

MAESTRO CAUTIOUS FUND



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LIFE

July
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 277 458

NAV

Class A: 2.3322

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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Market Overview

The investment landscape and environment are changing rapidly, and are full of disparate forces, each pulling in their own direction. Responses to the global pandemic have had a mixed effect, economies have rebounded at differing speeds, and idiosyncratic issues like the US election and the ongoing Sino-US tech Cold War haven't added any comfort or visibility into the future. Yet markets continue to rise strongly, and bond yields reach new lows. With the unprecedented monetary policy relief flooding markets with liquidity and fiscal support sure to follow, equity markets have gathered a new lease of life and now find themselves as "the only game in town".

The dollar, lost 4.2% in July, which in turn boosted other currencies, especially emerging market ones. The rand gained 2.0% against the greenback, the Aussie dollar 4.2% and the Brazilian real 5.5%. The euro was firm, ending 5.3% higher on the month. The weak dollar laid the platform for firmer commodity prices: gold and platinum prices ended up 10.5% and 9.6% respectively while silver rose 29.4% on the month. The oil price rose 3.5%, while the base metal and soft commodity price complexes were all firm.

The MSCI Emerging Market index rose 8.4% versus the MSCI World index 4.7% – the latter has now risen 24.4% in the last 4 months! The MSCI Emerging Market is up 27.1% over the same period, while the NASDAQ is up an astonishing 39.6%. The Chinese equity market rose 10.9%, and the Brazilian and Indian markets ended 8.3% and 7.7% higher respectively. The Hong Kong market turned in another disappointing monthly return of only 0.7% while the UK fell 4.4%.

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

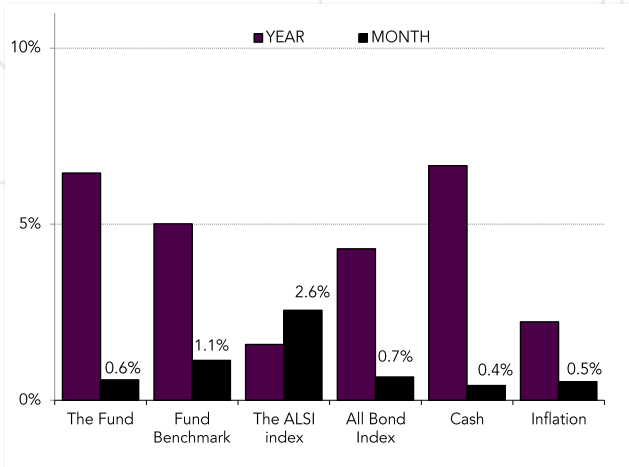
- Leonard Bernstein



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Local market returns



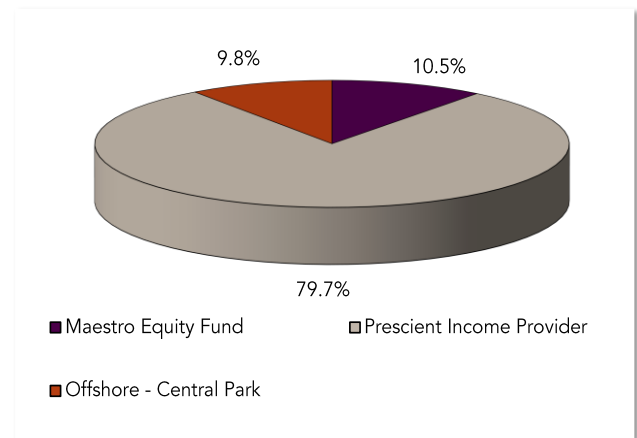
The firm gold price supported the Gold index, which rose 23.2% on the month. The Basic Materials sector was firm, ending up 9.1%, while the Financial sector gained only 0.4%. The Industrial sector lost 1.3%. The Large, Mid, and Small Cap indices rose 2.4%, 1.7%, and 1.3% respectively. We have already noted the rand's strength – it rose 2.0% against a weak dollar – and the All Bond index rose 0.7%. It is noteworthy that the All Share index, which rose 2.6% in July, is down only 0.7% so far this year. Investments which disappointed during the month included Aspen, which ended the month 7.7% lower. Richemont lost 3.5%, and Ninety One 2.1%. On a more positive note, Standard Bank rose 3.9%, Billiton 4.0%, Discovery 6.0%, Afrimat 7.9%, and Cashbuild 12.1% although the latter is still down 28.9% so far this year.

Monthly fund returns

During July the Maestro Cautious Fund's NAV rose 0.6% versus the Fund's benchmark increase of 1.1%. The [Maestro Equity Prescient Fund](#) rose 3.3% versus the 2.6% increase of the All Share index. The

[Prescient Income Provider Fund](#) returned 0.2% against its benchmark return of 0.3%. The [Prescient Bond QuantPlus Fund](#) fell 0.7% versus its benchmark increase of 0.6%. [Central Park Global Balanced Fund](#) rose 3.9% in rand terms versus the 0.4% increase of the rand benchmark.

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible Global Income USD Fund	5.9%
RSA 5.50% R197 071223	2.8%
RSA 10.50% R186 211226	2.8%
ZAR/USD FWD 20200916 NEDTD	2.7%
Firstrand Bond 6.250% 230423	1.6%
Investec Call 3.75%	1.6%
Standard Bank CLN Telkom SOC	1.5%
Standard Bank IDC CLN JB3+210bps	1.5%
Mobile Telephone Networks MTN23 8.27%	1.4%
Standard Bank FRN 310321 Jb3+107.5	1.3%
Total	23.1%

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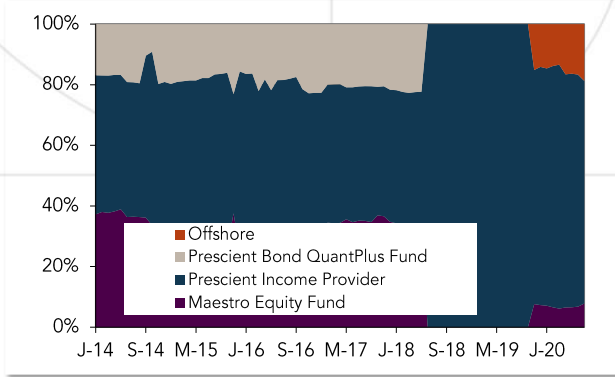
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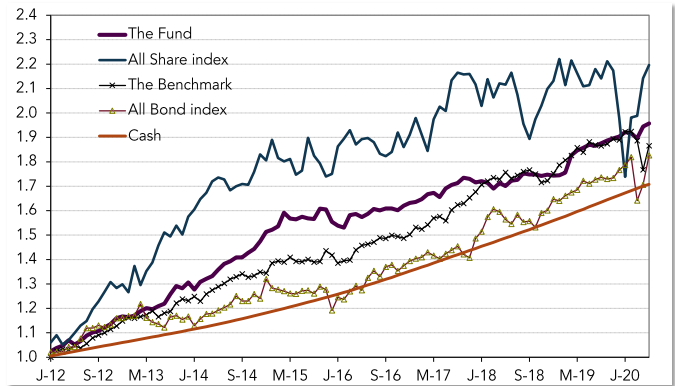
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.6	6.5	5.6	4.8	7.4
Fund Benchmark	1.1	5.0	6.6	6.8	7.5

Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	4.6	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	2.1	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).

