

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

May
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 2 220 508

NAV

Class A: 1.9933

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

May provided all sorts of reasons for equity markets to decline. We had, and still have in some cases, political crises in Italy and Spain, economic crises in Turkey and Brazil, the initiation of trade wars by the US, and a surprising movement towards peace on the Korean peninsula. Emerging currencies were weak, as was the euro, the dollar was strong, and so too was the oil price, but gold disappointed yet again as a so-called "store of value". As it happens, global bond markets took the most strain and equity markets experienced a great deal of volatility.

The Bloomberg Global Aggregate Bond index declined 0.8% while the US Bond index rose 0.8%. Evidence of the pain in emerging equity markets can be seen in the 3.8% decline in the MSCI Emerging Markets index. In contrast, the MSCI World index rose 0.3%. The Brazilian equity market fell 10.9% on the back of the economic chaos there. The Greek market declined 11.9% as investors reflected on the events in Italy and the Turkish equity market fell 3.5% ahead of the upcoming election and amidst massive government interference in economic policy.

The Indian and Chinese equity markets rose 0.5% and 0.4% respectively. Developed equity markets registered mixed fortunes; the Swiss market declined 4.8%, the Hang Seng fell 1.1%, and the German market 0.1%, but the US equity market rose 2.3%. The NASDAQ index rose 5.3% as tech companies powered ahead, and the S&P Mid and Small cap indices ended up 4.0% and 6.3% respectively.

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

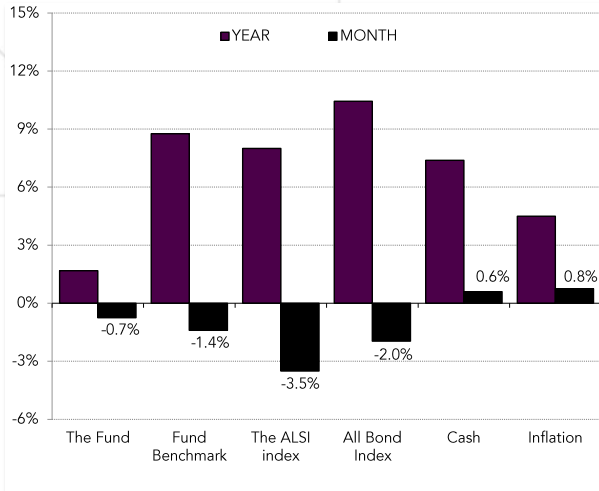
- Leonard Bernstein



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Local market returns

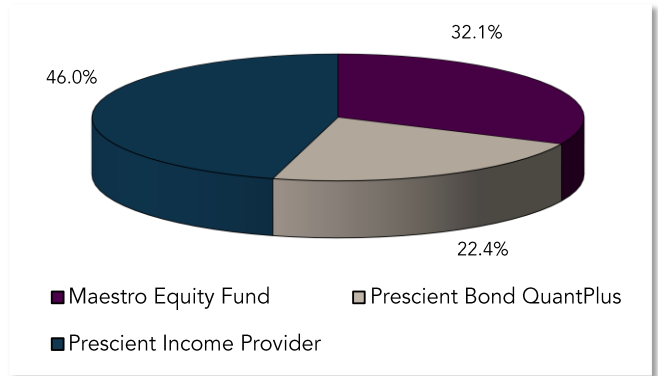


Turning to the local markets, the All Share index fell 3.5%, bringing its year-to-date decline to 4.4%. The Financial index ended 6.3% lower and the Industrial index lost 5.1%. The Basic Materials index ended the month 3.8% higher. Retail shares in particular were weak as concerns grew about the state of the economy in general and the SA consumer in particular. The Small cap index fell 2.4% while the Mid cap index ending the month down 8.4%. The All Bond index fell 2.0%.

Monthly fund returns

During May the Maestro Cautious Fund's NAV decreased by 0.8% versus the Fund's benchmark decrease of 1.4%. The [Maestro Equity Prescient Fund](#) decreased by 2.0% versus the 3.5% decrease 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](#) decreased by 0.2% versus its benchmark decrease of 2.0%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
RSA 6.25% R209 310336	10.1%
Naspers	4.9%
Sygnia ITrix MSCI World	2.9%
Sygnia ITrix MSCI US	2.8%
RSA 6.5% R214 280241	2.4%
Billiton	2.3%
Prescient Flexible GI Class D	2.1%
Aspen	1.7%
Discovery	1.6%
KAP	1.6%
Total	32.4%

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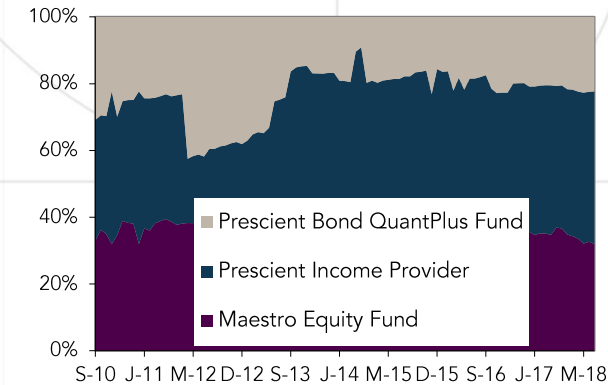
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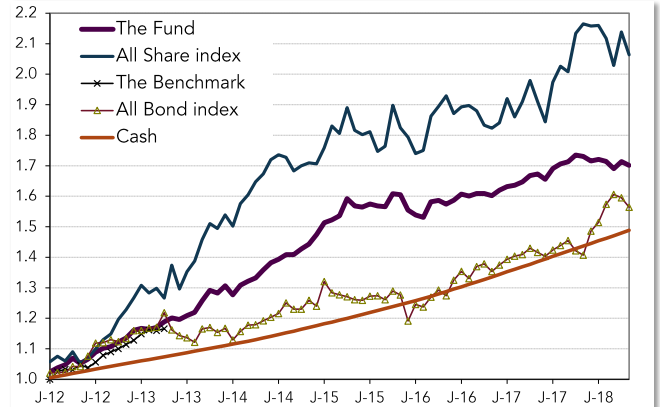
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.8	1.7	2.8	7.2	8.3
Benchmark	-1.4	8.8	7.2	7.8	8.7

Monthly and annual average return (%)

Investment	Year to date	2017	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	-0.9	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Benchmark	1.5	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).

