

MAESTRO BALANCED FUND



PRESCIENT
LIFE

August
2016

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 of 50% All Share Index, 20% All Bond Index (ALBI), 20% Short term fixed income (STFI) 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 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 1.5% (excluding VAT). This is inclusive of investment consulting, all underlying managers, and administrative functions performed by Prescient Life.

Fund size

R 27 520 615

NAV

Class A: 1.8767

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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Orchestrating Your Wealth



Market Overview

Despite central bankers' efforts to convince the world to the contrary, monetary policy is all but spent. Most developed economies' interest rates are now zero or less, and recent quantitative easing (QE) is proving to be ineffective (Japan is a good example in this regard). That leaves the "heavy lifting" to be done by fiscal policy i.e. government spending and policy implementation. Yet politicians seem more useless than ever these days, with many of them fighting fires in their own backyard and/or clueless as to what to do.

During August, global equity markets were flat, with the MSCI declining 0.1%. US and UK markets rose 0.1% and 0.9% respectively, although Germany managed a gain of 2.5%. Hong Kong rose 5.0% and Japan 1.9%. In fact, most Asian markets were firmer; China rose 3.6%, which helped the MSCI Emerging Market index gain 2.3%. Brazil, India, Russia and Indonesia rose 1.0%, 1.4%, 2.5% and 3.3% respectively. The dollar was marginally firmer although emerging currencies posted decent gains – other than the rand of course. Global bonds took a breather from the hectic rate at which they have been rising so far this year.

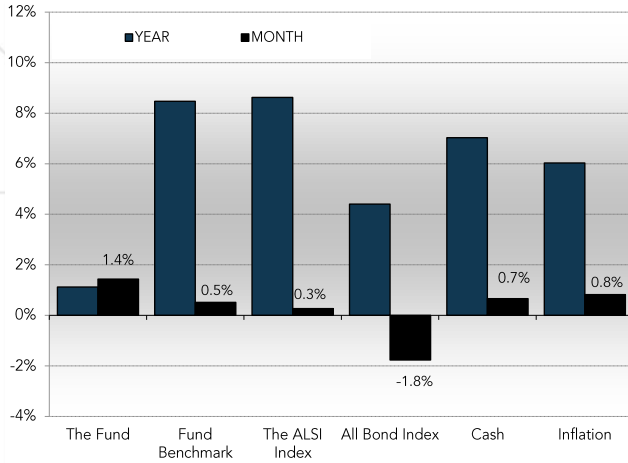
The Barclays Global Aggregate index declined 0.5% but is still up 9.3% so far this year, versus the MSCI World's comparable 3.4%. Commodity prices were mixed: gold was lower on expectations that the US Federal Reserve could increase US rates sooner than expected, while the oil price rose 8.6% following a 13.3% decline in July.

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

- Leonard Bernstein



Local market returns



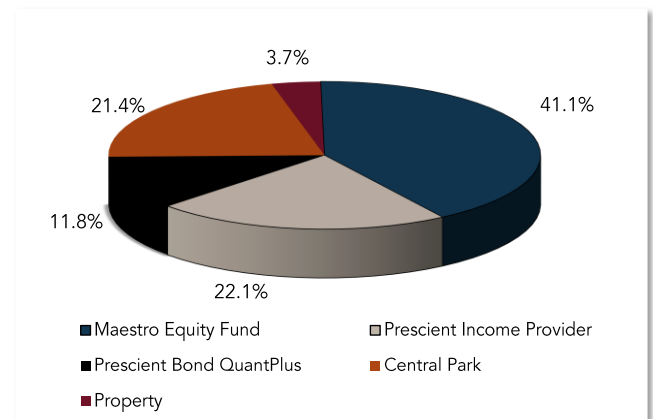
Turning to South African markets, of course the major event locally was the ongoing and unfathomable spat between the Zuma and Gordhan camps. The All Share index rose 0.3% in August, driven by the Industrial index, which rose 1.9% on the back of strength in the offshore, dual-listed companies like SABMiller and BAT. The Basic Material index lost 0.8%, the Financial index bore the brunt of the rand weakness, losing 3.2%, and the Gold Mining index lost 16.3%, but is still 121.3% higher on a year-to-date basis. The rand lost 5.9% against the dollar, although, thanks to over-riding positive sentiment towards emerging markets on the part of yield-hungry investors, it is still up 5.2% so far this year (admittedly off a low base).

Monthly fund returns

During August the Maestro Balanced Fund's NAV increased by 1.4% versus the Fund's benchmark which increased by 0.5%. The [Maestro Equity Prescient Fund](#) increased by 0.5% versus the 0.3% return of the All Share index. The [Prescient Income Provider Fund](#) returned 0.8% against its benchmark

return of 0.6%. The [Prescient Bond QuantPlus Fund](#) decreased by 1.6% versus its benchmark decrease of 1.8%. [Central Park Global Balanced Fund](#) produced a rand return of 5.8% versus the 6.1% return of the rand benchmark

Asset allocation



Largest Holdings

Investment	% of Fund
Pivotal	5.4%
Naspers	5.0%
Prescient Flexible GI	3.6%
Steinhoff	2.6%
Aspen	1.9%
EOH	1.9%
Firstrand	1.8%
RSA 10.50% R186 211226	1.8%
Mediclinic	1.6%
Ascendis	1.6%
Total	27.2%

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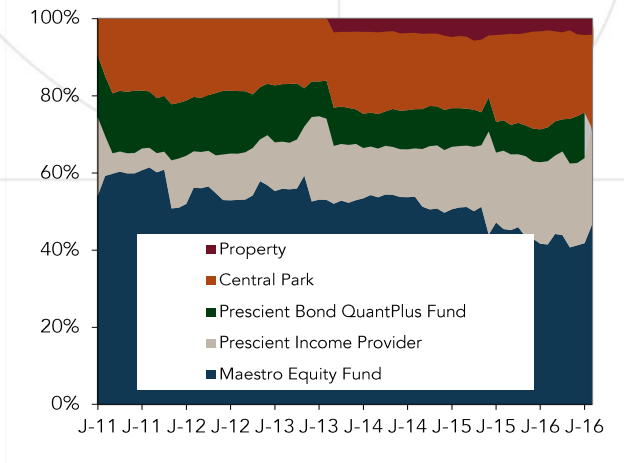
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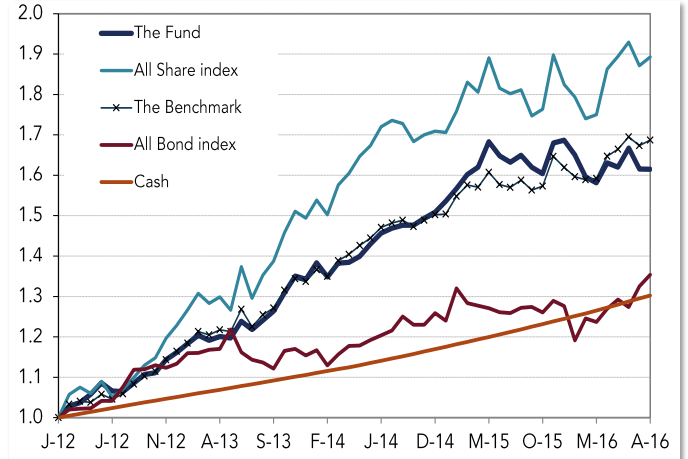
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1month	1 year	3 years	5 years
Maestro Balanced Fund	1.4	1.1	9.0	11.0
Maestro Balanced Fund Benchmark	0.5	8.4	10.1	12.1

Monthly and annual average return (%)

Investment	Year to Date	2015	2014	2013	2012	2011	2010
Maestro Balanced Fund	-0.8	7.5	11.0	16.9	18.3	0.0	13.0
Benchmark	6.2	6.2	10.1	15.4	18.6	6.1	14.0

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).