

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

October
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 878 263

NAV

Class A: 1.8848

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

Equity markets were exceptionally strong in October, posting their largest monthly gains since late 2011. Growing speculation of further delays in the US Federal Reserve raising of interest rates as well as strong indications that the European Central Bank would loosen monetary policy further were the key drivers of market gains.

The MSCI World index gained 7.8%, slightly ahead of the MSCI Emerging market index's gain of 7.0%. Within developed markets, the US equity market rose 8.5%, Japan 9.8% and Germany 12.3% during the month. The UK market rose 4.9% while France gained 9.9% over the month. The S&P Mid and Small cap indices rose 5.5% and 6.0% respectively. Emerging markets were led by the 10.8% gain in China; its annual gain to end-October is still a respectable 39.8% despite the massive sell-off earlier this year. India and Brazil posted disappointing gains of only 1.9% and 1.8% respectively.

The rand was relatively flat against the US dollar while the pound strengthened 1.8% and the euro lost 1.2% against the greenback. Commodity prices were mixed, with gold and platinum prices gaining 2.5% and 8.8% respectively while base metals and bulk commodities were weaker. Significant declines were seen in the iron ore price which fell 9.0% during the month. Overall the S&P Goldman Sachs Commodity Index rose 1.1%.

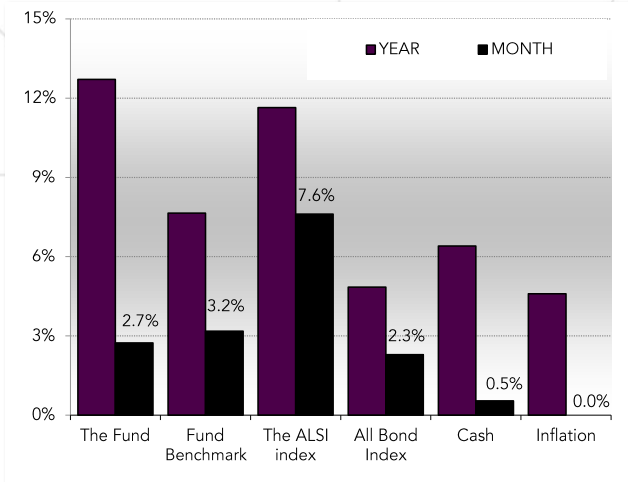
Bond markets ended the month flat; the Barclays Capital US Aggregate index ended the month unchanged while the Global Aggregate index rose 0.1%.

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

- Leonard Bernstein



Local market returns

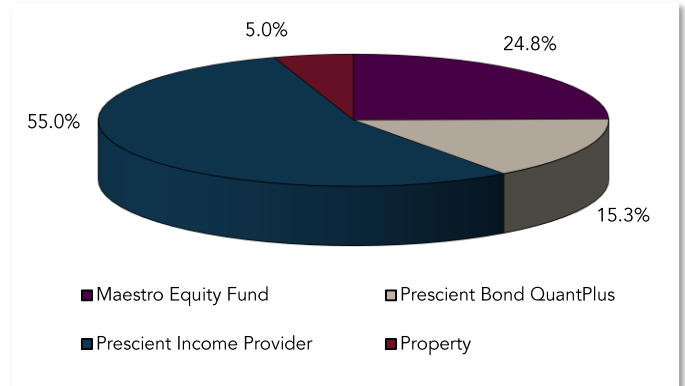


Turning to the local market, investors joined in the global equity party, pushing the JSE All Share index (Alsi) up 7.6%, bringing its year-to-date gain to 11.3%. The Basic material, Financial and Industrial indices rose 9.0%, 6.9% and 8.1% respectively while the Gold index rose 11.5%, although it is still down 8.2% for the year-to-date. The Top40 rose 7.9% while the Mid and Small cap indices ended the month 6.3% and 5.2% higher. The All bond index rose 2.3% on the month.

Monthly fund returns

During October the Maestro Cautious Fund's NAV increased by 2.7% versus the Fund's benchmark increase of 3.2%. The [Maestro Equity Prescient Fund](#) returned 7.8% versus the 7.6% return of the All Share index. The [Prescient Income Provider Fund](#) returned 0.8% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) returned 1.5% versus its benchmark return of 0.5%. 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	7.3%
Pivotal	6.8%
ABSA AB011 FRN Tier2 Bond 211	2.3%
Steinhoff	2.3%
Naspers	2.2%
HSBC Call 5.95%	2.0%
RSA 7.00% R213 280231	1.8%
Mediclinic	1.4%
Transnet 8.90% TN27 141127	1.3%
China Construction Bank Call 6%	1.3%
Total	28.6%

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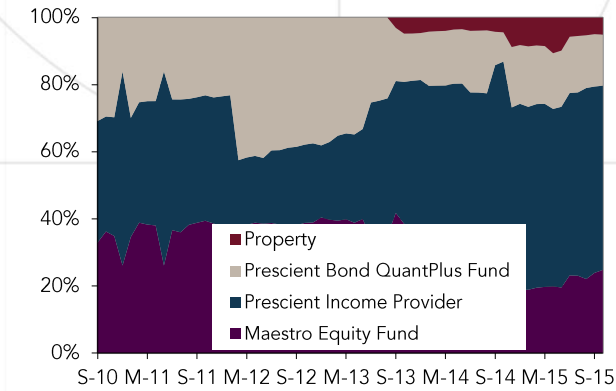
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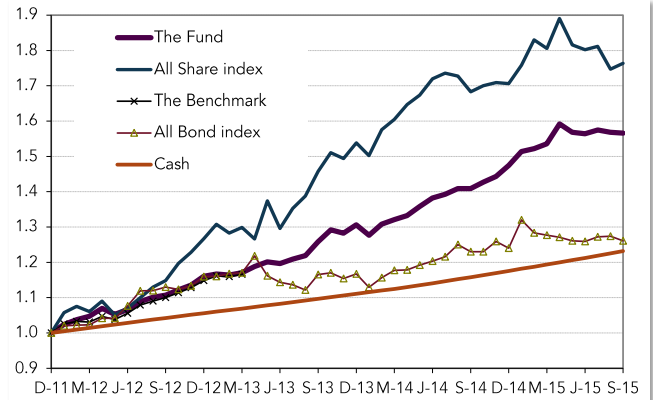
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years
Maestro Cautious Fund	2.7	12.7	12.8	11.1
Maestro Cautious Fund Benchmark	3.2	7.7	9.2	9.4

Monthly and annual average return (%)

Investment	Year to Date	2014	2013	2012	2011	2010
Maestro Cautious Fund	9.1	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	6.8	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).

