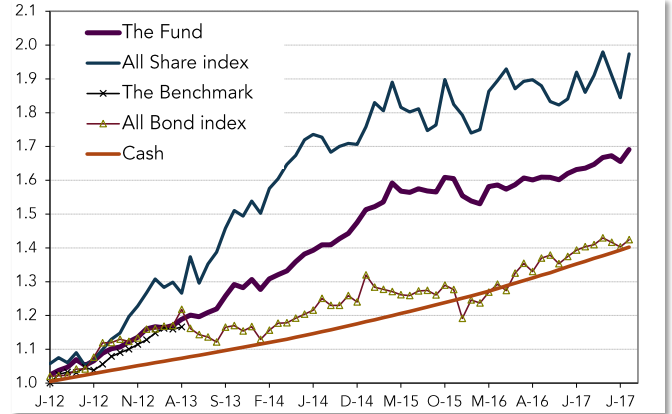
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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	2.1	5.2	6.7	9.2
Benchmark	2.8	7.6	6.8	8.5

## Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	4.4	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	6.7	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).