

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

March
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 795 277

NAV

Class A: 1.7998

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

March proved to be a tough month for markets to negotiate, both globally and locally. Expectations that US interest rates may rise sooner rather than later resulted in a firm US dollar which caused investors to focus on its depressing effect on US corporate earnings and on the effects of the resultant weak euro on European exporters. The rand, euro and pound sterling declined 4.0%, 3.5% and 4.2% against the dollar respectively.

The effects of the strong dollar were felt in the US equity market as the S&P 500 declined 1.6% while the weak euro continued to boost German exporters resulting in the DAX rising 5.0% during March. Within the emerging market universe, the Chinese equity market outperformed, gaining 13.2% in March as investors discount probable stimulatory policy to arrest the decline in economy activity. The Indian equity market declined 4.8% (but is still up 25.2% over the past year), Russia fell 2.0%, Brazil lost 0.8%, Turkey lost 5.9% and Greece 11.9%.

Commodities were weak in the face of a strong dollar as the prices of gold, platinum and palladium declined 2.4%, 4.9% and 9.0% respectively. Oil fell 9.4% after its 18.7% February surge, while industrial metals were also weak. Iron ore continued to plunge, falling 17.1% in March, bringing its annual return to -54.7%. The CRB and S&P GSCI commodity indices declined 4.4% and 4.5% respectively for the month.

US bond yields declined slightly and prices rose 0.5% although the Barclays Capital Global bond index declined 1.0%.

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

- Leonard Bernstein

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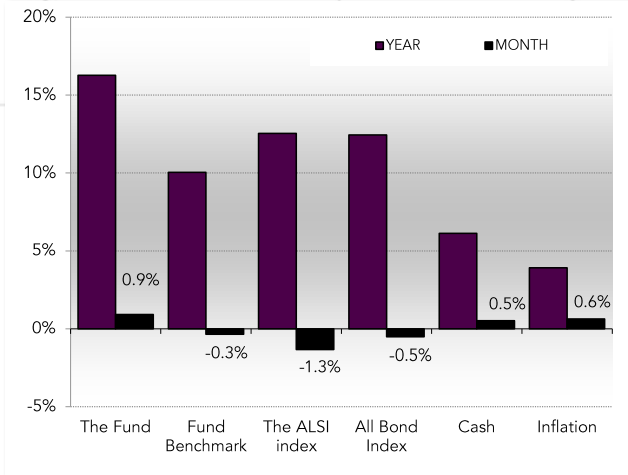
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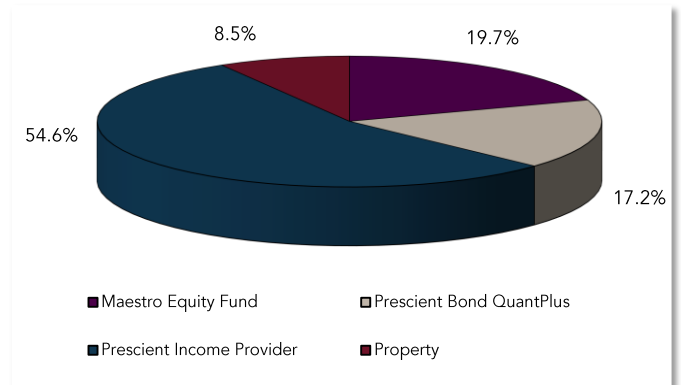
Local market returns



Turning to the local equity market, the All share index (Alsi) declined 1.3%, led by the basic materials index, which ended down 9.2%. The gold index fell 10.7%. Financial shares continued to head higher, rising 2.9% - their year-to-date gain is now 11.2% - while industrials lost 0.6% (year-to-date gain of 5.6%). The All bond index lost 0.5%. Across the size (market cap) spectrum, large cap shares lost 1.5%, mid-caps were unchanged and small caps declined 2.2%.

During March the Maestro Cautious Fund's NAV increased 0.9% versus the return of the Fund benchmark of -0.3%. The [Maestro Equity Fund](#) rose 1.1% versus the -1.3% return in the All share index. The [Prescient Income Provider Fund](#) returned 1.0% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) declined by 0.6% against its benchmark that declined 0.5%. The Maestro Cautious Fund does not invest into the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible GI	10.4%
Pivotal	8.5%
ABSA AB011 FRN Tier2 Bond	3.1%
Nedbank FRN Non-demat 260	1.9%
Steinhoff	1.9%
Nedbank FRN Non-demat 190	1.6%
Std Bank FRN 2 Tier Bond SBK21 280	1.6%
Naspers	1.5%
Std bank FRN 2 Tier Bond SBK15 230	1.4%
Prescient Income Saver Fund B3	1.4%
Total	33.4%

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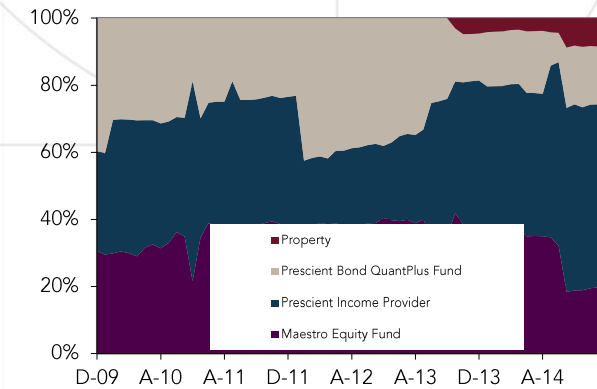
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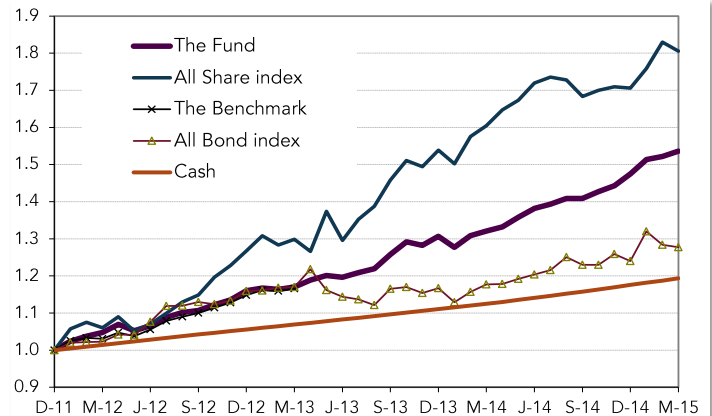
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Historic sector allocation



Historic performance



Monthly and annual average returns (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	0.9	16.3	13.7	12.0
Maestro Cautious Fund Benchmark	-0.4	10.0	10.8	10.2

Calendar year performance (%)

Investment	Year to Date	2014	2013	2012	2011	2010
Maestro Cautious Fund	4.2	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	3.3	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).

