

MAESTRO CAUTIOUS FUND



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LIFE

August
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 consisting of 30% All Share Index, 30% All Bond Index (ALBI) and 40% Short term fixed income (STEFI) index.

Legal structure

The Fund is a pooled portfolio on 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 1.0% (excluding VAT). This is inclusive of investment consulting, all underlying managers, and administrative functions performed by Prescient Fund Services.

Fund size

R 279 309

NAV

Class A: 2.3477

Long term insurer

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

Auditor

SNG Grant Thornton International

Portfolio manager

Maestro Investment Management (Pty) Limited

Enquiries

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Orchestrating Your Wealth



Market Overview

It is hard to believe we are already in the last month of the third quarter, with Spring apparently on the way. That said, I have seen more snow on the Western Cape mountains recently than I have for many years, so perhaps we have got the calendar wrong this year. Mind you, you can be forgiven for getting many things wrong in 2020. In many respects this whole year seems "all wrong". So much change is all around us, profound change at that, life-altering change, that it really is hard to see "life as we knew it" returning soon.

The MSCI World index, rose 6.5%, while the Emerging Markets index rose only 2.1%. The US equity market was a key driver of the former, rising 7.2%, while the Chinese and Indian equity markets rose "only" 2.6% and 2.7% respectively during the month. The Japanese market rose 6.6% and the German one 5.1%. Brazil actually declined 3.4% and Turkey 4.3%, while the Swiss market eked out a positive return of 1.3%. The NASDAQ index rose 9.6% in August, with its year-to-date and annual returns to end-August now 31.2% and 47.9% respectively. Of course there are markets that are going nowhere very quickly, such as the UK equity market, which is still down 20.9% this year so far.

The dollar was weak during the month – the dollar DXY index lost 1.3% - which was a catalyst for many price movements across asset classes. Most currencies were firmer against the greenback, and commodity prices enjoyed a strong month. The iron ore price rose 11.6%, Copper 4.5%, aluminium 5.3% and Silver 18.1%. Most soft (food and agricultural) commodities were also firmer on the month.

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

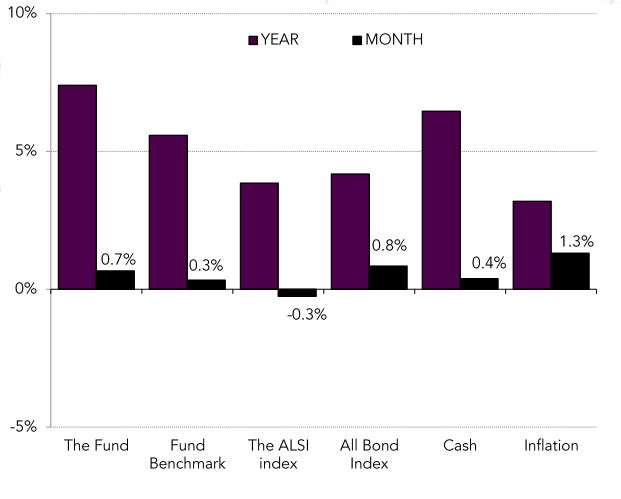
- Leonard Bernstein



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Local market returns



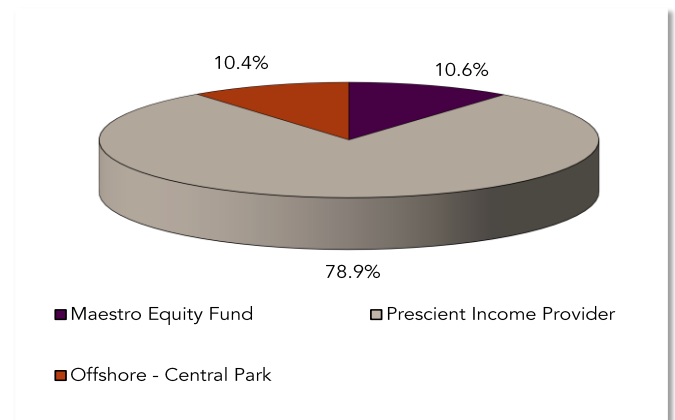
Turning to South Africa, the firm rand – it rose 0.5% against the dollar – played a large role in market movements during the month; it was more volatile than its meagre monthly movement appears. The All Share index lost 0.3% on the month, with the Basic Material, Financial, and Industrial indices registering respective returns of 0.7%, -4.2% and 0.5%. The All Bond index rose 0.8% in August. Companies which detracted from the return included Naspers, which fell 1.7%. Transaction Capital lost 2.1%, Firststrand and Standard Bank 2.5% and 2.8% respectively, Ninety One 3.8% and Capitec Bank 5.6%. On a more positive note, the Sygnia iTrix MSCI World and US ETFs rose 5.8% and 7.7%, while the Coreshares S&P500 ETF rose 7.1%. Discovery rose 9.2%, Afrimat 9.3% and Cashbuild 11.9%.

Monthly fund returns

During August the Maestro Cautious Fund's NAV rose 0.7% versus the Fund's benchmark increase of 0.3%. The [Maestro Equity Prescient Fund](#) rose 2.2% versus the 0.3% decrease of the All Share index. The

[Prescient Income Provider Fund](#) returned 0.6% against its benchmark return of 0.3%. The [Prescient Bond QuantPlus Fund](#) rose 2.4% versus its benchmark increase of 0.9%. [Central Park Global Balanced Fund](#) rose 1.8% in rand terms versus the 3.3% increase of the rand benchmark.

Asset allocation



Largest Holdings

Investment	% of Fund
RSA 10.50% R186 211226	8.3%
Prescient Flexible Global Income USD	6.0%
RSA 5.50% R197 071223	2.9%
ZAR/USD FWD 20200916	2.7%
Firststrand Bond 6.250% 230423	1.6%
Standard Bank CLN Telkom	1.5%
Standard Bank IDC CLN JB3+210bps	1.4%
Mobile Telephone Networks MTN23	1.4%
Standard Bank FRN 310321 Jb3+107.5	1.3%
Firststrand FRN FRB21 241121 Jb3+385	1.2%
Total	23.1%

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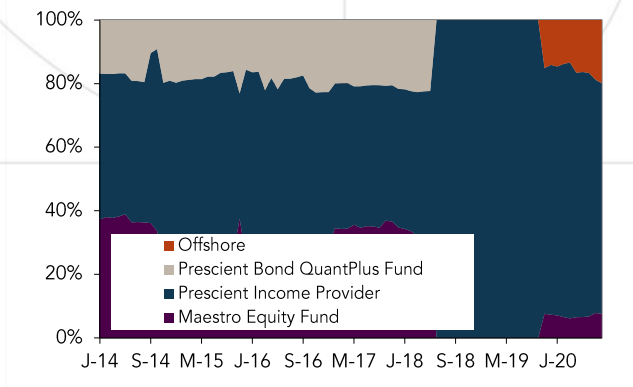
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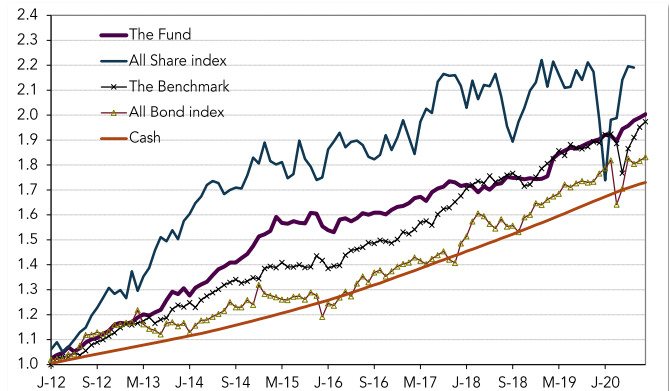
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.7	7.4	5.5	5.0	7.4
Fund Benchmark	0.3	5.6	6.3	7.0	7.5

Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	5.3	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	2.4	9.7	2.7	12.4	8.4	3.1	8.8	8.7	14.8	5.9

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).

