

MAESTRO EQUITY PRESCIENT FUND



PRESCIENT
MANAGEMENT COMPANY

31 July 2019

Minimum Disclosure Document

Investment objective

The Maestro Equity Fund will be a general equity portfolio. The Manager in selecting securities for the portfolio will seek to follow an investment policy which will secure for investors an optimum overall return, that is to say the steady growth of income and the preservation of capital in real terms. In order to achieve these main objectives the investments to be acquired for the Maestro Equity Fund, shall comprise a mix of securities, financially sound ordinary shares, stock, financially sound preference shares, debenture stock, debenture bonds and unsecured notes as defined in the Act and the Deed, all to be acquired at a fair market value.

The Fund benchmark

The Fund will measure itself against the FTSE-JSE All Share Index. ASISA Classification: South African-Equity-General.

Legal structure

The Fund is a scheme in the nature of a trust known as a collective investment scheme. The portfolio manager is Maestro Investment Management (Pty) Ltd, an approved Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, operating under license number 739. This portfolio operates as a white label fund under the Prescient unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

Fee structure

The maximum initial fee is 2.0%. The annual investment management fee is 1.75%. The annual total expense ratio (TER) for period ended 31 March 2019, in respect of class A was 2.34%.

Income declaration (annually)

3.86 cents per unit
31 March 2019

Fund size

R29 610 238

NAV

Class A: 2 754.51c

Fund inception date

1 July 2005

Management Company

Prescient Management Company (RF) (Pty) Ltd
PO Box 31142, Tokai, 7945

Trustee and auditor

Trustee: Nedbank Limited
Auditor: KPMG Inc.

Investment Manager

Maestro Investment Management

Enquiries

Maestro Investment Management
PO Box 1289, Cape Town, 8000
Tel: 021 674 9220
Email: japie@maestroinvestment.co.za

Publication date

8 August 2019

Orchestrating Your Wealth



Market Overview

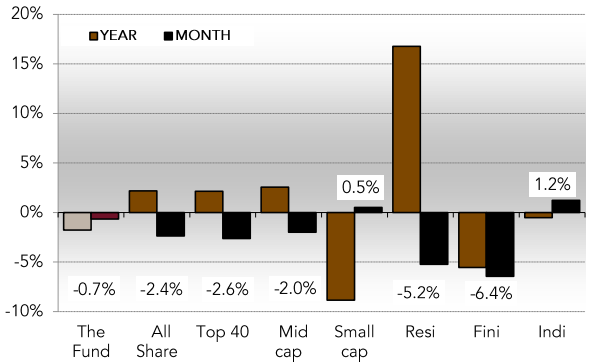
For a number of reasons, July felt like a rather strange month. The US China trade talks got underway again, corporate earnings season kicked off, and a highly anticipated US Federal Reserve meeting took place – but all of these events occurred late in the month, leading markets to adopt a “wait and see” attitude in general. Global bond and equity markets have performed very well so far this year, so there are a lot of expectations built into current market levels; there is not much room for disappointment.

We should not be surprised then that investment markets were mostly flat during July. One of the biggest stories was the dollar, which strengthened 2.5% during the month. The euro and sterling lost 2.2% and 3.8% respectively. The firm dollar placed many commodity prices under pressure – the Bloomberg Commodity index declined 0.9% during the month – but certain prices actually rose on the month, including all the precious metals. The global bond market declined 0.3% although it is still up 5.3% so far this year.

The firmer dollar retarded the progress of certain large emerging markets. The MSCI Emerging Market index lost 1.7%, with China and India registering declines of 1.6% and 4.9% respectively. The MSCI Emerging Market index's 7.4% year-to-date return lags the comparable 16.1% return of the MSCI World index i.e. developed markets. That said, the German equity market lost 1.7% during July, and Hong Kong declined 2.7%. The UK market was only saved due to the collapse in sterling and the Brexit “Bojo” circus. Despite the strong dollar, the US equity market rose 1.5%, bringing its year-to-date gain to 20.0%.

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

- Leonard Bernstein



Local market returns

Turning to the local markets, the slow meltdown into oblivion continues, while politicians “fiddle” and obsess about factions within the ruling party, and other largely irrelevant things. Billions of rands, which the country doesn’t actually have and can certainly not afford, are being thrown into the bottomless pit of failed and corrupt State-owned enterprises (SoEs). The All Share index lost 2.4% during July, with the Financials index leading the decline, down 6.4%, followed closely by Basic Materials, which ended the month down 5.2%. The Industrial Index rose 1.2%, while the Mid and Small Cap indices registered monthly returns of -2.0% and 0.5% respectively. The rand ended down 0.5% against the dollar which, all things considered, was a relatively good performance in the face of the rampant greenback.

Investment manager comment

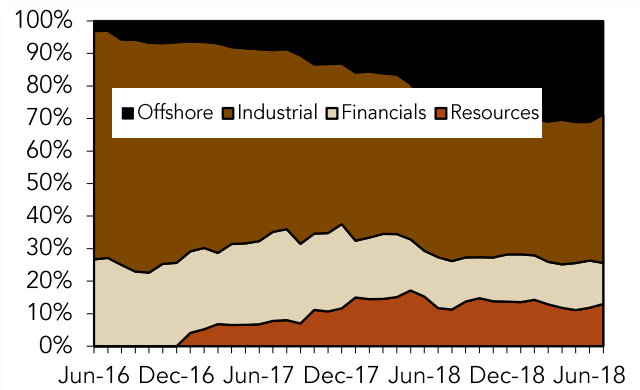
The return on the Fund was -0.7% for the month versus the -2.4% All Share index return. Shares which disappointed during the month included Anglo plc, which lost 12.5%, Discovery lost 11.3%, Stadio 10.8% and Aspen 10.1%. On a more positive note, Afrimat rose 8.7%, Ascendis 6.4%, Richemont 2.6% and Naspers 2.6%.

There were no major investment transactions during the month.

Largest holdings

| Investment | % of Fund |
|--------------------------------|--------------|
| Naspers Ltd | 12.3% |
| Sygnia ITrix MSCI US | 8.6% |
| Sygnia ITrix MSCI World | 7.9% |
| Afrimat Ltd | 4.6% |
| AdaptIt Holdings Ltd | 3.9% |
| KAP Industrial Holdings Ltd | 3.5% |
| Standard Bank Group Ltd | 3.3% |
| Coreshares S&P 500 ETF | 3.3% |
| BHP Group plc | 3.2% |
| Compagnie Financiere Richemont | 3.2% |
| Total | 53.8% |

Historic sector allocation (% of Equity)



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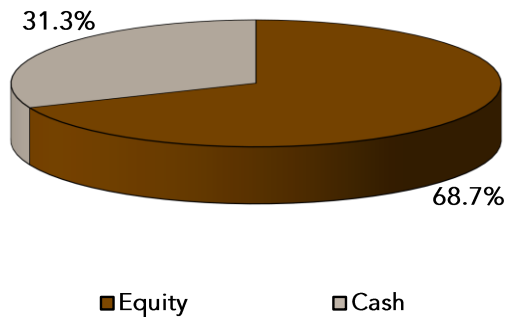
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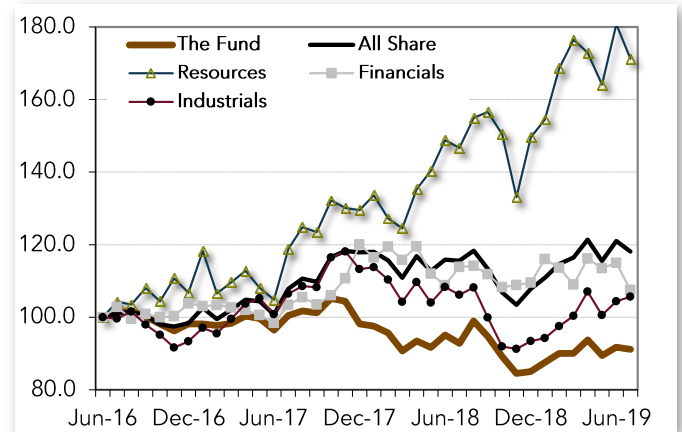
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Asset allocation (% of Fund)



Three-year cumulative historic performance



Month and annual average returns (%)

| Investment | 1 month | 1 year | 3 years | 5 years | 7 years | 10 years |
|--------------------------------|---------|--------|---------|---------|---------|----------|
| Maestro Equity Prescient Fund* | -0.7 | -1.8 | -3.5 | -0.5 | 5.5 | 7.1 |
| FTSE-JSE All share index | -2.4 | 2.2 | 5.6 | 5.2 | 10.6 | 12.1 |

*Performance is net of all fees and costs

Calendar year performance (%)

| Investment | YTD | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------|-----|-------|------|------|------|------|
| Maestro Equity Prescient Fund* | 7.2 | -13.4 | 0.0 | -2.1 | 4.1 | 10.5 |
| FTSE-JSE All share index | 9.6 | -8.5 | 21.0 | 2.6 | 5.1 | 10.9 |

*Performance is net of all fees and costs

Rolling return (%)

| | |
|--|--------|
| Highest rolling 1-year return (since launch) | 41.9% |
| Lowest rolling 1-year return (since launch) | -34.5% |

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Disclaimer

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS 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, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER. Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change. The Manager retains full legal responsibility for any third-party named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. For any additional information such as fund prices, brochures and application forms please go to www.maestroinvestment.co.za.

Risks

Liquidity risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected. Equity investment risk: Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company. Foreign Investment risk: Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations. Property risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

Glossary Summary

Annualised performance: Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Total Expense Ratio (TER)

As at 31 March 2019 the TER for Class A units were as follows:

| | |
|-------------------------------|-------|
| Management Fee | 1.75% |
| Performance Fees | 0.00% |
| Other Cost | 0.38% |
| Total Expense Ratio (TER) | 2.13% |
| Transaction Costs (TC) | 0.21% |
| Total Investment Charge (TIC) | 2.34% |

Minimum investment:

Lump sum: R100 000
Debit order: R1 000

Risk Profile:

The Fund's risk profile is classified as high as listed equity investments make up the majority of the Fund's holdings. Generally equities have a higher level of volatility compared with other asset classes, however the expected long term returns are higher than other classes.

Contact Details

Management Company:

Prescient Management Company (RF) (Pty) Ltd, Registration number: 2002/022560/07 Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 Postal address: PO Box 31142, Tokai, 7966. Telephone number: 0800 111 899. E-mail address: info@prescient.co.za Website: www.prescient.co.za

Trustee:

Nedbank Investor Services Physical address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 Telephone number: +27 11 534 6557 Website: www.nedbank.co.za
The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

Investment Manager:

Maestro Investment Management (Pty) Ltd, Registration number: 2000/028796/07 is an authorised Financial Services Provider (FSP739) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (NO.37 of 2002). Please be advised that there may be representatives acting under supervision.

Physical address: 4th Floor, Letterstedt House, Newlands on Main, Main Road, Newlands, 7700 Postal address: PO Box 1289, Cape Town, 8000 Telephone number: (021) 674 9220 Website: www.maestroinvestment.co.za

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