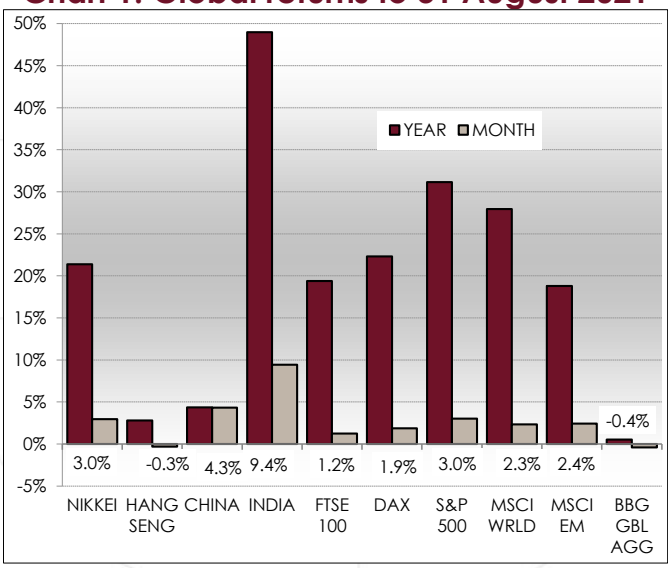
August in perspective – global markets

After the shock and reverberations of the draconian regulation which was widely dished out by the Chinese authorities in July, market activity during August seemed positively pedestrian. Of course it was not, but it did seem like that to some extent. However, monitoring the dynamic Chinese situation, and assimilating and "getting behind the numbers" of one of the greatest reporting periods in history, kept us on our toes and demanded all our attention.

Chart 1: Global returns to 31 August 2021



US equity markets continue to grind higher, having now registered over 50 record "highs" so far this year. European markets were dragged reluctantly higher, although Chinese and Hong Kong markets continue to tread their own path. The movements come against increasing evidence of a slight slowdown in the pace of the economic recovery following the pandemic-induced trauma of last year, and the glaring lack of alternatives for global investors.

The MSCI World index rose 2.4% in August, led by the US equity market, which rose 3.0% - its 7th consecutive monthly increase – and Japan's market, which also rose 3.0%. The German market rose 1.9%, and the Swiss market 2.4%, while the US tech-heavy NASDAQ index rose 4.0%. The Hong Kong market, which continues to fly into regulatory headwinds, declined 0.3%. The Shanghai Composite index rose 4.3%, and the Indian market rose 9.4%, helping the MSCI Emerging Market index to a 2.4% gain. The latter index's year-to-date gain of only 1.4%, is in stark contrast to the (developed market) MSCI World index gain of 16.8%. Developed markets have comprehensively outperformed emerging markets so far this year.

Puffin with a mouthful

Source: @michele_bavassano

Global bond markets were under a bit of pressure in August; the Bloomberg Global Aggregate Bond index declined 0.4%. The cash return was simply non-existent. The dollar rose 0.5%, which placed most other currencies under a bit of pressure. Commodity prices ended the

month mixed, with many hard commodity prices falling due to signs of an economic slowdown – or at least less of an economic recovery than had been expected. The price of copper fell 2.1%, and iron ore, which has been in a freefall since rising to extraordinary levels during the second quarter, declined 15.5%.

Bison, Grand Teton National Park, Wyoming

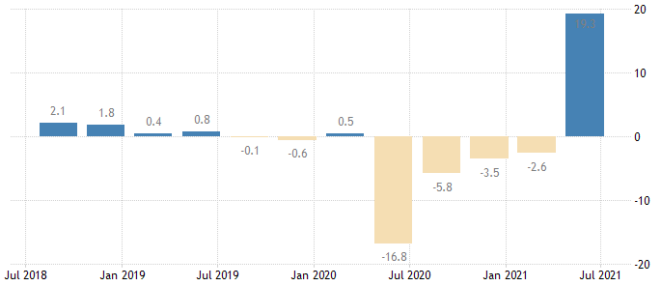
Source: @pnweingart

What's on our radar screen?

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

- *The SA economy:* The SA economy grew at an un-annualized rate of 1.2% quarter-on-quarter (4.9% annualized) during the second quarter (Q2), following the 0.8% growth rate during Q1. That brought the annual growth rate to 19.3%, but remember that the base, being the trough of the lockdown and pandemic last year, is very low – refer to Chart 2 in this regard. To place recent growth into perspective, SA's economic output at the end of Q2 (June) is still 1.4% below its pre-pandemic level in Q4 of 2019. Most of the Q2 growth arose due to the easing of mobility restrictions, but Q3 has got off to a very bad start given the rioting and looting in July, so growth will likely to be a lot lower during the current quarter.

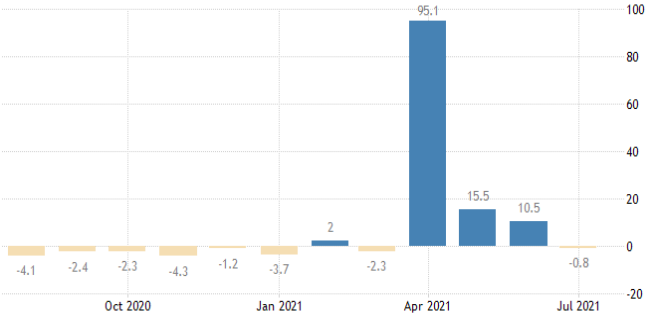
Chart 2: SA annual economic growth rate



Source: Tradingeconomics.com

Retail sales in July declined 11.2%, far worse than even the most pessimistic forecast. The rioting and looting that occurred in July weighed heavily on the data, which is evident when one considers how bad a state the SA economy was in during July 2020 i.e. in the midst of the harshest lockdown; despite the very depressed 2020 base, retail sales actually *declined* off that low base by 0.8%. Talk about an own goal!!

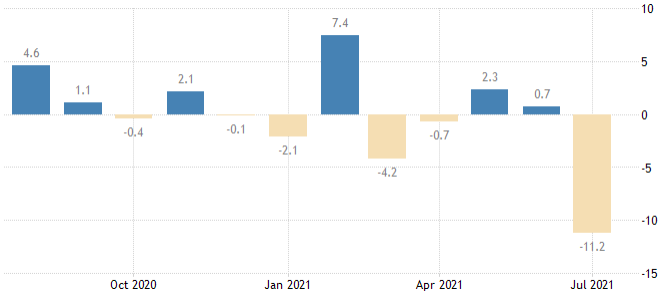
Chart 3: SA retail sales – annual change (%)



Source: Tradingeconomics.com

Chart 3 shows the annual change in SA retail sales, followed by Chart 4, which shows the monthly change in sales i.e. the change in July's sales over June's sales. From these charts the damage done to the SA economy is clear, at a time when the country can least afford it. Finally, on the inflation front, the August reading of headline annual inflation came in at 4.9%, from 4.6% in July. The monthly increase was 0.4%, a lot lower than July's monthly increase of 1.1%. The annual core inflation rate was 3.8%.

Chart 4: Retail sales – monthly change (%)



Source: Tradingeconomics.com

- *US economy:* For months now we have been bringing the matter of inflation to your attention, and the critical, related discussion as to whether the recent spike in inflation across the world is transitory, or here to stay. The answer to that question is important and will have significant bearing on the future direction of equity and bond markets in the months to come. Like so many investment-related matters though, the answer to that question will only be evident in a few months' time, so one has to take a view on the topic now in order to position one's investments accordingly. For the record, Maestro's view is that the surge in inflation is largely, though not altogether, transitory.

Understandably then, the release of US inflation data was highly anticipated, and in that regard the news was good. US headline inflation in August rose 0.3% month-on-month, while core inflation i.e. headline inflation less volatile food and energy prices, rose 0.1%. The respective annual rates of headline and core US inflation in August were 5.3% and 4.0%, from 5.4% and 4.3% in July respectively. The debate over whether the increase in inflation is transitory or not will continue to rage for a while; we continue to watch the data carefully.

Lone wolf

Source: @michele_bavassano

There was more good news on the US economy in respect of retail sales, which had declined, against expectations, in July. August retail sales rose 0.7%, and 1.8%

excluding auto sales. On the other hand, the labour data was disappointing, with only 235 000 jobs being created in August, versus 1.052m created in July. The August data was way below expectations, but there were mitigating factors, including a presumed reticence to return to the labour market as the delta variant of the Covid-19 virus weighed on consumers' minds. Non-farm job creation has risen by 17m since April 2020, but is still lower by 5.3m, or 3.5%, from the pre-pandemic peak in February 2020. The unemployment rate declined from 5.4% to 5.2% in August.

- *Developed economies*: The Swiss economy grew by 1.8% during Q2 on a quarter-on-quarter basis, which was an improvement on the decline of 0.4% during Q1. Growth during the final quarter of 2020 was revised lower to -0.1%, meaning that technically the Swiss economy emerged from a recession in Q2. The rebound was largely driven by strong consumption, both public and private, as restrictions eased and testing and vaccinations increased public expenditures. Services exports rebounded as well, reflecting a cautious recovery in tourism. The stable part of the Swiss economy remains industrial activity, particularly in the chemical and pharmaceutical sector, which grew by 4.2% during Q2 and stands nearly 9% above its pre-pandemic level. The weak spot remains the services sector, where activity in the hospitality industry increased by 48.9% but remains nearly 60% below the pre-pandemic level. Given the Q2 growth rebound, the Swiss economy has recovered nearly all of the pandemic-related loss, with GDP just 0.5% below the level in Q4 2019. The recovery is more advanced than in the eurozone and its large member states, but it is slower than in the US, where large-scale fiscal stimulus has supported growth in 2021. The Swiss economy is expected to grow 3.5% in 2021.

Snowy male owl, Saskatoon, Canada

Source: @salomonssonjohnny

The Australian economy grew 0.7% quarter-on-quarter during Q2, down from Q1's 1.9%. However, with the country returning to lockdown in July and beyond, expectations are that the economy will contract during Q3. The sharp sell-off in commodity prices of late will also not help the export sector. Unemployment fell to 4.6% in July, from 4.9% in June, but this metric is also likely to deteriorate in coming months as the delta variant grips the country. And finally on the developed markets front, the Bank of Norway (Norges

Bank) raised their interest rate by 0.25% to 0.25%, making it the first G10 central bank to raise rates off pandemic lows. Norges Bank Governor Olson noted that a gradual monetary policy tightening is appropriate, given the normalising economy. The labour market recovery is proceeding faster than expected. Compared to its peers, economic growth dropped comparably less in Norway – it declined "only" 6.0% compared to pre-crisis GDP levels – and the country benefited from the luxury of fiscal support, financed partly by its sovereign wealth fund. Given the latter Fund, Norway enjoys the privilege of a very sound fiscal position.

Another puffin, Westman Island, Iceland

Source: @h0rdur

- *Emerging economies:* The Brazilian central bank increased their Selic interest rate by 1.0% to 6.25%. Their annual inflation rate rose to 9.68% in August, from 8.99% in July, the highest rate since February 2016. It is worth noting that the annual inflation rate has risen every month in Brazil since September last year, when it was only 3.14%. Expectations are that the Selic rate will continue to rise for some time to come. China's headline inflation rate declined from 1.0% in July to 0.8% in August, but producer inflation rose from 9.0% to 9.5%. There are signs that, while the Chinese economy is still growing, and faster than most other countries in the world at that, the rate of growth is slower than many had hoped. Industrial production rose at an annual rate of 5.3% in August (6.4% in July), retail sales rose at an annual rate of only 2.5% (8.5% in July) while the annual rate of fixed asset investment was 1.1% (-0.4%).

  The Bank of Korea raised its interest rate by 0.25% to 0.75% in August, accompanied by the expectation of a further increase later this year. The Central Bank of Russia hiked its official interest rate by 0.25% to 6.75%. The annual headline inflation rate in Russia was 6.68% in August, with core inflation running at 7.07%. The latter has been increasing steadily each month since a rate of 3.27% in September last year.

  In stark contrast to the rest of the world, the Turkish Central Bank (CBRT) *lowered* the official interest rate by 1.0% to 18.0%. As is so often the case with the CBRT's decisions, the interfering presence of President Recep Tayyip Erdoğan was notable – the latter has his own view and definitions of

conventional economics, which have and continue to cost Turkey dearly. The CBRT will now apparently be guided by core inflation, and not headline inflation, for its level of interest rates, and consequently decided to lower rates, much against expectations and conventional wisdom. The Turkish lira declined sharply in the days following the surprise announcement. For the record, the annual rate of Turkish headline inflation is 19.25%, while core inflation is 16.76%, meaning that, following the interest rate cut, Turkey now has negative real interest rates of around 1.25%. Given Erdogan's track record, we are likely to continue seeing interference on his part, and expect rates to be cut again in the coming months, contrary to what conventional wisdom would dictate.

Wildebeest in Sabi Sabi Earth Lodge

Source: @pnweingart

Quotes of the month

No time to die – no time to buy

"The new James Bond movie will be released by the end of the month. It was pushed to a future date 18 months ago due to the pandemic. This was so un-007-like but understandable from a pure profit angle. The accountants had seemingly taken over her majesty's secret service.

"Then again, after hearing the title of the new feature ('No time to die'), it became clear that there was no way they could release it during the worst pandemic in a hundred years. The producers – unlucky from a neutral point of view – would have been called anything from cold-hearted to outright stupid. But finally the odds are good that Daniel Craig will soon make his last appearance as James Bond.

"You may say I have a one-track mind, but the title resonates with me as a common rule to investing: everybody tells you this is 'no time to buy'. All the more so given that stock prices have risen so much in the past 12 months, it is popular to 'wait for a correction' before getting in.

"In fact, the notorious 'buy low, sell high' crowd had their last entry point 12 years ago (I wonder how many dared at the time after the Great Financial Crisis). For everybody else, it is about acknowledging that life is not perfect – the 6, 7, 8, or any other day in September 2021 is not the ideal day for investing – and doing it all the same.

"Thus, we maintain our mantra to be fully invested until central banks tell you otherwise. They usually do this by hiking rates – 'risk-free assets at a higher rate, anyone?' Just to be on the same page: futures markets are currently expecting the first rate hike for the US in 2023 and

for Europe in 2025 and they both will do their utmost to keep expectations where they are. So there is plenty of time to buy". *Christian Gattiker, Head of Research, Julius Bär.*

White-backed vulture, MalaMala Reserve

Source: @alphauncharted

Changes in valuation versus changes in value

"In our investment process, we pay particular attention to distinguishing between changes in valuation and changes in value. Investors often tend to mix the two concepts. Markets continually experience short-term valuation changes without any change in the fundamental value of the assets involved. On rarer occasions, circumstances change substantially. The value of the assets is then different.

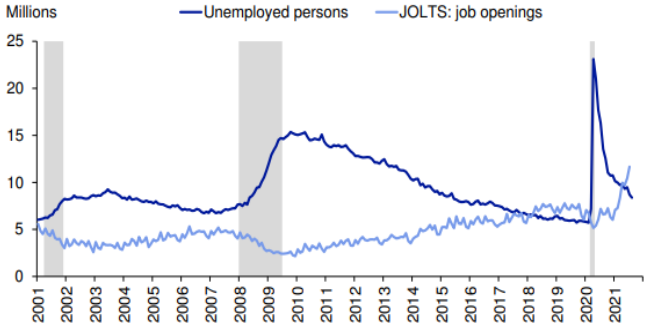
"In our view, this is clearly the case in China today. The 20% decline in Chinese stocks does not make them 20% cheaper, increasing their future return by the same amount. Their value has fundamentally declined and the risk premium that has built up in the face of Beijing's decisions is likely to remain high. Unless the ruling party reverses course – which is highly unlikely – the consequences in the short, medium, and long term for capital allocation in the economy are likely to be damaging for growth, development, and profits in China". *Yves Bonzon, Group Chief Investment Officer, Julius Bär.*

Charts of the month

More jobs than people?

That kind of headline is bound to grab your attention. One of the strange quirks of the global pandemic – and there have been many – has been the reality that in certain countries companies are struggling to convince workers to resume work. In many cases workers are opting to remain at home and draw on the generous support packages offered by wealthy countries like the US, rather than go back to work or even seek work. Such an environment would have once been considered inconceivable, but it is a reality in certain labour markets right now. There are literally more vacancies than there are workers.

Chart 5: Unemployment vs job openings

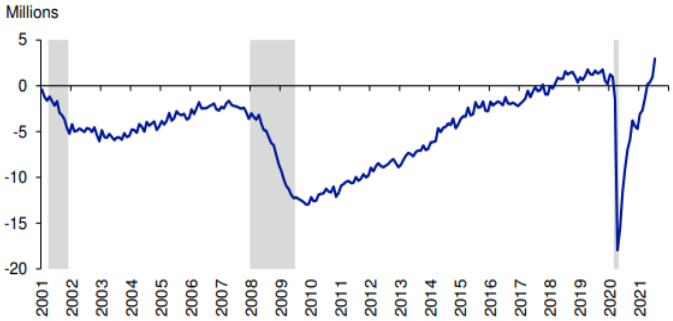


Source: Deutsche Bank

Based on the "Job openings" (JOLTS) survey conducted by the Bureau of Labour Statistics, , Chart 5 shows the dramatic spike in unemployment initially, followed by a reduction

in the unemployment rate but a simultaneous share increase in the number of job openings.

Chart 6: Unemployment vs openings gap



Source: Deutsche Bank

Chart 6 depicts the actual gap between the number of unemployed workers and the number of job openings. It is clear to see that there are now more openings than unemployed people. We will be watching the September quarter (Q3) earnings reporting season closely; we suspect a lot of company managements will allude to this problem. If it persists for some time, there is no doubt it will begin to have an inflationary impact, too. Watch this space …

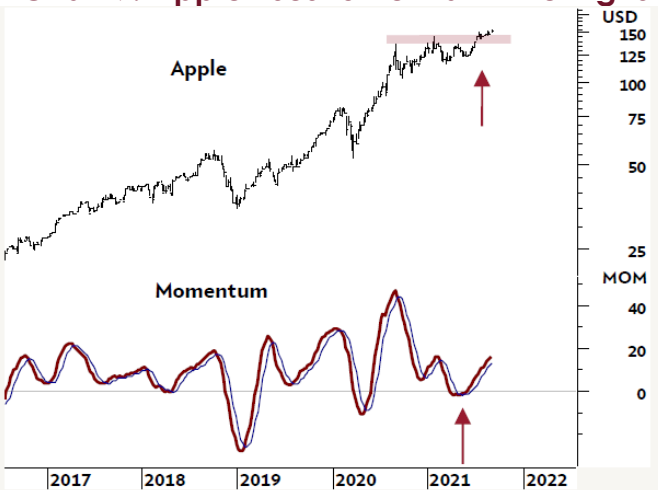
An Apple a day …

I hope you have been enjoying some of the technical comment included in recent editions of *Intermezzo*? While they don't always reflect our views, they are thought-provoking and often contain valuable lessons for investors, especially when it comes to retaining a long-term perspective. The following represent more comments from the *Julius Bär Technical Analysis team*, whose work we appreciate and value.

"Apple is showing typical bull-market behaviour. It rose to new highs in July. Instead of consolidating by declining, the stock just moved sideways in a tight range. It (recently) managed to break out to new all-time highs, opening the way for a year-end rally.

"Of course, the numbers are now mind-blowing. How can you explain to someone that Apple is worth 50% more than the DAX30? Let historians judge the past. For investors, the key point to remember is the massive outperformance of Apple. Did you know that Apple has been outperforming the DAX30 by 27% per annum since 2009? With the rise of Apple to new highs, all growth/value indices are close to new all-time highs as well. Thus, the period of last year was a temporary reflation trade and the market is moving back to its long-term preference for growth stocks. We recommend investors stick to the Nasdaq 100 and growth stocks in general".

Chart 7: Apple rises to new all-time highs



Source: Julius Bär

How is your appetite?

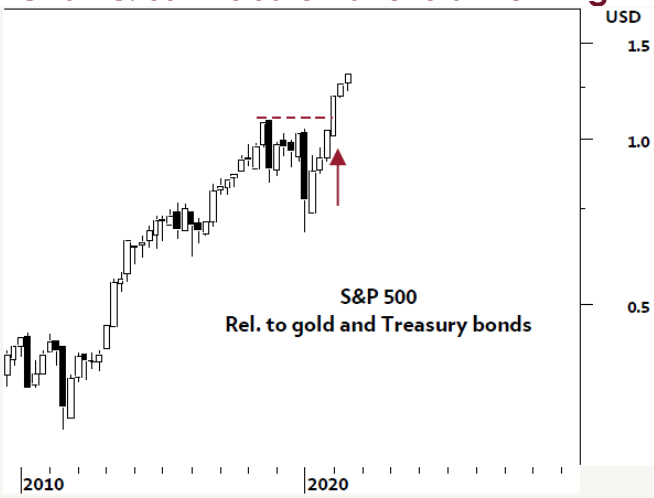
"The S&P500 has moved to a new 52-week high vs safe-haven assets (gold and US Treasury bonds). We recommend investors stay with equities.

"Money has to go somewhere. Day in, day out, investors think hard where to put their money to work. At the end of the collective process, we can observe trends in financial markets. As far as asset allocation is concerned, the big fight is always between equities and bonds, to a lesser

extent also with gold. Looking at the ratio of the S&P500 versus the safe-haven assets of US Treasury bonds and gold, we get a pretty good feeling in which direction the wind is blowing.

"As seen on Chart 8, the ratio of the S&P500 compared to these two safe-haven assets is on track to see its sixth consecutive quarterly gain. Should you position for a reversal? Maybe not, in the 1990s, the longest stretch consisted of 17 quarters of consecutive outperformance of the S&P500. And the end of the streak did not mark the end of the bull market, as equities rose for another six quarters thereafter".

Chart 8: S&P vs safe havens at new high



Source: Julius Bär

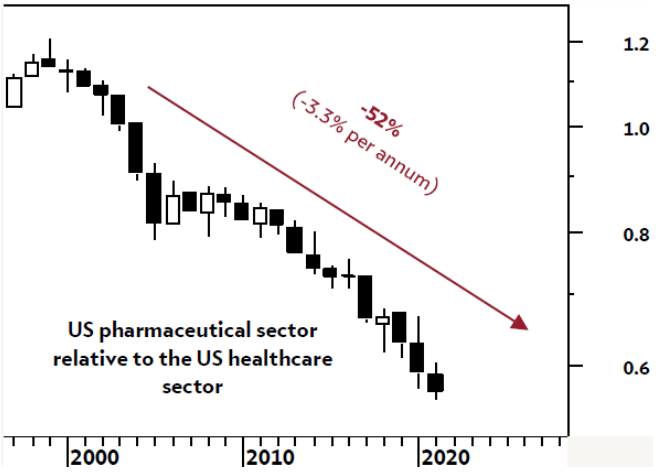
US Pharma in need of a good doctor?

"The US pharmaceutical sector is on track for 18 years of underperformance over the past 23 years and needs a good doctor to reverse its underperformance versus the healthcare sector.

"For some charts, you have to see them to believe them. Did you know that over the past 23 years the US pharmaceutical sector has under-performed the US healthcare sector by 52%, or 3.3% per annum? The star performers have been healthcare equipment and services, life sciences and tools, and biotechnology. Therefore, it is worthwhile digging a bit deeper than just the sector level, as the sub-industries of the sectors can have a life of their own.

"Looking at the long-term Chart 9, we see no change in sight. Thus, we recommend investors stay clear of pharmaceutical stocks, not only in the US but in Europe as well. Did you know that Novartis is trading at a 13-year low relative to the Swiss Performance Index?"

Chart 9: US Pharma sector relative returns



Source: Julius Bär

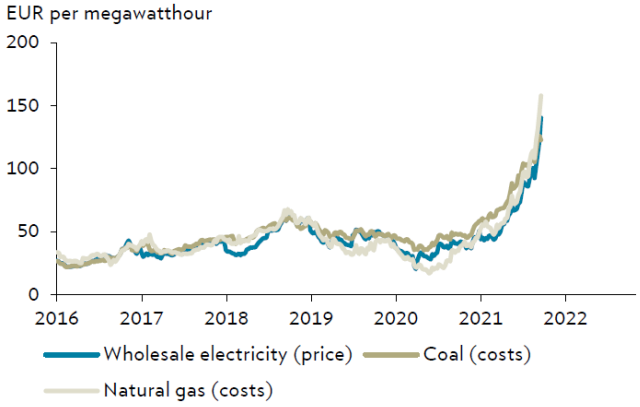
Heading for an expensive winter?

In South Africa we are not too sensitive to natural gas prices, and not even that sensitive to coal prices at the best of times. In addition, thanks to the debacle that is Eskom, we have got used to intermittent or no supply of electricity during winter.

Not so the Northern hemisphere and the UK and Europe in particular, who are very reliant on energy for heating homes during winter. Reliant, too, on reasonable energy prices. That, though, might be a "big ask" if one considers what has been happening to natural gas and wholesale

energy prices recently – refer to Chart 10. We are watching this crisis unfold carefully; we suspect it will not have a happy ending, affecting inflation, global growth, politics, and many more critical variables in the investment equation.

Chart 10: Heading for an expensive winter



Source: Julius Bär

Obituary – Jacques Rogge, 1942 – 2021

Jacques Rogge, son of a Belgian rowing champion, practically grew up on boats. His grandfather, a professional cyclist of the early 20th century, took him to watch the Tour of Flanders. Rogge sailed and played rugby for Belgium, always as an amateur. By day, he was an orthopedic surgeon in small-town Ghent.

As president of the International Olympic Committee from 2001 to 2013, Rogge, who has died aged 79, was a quiet workaholic perfectionist who put athletes' interests first. During the games he liked to stay in the athletes' village rather than luxury hotels, and he fought doping partly because athletes urged him to over canteen meals. He once said: "We have only one great concern: it's about sport and the athlete."

In fact, Rogge seemed to care more about sport than human rights. "Millions of sportspeople compete without ever being able to win," he once mused. "And yet they go on. Because every athlete experiences an enormous satisfaction: reaching your own limits through hard work."

Competing in sailing's Finn class, Rogge was Belgian champion 16 times, and an Olympian in 1968, 1972 and 1976. He said that sport — like the sea and medicine — had taught him modesty: "I lost more competitions than I won."

Aged 29 he joined Belgium's Olympic Committee as athletes' representative, the role he always retained at heart. In 1976 he led the tiny Belgian delegation — two skiers, two skaters — to the winter Games in Innsbruck. Four years later, after the Soviets invaded Afghanistan, he resisted US pressure to boycott the Moscow Games. He wouldn't deprive athletes of their Olympics.

A born diplomat, who could speak five languages but also bite his tongue, he climbed the IOC's administrative ladder. When Britons and East Germans needed a president of the European Olympic movement who could hold together the divided continent, they picked Rogge — though weeks later, the Berlin Wall fell. His excellent Spanish enchanted the IOC's then president, Juan Antonio Samaranch, who anointed him his successor. Only when Rogge was elected in 2001 did he give up his surgery.

Kings of the Alps, ibex, Gran Paradiso Park

Source: @michele_bavassano

He inherited an IOC in disgrace over members taking bribes to vote for Salt Lake City to host the 2002 winter Games. Finances were stricken. Rogge was the man for the moment. Personally incorruptible, nicknamed "Mr Clean", he tried to rein in IOC members' luxury travel and the Olympics' tendency to keep expanding. Helped by the broader explosion in TV rights to sport, the IOC's reserves jumped nearly nine-fold between 2001 and 2012 to $901m.

Rogge had no talent for either hedonism or rest. "All my life I have wanted to do everything perfectly," he said in an interview. The current Dutch king, Willem-Alexander, a longtime IOC member, once praised him as "the man of micromanagement. He knew all details of every person in his organization."

Much of Rogge's energy went into fighting doping — "the number one issue", he called it, saying, "every athlete who is punished is a blessing for sport". The Olympics began using biological passports that helped detect the banned blood booster EPO, and retrospective drugs tests that could strip culprits of their medals even years later.

Under Rogge's watch, Tokyo was awarded the 2020 Games partly in tribute to Japan's efforts to fight doping. Rogge helped spread the Olympics beyond its western heartlands. But he could not impose himself on the authoritarians. China ran the 2008 Beijing Games its way, censoring the internet after Rogge had said it wouldn't. "The IOC just gritted their teeth and tried to get through it without saying anything," comments Olympic historian David Wallechinsky. Rogge grumbled in vain about Beijing's streets being cleared and red lights jumping to green for his limousine.

During his reign, Russia was awarded its first winter Games (Sochi in 2014) and South America its first summer Games (Rio in 2016). But Sochi was blighted by overspending and the IOC's silence about Russian anti-gay legislation. Russia was "a sovereign country" where Olympians were mere "guests", Rogge explained. For all the Olympic rhetoric about global peace, he never believed the IOC could change authoritarian states. Nor did he consider that his job. "He knew his limits," says Wallechinsky.

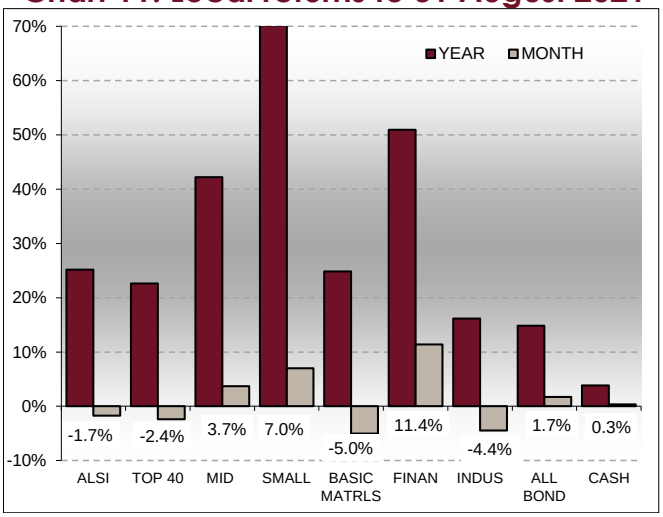
After leaving the IOC, Rogge went quiet, not wanting to interfere with his successors "like a mother-in-law". He aspired to become a "driving pa" who took his grandchildren to school. But then Parkinson's disease took hold.

Rogge is survived by his wife Anne, two children and two grandchildren.

August in perspective – local markets

Turning to the local markets, whereas in July the Basic Materials index excelled with its 11.8% return, this month (August) it was the turn of the Financial index to post a hefty gain of 11.4%. The Basic Material index actually declined 5.0% in August. The Industrial index fell 4.5%, the net result of which was a decline of 1.7% in the All Share index. The Large, Mid and Small cap indices posted August returns of -2.4%, 3.7%, and 7.0% respectively. The rand was weak for the most part of the month, but firmed markedly during the last part of the month to end 1.1% firmer against the dollar. The All Bond index rose 1.7%.

Chart 11: Local returns to 31 August 2021



We are conscious of the concern expressed in many quarters about the "expensive" and "over-valued" equity markets. While we acknowledge that markets are not cheap, we continue to believe equity markets currently represent the most suitable vehicle for long-term capital growth. Global interest rates will continue to be low, and be suppressed by central banks, for years to come. In most cases the only certainty from an investment in bonds and cash is that one *will* lose money. That certainty holds no appeal for us.

The world is changing at the most rapid pace we have ever seen in our lifetimes, providing unique, once-in-a-generation, thematic and secular (as opposed to cyclical) investment opportunities. We seek to appreciate and understand these, and capitalize on them through our selection of companies in the funds we manage. The global economic outlook looks reasonable, at worst, despite the uncertainties of the pandemic, although we are constantly monitoring the virus's mutation and governments' reaction to the changing circumstances.

Notwithstanding the relatively firm rand, we consequently continue to favour global investments ahead of local ones, and would certainly prefer equity investments, where possible, above bonds and cash.

Harpy eagle, Amazon Rainforest, Brazil

Source: @keithfreeburn

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

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
Maestro Equity Prescient Fund	**Aug**	**1.6%**	**12.9%**	**18.6%**
JSE All Share Index	*Aug*	*-1.7%*	*15.9%*	*25.2%*
Morningstar sector ave	*Aug*	*1.7%*	*18.0%*	*27.5%*
Maestro Growth Fund	**Aug**	**1.0%**	**5.3%**	**2.4%**
Fund Benchmark	*Aug*	*-0.7%*	*12.1%*	*18.3%*
Morningstar sector ave	*Aug*	*1.2%*	*12.9%*	*17.2%*
Maestro Balanced Fund	**Aug**	**1.0%**	**5.0%**	**2.7%**
Fund Benchmark	*Aug*	*-0.5%*	*10.7%*	*16.1%*
Morningstar sector ave	*Aug*	*1.0%*	*10.8%*	*14.0%*
Maestro Cautious Fund	**Aug**	**1.0%**	**3.0%**	**3.9%**
Fund Benchmark	*Aug*	*0.1%*	*8.0%*	*13.5%*
Morningstar sector ave	*Aug*	*1.0%*	*8.5%*	*11.3%*
Maestro Global Balanced Fund	**Aug**	**-0.2%**	**-2.7%**	**-13.1%**
Benchmark	*Aug*	*0.1%*	*7.2%*	*-0.6%*
*Sector average **	*Aug*	*0.4%*	*7.9%*	*1.2%*

* 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 31 August, 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 - August 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
Maestro Equity Prescient Fund	***3.3%***	***5.6%***	***18.6%***	***3.9%***	***1.7%***	***7.3%***
Maestro Equity Fund benchmark	-0.7%	2.5%	21.8%	6.4%	7.0%	12.6%
SA Peer Group Average	2.2%	8.5%	27.5%	6.2%	5.6%	9.4%
Maestro position within Group	45	123	133	105	104	52
Number of participants	169	166	160	143	115	62
Quartile	2nd	3rd	4th	3rd	4th	4th

Table 3: The Maestro Growth Fund

Morningstar (ASISA) South Africa Multi-Asset High Equity - August 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
Maestro Growth Fund	***2.4%***	***1.3%***	***2.4%***	***5.2%***	***5.0%***	***8.2%***
Maestro Growth Fund benchmark	1.7%	4.5%	18.3%	8.8%	8.8%	10.9%
SA Peer Group Average	3.3%	6.6%	17.2%	6.5%	6.1%	9.0%
Maestro position within Group	167	203	197	131	115	45
Number of participants	205	205	199	176	148	61
Quartile	4th	4th	4th	3rd	4th	3rd

Table 4: The Maestro Balanced Fund

Morningstar (ASISA) South Africa Multi-Asset Medium Equity - August 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
Maestro Balanced Fund	***2.4%***	***1.1%***	***2.6%***	***3.9%***	***4.5%***	***7.7%***
Maestro Balanced Fund benchmark	1.8%	4.3%	16.1%	8.6%	8.6%	10.4%
SA Peer Group Average	3.3%	5.8%	14.1%	6.2%	6.0%	8.4%
Maestro position within Group	86	99	95	84	68	31
Number of participants	100	100	97	88	75	38
Quartile	4th	4th	4th	4th	4th	4th

Table 5: The Maestro Cautious Fund

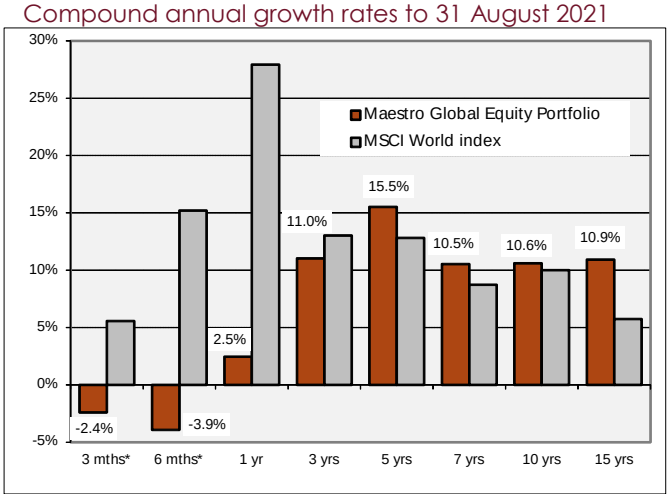
Morningstar (ASISA) South African Multi-Asset Low Equity - August 2021						
	3 mths	6 mths	1 year	3 years	5 years	10 years
Maestro Cautious Fund	***2.0%***	***1.4%***	***3.8%***	***5.9%***	***5.4%***	***7.8%***
Maestro Cautious Fund benchmark	1.5%	4.0%	13.5%	8.1%	8.3%	8.6%
SA Peer Group Average	3.1%	5.2%	11.3%	6.2%	6.1%	8.1%
Maestro position within Group	142	159	151	86	89	34
Number of participants	160	160	156	136	117	56
Quartile	4th	4th	4th	3rd	4th	3rd

Table 6: Maestro Global Balanced Fund

Morningstar (ASISA) Global Multi-Asset Flexible - August 2021						
	3 mths	6 mths	1 Year	3 Years	5 Years	10 years
Maestro Global Balanced Fund	***2.7%***	***-7.0%***	***-13.1%***	***6.5%***	***N/A****	***N/A****
Global Balanced Fund benchmark	9.0%	4.1%	-1.1%	9.3%	8.6%	14.4%
SA Peer Group Average	7.5%	3.9%	1.2%	7.7%	8.0%	13.5%
Maestro position within Group	41	42	37	19	N/A	N/A
Number of participants	46	45	38	29	22	12
Quartile	4th	4th	4th	3rd	N/A	N/A

Chart 12: Maestro global equity returns

Compound annual growth rates to 31 August 2021



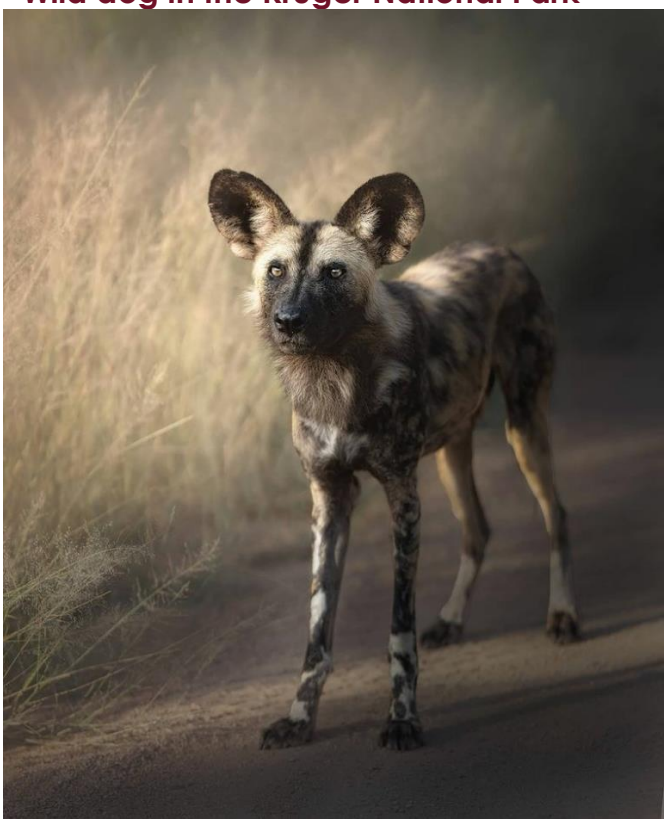
* Un-annualized

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

So what's with the pics?

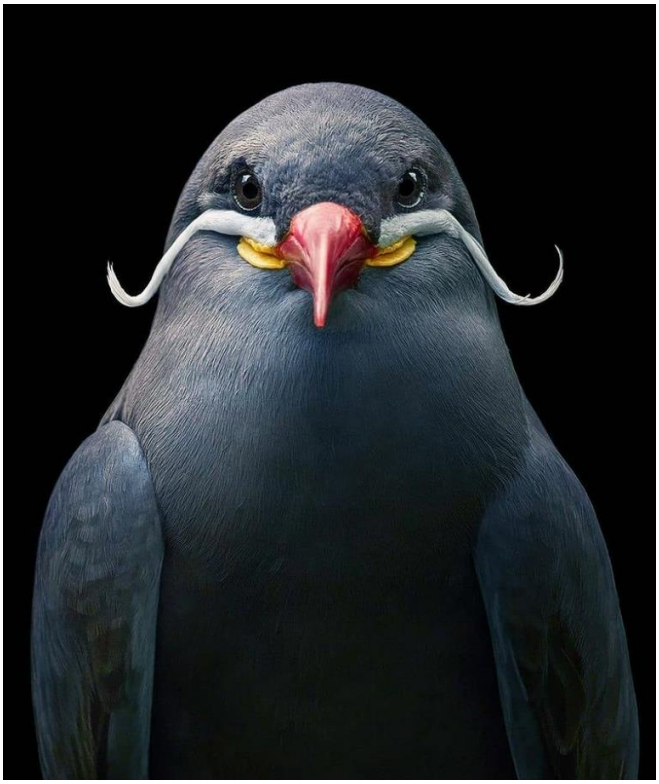
The theme this month is again that of animals. I hope you enjoy the photos and continue to encourage you to seek out the work of the remarkable photographers who provide so much enrichment and learning through their efforts.

Wild dog in the Kruger National Park



Source: @mariusvanoordt_wild

Peruvian Inca tern – the Salvador Dali bird



Source: timflachphotography