

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

November
2018

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 226 471

NAV

Class A: 2.0418

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

We described August's market behaviour as "catastrophic" and "concerning" and October's as "brutal". With November now behind us, it feels as though November was even worse, despite what the monthly investment market returns would have you believe. Were it not for a relatively strong final week in November, returns would have looked decidedly worse.

November was characterized by a slight recovery in the Hong Kong market, which prior to November had declined 16.5% so far this year. Emerging markets also posted decent returns, and selected emerging market currencies posted a recovery of sorts. As for global equity markets, the MSCI World index rose 1.0% during November, although its year-to-date return remains negative, at -3.0%. The MSCI Emerging market index rose 4.1%, which looks good but the index is still down 14.1% for the year-to-date. Notable features last month were the Hong Kong equity market, which gained 6.1%, the Turkish market rose 5.8%, India 5.1%, Indonesia 3.9%, Brazil 2.4%, and Japan 2.0%.

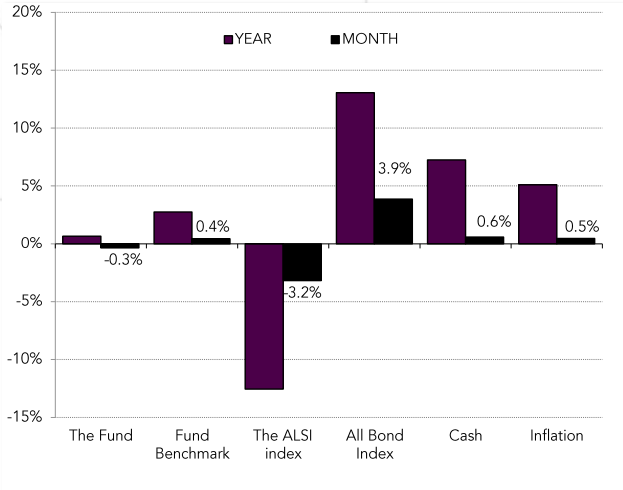
The global bond market rallied towards the end of the month, ending November up 0.3%, bringing its year-to-date return to -3.2%. The oil price declined sharply during the month, it ended 21.5% lower on the month. The palladium price continued to gain, its price has risen 15.8% during the past year. The price of copper rose 2.2%, but the iron ore price declined 13.4% on the month. Coal lost 4.1%, the Baltic Dry index fell 17.4%, and soft commodity (agricultural) prices ended the month with mixed fortunes.

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

- Leonard Bernstein



Local market returns



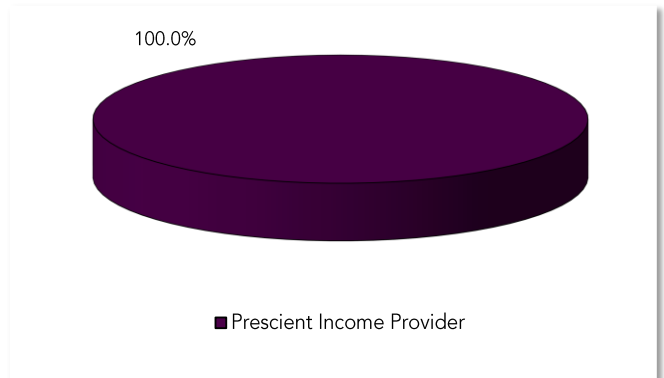
Turning to local markets, the All Share index fell 5.8%, with the large cap (Top40) index leading the declines, ending down 6.7%. The Mid cap index rose 0.7% but the Small cap index declined 3.4%. The Basic Materials sector fell 3.9% although it is still up 16.2% for the year-to-date. The Financial sector lost 3.2%, for a 9.8% year-to-date gain, while the Industrial index led local declines during October, falling 8.0%, bringing its year-to-date return to -18.9%. Heavyweight losses include Aspen, down 43.8% so far this year, Tiger Brands 42.7%, Imperial 37.9%, MTN 37.4%, Coronation 33.5%, Mediclinic 33.2%, Massmart 31.2%, and Naspers 24.9%.

Monthly fund returns

During November the Maestro Cautious Fund's NAV fell 0.4% versus the Fund's benchmark rise of 0.4%. The [Maestro Equity Prescient Fund](#) fell by 5.2% versus the 3.2% decline of the All Share index. The [Prescient Income Provider Fund](#) returned 0.4% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) rose by 3.4% versus its benchmark increase of 3.9%.

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

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible Global Income USD Fund	6.5%
ZAR/USD FWD 20190128 RMBTD	4.8%
Standard Bank (SBCLN008) 1% 201220	3.2%
ABSA NCD 8.325% A 260819	2.6%
ZAR/USD FWD 20190128 NEDTD	2.3%
Firstrand Bond 6.250% 230423	2.2%
Absa NCD 8.35% 260819	2.1%
Standard Bank Group SBT102 300922	1.8%
Nedbank NCD 8.325% 230819	1.7%
Landbank Step-Up Note 140219	1.7%
Total	28.9%

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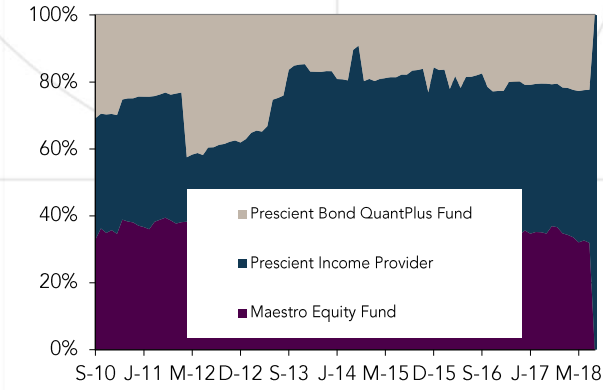
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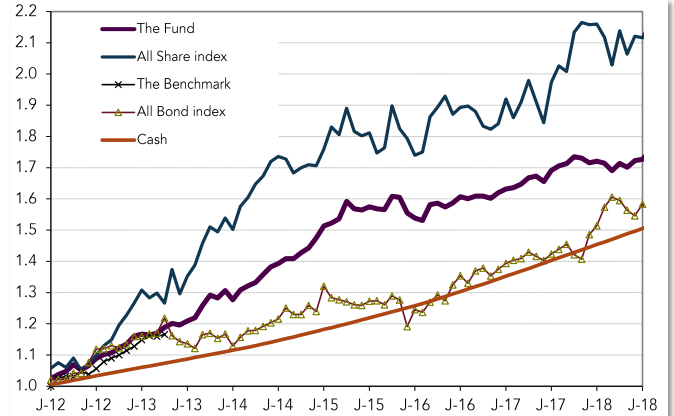
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.4	0.7	2.8	6.3	8.3
Benchmark	0.9	2.8	6.3	6.9	8.0

Monthly and annual average return (%)

Investment	Year to Date	2017	2016	2015	2013	2012	2011	2010
Maestro Cautious Fund	1.5	5.9	4.2	5.4	12.6	16.1	2.9	12.8
Benchmark	0.9	12.4	8.4	0.7	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).