

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

July
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 221 829

NAV

Class A: 2.0231

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

July was, by all accounts, a frustrating and rather unprofitable month. However, on closer inspection, despite all the negative headlines most global equity indices ended the month higher. The rand was firm, too, which provided substantial headwinds for investors with a large part of their portfolio offshore. On the local front, most indices ended the month lower, but by relatively small amounts, while local bond markets had a bumper month on the back of the firmer rand.

The MSCI World index, a proxy for developed markets, rose 3.1%, while the MSCI Emerging market index rose "only" 1.7%, hinting at the trauma currently being experienced in a number of emerging markets. China was weak, with investors there taking fright at the prospect of a prolonged and deep trade war with the US. Although the Shanghai Composite index rose 1.0%, the Hong Kong market lost 1.3%, bringing its year-to-date return to 4.5%. The Shanghai Composite index has lost 13.0% so far this year. In stark contrast, the Indian market rose 6.2% to a record high, having risen 10.2% so far this year.

The Brazilian equity market rose 8.9% and Russian 1.4%. Amongst developed markets, the US equity market was strong, rising 3.8%. The German market rose 4.1%, but Japan managed a gain of only 1.1%. The NASDAQ index rose 2.2%, thereby underperforming the broader US indices and highlighting the relatively tough time tech shares had during July. The S&P Mid and Small cap indices rose 1.7% and 1.9% respectively.

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

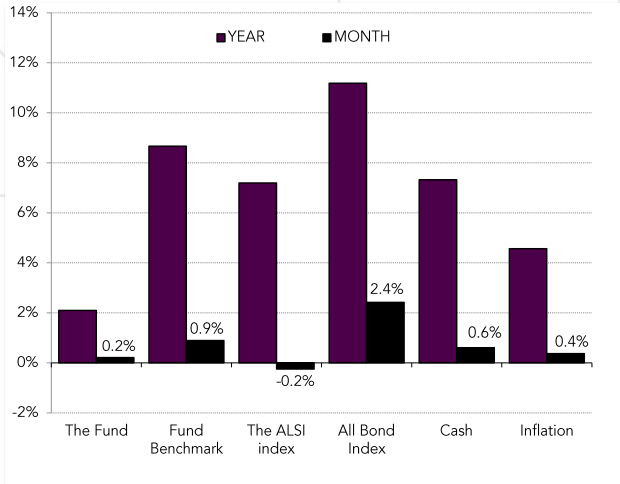
- Leonard Bernstein



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Local market returns



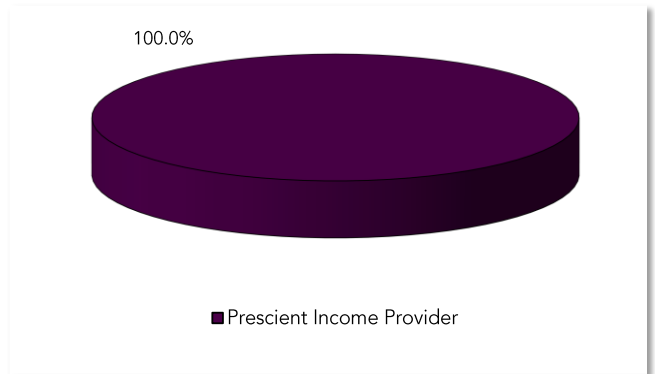
Turning to the South African equity markets, the rand was again the feature of the month, although, unlike last month when it declined sharply (-7.6%), during July it firmed 4.6% against the dollar. Its strength lent support to the Financial Index, which rose 4.7%, but the Basic Materials and Industrial indices fell 1.4% and 2.0% respectively. The Large cap (Top40) index fell 0.3%, the Mid cap rose 0.5%, and the Small cap index fell 1.7%. The firm rand helped the bond market post a positive return - the All Bond index rose 2.4%, bringing its year-to-date gain to 6.5%. The All Share index has declined 2.0% so far this year, having ended July down 0.3%.

Monthly fund returns

During July the Maestro Cautious Fund's NAV increased by 0.2% versus the Fund's benchmark increase of 0.9%. The [Maestro Equity Prescient Fund](#) decreased by 2.4% versus the 0.3% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 0.5% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 2.0% versus its benchmark increase of 2.4%.The

Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
ZAR/USD FWD 20180925	6.8%
Prescient Flexible GI Class D	4.4%
Standard Bank (SBCLN008)	3.0%
Firststrand Bond 6.250% 230423	2.2%
Absa FRN 040119 Jb3+90	2.0%
Standard Bank Group SBT102	1.8%
ABSA FRN 210119 Jb3+92.5	1.7%
Landbank Step-Up Note 140	1.7%
IDC SA Ltd FRN JB3+114	1.6%
Firststrand FRB16 FRN 080720	1.6%
Total	26.8%

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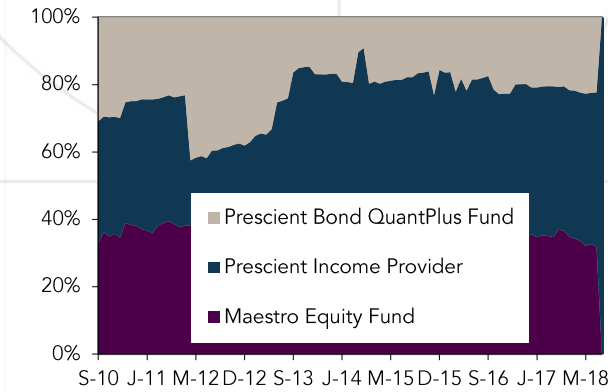
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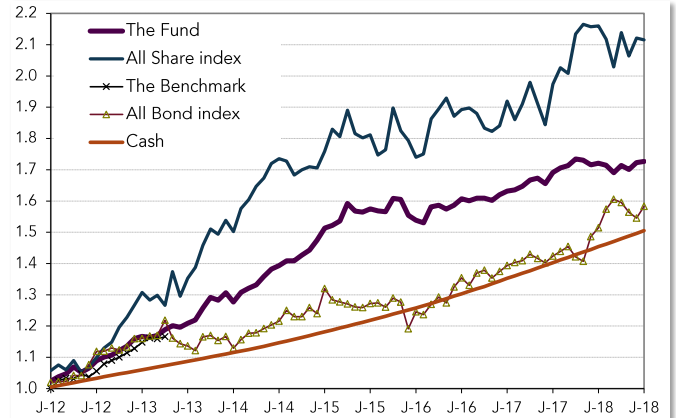
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.2	2.1	3.1	7.4	8.6
Benchmark	0.9	8.7	7.5	8.3	9.0

Monthly and annual average return (%)

Investment	Year to date	2017	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	0.6	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Benchmark	3.1	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).

