

# MAESTRO CAUTIOUS FUND



**27** f o  
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LIFE

November  
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 279 691

#### NAV

Class A: 2.3510

#### 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

November has, yet again, left me stumped as to how to describe it. It is no exaggeration to simply say it was one of the most profitable months in history, by which I mean equity markets registered some of the largest monthly gains ever recorded in history. The dollar came under some pressure in November; the DXY dollar index fell 2.3%, which meant most other currencies, and emerging ones in particular, registered strong gains against the greenback. The euro rose 2.6% against the dollar, and sterling 3.2%. However, it was emerging market currencies which posted the largest gains: the rand rose 6.4% - its 7th consecutive monthly gain against the dollar - the Aussie dollar rose 5.4%, and the Brazilian *real* 8.2%.

On the commodity front, it was a disappointing month for gold as investors discarded "safe havens" and set about assuming more risk in their overall investment stance. The gold price fell 4.9%, in stark contrast to the price of platinum, which rose 10.4%. Palladium rose 7.1%. The price of Brent oil rose 25.7% in November alone, copper rose 12.6%, iron ore 12.2%, and coal 33.2%.

Large caps, while posting substantial gains, were overshadowed by mid and small caps. By way of example, the US large cap index, the S&P500, rose 10.9%, but the S&P Mid and Small cap indices rose 14.1% and 18.0% respectively. The Russian market rose 20.2% and the Greek market an astonishing 29.4%. Brazil rose 15.9%, while the Japanese and German equity markets each rose 15.0%. All in all, the MSCI World and Emerging Market indices rose 12.7% and 9.2% respectively in a month that few investors will forget in a hurry.

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

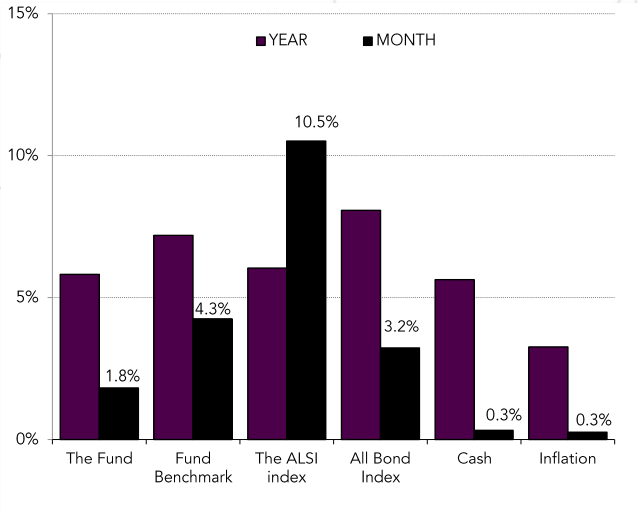
- Leonard Bernstein



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**Local market returns**



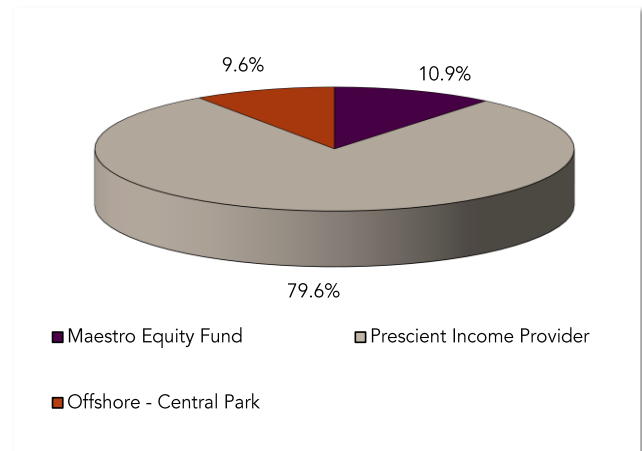
Turning to the local market, the global trends were mirrored in South Africa, as large cap returns (10.4%) were trounced by mid (10.1%) and small (15.6%) cap returns. The All Share index rose 10.5%, with the Basic Material, Financial, and Industrial indices rising 10.9%, 17.1%, and 8.0% respectively. The All Bond index rose 3.2% but not surprisingly the All Gold index lost 17.5%. Shares which disappointed during the month included Satrix MSCI China ETF, which fell 2.5%, Naspers, which fell 1.0% and Shoprite, which fell 0.9%. On a more positive note, Aspen rose 17.0% on the month, Cashbuild 18.3%, Firstrand 20.9%, Transaction Capital 22.0%, and Richemont 28.2%.

**Monthly fund returns**

During November the Maestro Cautious Fund's NAV rose 1.8% versus the Fund's benchmark increase of 4.3%. The [Maestro Equity Prescient Fund](#) rose 7.5% versus the 10.5% increase of the All Share index. The [Prescient Income Provider Fund](#) returned 1.0% against its benchmark return of 0.3%. The [Prescient](#)

[Bond QuantPlus Fund](#) rose 4.4% versus its benchmark which increased 3.3%. [Central Park Global Balanced Fund](#) rose 1.3% in rand terms versus the 1.8% increase of the rand benchmark.

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
RSA 10.50% R186 211226	12.3%
Prescient Flexible Global Income USD	6.5%
RSA 5.50% R197 071223	3.1%
ZAR/USD FWD 20201217 RMBTD	2.8%
Standard Bank CLN Telkom SOC JB3+190	1.6%
Mobile Telephone Networks MTN23 8.27%	1.5%
Standard Bank IDC CLN JB3+210bps	1.5%
Firstrand Bond 6.250% 230423	1.5%
Standard Bank FRN 310321 Jb3+107.5	1.4%
Firstrand FRN FRB21 241121 Jb3+385	1.3%
<b>Total</b>	<b>33.5%</b>

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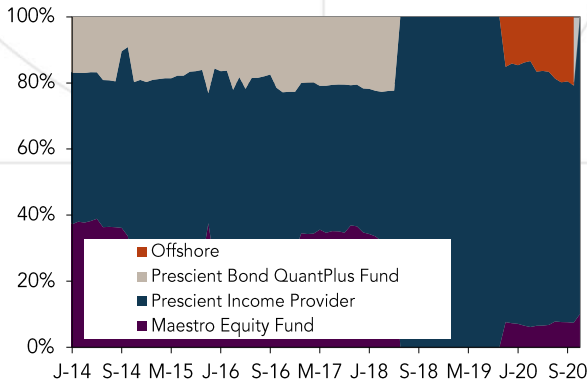
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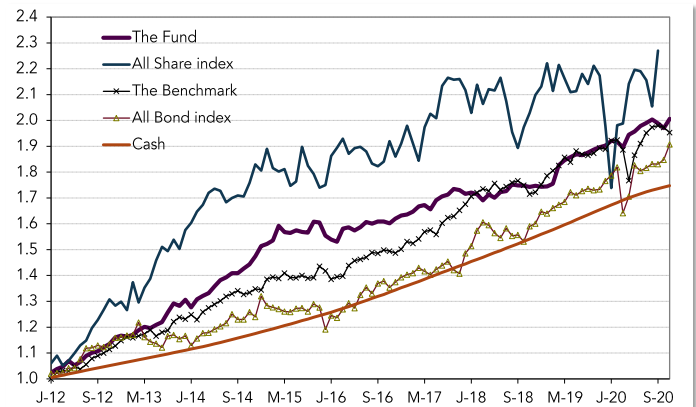
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## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	5.4	5.8	5.1	4.6	6.6
Fund Benchmark	4.3	7.2	6.5	7.2	7.4

## Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	5.4	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	5.3	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).