

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

November
2014

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

R723 303

NAV

Class A: 1.6910

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

November saw gradual increases in developed market equities on their way to new highs, while bond yields edge ever lower to new lows. Notable events during the month include the downgrade of South Africa's sovereign credit rating by Moody's sighting anaemic economic growth prospects and rising government debt. Internationally the decision by OPEC to keep the current oil production output quota unchanged at 30 million barrels a day played havoc in the oil market. The price of Brent crude declined 18.3% during the month and is down 36.2% over the past year.

Within equity markets, the MSCI Emerging Market index fell 1.1%, underperforming the MSCI World index which rose 1.8%. Within developed markets, the German and Japanese markets led with gains of 7.0% and 6.4%. The US market was also strong rising 2.7%. Within emerging markets Chinese equities led with an impressive 10.9% gain and the Indian market rose 3.0%. The Russian and Brazilian markets underperformed, returning -8.4% and 0.1%.

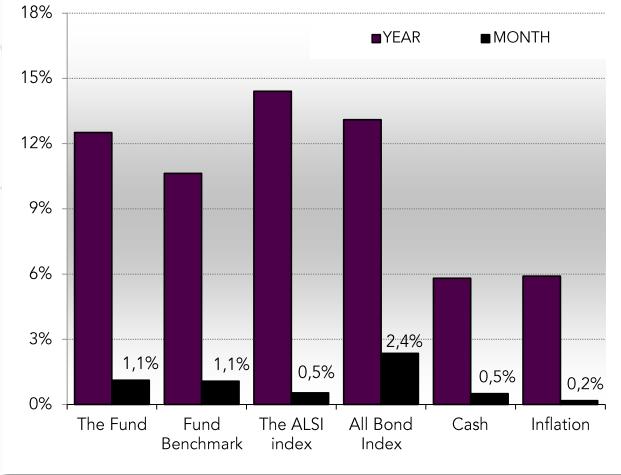
Developed market bonds were strong during the month as a number of European sovereign bond prices reached all-time highs. The Emerging Market All Bond Index fell 0.9%, underperforming the Barcap Global Aggregate index's decline of 0.4%. On the currency front, the dollar was generally firm, it gained 0.5% against the euro, 2.1% against sterling and 5.9% against the yen. The rand recorded a flat performance against the dollar for the month. Commodity prices continued their weakness with the S&P Goldman Sachs Commodity Index falling 4.9%, its 5th straight month of declines. The index has declined 19.0% so far in 2014.

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

- Leonard Bernstein



Market returns



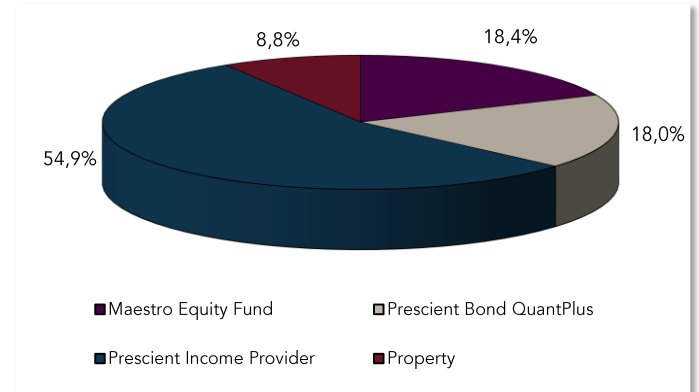
Turning attention to the local market, bonds outperformed equities substantially for a third month in a row, with the All Bond index rising 2.6% versus the 0.5% gain on the All Share index. Within the equity space there were, however, again some notable deviations between sectors. The financial and industrial indices rose 3.0% and 2.1% during the month, while the basic materials index ended down 3.2%. The gold index rose by an eye-catching 11.4%. This, however, needs to be seen in the context of a 37.5% decline in the prior two months. The mid and small cap indices ended the month 5.4% and 1.0% higher.

Monthly fund returns

During November the Maestro Cautious Fund's NAV increased 1.1% versus 1.1% return of the Fund benchmark. The return on the [Maestro Equity Fund](#) was 1.0% versus the 0.5% return of the All Share Index. The [Prescient Income Provider Fund](#) returned 0.4% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) returned 1.7% against its benchmark of 2.4%.

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

Asset allocation



Largest Holdings

Investment	% of Fund
Pivotal Property Fund	8,8%
Prescient Flexible Income	8,0%
ABSA AB011 FRN Tier2 Bond	3,4%
RSA 10.50% R186 211226	2,4%
Nedbank FRN Non-demat 260	2,1%
Absa FRN 220615 Jb3+97.5	1,9%
Nedbank FRN Non-demat 190	1,7%
Std bank FRN 2 Tier Bond SBK15 230	1,6%
Prescient Income Saver Fund B3	1,5%
Std Bank FRN 2 Tier Bond SBK17 300	1,5%
Total	32,8%

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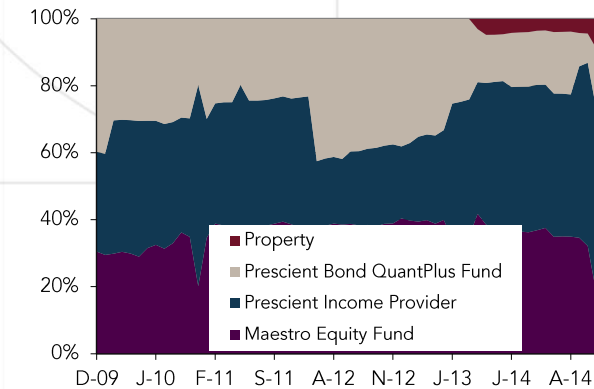
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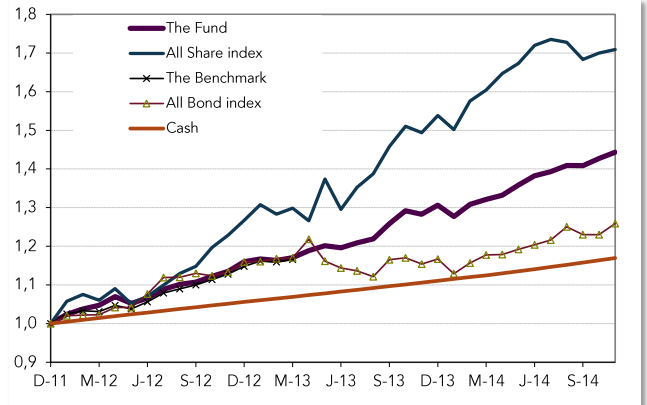
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Historic sector allocation



Historic performance



Monthly and annual average returns (%)

Investment	1 month	1 year	3 years
Maestro Cautious Fund	1.1	12.5	13.2
Maestro Cautious Fund Benchmark	1.1	10.6	10.7

Calendar year performance (%)

Investment	Year-to-date	2013	2012	2011	2010
Maestro Cautious Fund	10.5	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	9.1	8.7	14.8	5.8	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).

