

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

July
2016

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 2 318 565

NAV

Class A: 1.8830

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

After the dramatic moves in global markets following the Brexit vote in June investors began to anticipate global central banks coming to the rescue yet again. Indications of their accommodative monetary policy remaining here to stay led to investors piling into equity markets with strong gains seen in almost all major markets.

The MSCI World index rose 4.2% while the MSCI Emerging Market index rose 4.7% during the month. Leading the charge was the German market, which rose 6.8%, followed closely by the Japanese market, which gained 6.4%. The French equity market rose 4.8%, and the UK's FTSE100 index climbed 3.4%. In the US the S&P500 rallied 3.7% but the tech-heavy NASDAQ index rose 6.6%. Amongst the emerging market equity gainers were Brazil, which rose 11.2%, Greece 5.4%, Indonesia 4.0%, India 3.9%, Russia 2.8% (despite oil's sharp decline), and China 1.7%. Global bonds were resilient causing the Barclays Capital Global Aggregate Bond index to gain 0.8%.

The rand was the best performing major currency in July, gaining 6.0%, 5.6% and 4.7% against the pound, dollar and euro respectively. The pound continued to weaken against the dollar, declining 0.7%, while the euro and yen rose 0.7% and 0.1%, respectively. In the commodity sector, oil was the major laggard, declining 13.3%. Overall the sector was led higher by precious metals as palladium, platinum, silver, and gold rose 20.0%, 14.4%, 9.0% and 1.6% respectively. Nickel rose 11.6%, iron ore 9.1%, and copper 0.5%. Agricultural commodity prices, which rose strongly in June, declined sharply in July.

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

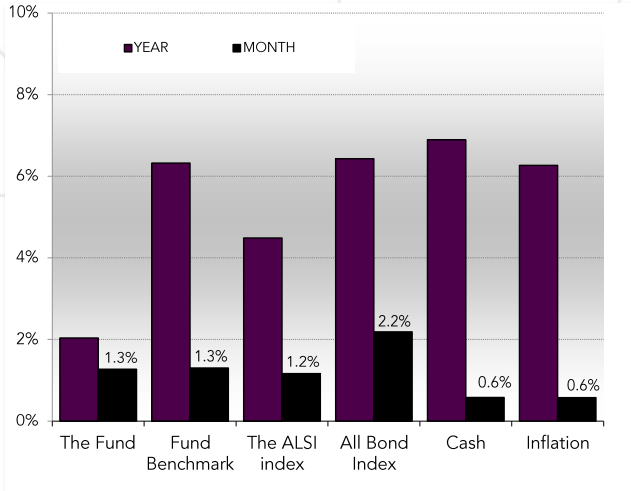
- Leonard Bernstein



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Local market returns



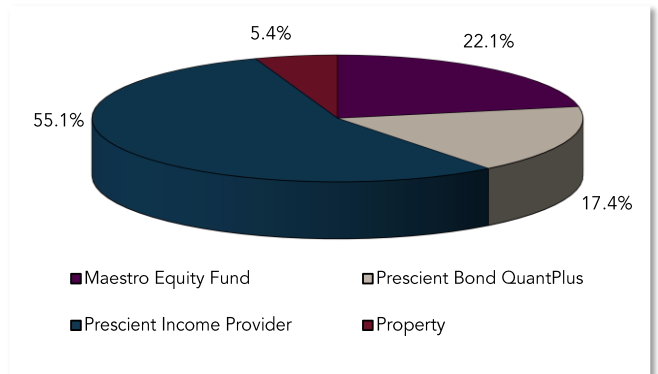
Turning to the South African equity market, most of the major indices posted muted returns during the month, apart from the gold index, which rose 17.8% (on the back of a 23.7% rise last month). The Financial index rose 2.8%, supported by the strong rand. The Industrial index, which is heavily weighted towards large dual listed shares, was inhibited by a stronger rand, and declined 0.4%. Following good commodity price gains in July the Basic Materials index rallied 4.3%. All of this respective activity led to the All Share index rising 1.2% during July. The Top40 (Large cap) index fell 0.1%, but the mid cap index (supported by the gold and platinum miners) rose 8.1%. Meanwhile the Small cap index rose 2.5%. The All Bond index rose 2.2% during the month.

Monthly fund returns

During July the Maestro Cautious Fund's NAV increased by 1.3% versus the Fund's benchmark increase of 1.3. The [Maestro Equity Prescient Fund](#) increased by 1.3% versus the 1.2% return 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 1.9% versus its benchmark return of 2.2%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

| Investment | % of Fund |
|-------------------------------|--------------|
| Prescient Flexible GI | 9.3% |
| Pivotal | 7.5% |
| R2048 8.75% 280248 | 2.6% |
| Naspers | 2.6% |
| RSA 7.00% R213 280231 | 1.8% |
| RSA 8% R2030 31012030 | 1.6% |
| Firststrand FRB16 FRN 080720 | 1.6% |
| Steinhoff | 1.4% |
| ABSA AB011 FRN Tier2 Bond 211 | 1.4% |
| RSA 6.5% R214 280241 | 1.2% |
| Total | 31.1% |

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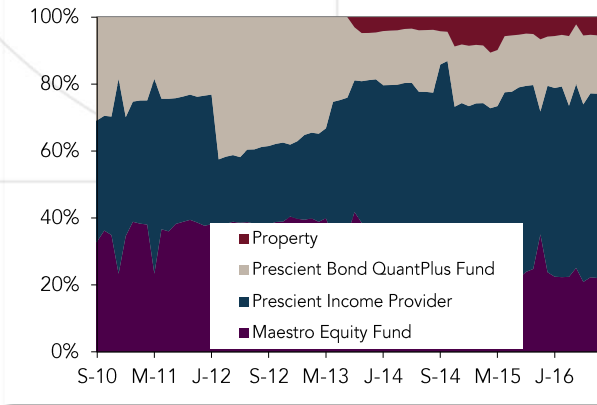
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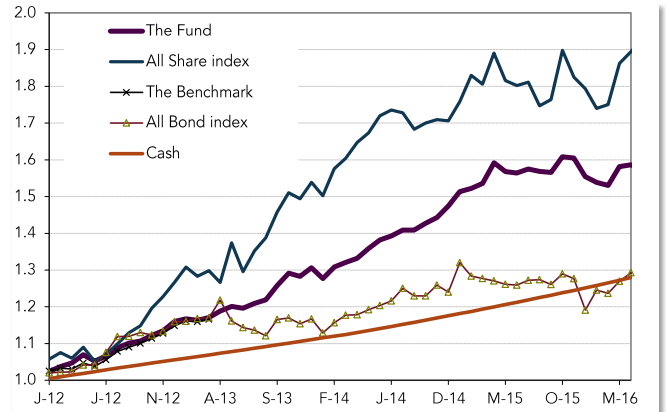
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

| Investment | 1 month | 1 year | 3 years | 5 years |
|---------------------------------|---------|--------|---------|---------|
| Maestro Cautious Fund | 1.3 | 2.0 | 10.0 | 10.6 |
| Maestro Cautious Fund Benchmark | 1.3 | 6.3 | 8.4 | 9.3 |

Monthly and annual average return (%)

| Investment | Year to Date | Year to | | | | |
|-----------------------|--------------|---------|------|------|------|------|
| | | 2015 | 2013 | 2012 | 2011 | 2010 |
| Maestro Cautious Fund | 3.4 | 5.4 | 12.6 | 16.1 | 2.9 | 12.8 |
| Benchmark | 7.5 | 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).