

MAESTRO CAUTIOUS FUND



27four Life

31 July 2021

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 287 311

NAV

Class A: 2.4150

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

I should not have tempted fate last month: after calling June a "boring month" in the markets, the proverbial budge hit the fan during July, a month filled with a number of significant events for investors. By far the most significant one was the tsunami of Chinese regulation, some of it being the most draconian regulation I have certainly ever seen. This year has been characterized by rolling regulatory action on the part of the Chinese authorities, but it increased dramatically in intensity and ferocity during July. By far the most affected was the Chinese private education sector, and specifically the after-school tutoring (AST) sector, which was, for all intents and purposes, nationalized with no compensation for shareholders.

The MSCI World index rose 1.7% during July, but the Shanghai Composite and Hong Kong indices decline 5.4% and 9.9% respectively. The MSCI Golden Dragon index fell 10.2%. In contrast, US equity markets were firm, spurred on and supported by strong corporate earnings. Given the 30% weighting China has in the index, it was unsurprising to see the MSCI Emerging Market index decline 7.0% in July. The German equity market was flat while the Swiss market rose 1.5%.

The Bloomberg Global Aggregate Bond index rose 1.33% in July, while most other bond markets were also firm. Currency markets were relatively firm, while commodity prices ended the month with mixed movements. The price of iron ore declined sharply (down 17.5%) but the copper price rose 3.4%. Soft commodity prices also ended the month with mixed performances.

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

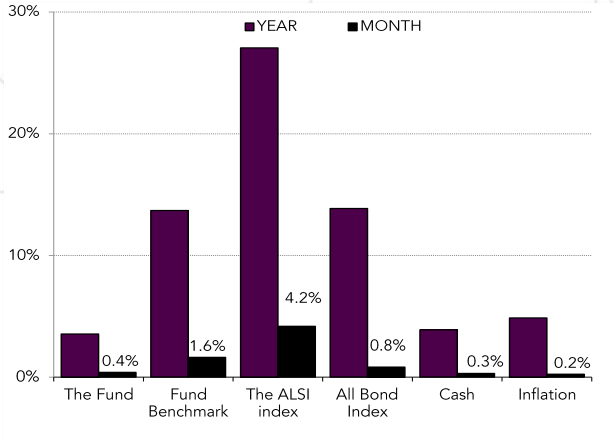
- Leonard Bernstein



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Returns for periods ended 31 July 2021



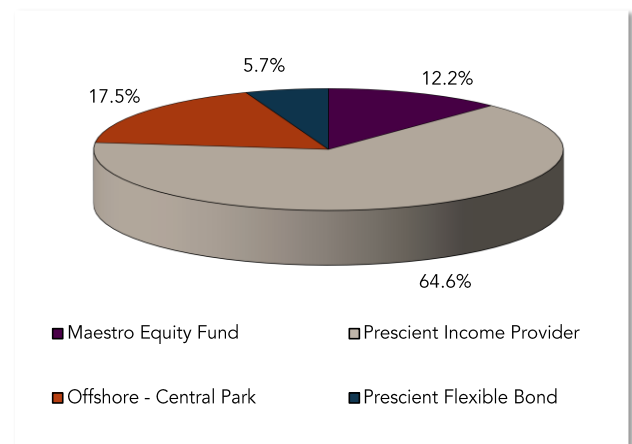
Turning to the South African investment markets, the Basic Material index drove the All Share index higher, with the former rising 11.8% and the latter 4.2%. The Industrial Index rose only 0.9%, the Financial index lost 1.1%, while the Top40 (Large), Mid and Small cap indices produced monthly returns of 4.5%, 2.8%, and -1.1% respectively. The All Bond index rose 0.8% while the rand declined 2.4% against the dollar. Shares which retarded the Funds' performance during July included in Naspers, which fell 5.9%, Discovery 6.9%, Transaction Capital 4.8%, Cashbuild 4.0%, Standard Bank 3.2%, and the Sygnia Itrix 4th Industrial Revolution ETF 2.3%. On a more positive note, the Satrix MSCI World ETF rose 4.0%, the Coreshares S&P500 ETF 4.5%, and the Satrix MSCI US ETF 5.0%. Ninety One rose 5.9%, Richemont 7.9%, the Satrix Resource ETF 11.3%, Aspen 11.4%, and Billiton 12.2%.

Monthly fund returns

During July the Maestro Cautious Fund's NAV rose 0.4% versus the Fund's benchmark increase of 1.6%. The [Maestro Equity Prescient Fund](#) rose 1.3% versus

the 4.2% increase of the All Share index. The [Prescient Income Provider Fund](#) rose 0.6% versus its benchmark return of 0.3%. The [Prescient Flexible Bond Fund](#) rose 0.2% versus its benchmark which increased 0.8%. [Central Park Global Balanced Fund](#) fell 0.3% in rand terms versus the 4.1% increase of the rand benchmark.

Asset allocation (% of Fund)



Largest Holdings

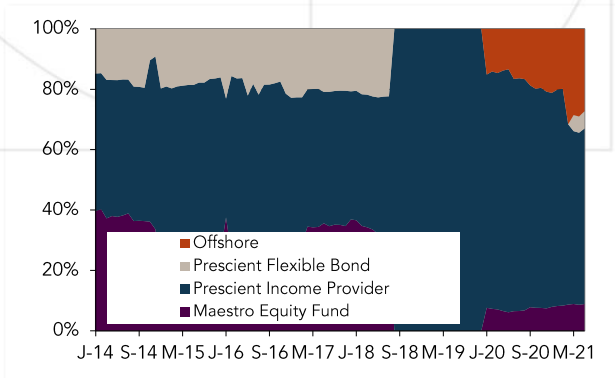
Investment	% of Fund
Prescient Flexible Global Income USD	5.3%
RSA 5.50% R197 071223	2.7%
ZAR/USD FWD 20210915 RMBTD	2.4%
RSA 8% R2030 31012030	2.2%
RSA 10.50% R186 211226	1.9%
Standard Bank CLN Telkom SOC JB3+190	1.4%
Standard Bank IDC CLN JB3+210bps	1.3%
Mobile Telephone Networks MTN	1.3%
Firststrand Bond 6.250% 230423	1.3%
Prescient Income Plus Fund B3	1.2%
Total	21.0%



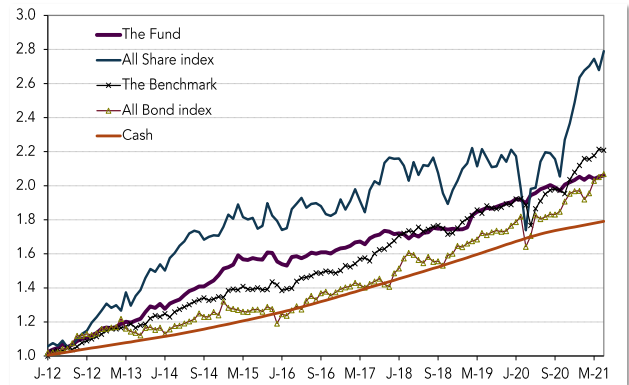
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.4	3.6	6.1	5.1	5.8
Fund Benchmark	1.6	13.7	8.2	8.2	7.7

Monthly and annual average return (%)

Investment	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Maestro Cautious Fund	2.0	6.2	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1
Fund Benchmark	7.9	7.6	9.7	2.7	12.4	8.4	3.1	8.8	8.7	14.8

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).

