

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

November
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) 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 627 382

NAV

Class A: 1.8807

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

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Market Overview

Post an exceptionally strong rise in October, equity markets were on the whole slightly softer in November as the probability of the US Federal Reserve raising interest rates at their December meeting steadily increased. The continued collapse of commodity prices in the face of a strong US dollar added to the negative sentiment around Emerging Market equities, bonds and currencies.

The MSCI World index declined 0.7%, outperforming the MSCI Emerging market index which declined 4.0%. Within developed markets, the US equity market rose 0.2%, the Japanese market 3.5% and the German market 4.9%, largely on the back of a weakening euro. Amongst emerging markets, China rose 1.9% (its annual and year-to-date respective returns are 28.4% and 6.5% despite the huge mid-year collapse), but India fell 1.9%, Brazil 1.6%, Turkey 5.3% and Greece 9.3%.

The most dramatic action in markets during the month was seen in the commodity space as the US dollar firmed and concerns about the rate of Chinese growth continued to worry investors. The price of gold declined 7.0% while the platinum, palladium and silver prices declined 15.9%, 20.5% and 9.9% respectively. Oil fell 10.0% while the prices of copper, nickel and iron ore ended down 11.0%, 11.8% and 14.8% respectively.

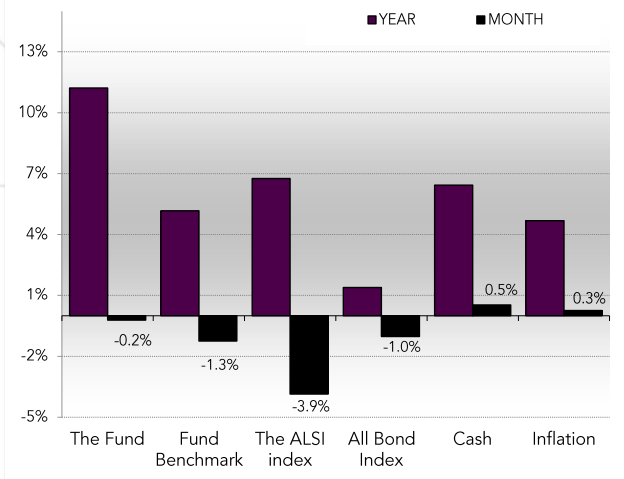
The US dollar strengthened 4.4%, 2.5% and 4.3% against the euro, pound and rand respectively. In the face of an imminent US interest rate hike, unsurprisingly global bonds were weak as the Barclays Capital Global and US Aggregate bond indices lost 1.7% and 0.3% respectively.

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

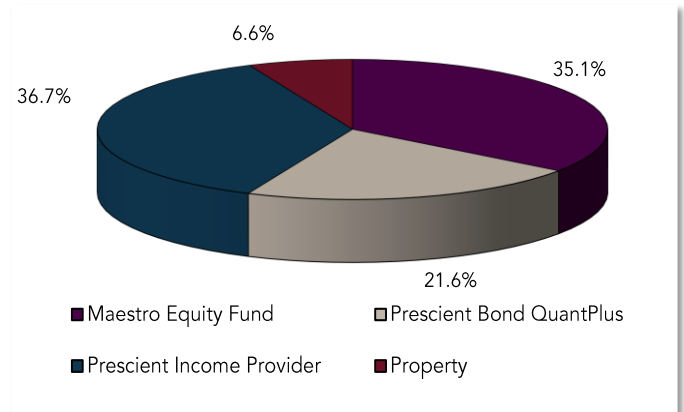
- Leonard Bernstein



Local market returns



Asset allocation



Turning to the SA equity market, the Basic Materials and Gold indices were exceptionally weak, losing 14.5% and 14.6% respectively on the month. The Financial index shed 3.4% and the Industrial index 1.2%, culminating in a loss of 3.9% in the All Share index. The Top40 (large cap) index lost 3.9% and the mid and small cap indices lost 4.2% and 0.3% respectively. The All bond index declined 1.0% during November.

Monthly fund returns

During November the Maestro Cautious Fund's NAV decreased by 0.2% versus the Fund's benchmark decrease of 1.3%. The [Maestro Equity Prescient Fund](#) declined 0.6% versus the 3.9% decline of the All Share index. The [Prescient Income Provider Fund](#) returned 0.8% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) declined by 0.8% versus its benchmark decline of 1.0%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Largest Holdings

Investment	% of Fund
Pivotal	8.2%
Prescient Flexible GI Class C	5.1%
Naspers	3.4%
Steinhoff	3.3%
RSA 7.00% R213 280231	2.7%
Mediclinic	1.9%
HSBC Call 6.20%	1.9%
EOH	1.7%
ABSA AB011 FRN Tier2 Bond 211	1.6%
R2044 8.75% 31012044	1.6%
Total	31.2%

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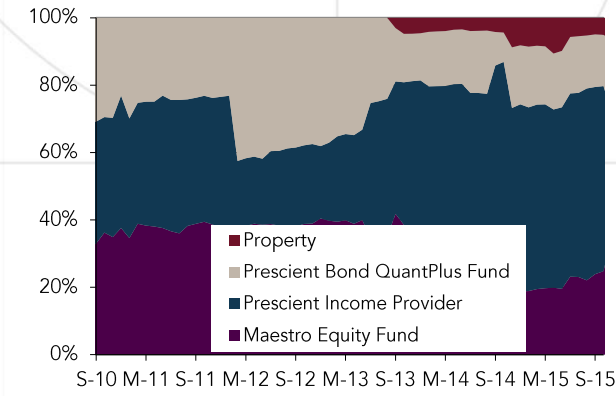
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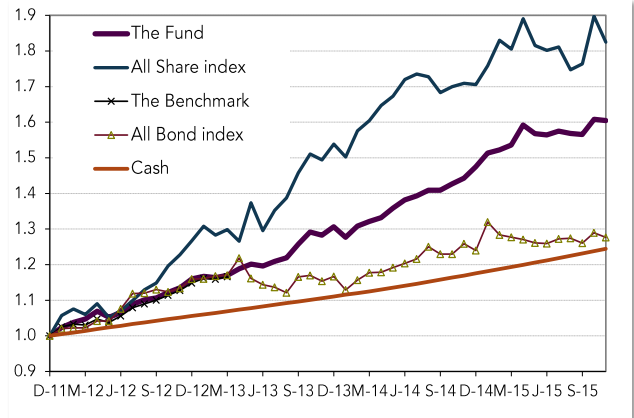
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	-0.2	11.2	12.2	11.1
Maestro Cautious Fund Benchmark	-1.3	5.2	8.3	9.2

Monthly and annual average return (%)

Investment	Year to Date	Year to				
		2014	2013	2012	2011	2010
Maestro Cautious Fund	8.8	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	5.5	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).

