

# MAESTRO BALANCED FUND



PRESCIENT  
LIFE

February  
2017

#### 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 (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 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 24 301 665

#### NAV

Class A: 1.8361

#### 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

Global equity markets maintained their strong momentum into February with most emerging and developed markets showing robust performances following a strong January.

The MSCI Emerging Market index gained 3.0% during the month bringing its 2017 return to 8.6% with strong emerging market currencies supporting the performance. Emerging Markets were led by Greece, which rose 5.6%, India 3.9%, Brazil 3.1%, and China 2.6%. The MSCI World index rose 2.6% during the month with its 2017 gain at 5.0%. The US equity market lead the charge, gaining 3.9% as a number of the major US indices touched all-time highs. The German and UK markets gained 2.6% assisted by a weak euro and pound respectively.

Global bond yields continued to decline, helping the Bloomberg Barclays Global Aggregate Bond index (previously the Barclays Capital Global Aggregate Bond index) to rise 0.5%.

The DXY dollar index gained 2.1% during the month as investor expectations increased that the US Federal Reserve would hike interest rates in March. Despite the strong dollar, commodity prices continued to rise. By way of example, nickel rose 10.4%, iron ore 9.9%, palladium 7.4%, and aluminium 5.2%. Precious materials were not to be outdone, with silver gaining 5.7%, platinum 5.5% and gold 3.5% (closing the month at \$1 255 per ounce).

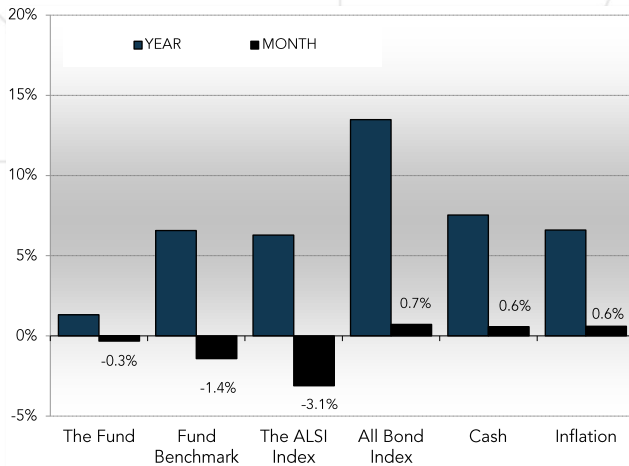
The rand performed strongly during the month gaining 3.1%, 4.0% and 4.6% against the dollar, euro and pound respectively.

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

- Leonard Bernstein



**Local market returns**

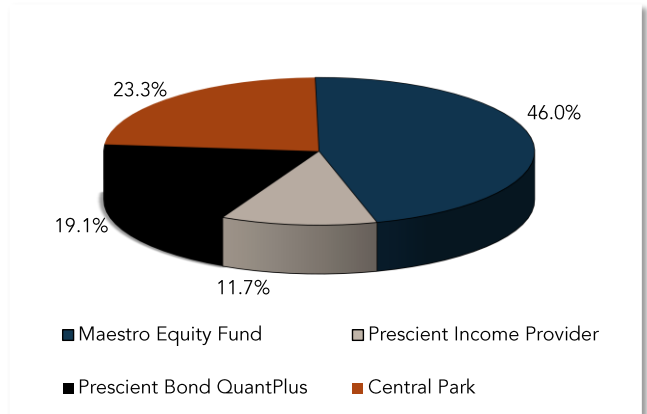


Turning to local markets, the All Share index (Alsi) declined 3.1% during the month. Resource shares bore the brunt of a stronger rand as they declined 9.9%. Financials rose 0.2% in February, while industrials declined 1.6%. The large cap (Top40) index declined 3.9%, while the Mid and Small cap indices fared slightly better returning -0.4% and 1.9%, respectively. The All Bond index rose 0.7%.

**Monthly fund returns**

During February the Maestro Balanced Fund's NAV decreased by 0.3% versus the Fund's benchmark which decreased by 1.4%. The [Maestro Equity Prescient Fund](#) decreased by 0.5 versus the 3.1% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 0.7% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 0.8% versus its benchmark increase of 0.7%. [Central Park Global Balanced Fund](#) returned -1.5% in rand terms versus the -1.4% return of the rand benchmark.

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Naspers	5.7%
Steinhoff	3.1%
Aspen	2.4%
Firststrand	2.1%
Prescient Flexible GI	2.1%
Old Mutual	2.0%
Standard Bank	1.8%
Afrimat	1.8%
RSA 6.25% R209 310336	1.8%
RSA 10.50% R186 211226	1.8%
<b>Total</b>	<b>24.6%</b>

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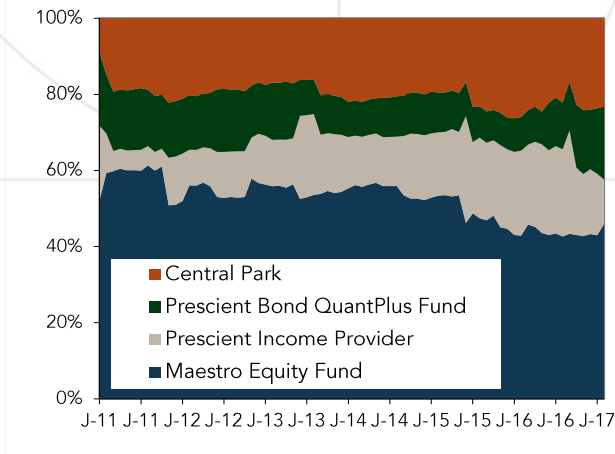
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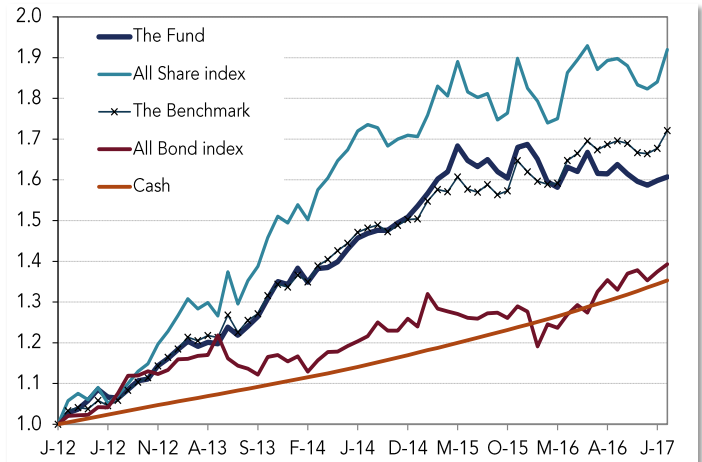
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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1month	1 year	3 years	5 years
Maestro Balanced Fund	-0.3	1.3	5.0	9.1
Maestro Balanced Fund Benchmark	-1.4	6.6	6.9	10.3

## Monthly and annual average return (%)

Investment	Year to date	2016	2015	2014	2013	2012	2011	2010
Maestro Balanced Fund	0.3	-3.2	7.5	11.0	16.9	18.3	0.0	13.0
Benchmark	1.1	5.0	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).



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