



# MAESTRO

Balanced Fund

PRESCIENT  
LIFE LIMITED

December 2010

## INVESTMENT OBJECTIVE

The Fund's objective is to produce above average long-term returns whilst simultaneously aiming to assume less risk than that inherent in the market itself. The Fund adopts a conservative investment philosophy and is Regulation 28 compliant.

## FUND BENCHMARK

The Fund measures itself against a benchmark consisting of 50% All Share Index, 20% All Bond Index (ALBI), 20% Short term fixed income (STEFI) index and 10% against a Global Benchmark.

## 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 Balanced Fund is a Fund of Funds with an annual management fee of 1.5% (excl VAT). This is inclusive of investment consulting, all underlying managers, and administrative functions performed by Prescient Life.

## FUND SIZE

R9 701 672

## 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](mailto:david@maestroinvestment.co.za)  
Tel: (021) 674 9220  
Fax: (021) 674 3209

## MARKET OVERVIEW

Global equity markets rose steadily, if unspectacularly, through the month of December. Spurred on by the second massive fiscal stimulus by the US authorities, the US equity market led the charge, but at the expense of the US bond market and dollar. The MSCI World and Emerging indices rose 7.3% and 7.0% respectively. The leading gainers included the US and UK markets up 6.7% each, France 5.4% and Germany 3.4%. Emerging markets continued to lag, as they have done for most of the final quarter. Asian markets were particularly soft. China declined 0.4% and Hong Kong rose 0.1%. India rose 5.1% and Brazil 2.4%. Russia gained strongly on the back on the firmer oil price, ending the month up 10.8%. Speaking of oil, although the dollar was weak – it declined 3.0% and 0.5% against the euro and sterling respectively – commodity prices were even stronger. Oil rose 10.3%, palladium 13.5% and silver 12.9%. Copper rose to an all-time high and soft (food) commodities were strong. The Barcap US Aggregate bond index fell 1.1% although the Barcap Global Aggregate bond index rose 1.3%.

On the local front the rand rose 7.2% against the dollar, 6.6% against sterling and 4.0% against the euro – on the back on surging commodity prices, more positive sentiment about the global economy and of course, the ongoing search for yield. The All share index rose 6.2%, led by the 7.2% rise in the basic material sector. Financials (4.7%) lagged but industrials (5.4%) put in a stronger performance. With a strong basic material sector, large caps were always going to perform better than their smaller cap brethren; the large, mid and small cap returns for the month were 6.7%, 3.1% and 4.6% respectively. The All bond index rose 1.6%.

## MONTHLY FUND RETURNS

During December the Maestro Balanced Fund's NAV increased 2.6% versus the 3.9% return of the Fund benchmark.

The return on the *Maestro Equity Fund* was 4.7% versus the 6.3% and 6.2% returns of the Maestro equity benchmark and the All Share Index respectively.

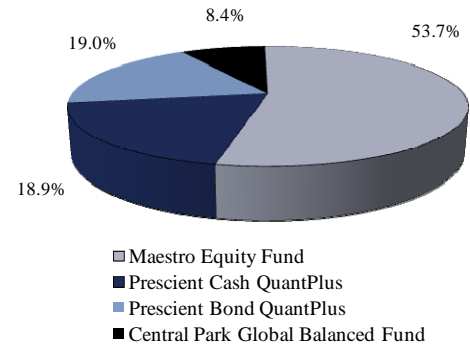
The *Prescient Cash QuantPlus Fund* returned 0.5% against its benchmark of 0.5%.

The *Prescient Bond QuantPlus Fund* returned -1.5% against its benchmark of 1.7%.

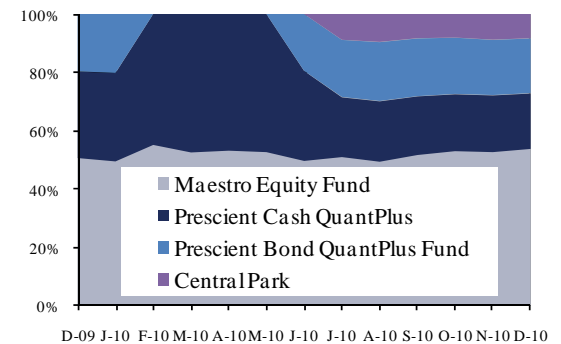
## LARGEST INDIVIDUAL HOLDINGS

BHP Billiton plc	3.2%
RSA 10.5% R186	2.9%
Capitec Bank	2.8%
Steinhoff	2.8%
Mr Price	2.7%
Naspers	2.6%
Implats	2.3%
Aspen	2.3%
Cashbuild	2.2%
Kumba	2.2%
<b>Total %</b>	<b>26.0%</b>

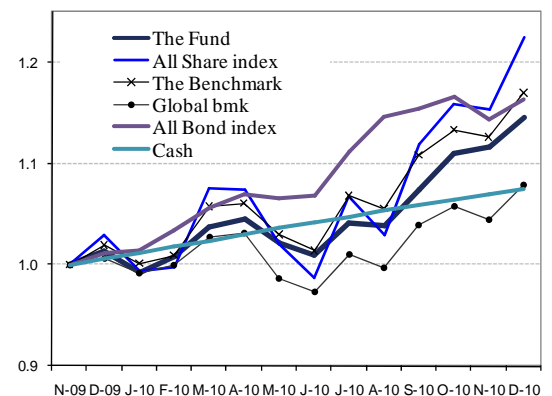
## ASSET ALLOCATION (% OF FUND)



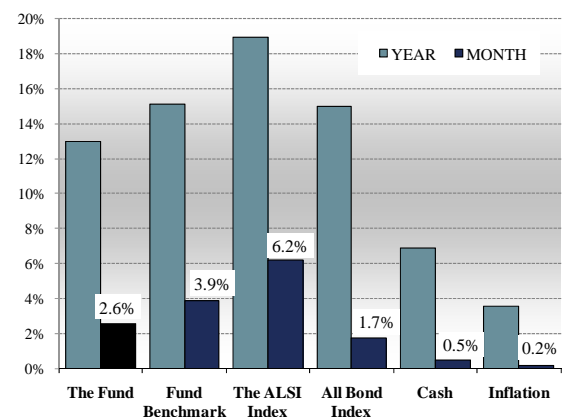
## HISTORIC ASSET ALLOCATION (% OF FUND)



## HISTORIC PERFORMANCE



## MARKET RETURNS





**MAESTRO**  
*Balanced Fund*

**HISTORIC RETURNS – CLASS A2**

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2009	NAV Fund <sup>1</sup>											1.0000	1.0138	N/A
	Maestro Balanced Benchmark												1.38%	N/A
2010	NAV Fund <sup>1</sup>	0.9929	1.0089	1.0375	1.0449	1.0217	1.0091	1.0417	1.0387	1.0746	1.1095	1.1166	1.1455	13.0%
	Maestro Balanced Benchmark	-2.06%	1.61%	2.83%	0.71%	-2.22%	-1.23%	3.23%	-0.29%	3.45%	3.25%	0.64%	2.59%	15.1%

<sup>1</sup>Fund not available to the public

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).