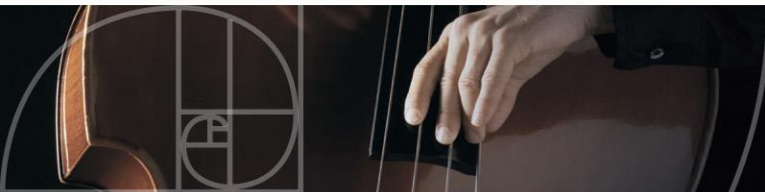


# MAESTRO BALANCED FUND



**27** f o  
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LIFE

July  
2019

#### 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 27Four 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. 27Four Life Limited is a linked insurer governed by the Long Term Insurance Act. 27Four Life Limited issues investment linked policies. This Fund operates as white label under the 27Four 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 Fund Services.

#### Fund size

R 7 743 456

#### NAV

Class A: 1.9662

#### Long term insurer

27Four Life Limited  
(Reg. no: 2004/014436/06)

#### Auditor

SNG Grant Thornton International

#### Portfolio manager

Maestro Investment Management (Pty) Limited

#### Enquiries

Andre Joubert  
Maestro investment Management  
Box 1289  
CAPE TOWN  
8000  
Email: [andre@maestroinvestment.co.za](mailto:andre@maestroinvestment.co.za)  
Tel: (021) 674 9220

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## Market Overview

For a number of reasons, July felt like a rather strange month. The US China trade talks got underway again, corporate earnings season kicked off, and a highly anticipated US Federal Reserve meeting took place – but all of these events occurred late in the month, leading markets to adopt a “wait and see” attitude in general. Global bond and equity markets have performed very well so far this year, so there are a lot of expectations built into current market levels; there is not much room for disappointment. Some corporate earnings came in above expectations and some came in below, bond markets oscillated within a narrow range, and participants watched the political circus in the US, UK and EU with vested interests.

One of the biggest stories was the dollar, which strengthened 2.5% during the month. The euro and sterling lost 2.2% and 3.8% respectively. The Bloomberg Commodity index declined 0.9% during the month – but certain prices actually rose on the month, including all the precious metals. The global bond market declined 0.3% although it is still up 5.3% so far this year.

The MSCI Emerging Market index lost 1.7%, with China and India registering declines of 1.6% and 4.9% respectively. The German equity market lost 1.7% during July, and Hong Kong declined 2.7%. The UK market was only saved due to the collapse in sterling and the Brexit “Bojo” circus. Despite the strong dollar, the US equity market rose 1.5%, bringing its year-to-date gain to 20.0%. The S&P Mid and Small Cap indices’ comparative year-to-date returns are 18.3% and 14.0%.

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

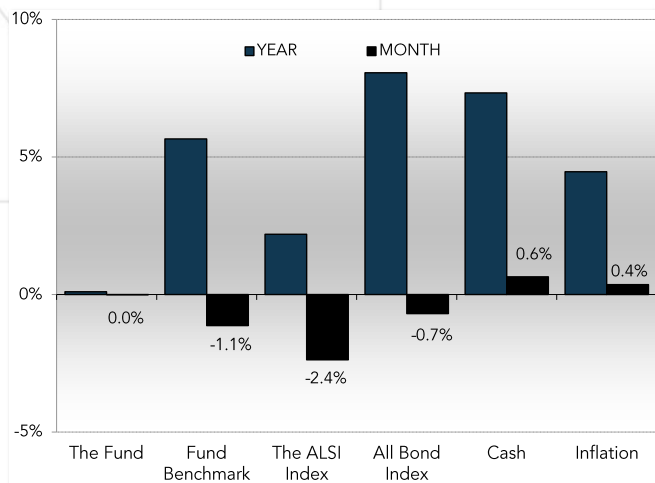
- Leonard Bernstein



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## Local market returns



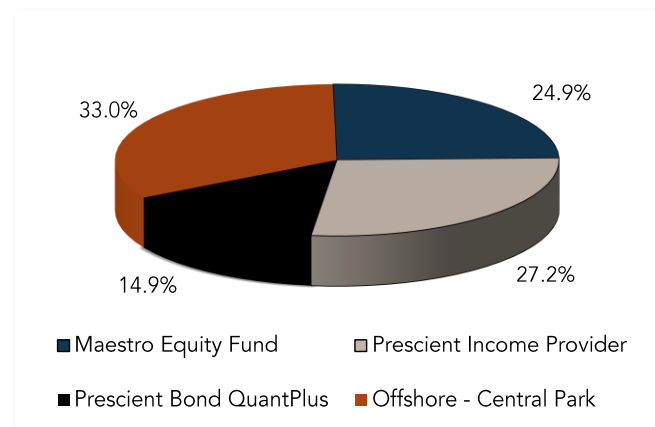
The All Share index lost 2.4% during July, with the Financials index leading the decline, down 6.4%, followed closely by Basic Materials, which ended the month down 5.2%. The Industrial Index rose 1.2%, the Mid and Small Cap indices returned -2.0% and 0.5% respectively. The returns on our local equity portfolios were above market, thanks in part to an underweight position in basic material shares and the fact that we "dodged many of the (large cap) bullets" unleashed during the month. Intu Properties ended the month down 37.7% while Brait lost 36.2%. Massmart lost 17.6%, Sygnia 14.2%, and Sasol 11.3% - we held none of these shares. But we do hold Discovery, which lost 11.3%, and Mr Price, which lost 11.0%. Aspen lost 10.1%, Firstrand 9.9%, and Standard Bank 8.7%. On a positive note, Naspers rose 2.6% as did Richemont, Ascendis rose 6.4%, and Afrimat 8.7%.

## Monthly fund returns

During July the Maestro Balanced Fund's NAV was flat versus the Fund's benchmark which decreased 1.1%. The [Maestro Equity Prescient Fund](#) decreased

0.7% versus the 2.4% 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](#) fell 0.2% versus its benchmark decrease of 0.7%. [Central Park Global Balanced Fund](#) rose 0.3% in rand terms versus the 0.7% increase of the rand benchmark.

## Asset allocation



## Largest Holdings

Investment	% of Fund
Naspers Ltd - N Shares	3.1%
RSA 10.50% R186 211226	2.5%
Tencent	2.4%
Sygnia Itrix US	2.2%
VISA	2.0%
Alibaba	1.9%
Sygnia Itrix World	1.9%
RSA 6.25% R209 310336	1.9%
Prescient Flexible Global Income USD Fund	1.8%
I2050 2.25% 2050	1.6%
<b>Total</b>	<b>27.3%</b>

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- Leonard Bernstein

# MAESTRO BALANCED FUND

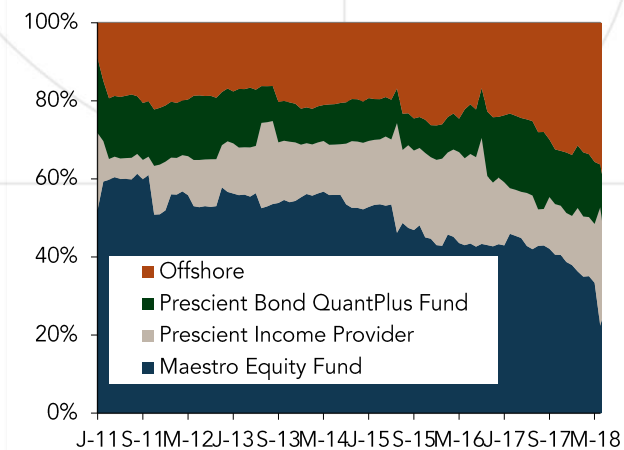
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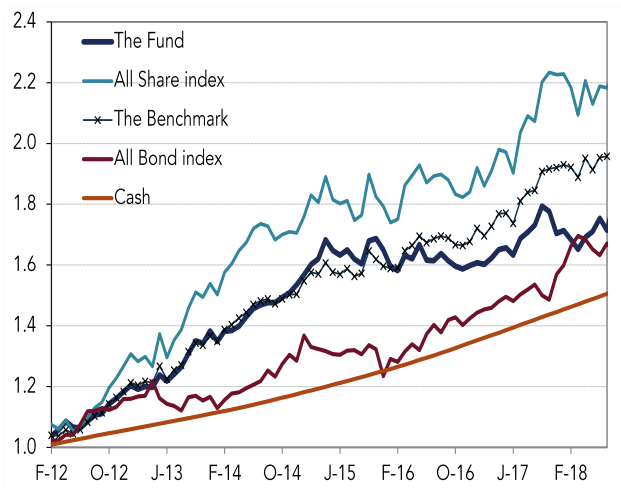
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2019

## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 year	7 years
Maestro Balanced Fund	0.0	0.1	2.1	3.2	6.8
Fund Benchmark	-1.1	5.8	7.1	7.3	9.7

## Monthly and annual average return (%)

Investment	Year to Date	2018	2017	2016	2015	2014	2013	2012	2011	2010
Maestro Balanced Fund	6.0	-5.0	6.6	-3.2	7.5	11.0	16.9	18.3	0.0	13.0
Fund Benchmark	8.3	-0.4	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 27Four Life Limited are members of the Association for Savings and Investments of South Africa (ASISA).