

# MAESTRO EQUITY PRESCIENT FUND



PRESCIENT  
MANAGEMENT COMPANY

31 July 2017

## Minimum Disclosure Document

### Investment objective

The Maestro Equity Prescient Fund's objective is to produce above average long-term returns by investing in the South African equity market. It will simultaneously aim to assume less risk than the risk inherent in the market itself. The Fund adopts a conservative investment philosophy. The Fund falls under the South African Equity General ASISA classification as the Fund has a high risk profile.

### The Fund benchmark

The Fund will measure itself against the FTSE-JSE All Share Index

### 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 2017, in respect of class A was 2.2%.

### Income declaration (annually)

10.89 cents per unit  
31 March 2017

### Fund size

R109 616 513

### NAV

Class A: 3 040.68c

### 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: luke@maestroinvestment.co.za

### Publication date

07 August 2017

Orchestrating Your Wealth



## Market Overview

July was a profitable month in virtually all global markets. The over-riding feature of July's market activity was the dollar's weakness against all other currencies, with the exception of the rand. Disappointment at the rate of US economic activity has taken some steam out of the expectations of further US interest rate rises. Added to that is the fact that economic growth in the Eurozone is proving to be stronger than expected, leading to a strong euro. The dollar weakness meant that assets denominated in dollar terms rose during the month; this was particularly true of commodities, and emerging equity and currency markets.

Emerging markets have outperformed developed markets every month this year and July was no exception. The MSCI World index rose 2.3% but the MSCI Emerging Market index rose 5.5%, bringing its year-to-date gain to 23.7% versus the MSCI World index's 12.0% year-to-date gain. Strong monthly gains were registered in the equity markets of Brazil, up 4.8%, India 5.2%, Hong Kong 6.1%, South Africa 7.0%, and Turkey 7.1%. The firm euro – it rose 3.4% against the dollar – retarded the returns of the German equity market. The latter index declined 1.7%, its second consecutive monthly decline. The Bloomberg Global Aggregate bond index rose 1.7%.

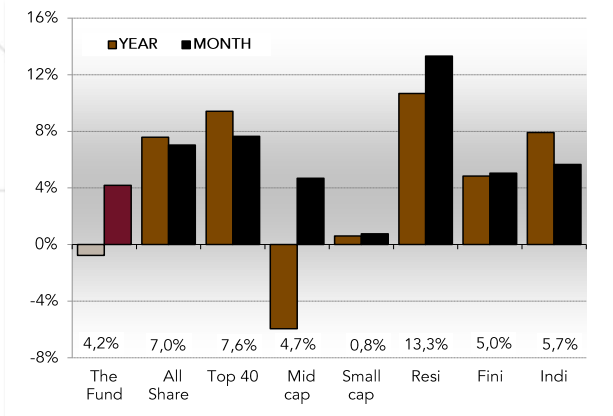
Within the commodity space, the oil price rose 7.9% on the month, while strong gains within the industrial metals complex saw copper up 6.8%, coal 8.4%, nickel 9.6%, and iron ore 17.5%. Agricultural commodity prices were also firm.

"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 investment markets, the combination of a weaker rand – it declined 0.7% against an already weak dollar – and firm commodity prices led the Basic Materials index 13.3% higher on the month. A strong showing by the Industrial and Financial indices of 5.7% and 5.0% respectively contributed to the 7.0% monthly gain in the All Share index (Alsi). The Mid and Small cap indices struggled to keep pace with their larger counterparts, rising only 4.7% and 0.8% respectively. The All Bond index rose 1.5%.

**Investment manager comment**

The Fund rose 4.2% during the month. The underperformance relative to the Alsi was partly a result of the underweight in resource shares which were very strong during July. Very disappointing returns from EOH, which declined 14.3% following adverse media coverage during the month also weighed on the Fund. Ascendis Health declined 7.6% and CalgroM3 7.0%. Consolidated Infrastructure Group fell 4.3%, OneLogix 4.1%, Balwin Properties 4.0%, and Afrimat and Aspen 3.8% each. Ironically, in our humble view none of these companies is doing too badly at present – at

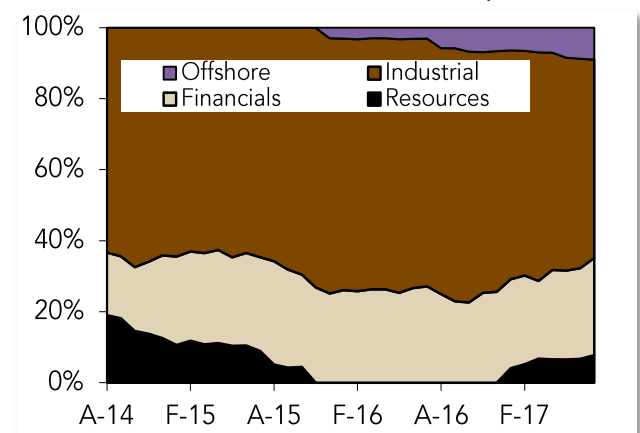
least in terms of their ongoing operations and profitability - but the market has taken a harsh view of them (and of small caps in particular) as the political backdrop of the country that weighs heavily on all SA-focused companies. The investments which gained during July include Discovery which rose 9.7%, Firststrand 10.0%, Mr Price 11.0%, Standard Bank 13.7% and Naspers 14.3%.

**Largest holdings**

Investment	% of Fund
Naspers Ltd	15.1%
Steinhoff International Holdings Ltd	5.1%
Aspen Pharmacare Holdings Ltd	4.9%
DB X-Trackers MSCI World Index ETF	4.5%
Discovery Holdings Ltd	4.4%
Firststrand Ltd	4.1%
DB X-Trackers MSCI USA Index ETF	4.0%
Compagnie Financiere Richemont SA	4.0%
Old Mutual plc	3.8%
Echo Polska Properties Ltd	3.7%
<b>Total</b>	<b>53.5%</b>

During the month the small holdings in City Lodge and Mr Price were sold out of the Fund.

**Historic sector allocation (% of Equity)**



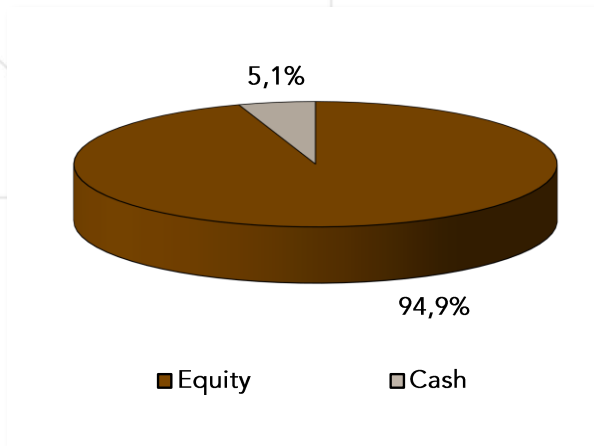
*"To achieve great things, two things are needed; a plan, and not quite enough time."*

- Leonard Bernstein

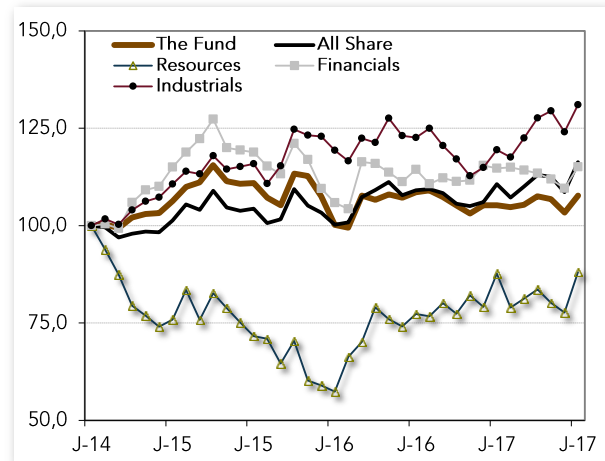


31 July 2017

Asset allocation (% of Fund)



Three-year historic performance



Month and annual average returns (%)

Investment	1 month	1 year	3 years	5 years	7 years	10 years
Maestro Equity Prescient Fund*	4.2	-0.8	2.5	9.9	10.3	6.9
FTSE-JSE All share index	7.0	7.6	5.5	13.1	13.3	10.0

\*Performance is net of all fees and costs

Calendar year performance (%)

Investment	Year to Date	2016	2015	2014	2013	2012
Maestro Equity Prescient Fund*	2.3	-2.1	4.1	10.5	23.8	25.5
FTSE-JSE All share index	10.6	2.6	5.1	10.9	21.5	26.7

\*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%

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

- Leonard Bernstein

# MAESTRO EQUITY PRESCIENT FUND

Orchestrating Your Wealth



PRESCIENT  
MANAGEMENT COMPANY

31 July 2017

## 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. Money market Funds are priced at 1pm all other 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](http://www.maestroinvestment.co.za)

## 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 2017 the TER for Class A units were as follows:

Management Fee	1.75%
Performance Fees	0.00%
Other Cost	0.31%
Total Expense Ratio (TER)	2.06%
Transaction Costs (TC)	0.15%
Total Investment Charge (TIC)	2.21%

## 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](mailto:info@prescient.co.za) Website: [www.prescient.co.za](http://www.prescient.co.za)

### Trustee:

Nedbank Investor Services Physical address: 2<sup>nd</sup> Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 Telephone number: +27 11 534 6557 Website: [www.nedbank.co.za](http://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: 4<sup>th</sup> Floor, Letherstedt 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](http://www.maestroinvestment.co.za)

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information

Orchestrating Your Wealth