

# MAESTRO BALANCED FUND



PRESCIENT  
LIFE

August  
2018

#### 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 17 934 733

#### NAV

Class A: 2.0798

#### 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

To describe market behaviour during August as catastrophic might be melodramatic – unless you are a Turk or Argentinian of course. To describe it as concerning understates the powerful forces at work in currency and equity markets. There is simply no place for structurally weak economies – only the strong will survive. Any sign of political indiscretion (and that is a loaded term) and structural economic weakness was dealt with swiftly and mercilessly during August.

The Argentinian peso has fallen over 50% this year, the Turkish lira 42.7%, the Brazilian real 19.5%, the rand 15.5%, the Indian lira 10.1%, and the Indonesian rupiah 7.9%. Perhaps now you understand why I suggested that recent market activity has been catastrophic. Quietly in the background, the US dollar continued to rise. The oil price rose 11.7%, the price of gold, platinum, and copper declined 2.2%, 4.1%, and 3.8% respectively. The prices of soft (food) commodities declined far more.

The US equity market rose 3.2%, while the UK, German, and Swiss markets declined 4.1%, 3.5%, and 2.2% respectively. During August the S&P Mid and Small cap indices rose 3.0% and 6.0% respectively. US equity markets were propelled by the tech sector NASDAQ rising 5.7%. The Chinese and Hong Kong markets fell 5.3% and 2.4% respectively, while the real damage was seen in the Russian market, down 6.9%, Turkey and Greece 4.4% and 4.2% respectively, and Brazil 3.2%. Against this background, the MSCI World index monthly return of 1.0% and the -2.9% MSCI Emerging Market index return is understandable.

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

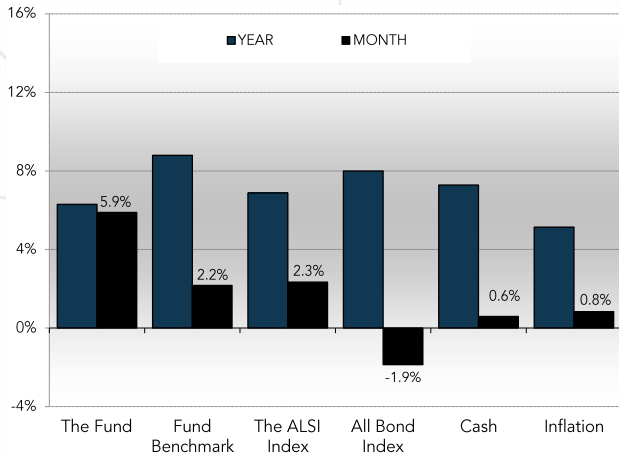
- Leonard Bernstein



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**Local market returns**



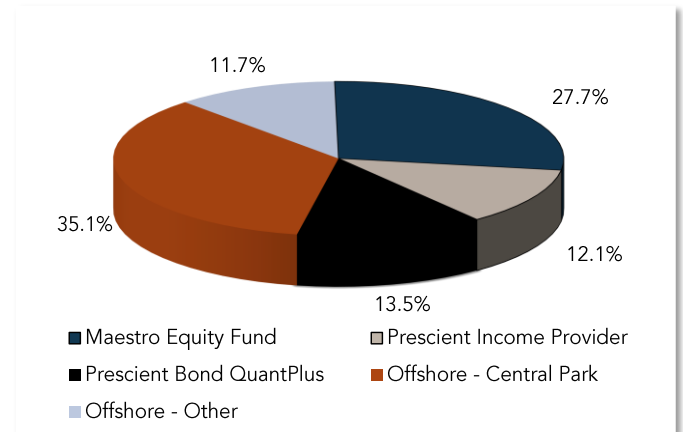
Turning to local markets, the All Share index produced a return of 2.3%, which looks good on the face of it, but of course in dollar terms was extremely poor (-8.5%). The rand-hedge sectors of Basic Materials and Industrials (thanks to a large weighting in offshore return-driven companies) produced positive monthly returns of 5.6% and 1.9% respectively. The Financial sector flew into the headwind of the weak rand, and ended only 0.3% higher, which is remarkable given how sensitive the index is to a weak rand. The All Bond index was under pressure throughout the month, ending down 1.9%.

**Monthly fund returns**

During August the Maestro Balanced Fund's NAV increased by 5.9% versus the Fund's benchmark which increased by 2.2%. The [Maestro Equity Prescient Fund](#) rose by 6.6% versus the 2.3% rise of the All Share index. The [Prescient Income Provider Fund](#) returned 1.4% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) increased by 0.7% versus its benchmark increase of 0.5%. [Central Park Global Balanced Fund](#) increased by

9.8% in rand terms versus the 12.6% increase of the rand benchmark.

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
Naspers Ltd	6.0%
Synia ITrix MSCI US	5.3%
Synia ITrix MSCI World	5.2%
RSA 10.50% R186 211226	3.8%
Alphabet	3.2%
Alibaba	2.7%
Tencent	2.2%
Discovery Ltd	2.1%
R2048 8.75% 280248	1.6%
RSA 6.25% R209 310336	1.2%
<b>Total</b>	<b>33.3%</b>

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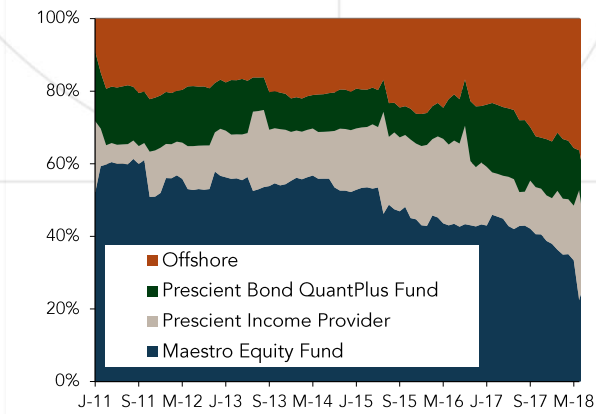
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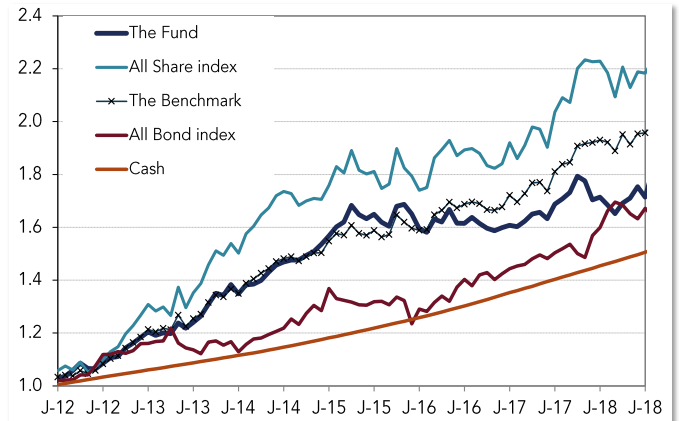
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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 years	7 years
Maestro Balanced Fund	5.9	6.3	3.9	7.5	9.4
Benchmark	2.2	8.8	8.5	9.5	11.1

## Monthly and annual average return (%)

Investment	Year date	2017	2016	2015	2014	2013	2012	2011	2010
Maestro Balanced Fund	6.5	6.6	-3.2	7.5	11.0	16.9	18.3	0.0	13.0
Benchmark	4.1	14.4	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).