

MAESTRO GLOBAL BALANCED FUND



PRESCIENT
LIFE

January
2018

Investment objective

To produce above average long-term returns by investing in global equity, bonds and cash markets, through the assumption of less risk than that of the underlying markets. The Fund acts as a feeder fund for Central Park Global Balanced Fund, which is also managed by Maestro Investment Management.

The Fund benchmark

An index consisting of a 60% equity weighting (MSCI World Index), and a 40% weighting in bonds (Bloomberg Barclays Global Aggregate Bond Index).

Legal structure

The Fund is a pooled portfolio on the Prescient Life Limited balance sheet. The appointed Investment 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.

Inception Date

15 November 2017

Fee structure

The Fund incurs fees at two levels. Firstly, the investment management fee in Central Park Global Balanced Fund is 1.5% per annum, together with a 10% performance fee subject to a high water mark. Secondly, administration and other fees are charged by Prescient Life on the following basis:

- For investments under R5m: 0.46%
- Investments between R5m and R10m: 0.41%
- For investments in excess of R10m: 0.39%

Fund size

R35 019 513 as at 31 January 2018

NAV

Class A: R90.23

Long term insurer

Prescient Life Limited
(Reg no: 2004/014436/06)

Auditor

KPMG Inc.

Investment manager

Maestro Investment Management (Pty) Limited

Enquiries

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Orchestrating Your Wealth

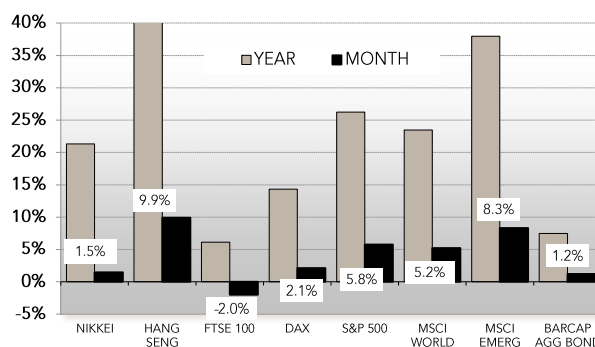


Market Overview

A key feature and driving force of the January returns was the weak dollar. The DXY trade-weighted dollar index declined 3.2%, while the euro and pound gained 3.7% and 5.1% against the greenback, respectively. Both the Eurozone and UK economies are more resilient than expected, which supported the currency gains over and above the dollar weakness. The weak dollar had a major positive impact on emerging market currencies, and also supported emerging equity markets. Consequently, the MSCI Emerging Market index rose 8.3% in January, some way above the MSCI World index return of 5.2%, which in itself was more than respectable. Strong equity market returns were registered in Brazil, which closed 11.1% higher on the month, Russia 11.0%, Greece 9.5%, India 5.6%, and China 5.5%. Hong Kong rose an astonishing 10.0%, bringing its annual gain to 40.8%. The US equity market rose 5.8% and the tech-heavy NASDAQ 7.4%.

The global bond market produced lower returns, although still positive, other than in the US where bond yields plotted a steady path higher (and prices lower). The net result was the Bloomberg US Bond index lost 1.5% while the Bloomberg Global Aggregate Bond index rose 1.2%. The annual return on the latter is now 7.5% compared to the MSCI World and Emerging Market annual returns of 23.5% and 38.0%.

Market Returns



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

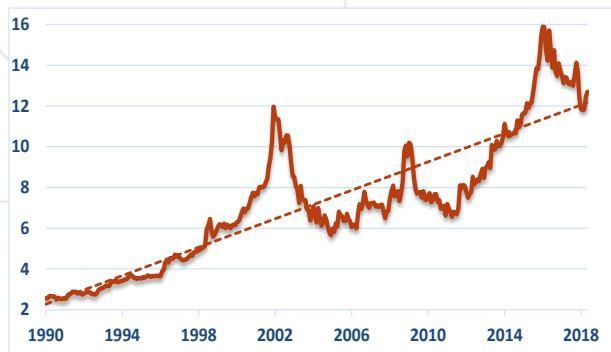
- Leonard Bernstein



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The Rand Dollar Exchange rate



Investment Manager Comment

The Fund rose 2.1% in January, which can be compared to the benchmark and comparable sector returns of -0.6% and 0.0% respectively.

The driver of the returns remains the equity component, which rose 7.2% in January versus the MSCI World index return of 5.2%. Within the equity portfolio, Shanghai Fosun Pharmaceutical Group lost 9.4% (it did rise 33.0% last month though), and SAP lost 2.7%. On a positive note Google rose 12.2%, Ping An 13.9%, Tencent 14.2%, ON Semi 18.1%, and Alibaba 18.5%. You can see from these returns that our decision to weight the portfolio in favour of tech and Chinese-focussed shares has been the appropriate stance under the current market conditions. New holdings in Bossard Holding, Bucher

Industries, Sunny Optical and Geely Automobile were introduced into the portfolio. At the end of January 0.9% of the Fund was invested in bonds, 2.8% was retained in cash and the balance of 96.3% invested in global equity markets.

Note To Investors

The Fund is an investment-linked Endowment Policy, issued by Prescient Life. Maestro Investment Management is the Fund’s Investment Manager. All investments into the Fund are directed into Central Park Global Balanced Fund, the unit trust Maestro uses to manage its Clients’ offshore assets.

The Fund's Largest Holdings

Investment	% of Fund
Alibaba Group Holding Limited	8.4%
Tencent Holdings Limited	8.1%
Alphabet Inc.	6.3%
FedEx Corporation	5.2%
Ping An Insurance Group	4.1%
Shanghai Fosun Pharma Group	4.0%
New Oriental Education & Tech Group	4.0%
SAP AG	3.9%
VISA Inc.	3.8%
Adobe Systems	3.8%
Total	51.6%

Monthly and Annual Average Returns (%)

Investment	1 month	3 month	6 month	9 month	1 year
Maestro Global Balanced Fund	2.1	-9.8	NA**	NA**	NA**
Fund benchmark	-0.6	-10.8	-2.3	0.1	2.9
Sector*	0.0	-10.3	-1.8	1.6	5.3

* Morningstar ASISA Global Multi Asset Flexible Category

** Inception Date 1 December 2017

Investment	Year-to-date	2017	2016	2015	2014
Maestro Global Balanced Fund	2.1	NA**	NA**	NA**	NA**
Fund benchmark	-0.6	4.0	-9.1	31.7	13.0
Sector*	0.0	5.3	-8.6	26.7	9.5

* Morningstar ASISA Global Multi Asset Flexible Category

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).

