

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

October  
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 2 241 236

#### NAV

Class A: 2.0328

#### 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

This year continues to morph into a memorable one globally. Despite a lot happening on the economic and political front, equity markets move from strength to strength, setting new records on a regular basis. It seems that global investors are acknowledging the synchronicity of the major economic blocks (the US, EU, China, and many Emerging Markets) and the effect it is having on the investment landscape.

The MSCI World index rose 1.8% and the MSCI Emerging Market index 3.5%. Their respective year-to-date gains are now 16.3% and 29.8%. Strong monthly gains were registered by Japan, which rose 8.1%; India rose 6.2%, Germany 3.1%, Hong Kong 2.5% and the US 2.4%. The tech-heavy NASDAQ index rose 3.6% as tech companies continue to deliver quality earnings and strengthen their balance sheets.

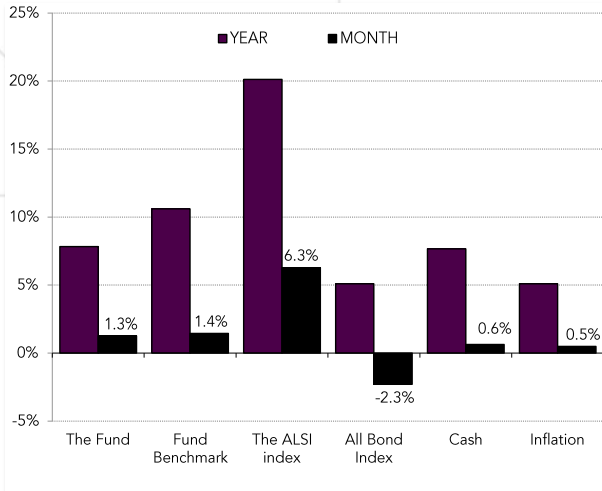
The dollar strengthened slightly during the month – the (trade-weighted dollar) DXY index rose 1.6% - leading to the euro and sterling declining by 1.5% and 1.0% respectively. Despite the firm dollar, commodity prices were also firm: the oil price rose 7.0%, copper 4.9%, and nickel 12.6%. Most soft (agricultural) commodity prices also ended the month higher. As economic momentum increases, the likelihood of higher interest rates seems more probable. Consequently, investors now expect the US Federal Reserve to increase US rates in December. Global bond markets consequently weakened slightly.

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

- Leonard Bernstein



**Local market returns**

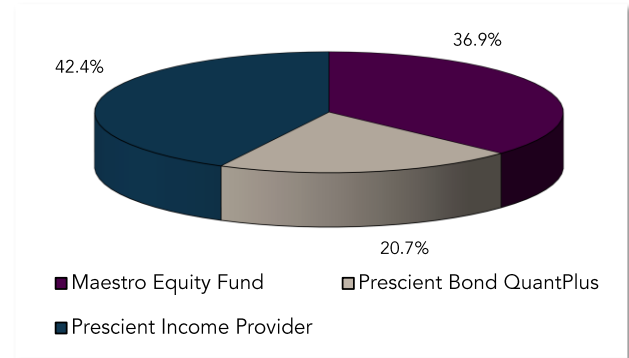


Turning to local markets: in contrast to global markets, this year is morphing into a particularly forgettable one. Higher commodity prices, stronger global economic activity and a weaker rand supported the Basic Materials index, which rose 7.1%. The Industrial index rose 7.6% (Naspers rose 18.0%) during October and the Financial index 2.5%. The Mid and Small cap indices rose 4.1% and 2.6%, trailing the Large cap (Top40) index, which rose 6.6%; the influence of Naspers and Richemont, which both have large index weightings, is obvious.

**Monthly fund returns**

During October the Maestro Cautious Fund's NAV increased by 1.3% versus the Fund's benchmark increase of 1.4%. The [Maestro Equity Prescient Fund](#) increased by 3.9% versus the 6.3% increase 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](#) decreased by 1.4% versus its benchmark decrease of 2.3%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Naspers	6.3%
Prescient Flexible GI	3.3%
RSA 8% R2030 31012030	2.5%
Sygnia ITrix MSCI World	2.3%
R2048 8.75% 280248	2.3%
Sygnia ITrix MSCI US	2.2%
Discovery	2.0%
Aspen	2.0%
Echo Polska	1.7%
Steinhoff	1.7%
<b>Total</b>	<b>26.3%</b>

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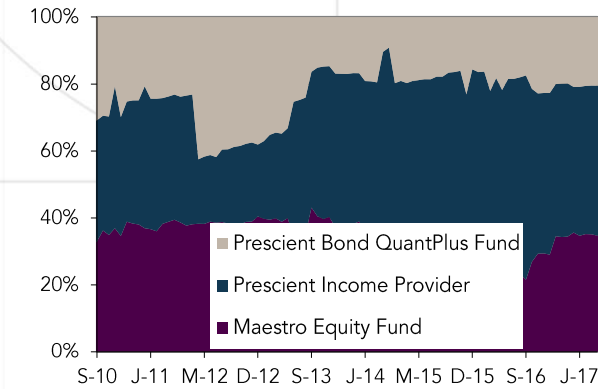
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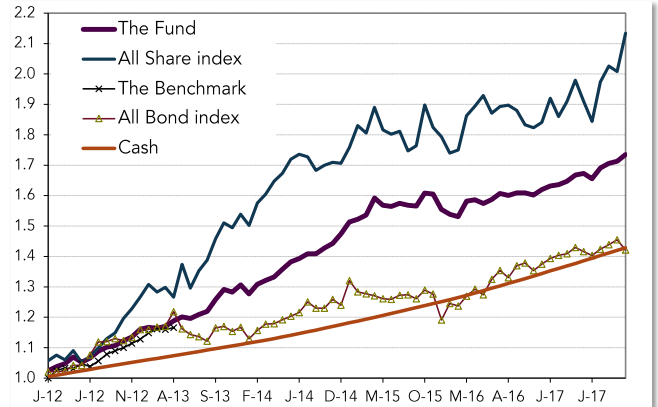
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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	1.3	7.9	6.7	9.1	9.0
Benchmark	1.4	10.6	7.4	8.4	8.8

## Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	7.1	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	10.0	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).

