

# MAESTRO CAUTIOUS FUND



PRESCIENT  
LIFE

January  
2015

#### 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), 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 licence 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 a white label under the Prescient Life Licence.

#### Fee structure

There is no initial fee charged. The Maestro Cautious Fund is a Fund of Funds with an annual management fee of 1.0% (excl VAT). This is inclusive of investment consulting, all underlying managers, and administrative functions performed by Prescient Life.

#### Fund size

R 786 913

#### NAV

Class A: 1.7735

#### Long term insurer

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

#### Auditor

KPMG Inc.

#### Portfolio manager

Maestro Investment Management (Pty) Limited

#### Enquiries

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## Market Overview

The New Year began where 2014 left off, with volatility continuing to be a dominant theme in markets. Key developments during the month included the announcement by the Swiss National Bank that the peg of the Swiss franc to the euro would be released. The result was a dramatic gain in the franc (it ended the day 23.8% higher), a sharp fall in Swiss equities and a general increase in volatility in markets. The announcement of 1.1 trillion euro quantitative easing program by the European Central Bank was, however, the catalyst to move financial markets higher from their intra-month lows in January.

On the whole, developed market equities underperformed emerging market equities, as the MSCI World Index declined 1.9%, while the MSCI Emerging Market Index rose 0.6% in January. US equities lagged with the S&P 500 declining 2.9% compared to the 9.1% gain in the German DAX. Within emerging markets, the Indian BSE rose 6.1%, while the Brazilian Bovespa declined 6.2%, and the dollar based Russian RTS fell 6.4%.

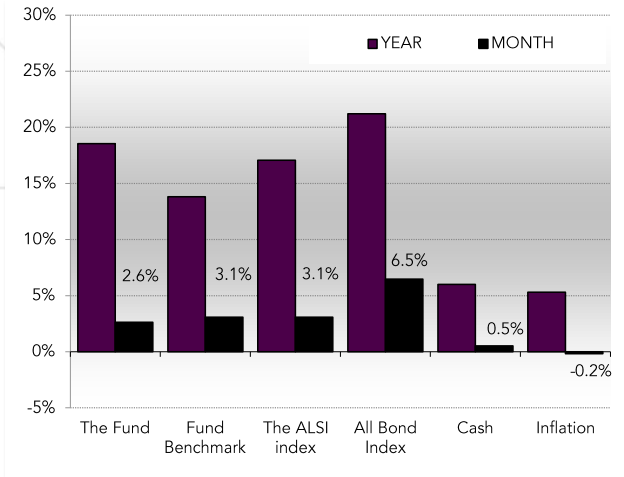
Commodities were generally weaker, with oil taking another step lower, declining 9.7% during the month. Gold gained 5.1% despite the strong US dollar, however, copper and iron ore had another weak month, declining 12.6% and 12.8% respectively. Overall, the S&P Goldman Sachs Commodity Index declined 8.1% during the month and is down a dramatic 37.8% over the past 12 months!

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

- Leonard Bernstein



**Market returns**



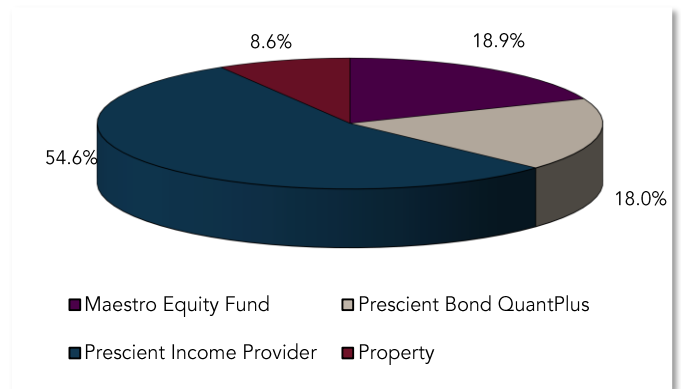
Turning to the local equity market, the All share index gained 3.1% in January, led yet again by financial shares, which rose 4.5%. Industrial shares rose 3.2% in January, while basic material shares rose 2.5%. Gold shares surged on the back of a slightly weaker rand and a firm gold price; they gained 32.2% on the month. The All bond index rose a dramatic 6.5% during the month.

**Monthly fund returns**

During January the Maestro Cautious Fund's NAV increased 2.6% versus 3.1% return of the Fund benchmark. The [Maestro Equity Fund](#) rose 3.0% versus the 3.1% return of the All share index. The [Prescient Income Provider Fund](#) returned 0.9% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) returned 6.0 % against its benchmark of 6.5%.

The Maestro Cautious Fund does not invest into the [Central Park Global Balanced Fund](#).

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Prescient Flexible GI	10.3%
Pivotal Property Fund	8.6%
ABSA AB011 FRN Tier2 Bond	3.2%
Nedbank FRN Non-demat 260	2.0%
Absa FRN 220615 Jb3+97.5	1.8%
Nedbank FRN Non-demat 190	1.7%
Rockcastle Global Real Estate	1.6%
Std Bank FRN 2 Tier Bond SBK21 280	1.6%
RSA 7.00% R213 280231	1.5%
Std bank FRN 2 Tier Bond SBK15 230	1.5%
<b>Total</b>	<b>33.8%</b>

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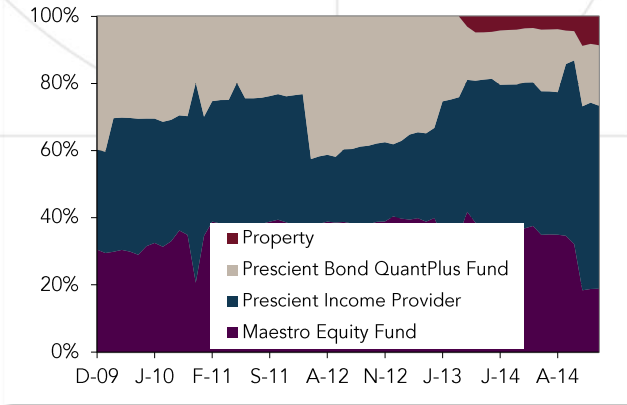
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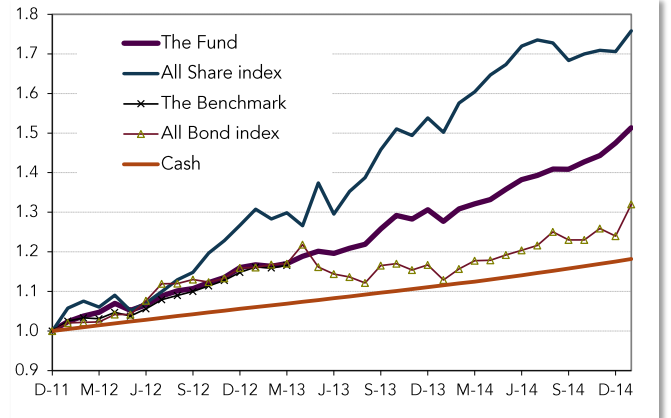
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## Historic sector allocation



## Historic performance



## Monthly and annual average returns (%)

Investment	1 month	1 year	3 years
Maestro Cautious Fund	2.6	18.5	13.9
Maestro Cautious Fund Benchmark	3.1	13.8	10.9

## Calendar year performance (%)

Investment	Year to Date	2014	2013	2012	2011	2010
Maestro Cautious Fund	2.6	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	3.1	8.8	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).