

MAESTRO CAUTIOUS FUND



27 f o
u r
LIFE

March
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 547 346

NAV

Class A: 2.2216

Long term insurer

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

Auditor

SNG Grant Thornton International

Portfolio manager

Maestro Investment Management (Pty) Limited

Enquiries

Andre Joubert
Maestro investment Management
Box 1289
CAPE TOWN
8000
Email: andre@maestroinvestment.co.za
Tel: (021) 674 9220

Orchestrating Your Wealth



Market Overview

I fear I ambushed myself last month by calling February's market action "brutal". It certainly felt brutal, but goodness me, if February was brutal, market activity during March is simply indescribable. I could fill this entire page with records set by global indices, from the fastest bear market in history (22 days), to the worst quarter in decades, the worst three-day decline since the 1930s, and yes, even the best daily gain (9.4%) since 2008 and the 10th largest daily gain since 1927, when the collection of daily data started.

The MSCI World and Emerging indices declined 13.5% and 15.6% during March. The German, US, Hong Kong and Swiss markets declined 16.4%, 12.3%, 9.7%, and 5.3% respectively. The tech-heavy NASDAQ index fell 10.1% and Japan 10.5%. South Africa fell 12.1% (but 22.6% in dollar terms), Turkey 17.8%, Russia 22.0%, Greece 22.5%, India 23.1%, and Brazil a whopping 30.0%. Interestingly, the Chinese equity market only lost 4.5%. The US large cap (S&P500) index fell 12.3%, but the S&P Mid and Small cap indices ended March down 20.4% and 22.6% respectively.

The dollar (DXY) index rose 0.9%. The Swiss franc held its own against the greenback, but the pound declined 2.9%. The Indian rupee lost 4.6% against the dollar, the Aussie dollar 5.0%, the rand 11.9%, the Brazilian real 13.0%, and the Russian ruble 14.0%. The price of Brent crude oil fell 47.3% in March, Gold only declined 2%, but the platinum and palladium prices declined 20.4% and 18.6% respectively. Surprisingly the iron ore price was steady, but copper, fell 13.8%.

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

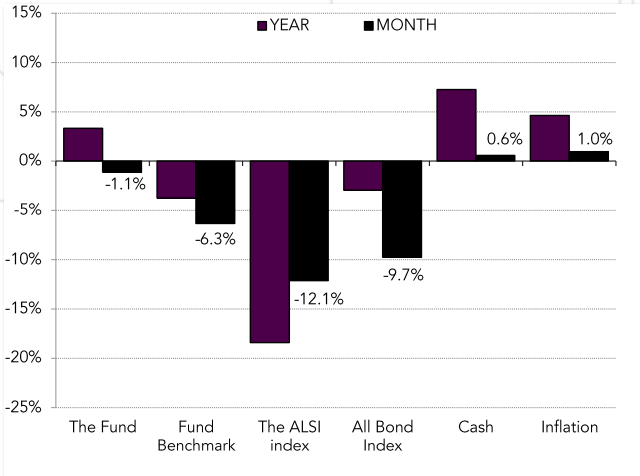
- Leonard Bernstein



27 f o
u r
L I F E

March
2020

Local market returns



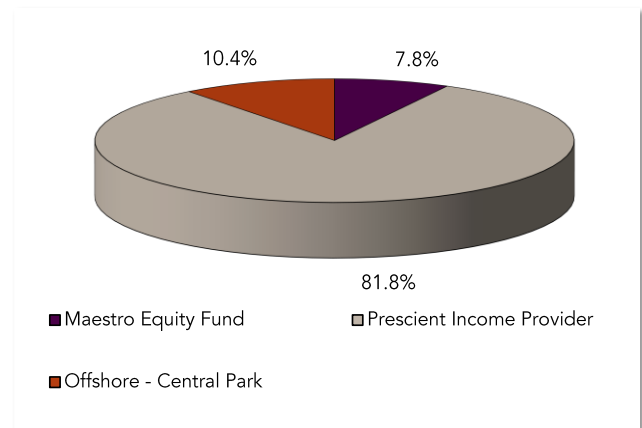
The All Share index lost 12.1%, the Basic Materials, Financial, and Industrial indices fell 12.4%, 29.4%, and 3.1% respectively. The Large cap (Top40), Mid and Small cap indices fell 10.4%, 23.7%, and 21.7% respectively. The All Bond index lost 9.8%, one of its largest declines on record. Within the portfolio, KAP declined 48.6% during March, Stadio 34.8%, Standard Bank 31.0%, and Firstrand 26.9%. Shares which supported our relative returns included Aspen, which declined “only” 7.6%, and AdaptIT, which fell 5.2%. We have three Exchange Traded Funds (ETFs) in the portfolio which track the US and global equity markets, all of which posted positive returns on the month as a result of the 11.9% decline in the rand. The Fund’s single largest holding, being Naspers, rose 7.3%, once again assisted by the weak rand.

Monthly fund returns

During March the Maestro Cautious Fund's NAV fell 1.1% versus the Fund's benchmark decline of 6.3%. The [Maestro Equity Prescient Fund](#) fell 7.0% versus the 12.1% decrease of the All Share index. The

[Prescient Income Provider Fund](#) returned -2.8% against its benchmark return of 0.6%. The [Prescient Bond QuantPlus Fund](#) fell 7.5% versus its benchmark decrease of 9.7%. [Central Park Global Balanced Fund](#) rose 5.0% in rand terms versus the 3.3% increase of the rand benchmark.

Asset allocation



Largest Holdings

Investment	% of Fund
Prescient Flexible Global Income USD Fund	5.9%
RSA 10.50% R186 211226	5.4%
RSA 5.50% R197 071223	3.6%
ZAR/USD FWD 20200617 RMBTD	2.9%
USD/ZAR FWD 20200617 RMBTD	2.6%
ZAR/USD FWD 20200617 NEDTD	2.3%
Firstrand FRB16 FRN 080720 JB3M+350bps	1.8%
Standard Bank CLN Telkom SOC JB3+190	1.6%
Firstrand Bond 6.250% 230423	1.6%
Standard Bank IDC CLN JB3+210bps	1.6%
Total	29.3%

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

- Leonard Bernstein

MAESTRO CAUTIOUS FUND

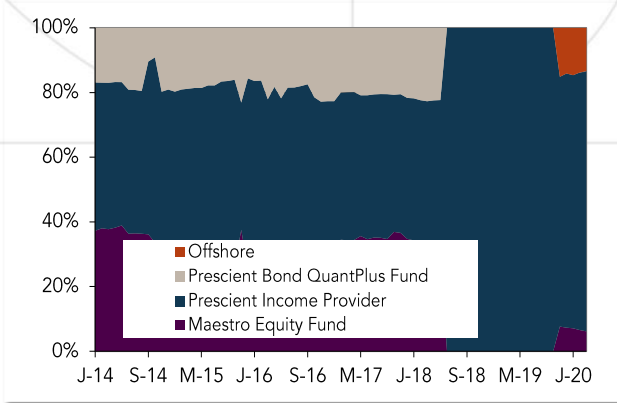
Orchestrating Your Wealth



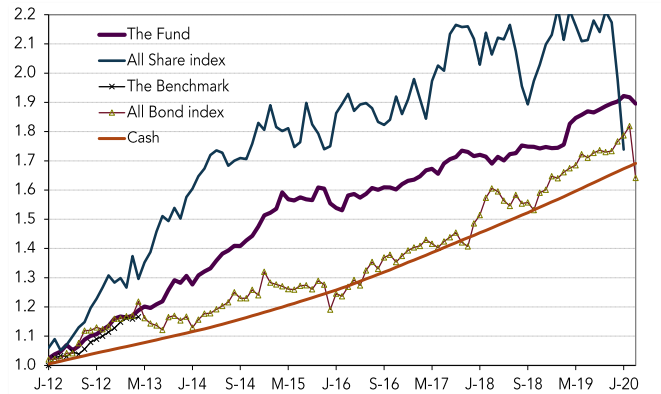
27 f o
u r
L I F E

March 2020

Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-1.1	3.3	4.8	4.3	7.1
Fund Benchmark	-6.3	-3.7	4.1	4.6	6.0

Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	-0.4	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	-8.6	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).

