

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

December
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 2 184 259

NAV

Class A: 2.0105

Long term insurer

Prescient Life Limited
(Reg. no: 2004/014436/06)

Auditor

KPMG Inc.

Portfolio manager

Maestro Investment Management (Pty) Limited

Enquiries

David Pfaff
Maestro investment Management
Box 1289
CAPE TOWN
8000
Email: david@maestroinvestment.co.za
Tel: (021) 674 9220

Orchestrating Your Wealth



Market Overview

What a remarkable year we have just put behind us. It was full of contradictions, ups and downs, good and not-so-good. I find myself saying this each year, but I can honestly not recall a year when it was not a more apt description of the year gone by.

The MSCI World index rose 1.3% during December, driven primarily by emerging market returns. The MSCI Emerging Market index rose 3.4%, boosted by a weak dollar. The greenback fell 0.7% against the euro and by far more against most emerging market currencies. Strong returns were seen in the Hang Seng, which rose 2.5%, and India, which rose 2.7%. Other notable gains were registered by Greece, up 8.4%, Turkey 10.9%, Brazil 6.2% and South Africa, which rose 9.8% in dollar terms, thanks to the remarkable 10.2% surge in the rand dollar exchange rate. Of the major global indices, only China (-0.3%) and Germany (-0.8%) declined. In the US, despite the view that the recent tax changes would benefit mid and small companies, the S&P Mid cap index rose only 0.1% and the Small Cap index fell 0.7%, compared to the 1.1% gain in the S&P500 (large cap) index.

The weak dollar spurred gains across the commodity complex, with notable increases experienced by nickel, up 15.3%, aluminium 11.5%, copper 7.8%, iron ore 7.3%, and palladium 4.2%. The oil price rose 7.4%, having risen every month since June, and ended the year up 18.3%. Soft commodity prices were mixed but firmer in general.

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

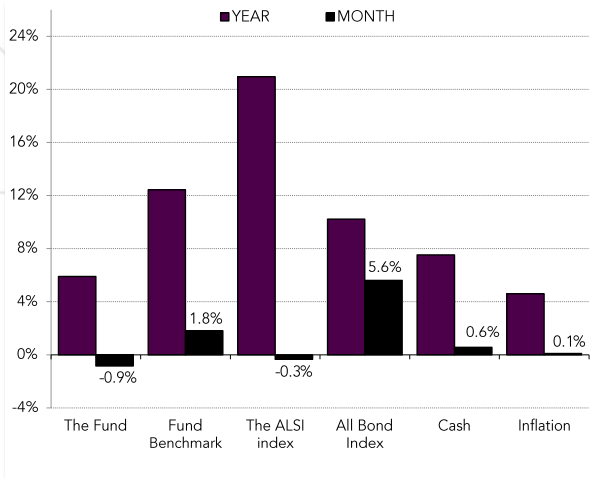
- Leonard Bernstein



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Local market returns



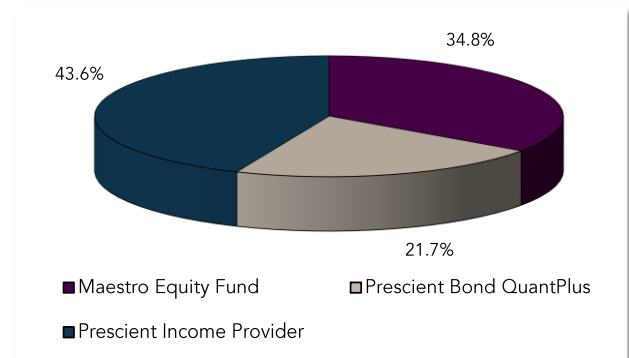
Turning to the local markets, the month was dominated by the spectacular and sudden collapse of the Steinhoff Group. Fear and panic sped like wildfire through the markets, taking shares like EOH and Echo Polska with it, for seemingly irrational reasons. To say that December was a terrible month on SA markets would be a gross understatement, but the All Share index will officially reflect a loss of only 0.3%. The Basic Material index lost only 0.5%, despite the firm rand and a 10.2% collapse in the Gold index. The rampant rand boosted the Financial index, which ended the month up 8.4% while the Industrial index lost 4.1%. The Mid cap and Small cap Index rose by 4.7% and 3.9% respectively.

Monthly fund returns

During December the Maestro Cautious Fund's NAV decreased by 0.9% versus the Fund's benchmark increase of 1.8%. The [Maestro Equity Prescient Fund](#) decreased by 5.9% versus the 0.3% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 1.0% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by

4.6% versus its benchmark increase of 5.6%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Naspers	6.8%
Prescient Flexible GI Class D	4.7%
Discovery	2.7%
Sygnia ITrix MSCI World	2.3%
Firststrand FRN 050918 Jb3+74	2.3%
Sygnia ITrix MSCI US	2.2%
Firststrand	2.0%
Aspen	1.9%
ABSA FRN 210618 Jb3+112.5	1.8%
R2048 8.75% 280248	1.7%
Total	28.3%

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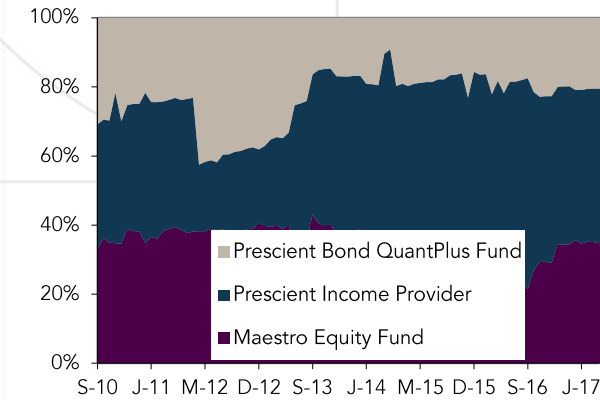
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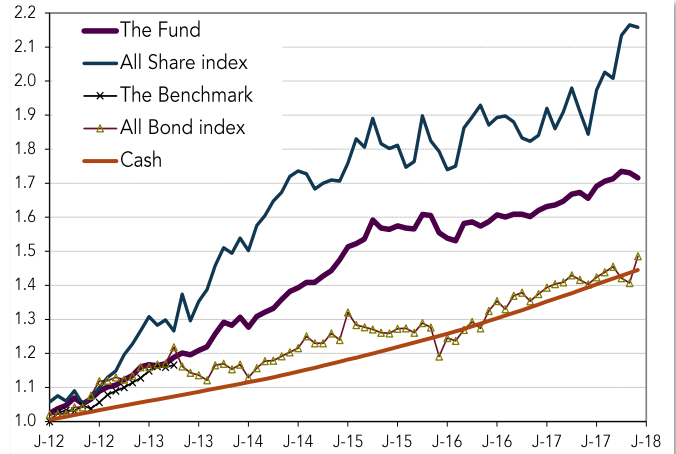
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.9	5.9	5.2	8.2	8.5
Benchmark	1.8	12.4	7.9	8.2	8.8

Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Benchmark	12.4	8.4	3.1	8.8	8.7	14.8	5.9

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).