MAESTRO
Balanced Fund

PRESCIENT
LIFE LIMITED

October 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 269 080

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

Since the US Federal Reserve announced their willingness to inject more liquidity into capital markets – the so-called second round of quantitative easing or "QE2" – equity markets have literally been running on steroids. September global and local equity returns were 9.1% and 8.8% respectively; with bond returns of 0.1% and 0.8% respectively

Although the returns are more modest this month, the factors driving them have been the same and investors remain excited – rightly or wrongly – about the Fed coming to their rescue. The fact that "QE1" never worked very well, if at all, seems to be have been lost in all the hype and noise. There are good reasons why investors are taking on more risk at the moment; it reflects the lack of returns on cash as much as it does a future of zero interest rates, slowing growth and developed economies' central banks firm commitment to reflating their way out of trouble. The inevitable de-basing of developed market currencies (the dollar being the primary casualty) is simply translating into firmer emerging market currencies and equity markets, which exacerbates the dichotomous climate even further. But when one takes a step back and looks at it simplistically, perhaps it is not that difficult to understand after all: emerging economies are growing, some very rapidly, and their asset prices are rising. On the other hand developed economies are not growing, or growing very slowly, so their asset prices and currencies are declining in value. It is a natural evolution from the one to the other, or as we have highlighted in our *Big Picture Themes* the shift in power from the West to the East; the US *Lost Decade* versus Emerging Markets' *Coming of Age*.

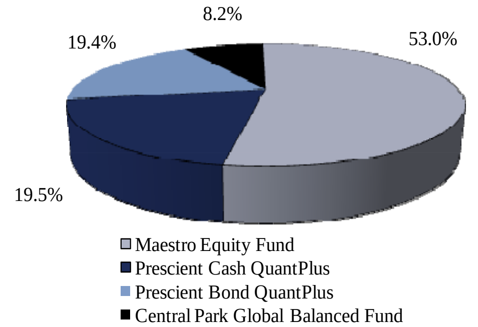
MONTHLY FUND RETURNS

During October the Maestro Balanced Fund's NAV increased 3.3% versus the 2.3% return of the Fund benchmark.
The return on the ***Maestro Equity Fund*** was 5.9% versus the 1.7% and 3.6% returns of the Maestro equity benchmark and the All Share Index respectively.
The ***Prescient Cash QuantPlus Fund*** returned 0.6% against its benchmark of 0.5%.
The ***Prescient Bond QuantPlus Fund*** returned 0.7% against its benchmark of 1.0%.

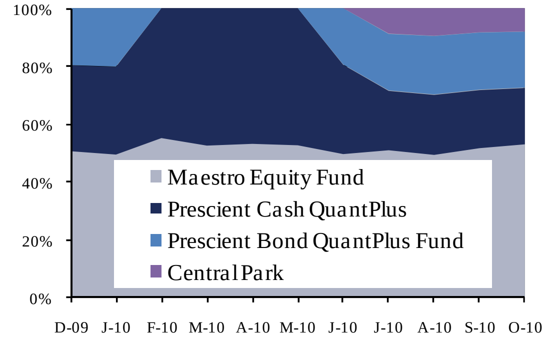
LARGEST INDIVIDUAL HOLDINGS

BHP Billiton plc	3.4%
Mr Price	2.9%
Capitec Bank	2.5%
Naspers	2.4%
Steinhoff	2.4%
Aspen	2.3%
Cashbuild	2.3%
Implats	2.2%
Kumba	2.0%
Exxaro	1.8%
Total %	**24.5%**

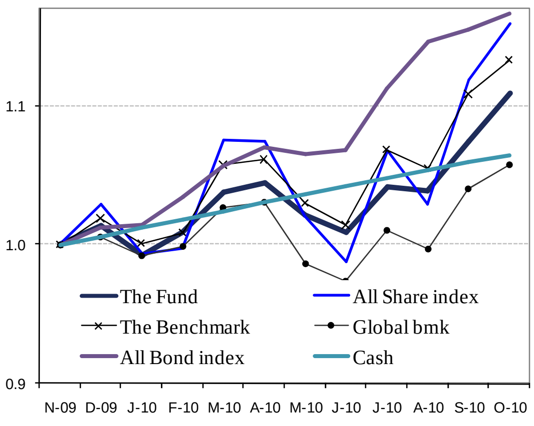
ASSET ALLOCATION (% OF FUND)



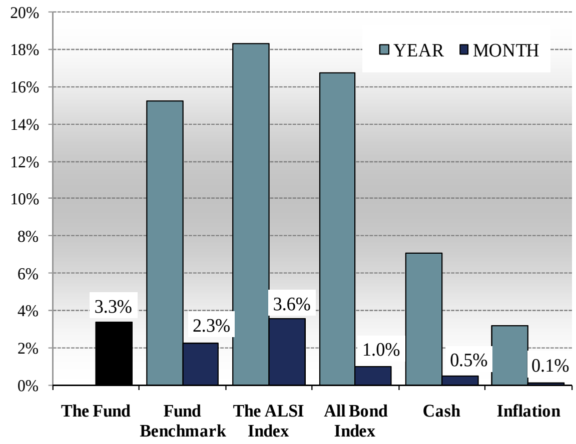
HISTORIC ASSET ALLOCATION (% OF FUND)



HISTORIC PERFORMANCE



MARKET RETURNS



HISTORIC RETURNS – CLASS A

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year
2009	**NAV**											*1.0000*	*1.0138*	
	Fund[1]												1.38%	**N/A**
	Maestro Balanced Benchmark												1.89%	**N/A**
2010	**NAV**	*0.9929*	*1.0089*	*1.0375*	*1.0449*	*1.0217*	*1.0091*	*1.0417*	*1.0387*	*1.0746*	*1.1095*			
	Fund[1]	-2.06%	1.61%	2.83%	0.71%	-2.22%	-1.23%	3.23%	-0.29%	3.45%	3.25%			**9.4%***
	Maestro Balanced Benchmark	-1.75%	0.78%	4.80%	0.35%	-2.94%	-1.55%	5.36%	-1.23%	5.06%	2.25%			**11.5%***

[1] *Fund not available to the public*
** Year to date*