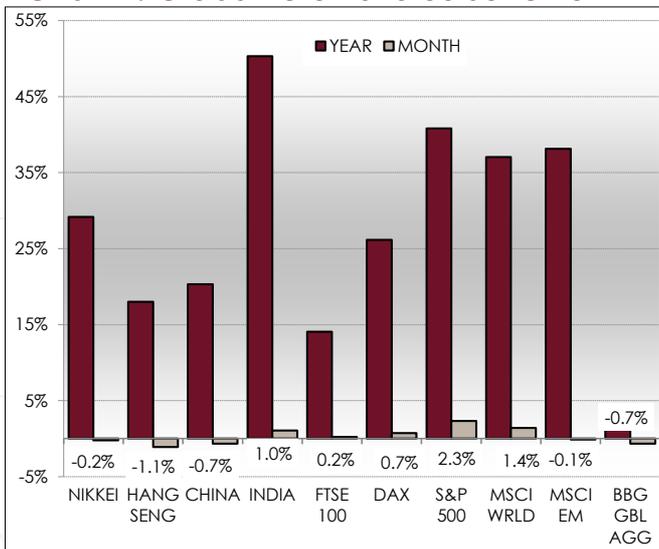


**June in perspective – global markets**

It seems heretical to call June a “boring” month, when so much happened during the period. However, if market returns are anything to go by, most market watchers and investors will agree that June was one of the quieter months we have had since the pandemic gripped the planet and turned it upside down in March last year.

**Chart 1: Global returns to 30 June 2021**

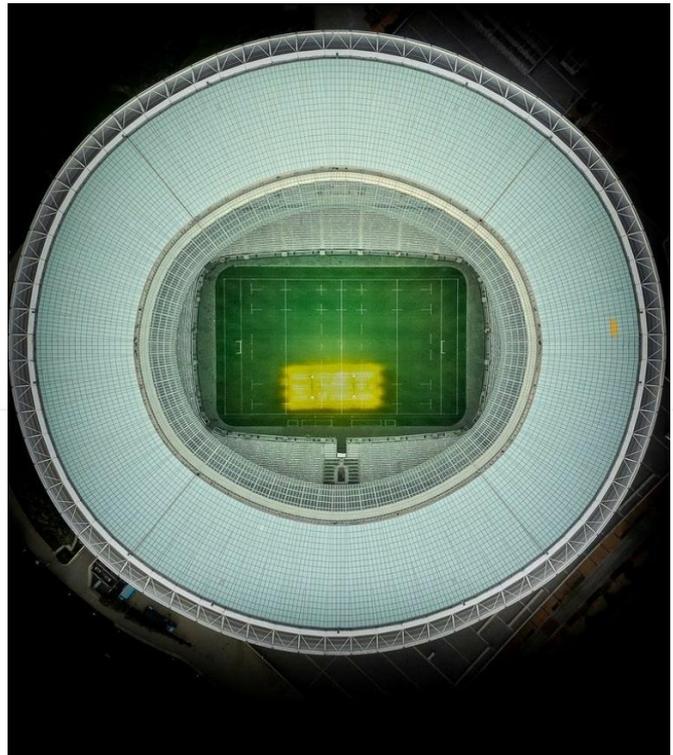


Of course, as it's always the case, there was a lot “going on” under the surface. At the industry and company level, there is certainly a lot to report and comment on. However, let's jump straight into the numbers: returns were, in general, lower and less volatile than in recent months, although I am pleased to report on a positive month all-around. The MSCI World index rose 1.4%, although the MSCI Emerging Markets index fell 0.1%. Emerging market bonds were relatively weak, too: this much is evident when one considers that the Bloomberg Global Aggregated Bond index fell 0.7% but the US Bond index rose 0.7%. Back to the equity markets, most market returns were muted, but strong returns were evident in the US, where the S&P500 index rose 2.3% and the tech-

heavy NASDAQ index rose 5.5%. Ironically, despite having a defensive nature, the Swiss Market Index (SMI) rose 5.1%. Its annual return to end-June of 18.9% though can't compare with the NASDAQ annual return of 44.2%.

Despite June's moderate returns, the S&P500 index still notched up an annual return of 40.8% during the past year, India rose 50.3%, while the S&P Mid and Small Cap annual returns were 51.2% and 65.3% respectively. It has been a particularly profitable period for equity investors, but remember that the base off which these annual returns are being measured is still low, depressed as it was by the onset of the pandemic last year.

**Cape Town Stadium, Cape Town**



Source: @dronetojoy

Contrary to the expectations of many, the US dollar was strong during the month, and rose against just about all other currencies and



commodities. Oil was the standout commodity in June, with the Brent crude price rising 8.2% to bring its annual increase to 79.8%. The iron ore price was also firm, rising another 9.9%, bringing its annual increase to 116.1%.

**The Village of Ayorou, Niger**



Source: @geosteinmetz

**What's on our radar screen?**

Here is a summary of the things we have been keeping an eye on:

- *US economy:* In [recent editions of Intermezzo](#), we have been alluding to the reasons for investors' increasing focus on inflation. That focus remains relevant and important; headline and core inflation is rising across the world and the big "call" is whether or not the increases are temporary or permanent. Global central banks would have us believe that the increases are transitory; some investors are not entirely

convinced. We are of the view that many of the factors pushing prices higher at present are transitory, but are also aware that some aren't. So all eyes remain on the data as it is released.

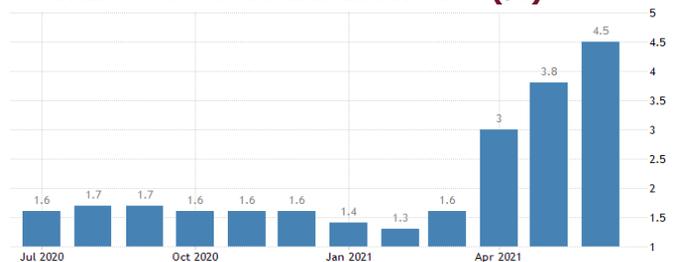
**Chart 2: US headline inflation rate (%)**



Source: tradingeconomics.com

June US inflation data showed that prices increased by 0.9% on the month at the headline and core level (core inflation excludes volatile food and energy prices). Both of these readings were above expectations. According to Bloomberg calculations 0.6% of the 0.9% of the monthly increase is ascribable to transitory, or "re-opening", factors. The main drivers of price increases were used cars, rental cars, vehicle insurance, lodging, airfare, and food away from home. As seen in Charts 2 and 3, the annual rate of US headline inflation is now 5.4%, while the annual rate of core inflation has risen to 4.5%. The steep increases in these annual rates of inflation are evident from the charts.

**Chart 3: US core inflation rate (%)**



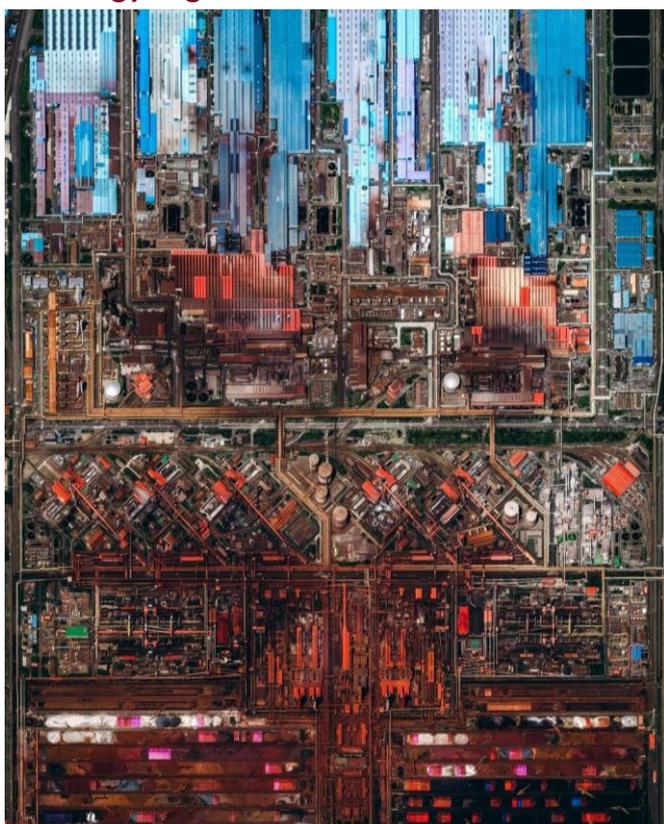
Source: tradingeconomics.com

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



Another area of investor focus remains the US labour market, which seems to be recovering well although one can't lose perspective of the damage that was done to workers as a direct result of the pandemic; 7m jobs remain "lost" and it will be a long time before these jobs are re-created. Some 850 000 jobs were created in June, up from 583 000 in May, while the unemployment rate rose from 5.8% to 5.9% in June. Ironically, the greatest problem in the US labour market seems to be the fact that workers are unwilling to return to work, as the government support (stimulus) they receive exceeds the going wage rate.

### Gwangyang Steel Works, South Korea



Source: @dailyoverview

- *Developed economies:* The Central Bank of Canada (BoC) bank left interest rates unchanged, at 0.75%, although it hinted that rates might start moving higher during the second half of 2021. With all the attention on inflation at the moment, it is worth highlighting what is happening in the Eurozone in this regard. There, headline inflation declined slightly, from 2.0% in May to 1.9% in June, while the rate of core inflation declined from 1.0% to 0.9%. Germany's rate of headline inflation declined from 2.4% to 2.1%, France's rose from 1.8% to 1.9% and Italy's from 1.2% to 1.3%, while Spain's remained unchanged at 2.4%. For technical reasons (the reversal of Germany's temporary VAT cut) Eurozone headline inflation is expected to decline further in July.
- *Emerging economies:* Headline inflation in India rose at an annual rate of 6.26%, down marginally from 6.3% in May but still above the Reserve Bank of India (RBI's) target range of 2% - 6%. The 79.8% increase in the (Brent) oil price during the past year is a significant factor for India, given that it imports 80% of its oil requirements. Indian industrial production rose at an annual rate of 29.3% in May, but this was largely a function of the low base. It declined 8.0% month-on-month in May as the pandemic washed over the country; daily new Covid-19 cases peaked in early May. The RBI Governor indicated that the RBI viewed the increased inflation as transitory and expected it to ease by the third quarter. Out of interest, as of 12 July, daily new Covid-19 cases in India totalled 30 827, total cases 30.9m, active cases 0.44m (down from peak of 37.5m on 9 May), while the death toll stood at 409 388. As of 12 July

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

- Leonard Bernstein



5.4% of India's 1.4bn population had been fully vaccinated (22.2% received at least one vaccine dose), trailing the European Union's 39.6% (54.3%) and the US 47.7% (55.1%).

**Building in Hangzhou, China**



Source: @toranceshaw

In Chile, the central bank raised interest rates by 0.25% to 0.75% as inflation gained momentum and economic activity returned to pre-pandemic levels. The annual headline inflation rate in June rose to 3.8% from May's 3.6%. Following rate hikes in Brazil and Mexico, Chile becomes the third Latin American country to tighten monetary policy in an effort to curb rising inflation and stronger economic activity.

In Turkey, the central bank left its rate unchanged at 19.0%. Of course this is a very high rate, but needs to be seen in the context of Turkey's inflation rate, which in June reached 17.5%, up from May's 16.6% and still above the central bank's year-end inflation forecast of 12.2%. The Bank of Korea (BoK) kept its policy rate unchanged, at 0.5%, and confirmed its expectation of a 4.0% growth rate for the Korean economy in 2021 and 3.0% in 2022. It projects inflation to be 1.8% at the end of 2021 and 1.4% in 2022.

China reported its usual monthly economic data, as well as its economic growth rate for the second quarter of 2021 (Q2). Retail sales increased at an annual rate of 12.1% in June, a bit lower than May's 12.4%. Fixed asset investment rose 6.0% (5.5%) while industrial production rose 8.3% (8.8% in May). China grew at a quarter-on-quarter rate of 1.3% in Q2, slightly higher than Q1's rate of 0.4%. The annual rate of growth of 7.9% was slightly lower than the expected 8.1% and obviously much lower than Q1's 18.3%, which was heavily distorted by the low, pandemic-affected base in 2020.

**Chart 4: Chinese annual GDP growth (%)**



Source: tradingeconomics.com



## Charts of the month

*No harm in a little sports analogy*

I am aware that many clients and members of the Maestro family watched the Euro 2020 Soccer Finals and enjoyed the exciting games on offer. There is currently so much sport to choose from, thanks to the Northern hemisphere summer, but I'll stick to soccer for now. As a diehard Swiss fan, I was so excited to see my team doing so well, but utterly devastated when they threw the quarter-final game away as a result of shocking penalty-taking! Oh well, ...

Be that as it may, I thought I'd show that I'm not the only one who enjoys the soccer, or who brings it into the world of finance. The following is a quote from *Julius Bär's technical analyst*, following the Swiss victory over France – another dramatic game won by the Swiss “underdogs”.

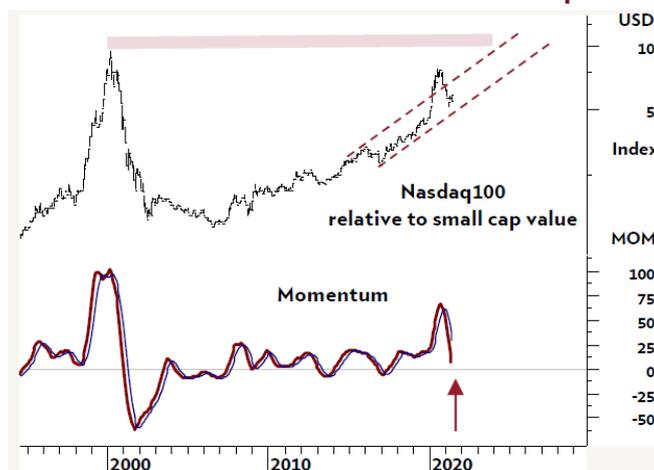
*Mensur Pocinci* writes as follows: “Switzerland managed to defend France in a dramatic football game yesterday. In the financial world, the NASDAQ 100 is likely to outperform small cap value.

“What a dramatic game it was yesterday when Switzerland played against France. Switzerland managed to defend France on penalties to qualify for the quarter finals; the first time since 1954 that the team has advanced so far in an international tournament. But the true winners were, of course, all the school children in both countries, who had the perfect excuse to stay up longer than usual. Watching the game, I could not escape thinking about growth versus value charts. The players of the French team have a market value 3.5 times higher than the Swiss. Back in the world of finance, when we check the NASDAQ 100 relative to small cap value – refer to Chart 5 – we see a new medium-term bottom

and the uptrend from 2016 looks likely to resume. Probably, the ratio is still on track to retest the peak of the year 2000. Thus, yesterday on the football field, we could say small-cap value had a win, but in the financial markets, large-cap growth is likely to resume its outperformance from 2016”.

I should highlight that this is a view that Maestro partially subscribes to (and here I'm not referring to the Swiss football team). Included in Central Park Global Balanced Fund, are holdings in Adobe, Alibaba, Alphabet (Google's parent), SAP, Tencent, and Visa. While not all members of the NASDAQ 100 index, these large tech companies have been instrumental in driving the long-term returns of the Fund.

**Chart 5: NASDAQ 100 versus Small Cap Value**



Source: Julius Bär

*In the old days, central banks used to ...*

The following is an extract from *Deutsche Bank's Jim Reid* on a particularly interesting aspect of recent central bank behaviour.

“When central bank independence first materialized it was pretty clear that their mandate was to control inflation and generally this was their absolute priority. However, recent

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

- Leonard Bernstein

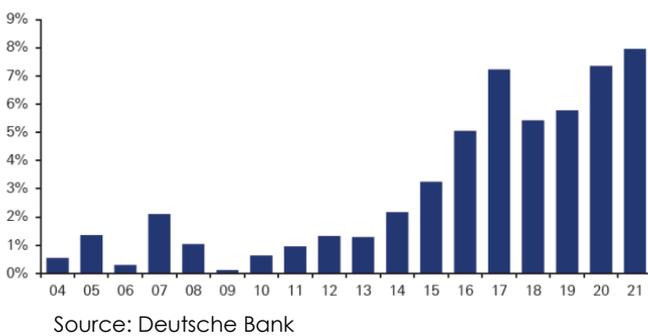


years have seen central banks increasingly enter the debate on numerous other topics including fiscal policy, social justice, race, gender issues, climate change and inequality. Chart 6 shows a snapshot of this in terms of mentions of inequality over time in speeches from developed market central bank officials.

“These are all admirable and crucial topics to discuss and could help make the world a better place. However, it does show how central bank power and influence has changed and also how they seem to be giving governments cover to spend on these issues.

“ ... Governments want to spend more to deal with the issues above and central banks seem increasingly comfortable to support them in that aim. Co-ordinated monetary and fiscal policy is more likely going forward”.

**Chart 6: “Inequality” in central bank speeches**  
Share of central bank speeches in the developed economies mentioning inequality



*BBG Commodity index at multi-year high*

We are all aware just how strongly commodity prices have risen during the past year, and hard commodities in particular. As at the end of June (and that was by no means the respective price peaks) on an annual basis the price of oil had risen 79.8%, palladium 40.3%, silver 45.0%, copper 55.8%, nickel 42.2%, aluminium 55.5%, and iron ore 116.1%, tin 86.4% and rhodium 123.2%. As an

aside, between June 2017 and June 2021 the rhodium price rose 2 855.7%, from just over \$1 000 per ton to \$30 000!! So yes, commodity prices have been on a tear during the past year or so, especially since March last year when markets troughed following the imposition of strict lockdowns around the world.

**Chart 7: Bloomberg Commodity index**



Although it doesn't look that impressive, Chart 7 depicts the price history of Bloomberg's Commodity index, which is an aggregate of a number of commodity price movements. It can be seen that the index is virtually at a multi-year high, and shows very clearly firstly how sharply prices have risen since March 2020 and also how cyclical commodity prices are.

**Obituary: John McAfee (1945 – 2021)**

When cyber security magnate John McAfee attempted to run for the White House in 2016, he invoked a Silicon Valley mantra from Steve Jobs in his campaign video, celebrating non-conformists: “Here's to the crazy ones, the misfits, the rebels, the troublemakers, the round pegs in the square holes.” McAfee, who was found dead in a Spanish prison cell on Wednesday as a result of an apparent suicide, fitted each of those descriptions – and more.



Source: variety.com

In his 75 years, the pioneer of his eponymous antivirus software built and lost a fortune, recast himself as a libertarian politician, and then as a cryptocurrency hype man – all while having repeated brushes with the law.

His death came hours after the Spanish high court approved an extradition request from the US, where he faced tax evasion charges. McAfee had been in prison in Barcelona since October, when he was arrested at the request of the US after fleeing America in his yacht, in the final of several high-profile flights from authority.

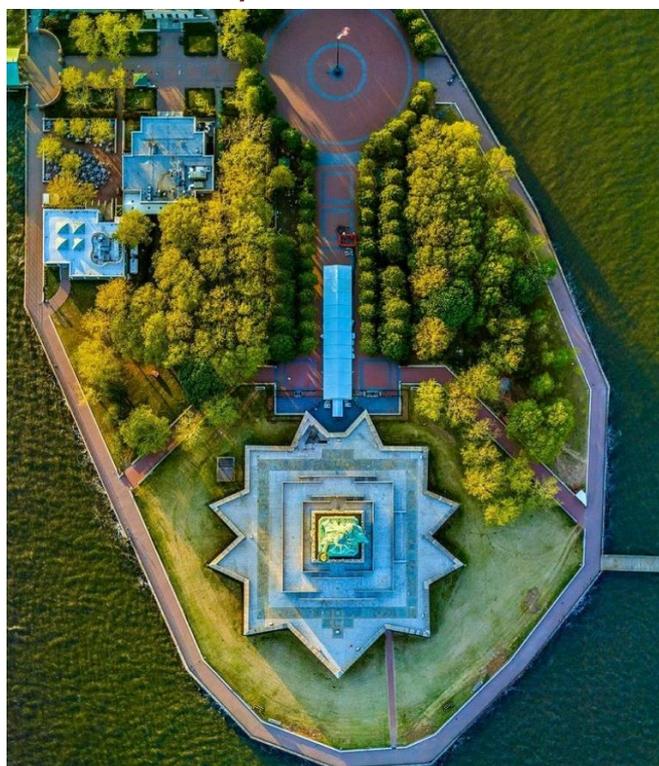
To many, McAfee's nomadic life had descended into paranoia, violence and grifting. He had recently been charged with fraud over his involvement in cryptocurrency pump-and-dump schemes, and had been linked by authorities to the murder of a neighbour in 2012. His ramblings on Twitter and YouTube had become increasingly incoherent.

But to the friends and fans to whom he addressed his campaign video, he was an anti-establishment hero — whose fears around technology-enabled government surveillance and financial institutions reflected growing mistrust of authorities today. “He always dreamt of building an alternative internet that wouldn't have all the flaws and problems that the current internet has,”

said Kim Dotcom, an internet entrepreneur and friend who himself is accused of masterminding one of the largest copyright infringements in history. In McAfee's own words, per his Twitter biography, he was an “iconoclast” and a “lover of women, adventure and mystery”.

McAfee was born in 1945 on an army base in the UK to an English mother and an American soldier who was stationed there. Educated in mathematics, McAfee quickly learned to master computing during stints at NASA, Xerox and Lockheed Martin in the 1970s and 1980s. He made his name with his antivirus software, which became ubiquitous as computer viruses became an increasingly pervasive security threat. In 1994, he stepped down as chief executive, selling his McAfee stake for a reported \$100m, a fortune that he all but lost during the financial crisis.

### Statue of Liberty, New York



Source: @jeffreymilstein

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

- Leonard Bernstein



“Although John McAfee founded the company, he has not been associated with our company in any capacity for over 25 years,” said McAfee, which listed on public markets late last year. “That said, our thoughts go to his family and those close to him.”

Outside of the corporate world, the multimillionaire displayed a penchant for risk. A decade after leaving McAfee, he pioneered a sport called “aerotrekking”, which involved flying microlight aircraft at high speeds over a desert airstrip. When tragedy struck in 2007, and a client of his aerotrekking venture died in an accident at his New Mexico property, he swiftly moved to Belize.

### St Paul's Cathedral, London



Source: @jeffreymilstein

There, he took up residency in a “party palace”, embarking on a playboy lifestyle of drugs, guns and girlfriends. That, too, was not to last: in 2012,

his neighbour, US citizen Gregory Faull, was murdered by a gunshot to the head and McAfee was named a “person of interest” in the case. Denying any involvement, he fled to neighbouring Guatemala, where he was later arrested and deported to the US. He was never charged in relation to the murder.

An unapologetic libertarian who reportedly conducted press interviews with a loaded gun in each hand to feel “comfortable”, McAfee also embarked on a quixotic political career. He first announced a White House bid in 2015 with his own newly formed party, the Cyber party, before later — unsuccessfully — seeking the Liberation party nomination in the 2016 race.

“His main mantra in life was freedom,” said Zoltan Istvan, the founder of the Transhumanist party, who met McAfee on the campaign trail in 2015. “He knew he was being eccentric,” Istvan added, of his public persona. “He liked to be a maverick and he liked the attention . . . But when you sat down to dinner and there were no journalists there to cover it, it's just a real good conversation with a guy who's incredibly bright.” McAfee told the Spanish courts last week that his foray in politics came about because he had uncovered corruption in the US tax system, and “considered that only through political action could the tax authorities be rid of this”.

A deep mistrust of state surveillance and financial institutions also drew him to the freewheeling world of cryptocurrencies. He was quick to become one of the earliest and most vociferous virtual currency proponents, pledging in 2017 that he would eat his own penis “on national television” if the bitcoin price did not reach \$500,000 by mid-2020. His propensity to talk up cryptocurrency projects on Twitter also caught the attention of regulators. In

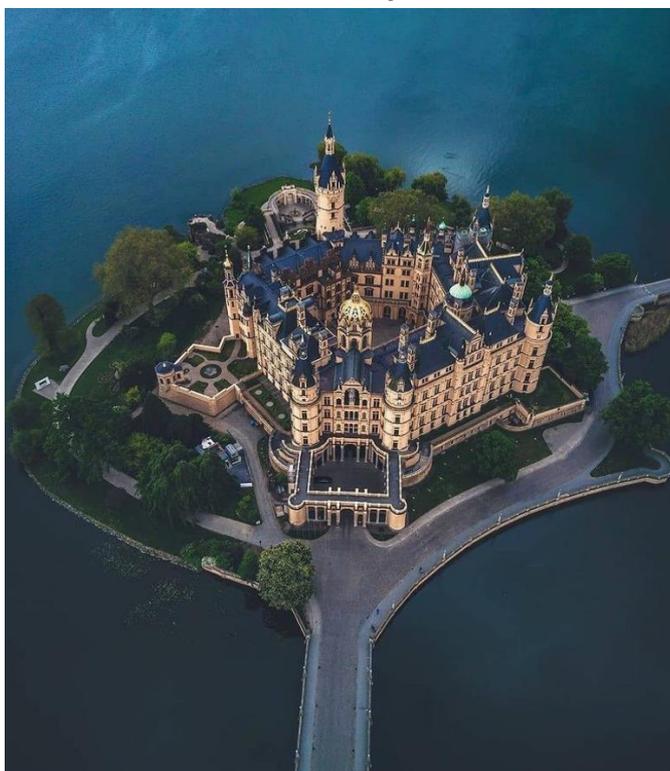
“To achieve great things, two things are needed; a plan, and not quite enough time.”

- Leonard Bernstein



March, he was charged by US federal prosecutors with fraud. According to the complaint, McAfee selected some small cryptocurrencies - including dogecoin - to promote on the social media platform as "coin of the day" or "coin of the week" in early 2018, buying up them in advance and cashing out once the market surged on his recommendations.

### Schwerin Castle, Germany



Source: @daniel\_weissenhorn

McAfee and others also earned \$11m touting several initial coin offerings on Twitter, while failing to publicly disclose that they were being paid for the promotional work, regulators said. In what was to become his final voyage, McAfee fled the US in 2019 on his yacht after he was indicted by a grand jury for hiding millions of dollars in taxable income between 2016 and 2018. The money was earned, in part, from his promoting cryptocurrencies and selling the rights to his life story, and was concealed by frontmen.

Though he was eventually arrested in Spain in October 2020, he still did not give up the fight. In a Spanish high court hearing last week, he claimed that the US tax charges had "a political motivation", since he had used his political platform to "denounce corruption" of the US Internal Revenue Service. But the court rejected his arguments and on Wednesday morning approved an extradition request from the US, and McAfee faced the possibility of the rest of his life behind bars.

He is survived by his wife Janice, a former sex worker who has campaigned for his release under the catchphrase "Free McAfee". Even in death, McAfee was remarkable at sparking a media frenzy. For months, he had mythologized a potential departure from the world at the hands of authorities. In one tweet in October, he wrote: "Know that if I hang myself . . . it will be no fault of mine". Around the time of his death on Wednesday, a post appeared on his Instagram that simply showed the letter "Q" - an apparent reference to conspiracy cult QAnon, sparking its own wave of conspiracies. "All power corrupts," he wrote in his final Twitter message on Friday. "Take care which powers you allow a democracy to wield."

### June in perspective – local markets

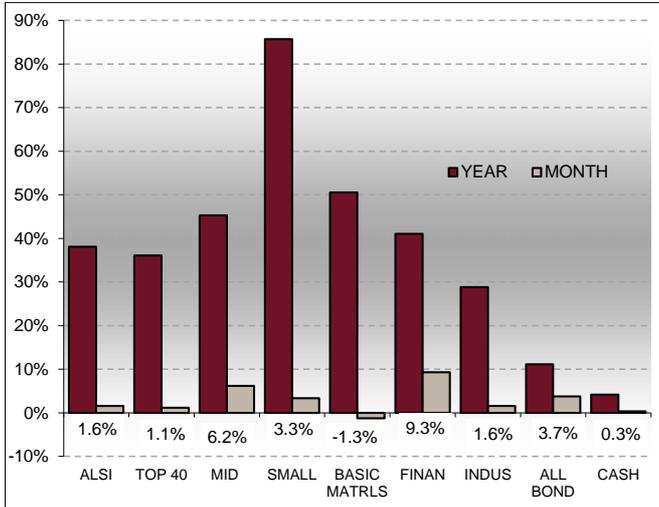
Turning to local markets, the All Share index declined 2.4% in June, with the Large, Mid and Small cap indices falling 2.6%, 2.6% and 1.0% respectively. The Basic Materials, and Financial indices fell 6.7% and 2.7% respectively, while the Industrial index rose 0.4%. The firm dollar had the effect of weakening the rand, although the latter remains a standout amongst other emerging currencies for its strength during the past year. The rand fell 3.9%, although it is still 21.7% higher against the dollar than it was this time last year.

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

- Leonard Bernstein



**Chart 8: Local returns to 30 June 2021**

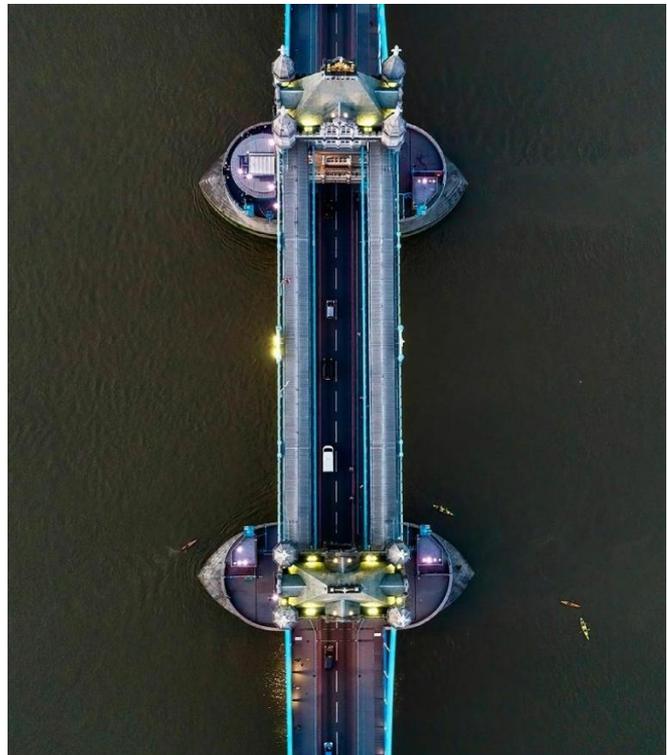


Looking ahead to the remaining part of the year, it is hard to believe we are now more than halfway through 2021. What a year it has been! While the first semester of 2021 contained lots of drama and uncertainty, which led to market volatility in general, we expect the second semester to be characterized by more of a “waiting game”. The die has been cast for the remainder of this year: investors expect robust economic growth, solid corporate earnings, rising inflation but still within reasonable bounds, investors expect bond yields to “behave themselves” and not rise too strongly or steeply, and for monetary and fiscal policy to be supportive. All investors have to do now is to wait and “see what happens”. What could possibly go wrong?

Well, we suspect that if we see anything other than the broad scenario outlined above, markets might get a fright, experience lots of volatility, and move strongly – and not necessarily higher. Equity markets are expensive, but that is unsurprising; historically low bond yields, unprecedented policy support, strong earnings growth and cash flows, strong balance sheets, enormous liquidity in global capital markets,

negative cash interest rates, and a low base following the onset of the pandemic last year, are all supportive of expensive equity markets. We are consequently comfortable that global (but not local) equity markets still represent the best vehicle for long-term capital growth, and expect the second half of this year, barring some terrible, unforeseen crisis, to register further positive returns, even if they are lower than those experienced during the first half of 2021.

**London Tower Bridge, London**



Source: @jeffreymilstein

**For the record**

Table 1 lists the latest returns of the mutual and retirement funds under Maestro’s care. Returns include income and are presented *after* fees have been charged. Fund Summaries for each respective fund listed in the table, as well as all the historic returns, are available on [our website](#).



**Table 1: The returns of funds in Maestro's care**

	Period ended	Month	Year to date	Year
<b>Maestro Equity Prescient</b>				
<b>Fund</b>	<b>Jun</b>	<b>0.4%</b>	<b>9.7%</b>	<b>21.7%</b>
JSE All Share Index	Jun	-2.4%	13.2%	25.1%
Morningstar sector ave	Jun	-2.0%	13.1%	25.4%
<b>Maestro Growth Fund</b>				
<b>Fund</b>	<b>Jun</b>	<b>0.9%</b>	<b>3.8%</b>	<b>6.0%</b>
Fund Benchmark	Jun	-0.7%	9.4%	18.1%
Morningstar sector ave	Jun	0.1%	9.4%	17.2%
<b>Maestro Balanced Fund</b>				
<b>Fund</b>	<b>Jun</b>	<b>0.9%</b>	<b>3.5%</b>	<b>6.0%</b>
Fund Benchmark	Jun	-0.5%	8.3%	16.0%
Morningstar sector ave	Jun	0.4%	7.7%	13.9%
<b>Maestro Cautious Fund</b>				
<b>Fund</b>	<b>Jun</b>	<b>0.6%</b>	<b>1.6%</b>	<b>3.7%</b>
Fund Benchmark	Jun	-0.3%	6.2%	13.2%
Morningstar sector ave	Jun	0.7%	6.0%	10.8%
<b>Maestro Global</b>				
<b>Balanced Fund</b>	<b>Jun</b>	<b>3.2%</b>	<b>-2.2%</b>	<b>-6.9%</b>
Benchmark	Jun	4.7%	2.9%	0.0%
Sector average *	Jun	4.1%	4.5%	3.8%

\* Morningstar Global Multi Asset Flexible Category

Notwithstanding the returns listed in Table 1, our longer-term returns for our investment solutions are listed in the table below. All returns are for periods to 30 June, and are taken from Morningstar's monthly unit trust survey. Returns are shown on a net basis i.e. after all fees have been deducted.

**Table 2: The Maestro Equity Prescient Fund**

Morningstar (ASISA) South Africa Equity General - June 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
<b>Maestro Equity Prescient Fund</b>	<b>1.7%</b>	<b>9.7%</b>	<b>21.6%</b>	<b>4.3%</b>	<b>1.5%</b>	<b>6.8%</b>
Maestro Equity Fund benchmark	0.4%	12.0%	21.6%	6.7%	7.1%	12.3%
SA Peer Group Average	0.6%	13.1%	25.4%	5.8%	5.1%	8.7%
Maestro position within Group	41	138	113	96	100	49
Number of participants	171	167	162	146	114	61
Quartile	1st	4th	3rd	3rd	4th	4th

**Table 3: The Maestro Growth Fund**

Morningstar (ASISA) South Africa Multi-Asset High Equity - June 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
<b>Maestro Growth Fund</b>	<b>1.5%</b>	<b>3.8%</b>	<b>6.0%</b>	<b>5.8%</b>	<b>4.9%</b>	<b>8.0%</b>
Maestro Growth Fund benchmark	1.7%	9.4%	18.1%	8.8%	8.5%	10.6%
SA Peer Group Average	1.9%	9.4%	17.2%	6.7%	5.8%	8.7%
Maestro position within Group	128	200	193	124	83	40
Number of participants	206	205	198	177	148	61
Quartile	3rd	4th	4th	3rd	4th	3rd

**Table 4: The Maestro Balanced Fund**

Morningstar (ASISA) South Africa Multi-Asset Medium Equity - June 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
<b>Maestro Balanced Fund</b>	<b>1.4%</b>	<b>3.5%</b>	<b>6.0%</b>	<b>4.6%</b>	<b>4.4%</b>	<b>7.5%</b>
Maestro Balanced Fund benchmark	1.7%	8.3%	16.0%	8.7%	8.4%	10.1%
SA Peer Group Average	2.1%	7.7%	13.8%	6.6%	5.8%	8.1%
Maestro position within Group	71	96	91	78	67	27
Number of participants	99	99	95	86	74	37
Quartile	3rd	4th	4th	4th	4th	3rd

**Table 5: The Maestro Cautious Fund**

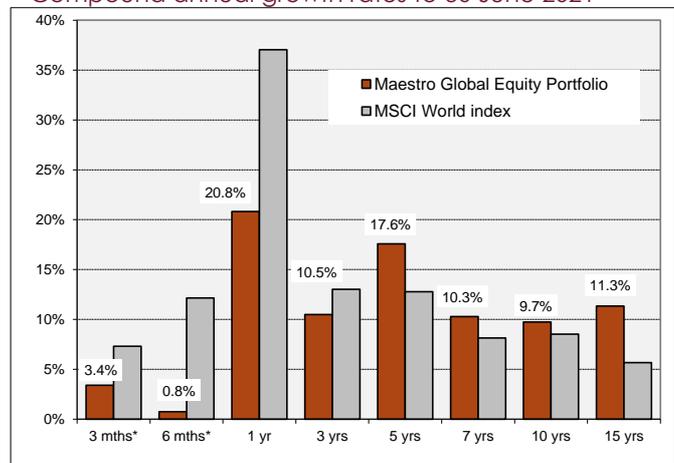
Morningstar (ASISA) South African Multi-Asset Low Equity - June 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
<b>Maestro Cautious Fund</b>	<b>0.9%</b>	<b>1.6%</b>	<b>3.7%</b>	<b>6.0%</b>	<b>5.3%</b>	<b>7.8%</b>
Maestro Cautious Fund benchmark	2.4%	6.2%	13.1%	8.0%	8.1%	8.6%
SA Peer Group Average	2.4%	6.0%	10.8%	6.4%	5.9%	7.9%
Maestro position within Group	152	156	151	91	85	30
Number of participants	160	158	155	135	115	55
Quartile	4th	4th	4th	3rd	3rd	3rd

**Table 6: Maestro Global Balanced Fund**

Morningstar (ASISA) Global Multi-Asset Flexible - June 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
<b>Maestro Global Balanced Fund</b>	<b>-0.5%</b>	<b>-2.2%</b>	<b>-6.9%</b>	<b>8.0%</b>	<b>N/A*</b>	<b>N/A*</b>
Global Balanced Fund benchmark	1.4%	2.9%	0.0%	11.1%	8.2%	13.9%
SA Peer Group Average	1.5%	4.5%	3.8%	10.0%	8.3%	13.0%
Maestro position within Group	41	41	36	22	N/A	N/A
Number of participants	46	43	37	29	22	12
Quartile	4th	4th	4th	4th	N/A	N/A

Finally, Chart 9 contains the returns (gross of fees) that Maestro has achieved on its global equity portfolios, using Central Park Global Balanced Fund's equity returns as a proxy for our global equity returns. Our annual returns have lagged of late, due to the portfolio's Chinese exposure suffering from aggressive regulatory action there. During the past few months though, this under-performance has started receding.

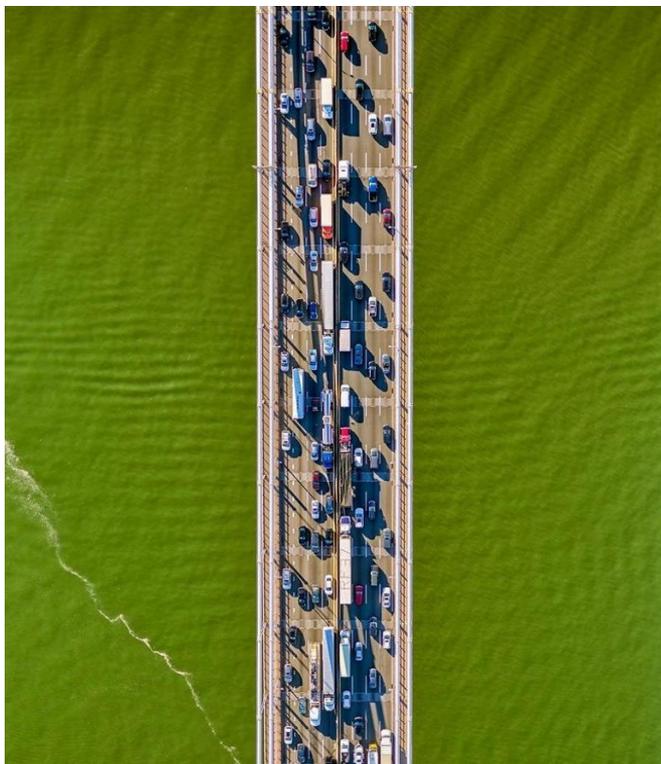
**Chart 9: Maestro global equity returns**  
Compound annual growth rates to 30 June 2021



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



### George Washington Bridge, New York



Source: @jeffreymilstein

### File 13: Info almost worth remembering

#### *Data that dazzles*

One must have an affinity for data, current affairs, and numbers, if you enjoy investment management. For some time now I have wanted to share more data with readers of *Intermezzo*, but have not wanted to overwhelm them, for the data often begs background and context.

That said, I'd like to introduce a periodic section simply called "Data that dazzles", to be included in the File 13 section. Data listed will have varying degrees of relevance, but I suspect that if you are even reading this, you will enjoy learning, as we do, from all the data we come across. I will limit any explanation to a bare minimum, preferring to let the data speak for itself; you can draw your own conclusions and inferences from it. Enjoy!

- I am sure many readers enjoyed the Tour de France this year, as they did last year. The name of the Slovenian winner, Tadej Pogačar, would thus be a familiar one. Do you know what the population of Slovenia is? A mere 2m, or about one third of the size of greater Cape Town.
- Former UK Prime Minister David Cameron has been embroiled in the saga of Greensill Capital, the scandal-ridden and now collapsed finance company, in particular with regard to the matter of lobbying, in this case for government funding. It has now emerged that Cameron earned a cool £1m for his part-time efforts; this translates into the equivalent of £40 000 a day for his advice to Greensill. Shame; it's tough being a politician!

### Loreto Castle, Lake Iseo, Italy



Source: @mario\_\_dangelo

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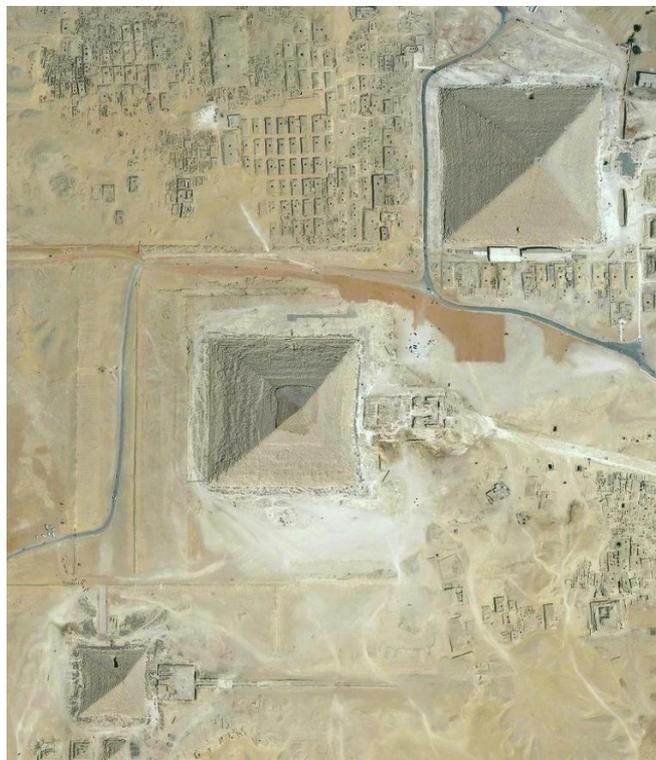
- Revolut is a UK fintech start-up rapidly making a name for itself. In a recent round of funding, Revolut's market value was pegged at £33bn. Compare that to 53-year old NatWest's market cap (size) of £23bn. To put that into perspective, Revolut has £4.6bn in customer deposits, NatWest has £453bn.
- In the Office for National Statistics latest two-weekly antibody survey, it estimated that in the week ending 4 July, 92% of the adult population in England would have tested positive for Covid-19 antibodies, up from just 13% at the start of the year. This reflects the impact of the vaccination rollout, as well as people having obtained antibodies from being infected by the virus. The vaccine's impact is evident in that the oldest groups saw a big rise in antibody levels ahead of younger groups. Now that the vaccine is available to all though, the younger groups are catching up; even those aged 25 - 34 have antibody levels at 92% for the week ending July 4, compared to only 61% at the end of May.

#### *More money chasing NFTs*

In the [May edition of Intermezzo](#), we highlighted the auction by [Christie's](#) of a non-fungible token (NFT) digital collage for a record \$69.4m. On 30 June [Sotheby's](#) auctioned off the source code to an early version of the World Wide Web, created by Sir Tim Berners-Lee, in the form of a NFT for \$5.4m. Sotheby's accepted payment in cryptocurrency.

Bidding began at \$1 000, and bidders had a week to name their highest price in the auction. The NFT attracted 51 bids, with the proceeds going toward unnamed initiatives supported by Sir Tim Berners-Lee.

#### **The Great Pyramids of Giza, Cairo, Egypt**



Source: @dailyoverview

The code includes the first web browser and early versions of methods computers still use to talk with each other, including the Hypertext Transfer Protocol, known as HTTP, and HyperText Markup Language, known as HTML.

"It's nice to see it sell for a value commensurate with its historic significance," said Jeremy Norman, a rare book and manuscripts dealer specializing in the history of science. He regards Sir Berners-Lee's 1989 invention as an innovation as significant as Johannes Gutenberg's development of movable type in the 15<sup>th</sup> century. "It's unbelievably important in the history of science and technology," Norman said.

The NFT is an early copy of the code, a version of which has long been [available in the public domain](#), but the token auctioned by Sotheby's

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- Leonard Bernstein



represents the original archive of the time-stamped files. "It's authenticating that first code that was created, and then selling it as memorabilia," said Merav Ozair, an assistant professor who teaches finance and technology at Rutgers Business School.

The auction included the original time-stamped files containing the source code, an animated visualization of the code, a letter written by Sir Berners-Lee reflecting on the code and the process of creating it, and a digital poster of the full code from the original files.

**Disney Magic cruise ship, Hudson River, NYC**



Source: @jeffreymilstein

**So what's with the pics?**

More aerial photos this month, centered around the theme of buildings, loosely defined. I hope you enjoy them. As always I encourage you to follow the photographers and their "handles" listed below each photo.

In many cases these wonderful photos represent the tip of the iceberg; there is plenty more of their work to enjoy on Instagram.

**San Francisco Cemetery, San Francisco**



Source: @dailyoverview

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