

MAESTRO CAUTIOUS FUND



27 f o
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LIFE

June
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 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 245 197

NAV

Class A: 2.1766

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

2019 continues, in many respects, to be a remarkable year on global investment markets. The start of May was characterized by optimism and exuberance following indications that the US China trade was near an end, but those were unceremoniously trashed by the Trump Tweet of 5 May, heralding new tariffs of Chinese imports. The start of June was characterized by doom and gloom, with forecasters and investors alike redrawing their scenarios and planning for worse to come, for longer. At the time of writing, euphoria has returned, following the Trump meeting with Chinese Premier Xi Jinping, at which an apparent "trade war truce" was declared. In the interim, global equity markets dived precipitously in May but managed to recover a large part of those losses in June.

The Barclays Global Aggregate Bond index rose 2.2%, the MSCI World index rose 6.5% while the MSCI Emerging Markets index rose 5.7%. The US equity market rose 7.1%, and the NASDAQ rose 7.4%, the German equity market rose 5.7% while Hong Kong rose 6.1%. The Chinese equity market rose 2.8% whilst the Indian market declined 0.8%. Greece rose 4.6%, Turkey rose 6.5% and Russia 7.3%

The dollar declined 1.7% in June, setting the scene for a strong month across the commodity price complex. Iron ore price rose 18.2%, palladium rose 13.8%, the gold price rose 9.5%, and the coal price rose 9.9%. The Bloomberg Commodity index rose 2.5% during June. On the currency front, most currencies posted some form of gain against the dollar, including the rand, which rose 3.2% against the greenback during June.

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

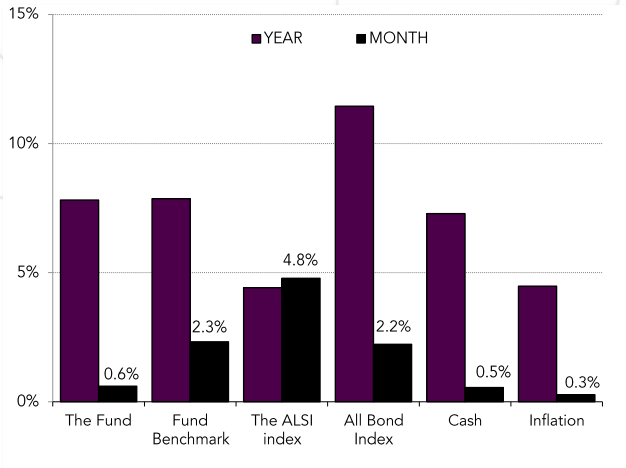
- Leonard Bernstein



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Local market returns



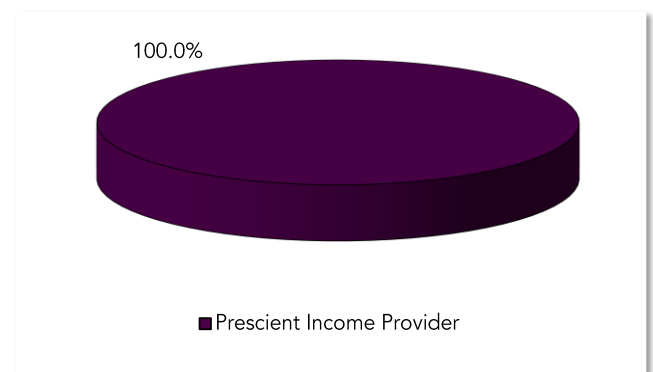
Turning to the local markets, the All Bond index rose 2.2% and the All Share index posted a decent gain of 4.8%. The Basic Material index rose 10.2%, and the Gold index ended the month 24.5% higher. The Financial index rose “only” 1.3% while the Industrial index gained 3.8%. The Large and Mid cap indices rose 5.4% and 2.5% respectively, while the Small Cap index actually declined 0.2%. It is worth noting that the (US) S&P Mid and Small Cap indices posted monthly gains of 7.5% and 7.3% respectively. The absence of gold shares and an underweight exposure to Basic Materials proved to be headwinds last month. KAP declined 19.3%, Ascendis Health fell 6.0% and Standard Bank 1.0%. On a positive note, Afrimat rose 3.9%, Naspers 4.4%, Glencore 5.7%, Discovery 7.5%, Cashbuild 9.0%, Billiton 10.1%, and Richemont 12.3%.

Monthly fund returns

During June the Maestro Cautious Fund's NAV rose 0.6% versus the Fund's benchmark rise of 2.3. The [Maestro Equity Prescient Fund](#) was up 2.6% versus the 4.8% increase 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](#) rose by 1.2% versus its benchmark increase of 2.2%. The Maestro Cautious Fund does not invest in the [Central Park Global Balanced Fund](#).

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible Global Income USD Fund	6.6%
ZAR/USD FWD 20190719	4.1%
RSA 5.50% R197	2.8%
Standard Bank 1% 201220	2.8%
ZAR/USD FWD 20190719	2.4%
Standard Bank IDC CLN JB3+210bps	2.3%
Firststrand Bond 6.250% 230423	2.1%
PCEIDFF (RF) Proprietary Ltd FRD JB3+175	1.8%
Standard Bank Group Ltd JB3+240	1.7%
Investec INVPLC CLN JB3+375	1.6%
Total	26.7%

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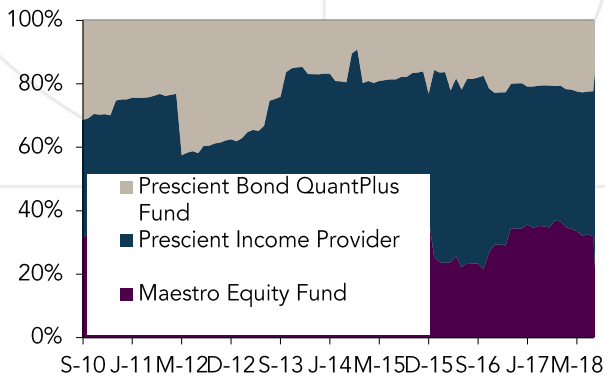
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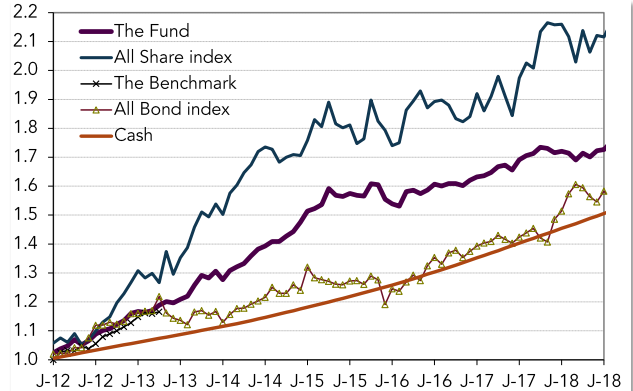
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.6	7.8	5.4	6.1	8.3
Fund Benchmark	2.3	7.9	8.2	7.3	8.6

Monthly and annual average return (%)

Investment	Year to Date	2018	2017	2016	2015	2014	2013	2012	2011	2010
Maestro Cautious Fund	3.2	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9	12.8
Fund Benchmark	7.4	2.7	12.4	8.4	3.1	8.8	8.7	14.8	5.9	13.7

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).

