

MAESTRO CAUTIOUS FUND



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LIFE

October
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 274 697

NAV

Class A: 2.3090

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

Investment markets continue to intrigue and fascinate; October was no exception. After a period of robust developed market returns, it was the turn of emerging markets to produce strong returns during the past month. Developed equity markets lost ground in absolute and relative returns: the US equity market lost 2.6%, the UK market lost 4.9% (bringing its year-to-date return to -26.1%) and the German equity market lost all of 9.4%. Even the defensive Swiss equity market lost 5.9% in October. In contrast, the Indian equity market rose 4.1%, and China 0.2%, the net result being that the MSCI World index lost 3.1% (bringing the year-to-date return to -2.8%) while MSCI Emerging market index gained 2.0% (year-to-date return of -1.0%).

It was noteworthy that mid and small-sized companies outperformed their larger peers. The S&P Mid and Small Cap indices rose 2.1% and 2.5% respectively, versus the 2.6% decline of US large caps, although the year-to-date returns are heavily skewed in favour of large caps.

Emerging market currencies were firm during the month, as the dollar came under pressure. Strangely though, the DXY dollar index actually rose 0.2% on the month. Within the commodity price complex, precious metals were a bit weak but base metals and soft commodity prices were firm. The oil price lost 10.2% as a result of concerns about oversupply and slowing demand. The Bloomberg Global Aggregate Bond index was flat, posting a return of 0.1%.

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

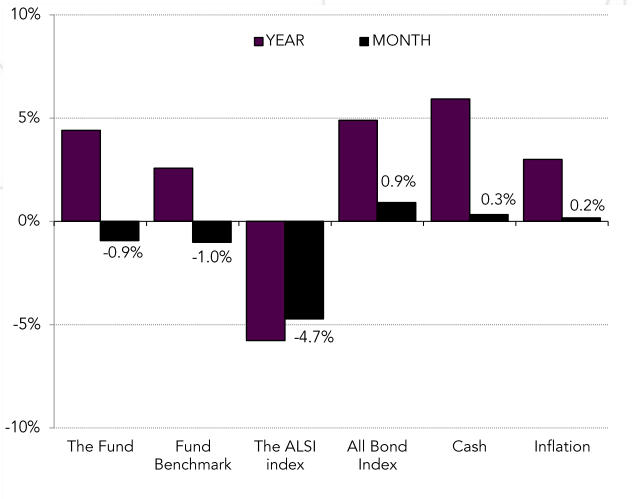
- Leonard Bernstein



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Local market returns



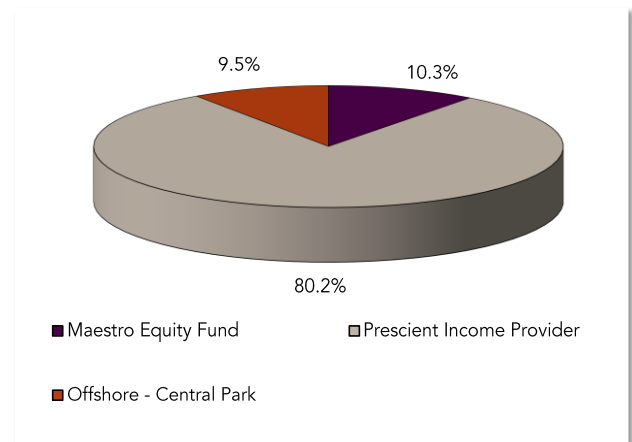
The Basic Material index lost 10.9% and the Financial index 5.8% although the Industrial index eked out a positive return of 0.4%. This all contributed to a decline of 4.7% in the All Share index. The Top40 index lost 5.1%, the Mid cap index lost “only” 3.1%. The Small cap index actually posted a positive return of 0.1%. The All Bond index rose 0.9%. In line with other emerging market currencies, the rand rose 2.7% relative to the dollar. Shares which disappointed during the month included the Satix Resources Exchange Traded Fund (ETF) which lost 13.4%, Billiton 13.0%, Richemont 9.9%, and Firstrand and Transaction Capital each lost 8.8%. On a more positive note, MTN rose 2.9%, Naspers 6.8%, and Cashbuild 8.2%.

Monthly fund returns

During October the Maestro Cautious Fund's NAV fell 0.9% versus the Fund's benchmark decrease of 1.0%. The [Maestro Equity Prescient Fund](#) fell 3.5% versus the 4.7% decrease of the All Share index. The [Prescient Income Provider Fund](#) returned 0.3%

against its benchmark return of 0.3%. The [Prescient Bond QuantPlus Fund](#) rose 0.7% versus its benchmark which increased 0.9%. [Central Park Global Balanced Fund](#) fell 6.1% in rand terms versus the 4.4% decrease of the rand benchmark.

Asset allocation



Largest Holdings

Investment	% of Fund
RSA 10.50% R186 211226	8.7%
Prescient Flexible Global Income USD Fund	6.3%
RSA 5.50% R197 071223	3.0%
ZAR/USD FWD 20201109 RMBTD	2.0%
Firstrand Bond 6.250% 230423	1.6%
Standard Bank CLN Telkom SOC JB3+190	1.6%
Standard Bank IDC CLN JB3+210bps	1.5%
Mobile Telephone Networks MTN23 8.27%	1.5%
Standard Bank FRN 310321 Jb3+107.5	1.3%
Firstrand FRN FRB21 241121 Jb3+385	1.3%
Total	28.8%

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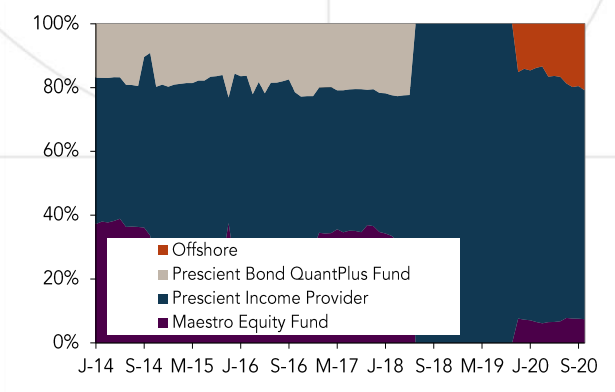
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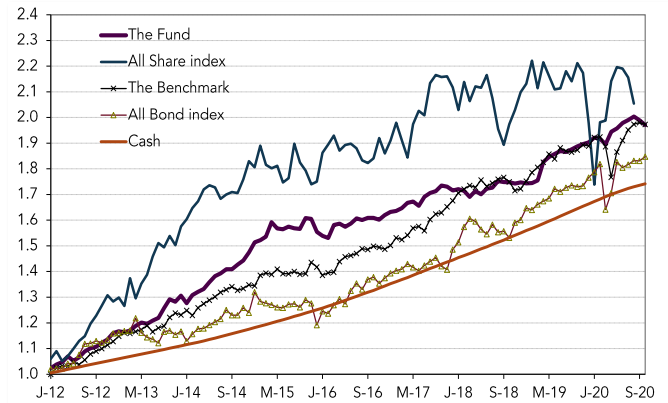
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.9	4.4	4.3	4.2	6.2
Fund Benchmark	-1.0	2.6	5.2	6.0	6.6

Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	3.6	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	1.0	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).