

MAESTRO BALANCED FUND



27 f o
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LIFE

May
2020

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 9 177 001

NAV

Class A: 2.1202

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
Tel: (021) 674 9220

Orchestrating Your Wealth



Market Overview

The behaviour of global equity markets during May is easy to brush aside on the basis that it was "just another strong month". Yet consider the following: the world remains in the throes of a global health pandemic that is far from over; a pandemic which has wrought economic destruction and devastation on an unimaginable scale – most of which is yet to be seen. In addition, the economic catastrophe has obliterated earnings, the ultimate driver of share prices, for at least half of the market, and has completely destroyed a number of industries in its wake. There is no visibility at all as to when economies will return to some form of "normality", and exactly what that means is anyone's guess.

The Hang Seng index declined 6.8%, India 3.8% and China 0.3% in May, bringing to only three the number of major equity markets to register declines during the past month. The MSCI World index rose 4.6% and the Emerging Market index 0.6%. The US rose 4.7%, Germany's Dax index rose 6.7%, and Japan's Nikkei rose 8.3%. The Brazilian and Russian markets rose 8.5% and 8.4% respectively. The S&P Mid and Small cap indices rose 7.1% and 4.2% respectively, indicative of the increasing appetite for risk that characterized market behaviour during the month.

The dollar declined slightly during May, which supported commodity prices. The oil price rose 38.4% but is still down 43.7% during the past year. The price of copper rose 3.5%, iron ore rose 20.2%, the coal price rose 22.8% and soft (food-related) commodities were generally firmer. On the currency front, most emerging market currencies were firmer. The Bloomberg Aggregate Global Bond index rose 0.4%, bringing its annual gain for the year to 2.1%.

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

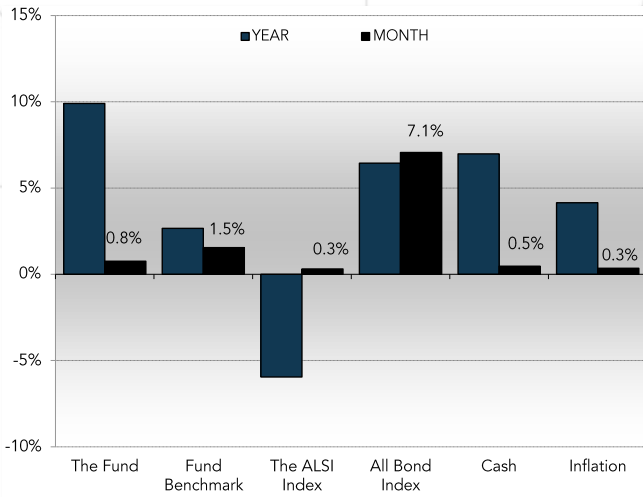
- Leonard Bernstein



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Local market returns



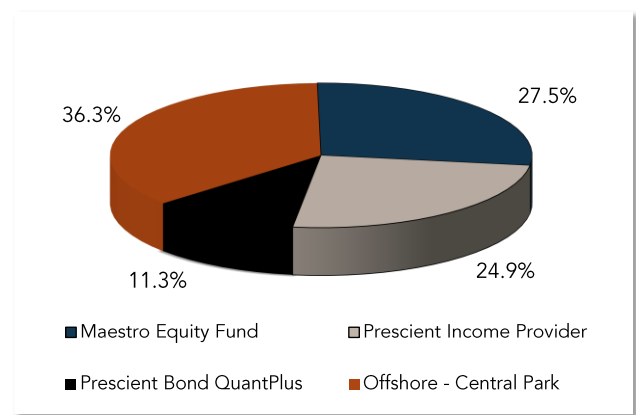
The All Share index rose only 0.3%, but was dragged down by the Financial index (-3.2%) and the Industrial index (-1.8%). The Basic Materials index rose 5.5% and the Mid and Small cap indices ended the month up 0.2% and down 3.2% respectively. The rand firmed 4.2% against the dollar while the All Bond index rose 7.1% although its annual return to end-May is only 1.6%. Companies which we do have exposure to, and which disappointed on the month, included Cashbuild, which declined 20.9%, Capitec, which ended the month down 6.2%, Naspers 3.8% and Shoprite 3.4%. On the other hand, companies that assisted us in outperforming the market included Billiton, which rose 10.8%, MTN rose 10.9%, Ninety One and Transaction Capital both rose 13.4%, Afrimat rose 19.8% and Aspen 20.8%.

Monthly fund returns

During May the Maestro Balanced Fund's NAV rose 0.8% versus the Fund's benchmark which increased 1.5%. The [Maestro Equity Prescient Fund](#) rose 1.3% versus the 0.3% increase of the All Share index. The

[Prescient Income Provider Fund](#) returned 1.2% against its benchmark return of 0.4%. The [Prescient Bond QuantPlus Fund](#) rose 3.7% versus its benchmark increase of 7.0%. [Central Park Global Balanced Fund](#) fell 0.3% in rand terms versus the 1.2% decrease of the rand benchmark.

Asset allocation



Largest Holdings

Investment	% of Fund
Naspers Ltd - N Shares	3.1%
Sygnia Itrix US	2.9%
Satrix Resi	2.3%
I2050 2.25% 2050	2.3%
Alibaba	2.3%
Visa	2.2%
RSA 8.50% R2037 310137	2.1%
Sygnia Itrix World	2.1%
Adobe	1.9%
Prescient Flexible Global Income USD Fund	1.9%
Total	23.1%

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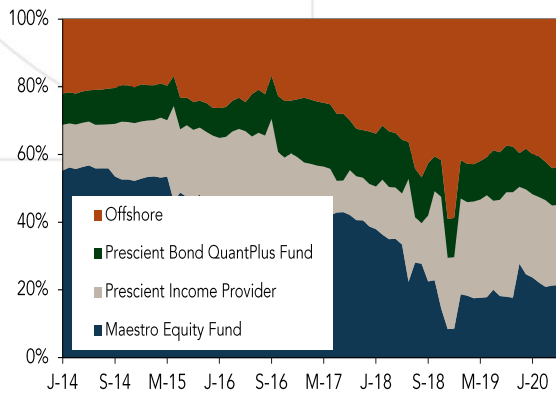
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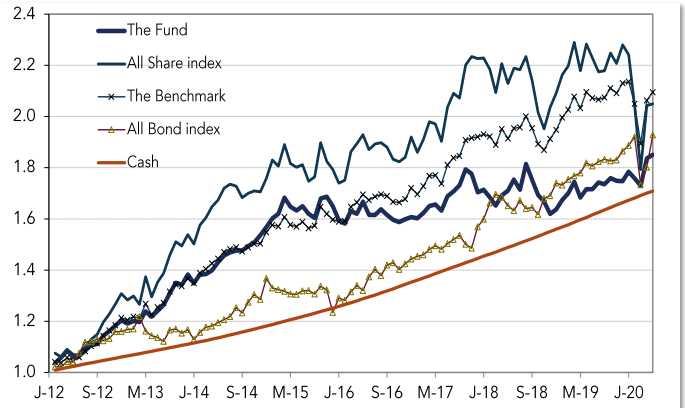
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 years	5 year	7 years
Maestro Balanced Fund	0.8	9.9	3.8	2.3	5.9
Fund Benchmark	1.5	2.7	5.6	5.7	7.4

Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Balanced Fund	5.9	7.9	-5.0	6.6	-3.2	7.5	11.0	16.9	18.3	0.0
Fund Benchmark	-2.1	11.2	-0.4	14.4	5.0	6.2	10.1	15.4	18.6	6.1

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).