

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

June
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 2 249 554

NAV

Class A: 2.0188

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

I recall the bumper start we had to investment markets in January. It seems a bit like a dream right now, given that volatility and uncertainty has only increased since then. Ironically, we now know that the global economy, and the US in particular, is still in good health, but the possibility of a trade war initiated by the US has really spooked investors and called into question some of the higher-flying investment destinations, specifically within the emerging market space.

For all the market volatility experienced during June, the US equity, bond, and currency markets proved to be bastions of strength. Their respective returns of 0.6%, -0.1%, and 0.5% bear testimony to the importance of the US economy and its markets during times of global uncertainty, despite the antics, character, and Twitter account of their president.

The Japanese equity market rose 0.5% during June, but the UK and German markets lost 0.5% and 2.4%, contributing to a modest decline of 0.2% in the MSCI World index. Compare that to the 4.6% decline in the MSCI Emerging Market index, where Indonesia fell 3.1%, Turkey 4.1%, Brazil 5.2%, and China 8.0%. The Chinese yuan has been weak for a while now; it is worth noting that investors in Chinese companies, especially those located outside of China, have really been spooked by the prospect of a trade war – Chinese shares are down more than 20% from their late-January peak and have declined 13.9% so far this year.

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

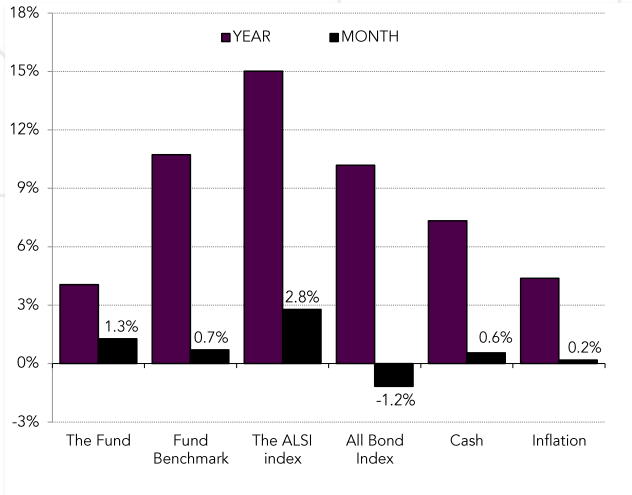
- Leonard Bernstein



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Local market returns



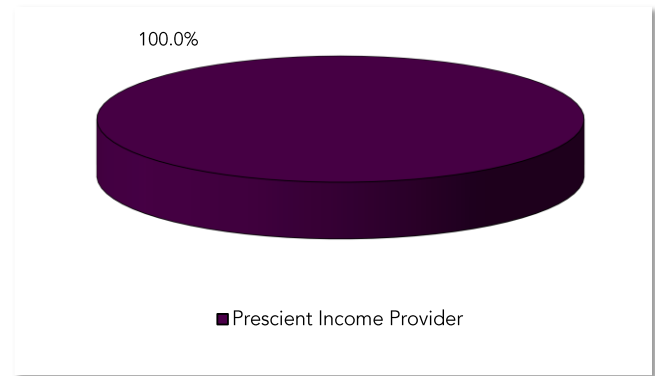
Turning to the South African equity markets, the weak rand was a feature of the month. It pressurized the Financial index, which ended down 2.9%, and assisted large, global industrials (think of Naspers), which saw the Industrial index end the month 4.2% higher. Despite weak commodity prices, the weak rand also assisted the Basic Materials index, which ended up 6.0% and helped the All Share index post a 2.8% gain on the month. The firm rand's support for large industrials and mining shares helped the Top40 (Large cap) index rise 3.6%, while the opposite held true for the Mid and Small cap indices, which ended down 2.1% and 3.3% respectively. The All Bond Index declined only 1.2% - it is still up 4.0% for the first half of this year, whereas the All Share index is down 1.7% over the same period.

Monthly fund returns

During June the Maestro Cautious Fund's NAV increased by 1.3% versus the Fund's benchmark decrease of 0.7%. The [Maestro Equity Prescient Fund](#) increased by 3.7% versus the 2.8% increase 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 1.8% versus its benchmark decrease of 1.2%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible GI Class D	4.3%
ZAR/USD FWD 20180925	3.4%
Standard Bank (SBCLN008)	3.3%
Firststrand Bond 6.250% 230	2.3%
Absa FRN 040119 Jb3+90	2.0%
Standard Bank Group SBT102	1.8%
ZAR/USD FWD 20180720	1.8%
Landbank Step-Up Note 140818	1.7%
IDC SA Ltd FRN JB3+114	1.7%
Richemont	1.7%
Total	24.0%

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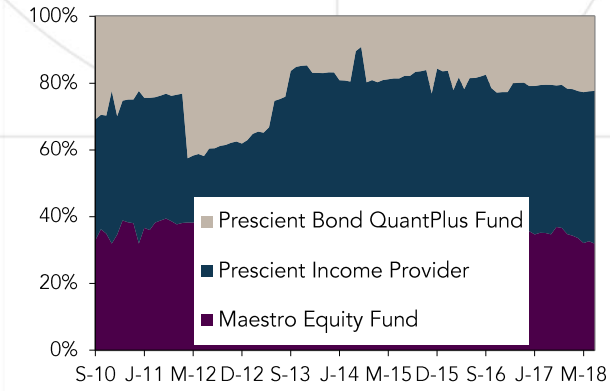
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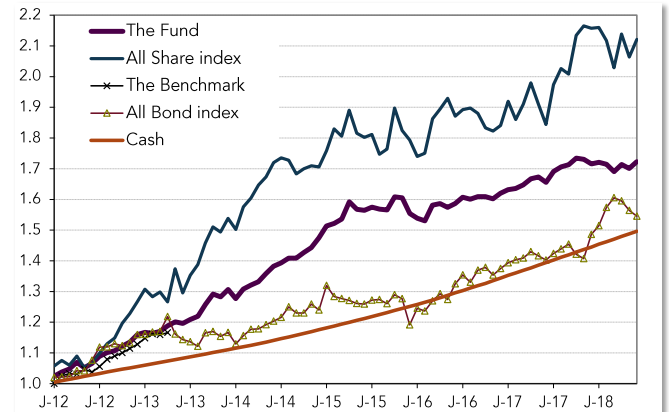
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	1.3	4.1	3.3	7.6	8.5
Benchmark	0.7	10.7	7.4	8.4	8.8

Monthly and annual average return (%)

Investment	Year to date	2017	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	0.4	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Benchmark	2.2	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).

