

MAESTRO CAUTIOUS FUND



27four Life

30 June 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 286 158

NAV

Class A: 2.4053

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 seems heretical to call June a “boring” month, when so much happened during the period. However, if market returns are anything to go by, most market watchers and investors will agree that June was one of the quieter months we have had since the pandemic gripped the planet and turned it upside down in March last year.

Let's jump straight into the numbers: returns were, in general, lower and less volatile than in recent months, although I am pleased to report on a positive month all-round. The MSCI World index rose 1.4%, although the MSCI Emerging Markets index fell 0.1%. Emerging market bonds were relatively weak, too: this much is evident when one considers that the Bloomberg Global Aggregated Bond index fell 0.7% but the US Bond index rose 0.7%. Back to the equity markets, most market returns were muted, but strong returns were evident in the US, where the S&P500 index rose 2.3% and the tech-heavy NASDAQ index rose 5.5%. Ironically, despite having a defensive nature, the Swiss Market Index (SMI) rose 5.1%. Its annual return to end-June of 18.9% though can't compare with the NASDAQ annual return of 44.2%.

Contrary to the expectations of many, the US dollar was strong during the month, and rose against just about all other currencies and commodities. Oil was the standout commodity in June, with the Brent crude price rising 8.2% to bring its annual increase to 79.8%. The iron ore price was also firm, rising another 9.9%, bringing its annual increase to 116.1%.

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

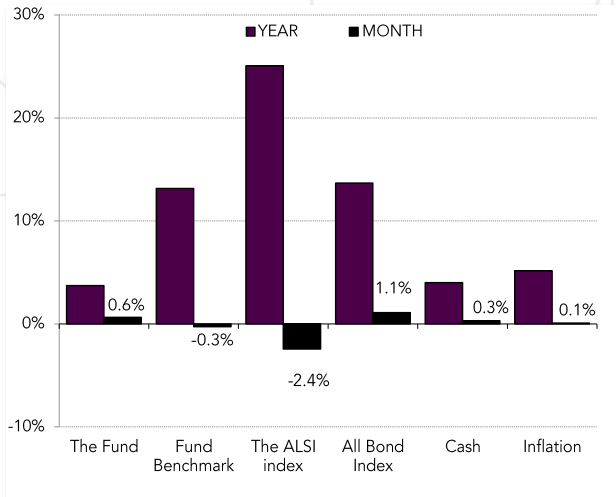
- Leonard Bernstein



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Returns for periods ended 30 June 2021



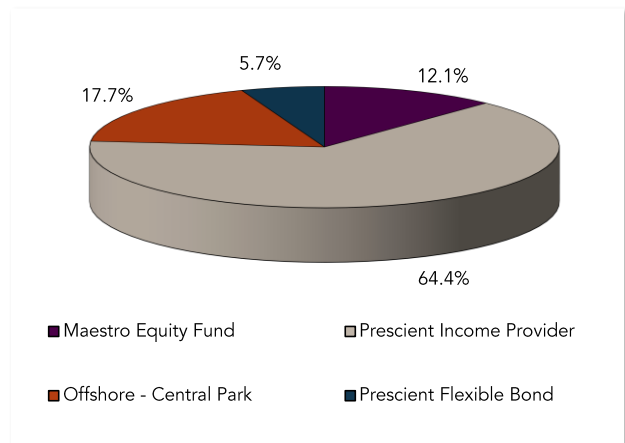
Turning to South African markets, the All Share index declined 2.4% in June, with the Large, Mid and Small cap indices falling 2.6%, 2.6% and 1.0% respectively. The Basic Materials, and Financial indices fell 6.7% and 2.7% respectively, although the Industrial index rose 0.4%. The rand fell 3.9% in June although it is till 21.7% higher against the dollar than it was this time last year. Shares which retarded the Fund during June included Discovery, which fell 10.2%. Cashbuild fell 7.4%, the Satrix Resource ETF fell 6.9% and in line with the Basic Materials index, Ninety One 6.0% fell and Standard Bank 5.9%. On a positive note, Richemont rose 4.1%, the Satrix MSCI World ETF rose 4.4%, the Coreshares S&P500 ETF 6.2%, the Satrix MSCI US ETF and the Sygnia Itrix 4th Industrial Revolution ETF 6.4% each, and Afrimat 14.7%.

Monthly fund returns

During June the Maestro Cautious Fund's NAV rose 0.6% versus the Fund's benchmark decrease of 0.3%. The [Maestro Equity Prescient Fund](#) rose 0.4% versus the 2.4% decrease of the All Share index. The

[Prescient Income Provider Fund](#) rose 0.3% versus its benchmark return of 0.3%. The [Prescient Flexible Bond Fund](#) rose 0.9% versus its benchmark which increased 1.1%. [Central Park Global Balanced Fund](#) rose 3.2% in rand terms versus the 4.7% increase of the rand benchmark.

Asset allocation (% of Fund)



Largest Holdings

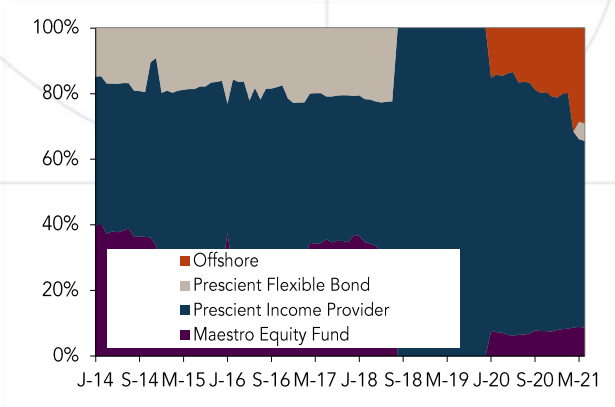
Investment	% of Fund
Prescient Flexible Global Income USD	5.3%
RSA 5.50% R197 071223	2.7%
ZAR/USD FWD 20210915 RMBTD	2.4%
RSA 8% R2030 31012030	2.2%
RSA 10.50% R186 211226	1.8%
Standard Bank CLN Telkom SOC JB3+190	1.4%
Standard Bank IDC CLN JB3+210bps CLN5	1.3%
Mobile Telephone Networks MTN23 8.27%	1.3%
Firststrand Bond 6.250% 230423	1.2%
HSBC Call 3.45%	1.2%
Total	20.8%



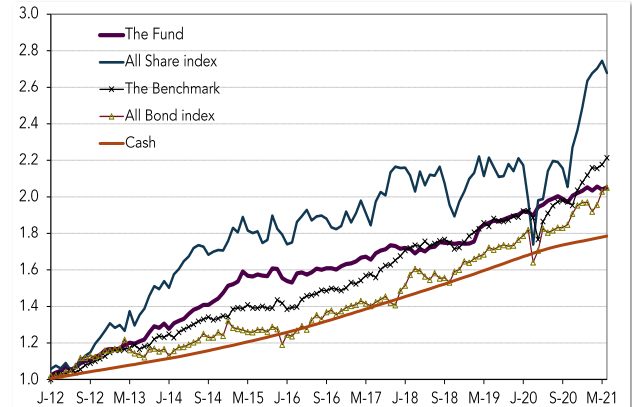
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	0.6	3.7	6.0	5.3	5.8
Fund Benchmark	-0.3	13.2	8.0	8.1	7.5

Monthly and annual average return (%)

Investment	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Maestro Cautious Fund	1.6	6.2	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1
Fund Benchmark	6.2	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).

