

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

September  
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 2 353 028

#### NAV

Class A: 1.8857

#### 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

September saw meetings of the major Central Banks, namely the US Federal Reserve Bank (the Fed) and the Bank of Japan (BoJ), as well as Brexit-related headlines and the OPEC decisions all adding to the news flow which had an impact on the markets.

Arguably the most significant event was the decision by the Fed to keep interest rates on hold was a positive for emerging market currencies and most notably the rand which rose 7.1% on the month. MSCI Emerging Market index rose 1.1% during September, ahead of the MSCI World index, which gained 0.4%.

In Europe, Germany's Dax fell 0.8%, while the UK's FTSE 100 gained 1.7% on the back of a weak pound as news broke that the UK is likely to trigger Article 50 as early as the first quarter of 2017. Equity markets in the US were fairly muted, with the S&P 500 gaining a marginal 0.1%. Asia was weaker, with Japan's Nikkei falling 2.6% while China's Shanghai and India's Sensex declined 2.6% and 2.1%, respectively. Other emerging markets were stronger, as Turkey's BIST100, Brazil's Bovespa and Russia's RTS rose 0.7%, 0.8%, and 4.1%, respectively.

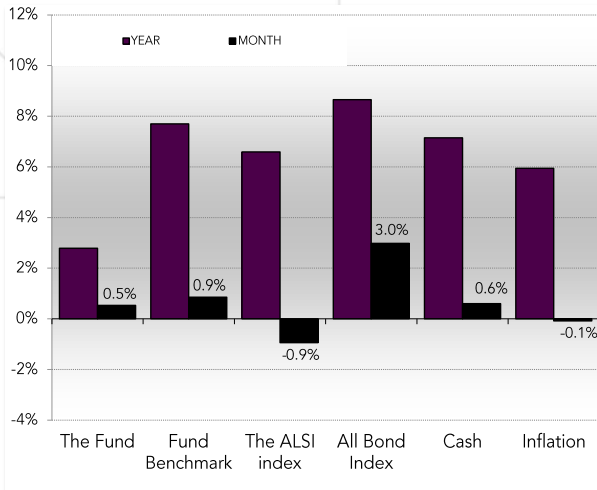
Commodity prices were the stand out gainers in September as the oil price rallied 6.7% following an OPEC agreement to curb supply. Base metals were strong as Copper rose 5.6%. The coal price continued its strong run with the global COAL RB index rising 12.4% and is 50.5% higher over the last year. The CRB Total Return index rose 3.1% over the month. Global bonds were slightly firmer with the Barclays Global Aggregate index gaining 0.6%.

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

- Leonard Bernstein



**Local market returns**

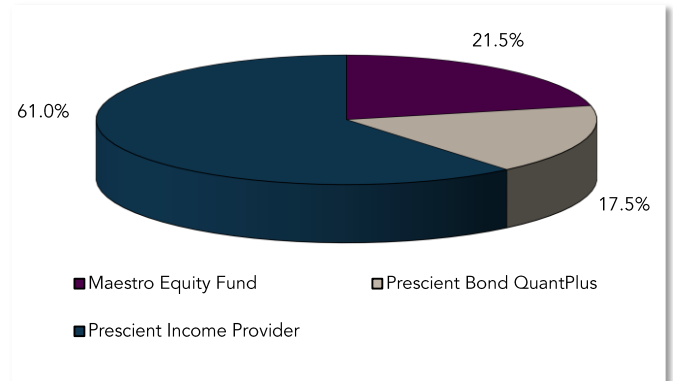


Turning to the South African equity market, a stronger rand proved to be a headwind for the All Share index, which fell 0.9% in September. The rand-hedge dominated Industrial index was understandably the underperformer, declining 3.5%. The Financials index rose 1.4%, while strong commodity prices boosted the Basic Material index 4.5%. The Gold Mining index lost 8.7%. The Mid and Small cap indices rose 0.9% and 1.2% respectively during the month. The All bond index rose an impressive 3.0%.

**Monthly fund returns**

During September the Maestro Cautious Fund's NAV increased by 0.5% versus the Fund's benchmark increase of 0.9. The [Maestro Equity Prescient Fund](#) decreased by 1.6% versus the 0.9% 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](#) increased by 3.2% versus its benchmark increase of 3.0%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Prescient Flexible GI	11.1%
Naspers	2.5%
RSA 6.25% R209 310336	2.2%
RSA 7.00% R213 280231	1.8%
RSA 8% R2030 31012030	1.8%
Firstrand FRB16 FRN 080720	1.7%
Tower Property Fund Limited	1.5%
RSA 6.5% R214 280241	1.2%
Tower Property Fund Limited	1.2%
Steinhoff	1.2%
<b>Total</b>	<b>26.1%</b>

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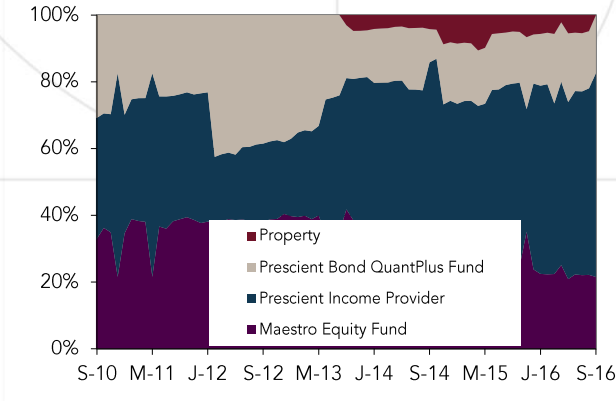
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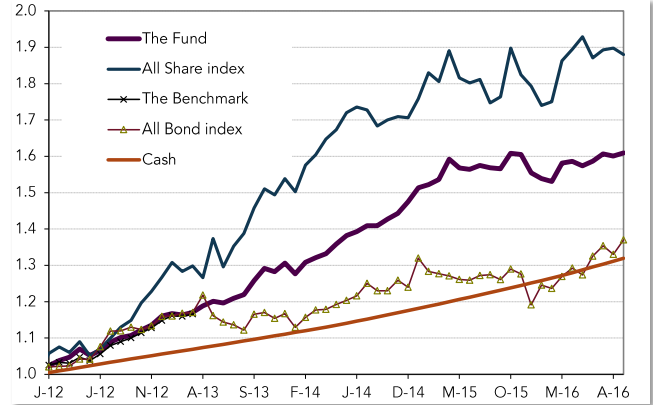
PRESCIENT LIFE

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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	0.5	2.8	8.6	10.7
Maestro Cautious Fund Benchmark	0.9	7.7	7.4	9.5

## Monthly and annual average return (%)

Investment	Year to Date	2015	2013	2012	2011	2010
Maestro Cautious Fund	3.5	5.4	12.6	16.1	2.9	12.8
Benchmark	8.2	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).

