

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

November
2016

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 2 376 980

NAV

Class A: 1.8770

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

November was characterised by significant volatility in global markets as investors digested what a Donald Trump presidential victory meant for the US and the world economy. The response to Trump's victory was a dramatic rally in the dollar against all currencies, a sharp decline in bond prices, a surge in some equity sectors and a collapse in others.

Emerging markets were hardest hit as the US dollar strengthened significantly. The MSCI World index rose 1.3% but the MSCI Emerging market index lost 4.7%. Specifically in the US, the S&P500 (large cap) index rose 3.6%, while the S&P Mid and Small indices rose 7.8% and 12.4% respectively. Japan's market gained 5.1% as the yen fell 8.4% against the dollar. Amongst emerging markets, the Russian and Chinese markets were the outperformers gaining 4.3% and 4.8% respectively. On the other hand the Indian, Brazilian and Turkish markets were hardest hit falling 4.6%, 4.7% and 5.8% respectively.

The dollar rose 2.9% against a basket of currencies, while the Barclays Global Aggregate Bond Index lost 4.0%. The Mexican peso lost 8.1% ("The Wall"-remember?), the Turkish lira lost 10.7% (they, like South Africa, have perfected the art of shooting yourself in the foot) and the Brazilian real lost 6.4%.

Despite the firm dollar, base metal prices surged on the expectation that demand for them would rise on the back of rising US spending on infrastructure. Precious metals fared poorly, with gold losing 7.4%. Copper, however, rose 19.6% and iron ore 12.8%, bringing its total gain for the past year to 71.8%. And as if the Trump-induced market volatility wasn't sufficient, the crowning event on the last day of the

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- Leonard Bernstein

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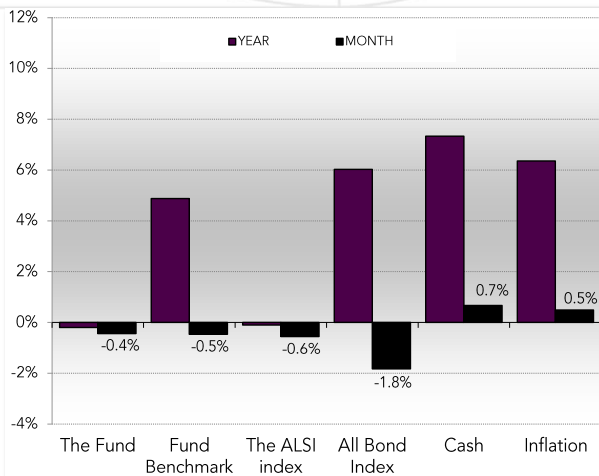


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month saw OPEC agree to cut oil production, which resulted in the oil price rising over 9% of the day (the S&P Energy sector rose 7.9% in November). The oil price rose 5.2% on the month.

Local market returns



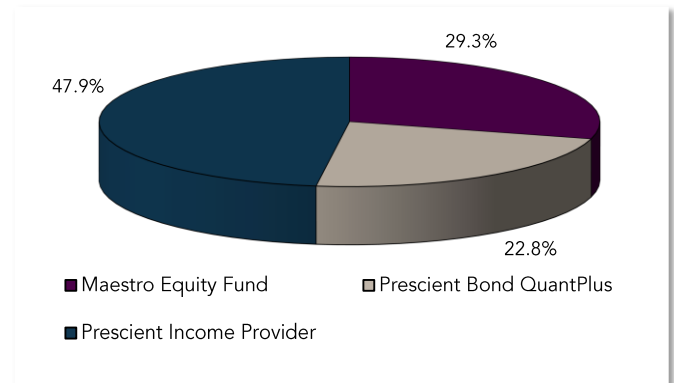
Turning to local markets, the All Share index fell 0.6% but the decline was cushioned by strong commodity prices supporting the Basic Material index which rose 6.1%. The Financials index rose 0.3%. The Industrial index lost 3.7% and is now down 8.2% so far this year. In line with weak global bond markets, the All Bond index lost 1.8%. The Gold index lost 16.9%. The Top40 (large cap) index fell 0.6%, and the Mid cap index 2.2% but the Small cap index rose 0.5%.

Monthly fund returns

During November the Maestro Cautious Fund's NAV decreased 0.4% versus the Fund's benchmark decrease of 0.5%. The [Maestro Equity Prescient Fund](#) decreased by 1.9% versus the 0.6% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 0.8% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) decreased by

1.5% versus its benchmark decrease of 1.8%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible GI	6.1%
Naspers	3.3%
R2048 8.75% 280248	3.2%
RSA 7.00% R213 280231	2.2%
RSA 8.50% R2037 310137	2.2%
Steinhoff	1.8%
RSA 8% R2030 31012030	1.6%
R2044 8.75% 31012044	1.5%
Prescient Flexible GI Class C	1.5%
Firstrand	1.4%
Total	24.9%

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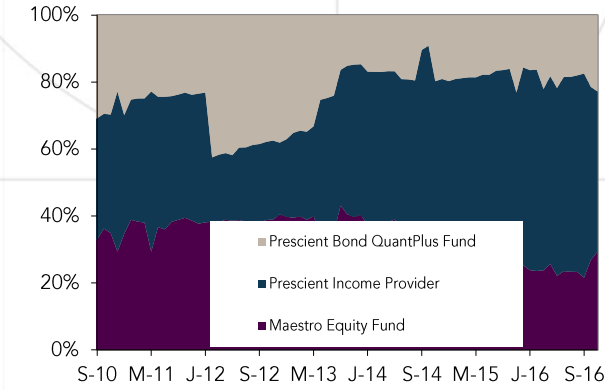
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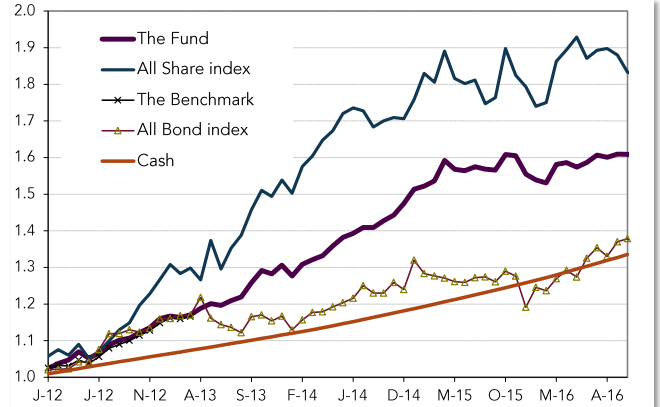
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	-0.4	-0.2	7.7	10.0
Maestro Cautious Fund Benchmark	-0.5	4.9	6.9	8.4

Monthly and annual average return (%)

Investment	Year to Date	2015	2013	2012	2011	2010
Maestro Cautious Fund	3.1	5.4	12.6	16.1	2.9	12.8
Benchmark	7.4	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).