

MAESTRO CAUTIOUS FUND



PRESCIENT
LIFE

September
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 844 880

NAV

Class A: 1.8346

Long term insurer

Prescient Life Limited
(Reg. no: 2004/014436/06)

Auditor

KPMG Inc.

Portfolio manager

Maestro Investment Management (Pty) Limited

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Market Overview

As though the volatility during August wasn't enough, when China devalued their currency following weak economic data, September saw global markets galvanized ahead of the US Federal Reserve's meeting on 17 September, which was surely one of the most anticipated central bank meetings of the past few decades. Opinion was split regarding whether or not the Fed would hike US interest rates for the first time since the 2007/9 Great Financial Crisis. In the event the Fed kept rates unchanged

Not surprisingly, the markets peaked just before or on September 17, and since then have been trapped in a downward spiral, which has been associated with the most volatility we have seen this year so far, perhaps even since 2011. Almost any conceivable scenario in the light of present economic conditions is negative for commodity prices, and thus also for developing economies

The MSCI World index fell 3.9%, led lower by declines in Japan, which lost 8.0% in the face of a stronger (+1.2%) yen. The German market lost 5.8%, helped in part by the VW scandal. The UK market lost 3.0% and the US ended down 2.5%. The MSCI Emerging Market index declined 3.3%, with Brazil down 3.4%, Russia 4.2% and China 4.8%. India declined only 0.5% while South Africa rose 1.0% but declined 3.2% in dollar terms.

The stronger dollar had a negative effect on commodity prices although the declines during September were less severe than during August. The platinum price lost 8.3%, oil 2.7% and iron ore 1.1% although the prices of copper, silver, nickel, aluminium and palladium all rose.

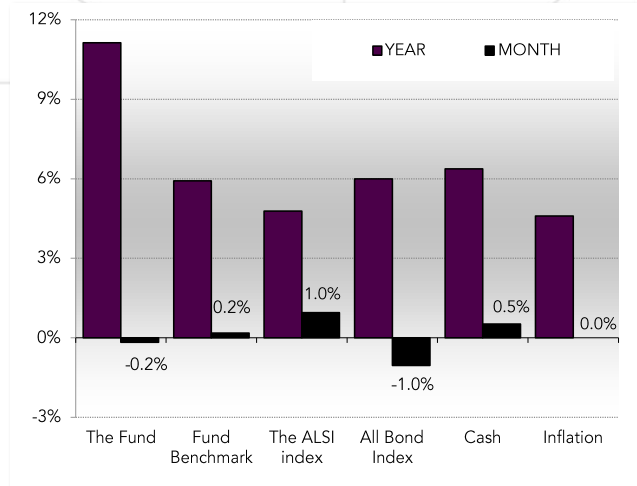
"To achieve great things, two things are needed; a plan, and not quite enough time."

- Leonard Bernstein



Turning to the global bond market, the Barclays Capital Global Aggregate Bond index rose 0.6%.

Local market returns

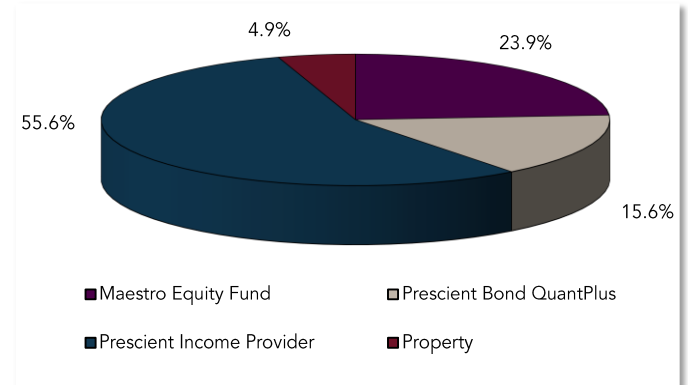


Turning to South African markets, the All Share index ended the month up 1.0%, led higher by the Industrial indices which was up 4.4%. The Basic Material index lost 8.9% while Financials declined 1.7% and the Gold index declined 4.8%. The JSE Mid cap and the Small cap indexes fell 4.6% and 2.0% respectively. The Bond market declined 1.1% and cash provided a return of 0.5%.

Monthly fund returns

During September the Maestro Cautious Fund's NAV decreased 0.2% versus the Fund's benchmark increase of 0.2%. The [Maestro Equity Prescient Fund](#) decreased 1.8% versus the 1.0% increase in the All Share index. The [Prescient Income Provider Fund](#) returned 0.9% against its benchmark of 0.5%. The [Prescient Bond QuantPlus Fund](#) was flat versus its benchmark return of -0.1%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
ABSA AB011 FRN Tier2 Bond 211	9.6%
Pivotal	6.7%
Steinhoff	2.3%
Firstrand FRB16 FRN 080720	2.2%
Naspers	1.9%
RSA 7.00% R213 280231	1.7%
Transnet 8.90% TN27 141127	1.5%
Nedbank FRN Non-demat 260	1.3%
Standard Bank Eskom CLN418 230	1.3%
Prescient Evolution Clean Energy	1.2%
Total	30.0%

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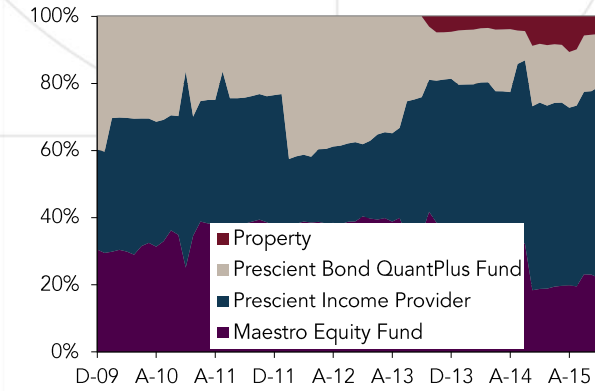
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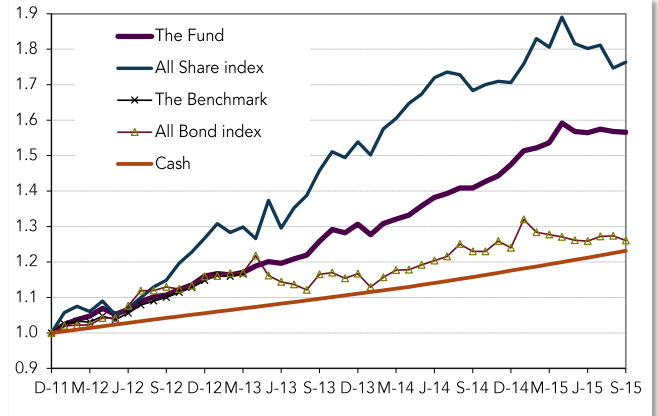
PRESCIENT LIFE

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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	11.1	12.3	11.0
Maestro Cautious Fund Benchmark	0.2	5.9	8.5	9.1

Monthly and annual average return (%)

Investment	Year to Date	2014	2013	2012	2011	2010
Maestro Cautious Fund	6.2	12.9	12.6	16.1	2.9	12.8
Maestro Cautious Fund Benchmark	3.5	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).

