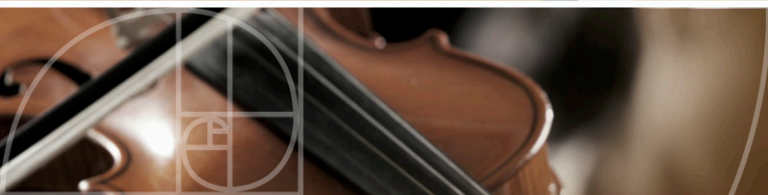


# MAESTRO EQUITY PRESCIENT FUND



**PRESCIENT**  
MANAGEMENT COMPANY

30 September 2018

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 December 2017, in respect of class A was 2.32%.

#### Income declaration (annually)

0.0 cents per unit  
31 March 2018

#### Fund size

R52 134 796.82

#### NAV

Class A: 2 863.46c

#### 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](mailto:japie@maestroinvestment.co.za)

#### Publication date

5 October 2018

Orchestrating Your Wealth



## Market Overview

Following the trauma of last month's market behaviour, especially within emerging currency and equity markets, September seemed relatively tranquil. If the 0.4% and -0.8% MSCI World and Emerging market respective returns are anything to go by, one can be forgiven for thinking markets were relatively calm. Of course, it is never that simple.

The Japanese equity market led the gains with a 5.5% monthly increase, while amongst the larger emerging markets, India led the losses with a 6.3% decline. There were the odd emerging market outliers, such as Turkey and Russia, which rose 7.8% and 9.1% respectively (the Russian market is always firm when the oil price rises), while Greece lost 5.2%. The Chinese equity market rose 3.5%, following its 5.3% loss in August. So all in all the month represented a mixture of returns, with little happening on the surface but a lot more going on underneath. There was also notable differences in the market capitalization (size) movements, with the US large cap index (S&P500) rising 0.6% but the S&P Mid and Small cap indices falling 1.2% and 3.3% respectively. Global bond markets were relatively calm but ended the month weaker; the Bloomberg Global and US Aggregate bond indices lost 0.9% and 0.6% respectively.

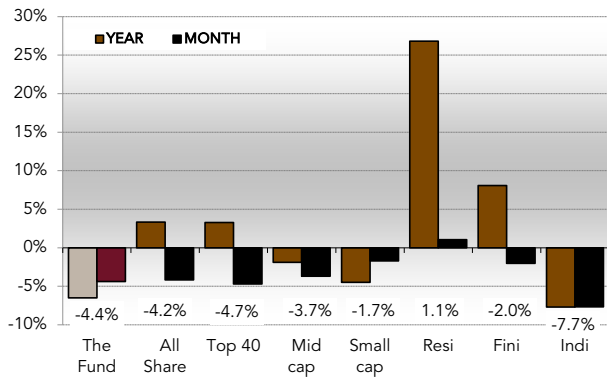
The dollar was relatively stable, which allowed some respite following the emerging market currency carnage last month. The rand firmed 3.5%, the Russian rouble 2.8%, and the Turkish lira 10.2%, but the Indian rupee lost 2.1%.

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

- Leonard Bernstein



**Local market returns**



With respect to the SA equity market, the downtrend that has been in place for a couple of years continued. The All share index shed 4.2%, led by the large cap Top40 index, which fell 4.7%. The Mid and Small cap indices lost 3.7% and 1.7% respectively. Notwithstanding the firm rand, the Financial index ended September 2.0% lower while the Industrial index lost 7.7%; dragged lower by 41.9%, 15.1%, 14.1% and 11.1% respective monthly losses in Aspen, Imperial, Bidvest and Richemont share prices. The Basic material index rose 1.1%. Spurred in part by the firm rand, the All Bond index rose 0.3%.

**Investment manager comment**

The return on the Fund was -4.4% versus the -4.2% All Share index return. The strong rand proved to be a headwind for the offshore trackers in the portfolio, which constitute 26.5% of the Fund. Shares that detracted from the returns included Aspen, which fell 41.9% on the back of the poor results, although the reaction seemed totally overdone in our view. Ascendis Health lost 14.6% (it did rise 17.5% last month, though), while Naspers lost 6.6%. On the

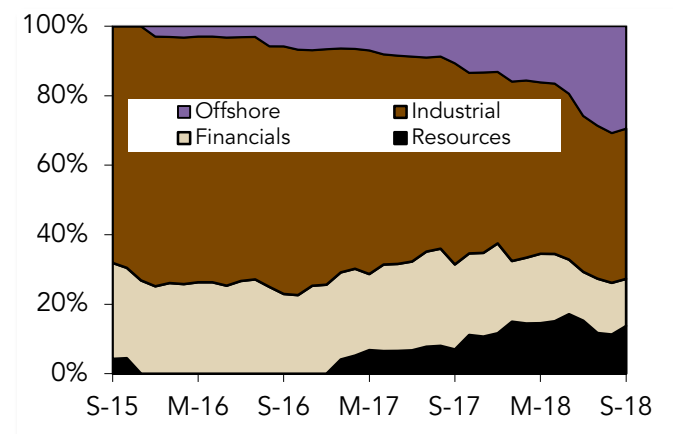
upside, AdaptIT rose 3.4%, KAP 3.6%, and Afrimat 14.8%.

During the month we sold the entire holding in Echo Polska Property.

**Largest holdings**

Investment	% of Fund
Naspers Ltd	14.5%
Sygnia ITrix MSCI US	12.3%
Sygnia ITrix MSCI World	12.2%
Discovery Ltd	6.0%
Compagnie Financiere Richemont	4.7%
BHP Billiton plc	4.6%
KAP Industrial Holdings Ltd	4.4%
Afrimat Ltd	4.3%
Anglo American plc	4.2%
AdaptIT Holdings Ltd	4.0%
<b>Total</b>	<b>71.2%</b>

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



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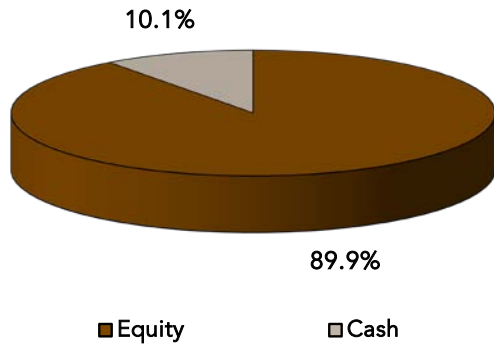
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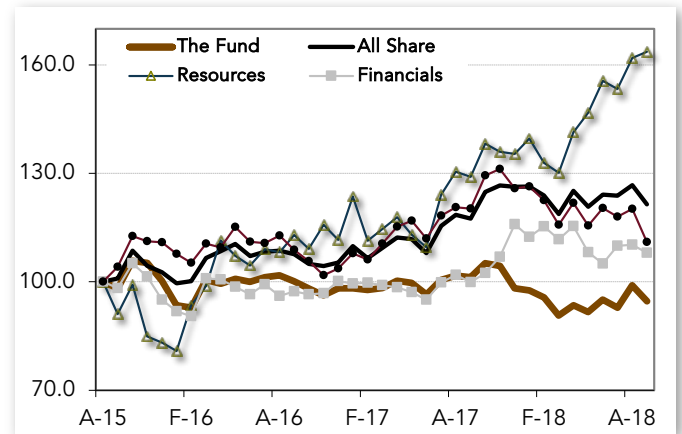
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30 September 2018

## 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*	-4.4	-6.5	-1.2	3.0	8.6	7.2
FTSE-JSE All share index	-4.2	3.3	6.7	8.0	12.8	12.1

\*Performance is net of all fees and costs

## Calendar year performance (%)

Investment	YTD	2017	2016	2015	2014	2013
Maestro Equity Prescient Fund*	-3.6	0.0	-2.1	4.1	10.5	23.4
FTSE-JSE All share index	-3.8	21.0	2.6	5.1	10.9	21.5

\*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. 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 December 2017 the TER for Class A units were as follows:

Management Fee	1.75%
Performance Fees	0.00%
Other Cost	0.32%
Total Expense Ratio (TER)	2.07%
Transaction Costs (TC)	0.25%
Total Investment Charge (TIC)	2.32%

## 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, 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](http://www.maestroinvestment.co.za)

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