

# MAESTRO EQUITY PRESCIENT FUND



PRESCIENT  
MANAGEMENT COMPANY

31 October  
2016

## 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 30 June 2016, in respect of class A was 2.2%.

### Income declaration (annually)

9.2 cents per unit  
31 March 2016

### Fund size

R122 653 434.42

### NAV

Class A: 2 982.07c

### 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

08 November 2016

Orchestrating Your Wealth



## Market Overview

October was all about politics both locally and globally. Locally, the National Prosecuting Authority's about turn in deciding whether to prosecute Finance Minister Pravin Gordhan was met with investor optimism and a strong rally in the rand. In the US the narrowing of Hillary Clinton's lead to become the next US President in some polls caused nervousness amongst investors as the unknowns mount around what a possible Trump presidency would mean for the US's trade and security relationships with the rest of the world.

Despite a strong US dollar in October, emerging markets performed well. The MSCI Emerging Market index rose 0.2%, ahead of the MSCI World index, which declined 2.0%. In Europe, Germany's Dax rose 1.5%, while the UK's FTSE100 gained 0.8%. Both of these indices were supported by weaker underlying currencies. The strong dollar weighed on US equity markets, with the S&P500 declining 1.8% and the Dow Jones retreating 0.7%. In Asia, Japan's Nikkei rose 5.9% while China's Shanghai and India's Sensex rose 3.2% and 0.2% respectively. The Brazilian Bovespa index gained an impressive 11.2%, followed by far more modest performances from Turkey's BIST100 and Russia's RTS indices, which gained 2.7% and 0.6%, respectively.

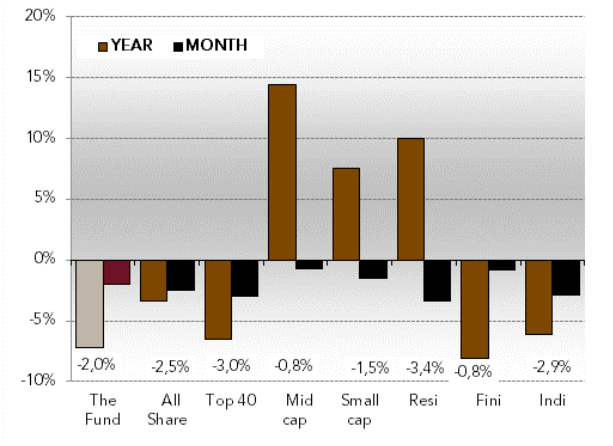
The US dollar index gained 3.0% against a basket of currencies during the month. The rand gained 2.0% and the euro lost 2.4% against the dollar in October. The real action was in the British pound's 6.0% fall against the dollar. The strong dollar put commodity prices under pressure. Palladium fell 15.2%, silver 8.2%, platinum 5.6% and gold 3.8%. Base metals such as coal and iron ore, bucked the trend, rising 20.1% and 15.6% respectively.

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

- Leonard Bernstein



**Local market returns**



Turning to the local market, the strong rand was a headwind for the All Share index (Alsi), which fell 2.5% in October. The Financial index declined 2.9% while the rand hedge dominated industrials index fell 2.9%. The Small and Mid-cap indices declined 1.5% and 0.8%, respectively. Basic Materials lost 3.4%, while the Gold mining index slumped 19.2% (but is still up 65.7% in 2016). The All bond index rose 0.6% during the month.

**Investment manager comment**

The Fund declined 2.0% outperforming the Alsi during the month. Not having any resource shares or gold shares helped the Fund outperform the broader market. The laggards in the Fund included Balwin Properties, which fell 11.5%, followed by Medi-clinic, which declined 10.2% (after falling 16.3% the previous month). Consolidated Infrastructure fell 9.1%, while CalgroM3 and Old Mutual declined 8.6% and 8.2%, respectively. Steinhoff, which now generates the lion's share of its revenue abroad, couldn't escape a rampant rand and declined 7.3%. The gainers during the month were AdaptIT, which rose 19.4%, followed by

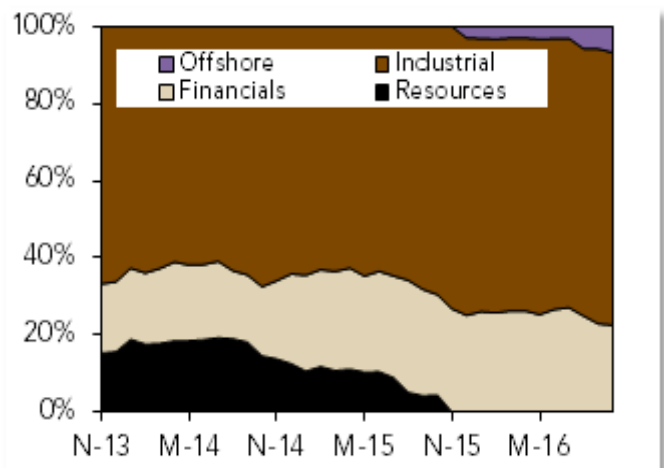
Richemont 4.3%, KAP 3.6% and Discovery 2.0%.

**Largest holdings**

Investment	% of Fund
Naspers Ltd	11.1%
Steinhoff International Holdings Ltd	6.0%
Firststrand Ltd	4.5%
Aspen Pharmacare Holdings Ltd	4.0%
Old Mutual plc	3.7%
Standard Bank Group Ltd	3.6%
Woolworths Holdings Ltd	3.5%
EOH Holdings Ltd	3.4%
Afrimat Ltd	3.3%
Ascendis Health Ltd	3.2%
<b>Total</b>	<b>46.3%</b>

During the month the holdings in AdaptIT, Afrimat and EOH were slightly reduced and the holdings in Mediclinic, Steinhoff, Naspers and the DB X-Tracker World Index were all increased. A small new holding in the form of Sygnia was added to the Fund. The Fund currently sits with a significant cash weighting for deployment as and when good opportunities arise.

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



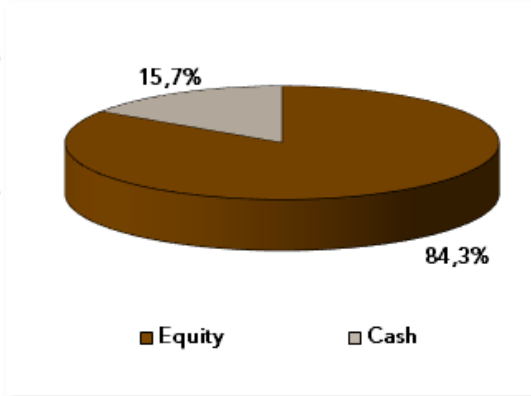
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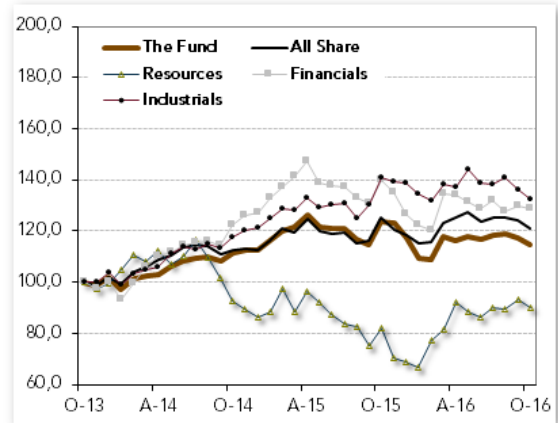


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Asset allocation (% of Fund)



Three-year historic performance



Month and annual average returns (%)

Investment	1 month	1 year	3 years	5 years	7 years	10 years
<b>Maestro Equity Prescient Fund*</b>	-2.0	-7.2	4.7	11.6	10.4	9.3
FTSE-JSE All share index	-2.5	-3.4	6.7	12.7	13.0	11.2

\*Performance is net of all fees and costs

Calendar year performance (%)

Investment	Year to date	2015	2014	2013	2012
<b>Maestro Equity Prescient Fund*</b>	-2.2	4.1	10.5	23.8	25.5
FTSE-JSE All share index	2.2	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%

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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 30 June 2016 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)	0.16%
Total Investment Charge (TIC)	2.22%

## 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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