

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

January
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 2 453 430

NAV

Class A: 1.9121

Long term insurer

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

Auditor

KPMG Inc.

Portfolio manager

Maestro Investment Management (Pty) Limited

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Market Overview

Global equity markets got off to a strong start to 2017 with most emerging and developed markets showing robust performances in January.

The MSCI Emerging Market index gained 5.5% with stronger emerging market currencies supporting the performance as the US dollar index declined 2.6%. The Turkish equity market gained 10.4% albeit on a 7.3% decline in the lira. The Brazilian market rose 7.4%, Hong Kong rose 6.2% and India 3.9%. The MSCI World index rose 2.4%, although it had been higher during the course of the month. The US equity market rose 2.0% and the German market 0.5%. The pound's strength put pressure on the UK market which declined 0.6%.

Global bond yields declined, helping the Bloomberg Barclays Global Aggregate Bond index (previously the Barclays Capital Global Aggregate Bond index) to rise 1.1%.

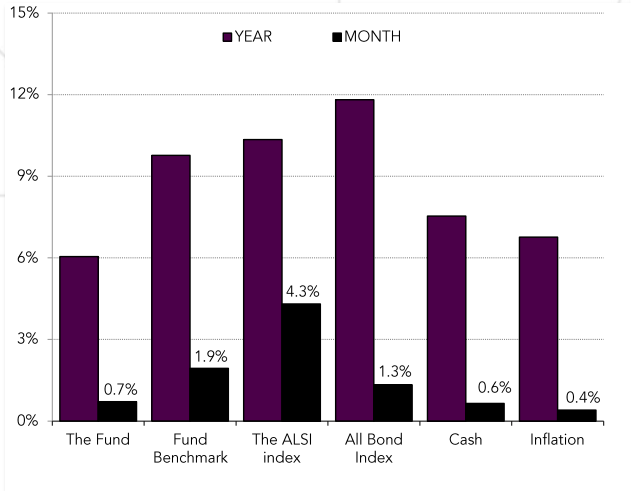
The weak dollar spurred commodity prices higher, which provided underlying strength to resource sectors in virtually all equity markets. Precious metal prices were strong with platinum, silver and gold rising 9.0%, 6.5% and 5.8% respectively. The oil price fell 0.7% during the month. Copper was particularly strong amongst the base metals, gaining 8.1% while aluminium rose 7.2% but nickel fell 1.4%. Iron ore continued its phenomenal run gaining 4.8% during the month and rising 96.8% over the past year. The Baltic Dry index, a reflection of the price of moving raw materials by sea fell 16.8% during January, however over the past year it has risen by 152.4%.

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

- Leonard Bernstein



Local market returns

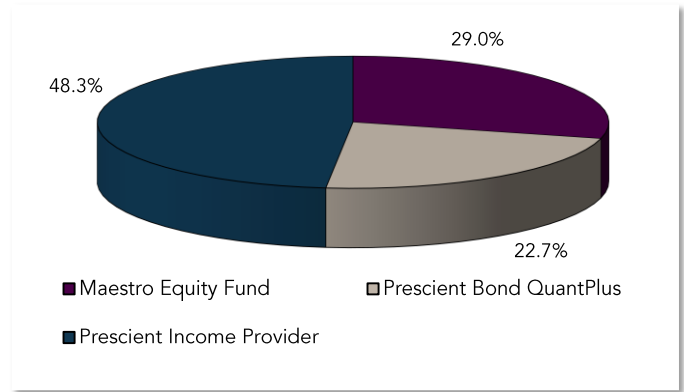


Turning to local markets, the All Share index (Alsi) gained 4.3% led by a surge of 10.7% in the Basic Material index. The Industrial index was also firm, rising 4.0%, while the Financials index declined 0.7% despite the firm rand. The All Bond index rose 1.3%, and the rand firmed 1.5% against the dollar. The large cap (Top40) index rose 4.7%, while the Mid and Small cap indices rose 1.7% and 2.4% respectively.

Monthly fund returns

During January the Maestro Cautious Fund's NAV increased 0.7% versus the Fund's benchmark increase of 1.9%. The [Maestro Equity Prescient Fund](#) was flat versus the 4.3% increase 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 1.4% versus its benchmark increase of 1.3%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible GI	7.4%
Naspers	3.5%
RSA 8.50% R2037 310137	2.3%
RSA 10.50% R186 211226	2.2%
Steinhoff	1.7%
Aspen	1.6%
RSA 7.00% R213 280231	1.6%
RSA 8% R2030 31012030	1.6%
RSA 6.5% R214 280241	1.5%
Firstrand	1.4%
Total	24.8%

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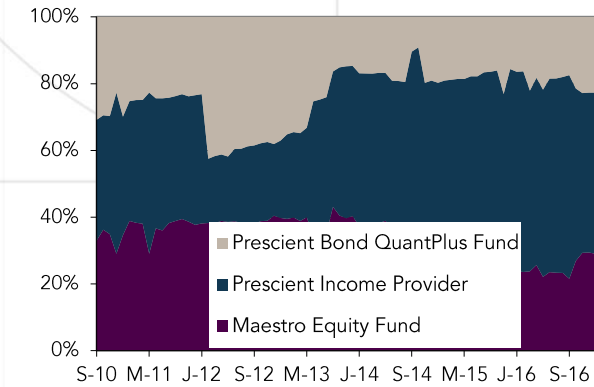
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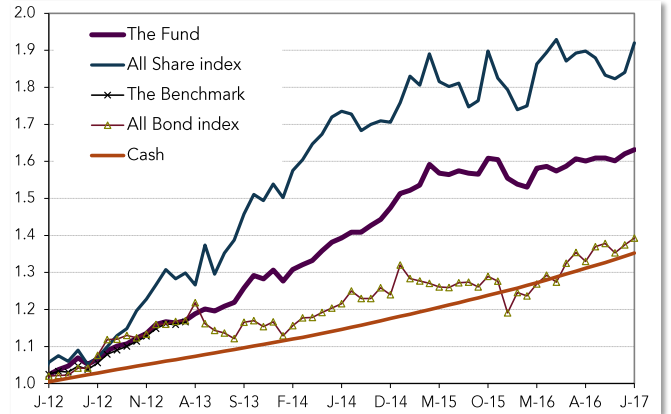
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1month	1 year	3 years	5 years
Maestro Cautious Fund	0.7	6.1	8.5	9.8
Maestro Cautious Fund Benchmark	1.9	9.8	7.9	8.6

Monthly and annual average return (%)

Investment	Year to date	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	0.7	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	1.9	8.4	3.1	8.7	14.8	5.9	13.7

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).

