

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

September  
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 2 199 891

#### NAV

Class A: 2.0074

#### 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

The year is rushing to an end, although from an investment point of view September proved to be another fascinating month. This year is proving to be a most interesting mosaic, with all sorts of factors influencing market returns in the midst of an inordinate amount of debate regarding not only the future, but also the present.

The MSCI World index rose 2.1%, while the MSCI Emerging market index lost 0.6%. Their year-to-date returns are 14.2% and 25.5% respectively, showing what a profitable year 2017 is proving to be. Notable features on the equity market front were the 3.6% rise in the Japanese market, thanks in part to a weaker yen, and the German market (the Dax), which surged 6.4%, assisted by the 0.6% decline in the euro relative to the dollar. It is worth highlighting the performance of the US (S&P) Mid and Small cap indices, which rose 3.8% and 7.6% respectively. Their gains were fuelled by the proposed tax changes in the US – mid and small-sized companies are likely to be major beneficiaries if the proposals come into being, although of course that is a very big "if".

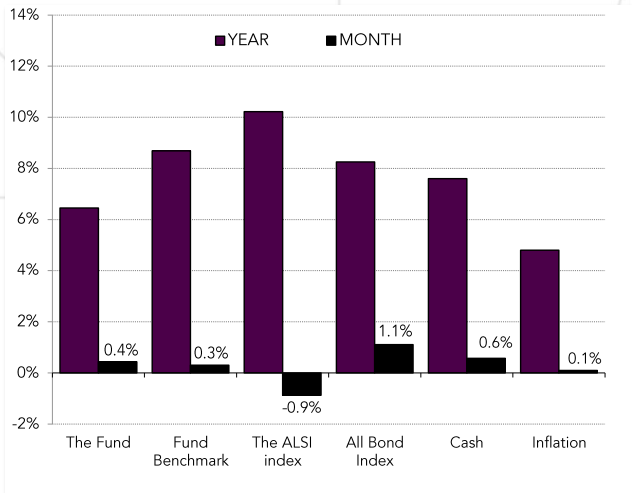
With the US Federal Reserve (the Fed) signaling their intention to start scaling back the vast quantity of money with which they supported global financial markets since the 2007/9 great financial crisis, together with the expectation of another interest rate increase in December, the dollar firmed against most global currencies and emerging market currencies in particular.

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

- Leonard Bernstein



**Local market returns**



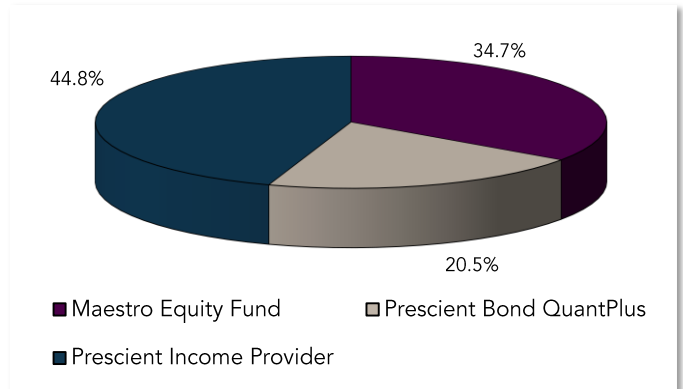
Turning to the local investment environment, we are seeing some evidence of weakness creeping into the market. The Mid cap index declined by 5.1%. The Large cap (Top40) index declined 0.4% but a lot of the weakness emanated from Basic Material shares, which ended the month 1.1% lower (the Gold index lost 7.5%), and Financials, which ended 1.9% lower. The Industrial index lost 0.3%. Surprisingly, particularly in the light of weak global bond markets and the weak rand, the All Bond index rose 1.1%, bringing its year-to-date return to 7.9% versus the 12.6% of the All Share index.

**Monthly fund returns**

During September the Maestro Cautious Fund's NAV increased by 0.4% versus the Fund's benchmark increase of 0.3%. The [Maestro Equity Prescient Fund](#) decreased by 0.5% versus the 0.9% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 1.1% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 1.0% versus its benchmark increase of 1.1%. The Maestro Cautious Fund does not invest in the [Central](#)

[Park Global Balanced Fund.](#)

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Naspers	5.2%
Prescient Flexible GI	3.5%
Aspen	1.8%
Standard Bank FRN 040820	1.8%
RSA 6.25% R209 310336	1.7%
Sygnia ITrix MSCI World	1.6%
Steinhoff	1.6%
Prescient Flexible GI Class C	1.6%
Richemont	1.5%
Discovery	1.5%
<b>Total</b>	<b>21.8%</b>

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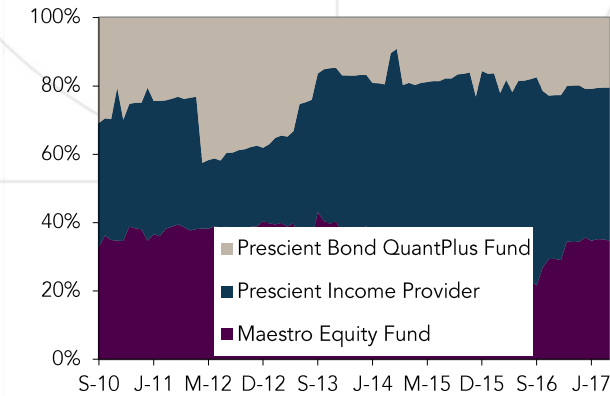
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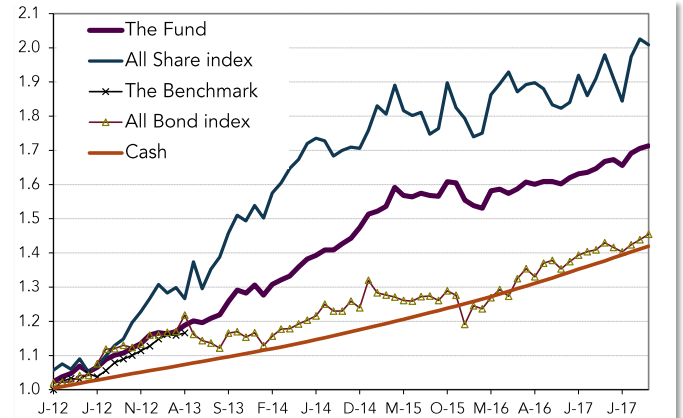
PRESCIENT LIFE

September 2017

## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.4	6.5	6.8	9.1	9.1
Benchmark	0.3	8.7	7.4	8.4	8.8

## Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	5.8	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	8.4	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).

