

# MAESTRO CAUTIOUS FUND



**27** f o  
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LIFE

September  
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 277 292

#### NAV

Class A: 2.3308

#### 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

After a few robust and profitable months on global equity markets, it is unsurprising that they paused for a breath during September. The forthcoming US election, a clear "second wave" of the Covid-19 pandemic across the Western world, disagreements within governments regarding the extent of financial help for its citizens, a smaller than expected economic rebound off second quarter lockdowns, racy equity market ratings, rising US-China tensions – these are just some of the reasons that gave investors reason to question the resurgent momentum that has characterized global equity markets since they troughed on 23 March.

The MSCI World index ended September 3.6% lower, while the MSCI Emerging Market index lost 1.8%. The Hong Kong market was a significant underperformer, losing 6.8% and bringing its year-to-date loss to 16.8%. That isn't as bad as the UK's 22.2% year-to-date loss – that market lost 1.6% last month. The Chinese equity market lost 5.2%, and the US market 3.8%. The Brazilian, Russian and Indonesian equity markets lost 4.8%, 6.4% and 7.0% respectively, while the Indian market lost only 1.5%. The US Large, Mid and Small cap indices losing 3.8%, 3.4% and 4.8% respectively.

Turning to the bond market, the Bloomberg Global Aggregate Bond index lost 0.4% while cash continues to generate negligible returns. The dollar (DXY index) rose 1.9%, in a reversal of the past few months' weakness, which resulted in most other currencies weakening against the greenback, as did virtually the entire commodity complex. The gold price lost 3.8%, and oil 8.3%. Somewhat surprisingly the copper price remained flat.

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

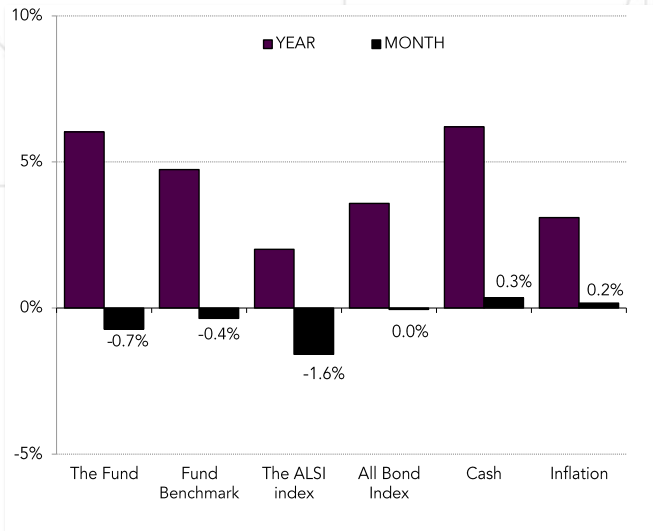
- Leonard Bernstein



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**Local market returns**



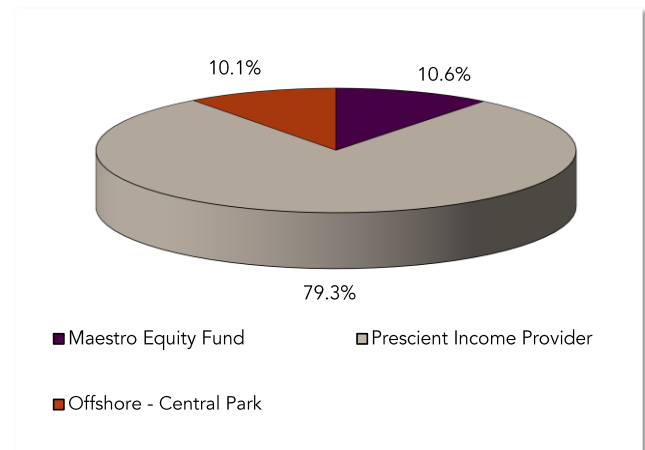
Turning to the local markets, the All Share index declined 1.6% while the All Bond index fell 0.1%. The Large, Mid and Small cap indices' respective returns were -1.7%, 1.3% and 0.8%. The Basic Materials index fell 3.4%, the Industrial index fell 1.5% while the Financial index rose 2.3%, supported by the slightly firmer rand; despite the dollar's strength, the rand rose 1.6% against the greenback. Shares which disappointed during the month included MTN, which lost 8.1%, Billiton 5.6%, and Naspers 4.3%. On a more positive note, Discovery rose 5.7%, Firstrand 8.9%, Cashbuild 13.5%, Shoprite 23.7%, and Capitec 24.2%.

**Monthly fund returns**

During September the Maestro Cautious Fund's NAV fell 0.7% versus the Fund's benchmark decrease of 0.4%. The [Maestro Equity Prescient Fund](#) fell 1.7% versus the 1.6% 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](#) fell 1.8% versus its benchmark which was flat for the month. [Central Park Global Balanced Fund](#) fell 4.4% in rand terms versus the 3.8% decrease of the rand benchmark.

**Asset allocation**



**Largest Holdings**

Investment	% of Fund
RSA 10.50% R186 211226	8.4%
Prescient Flexible Global Income USD	6.0%
RSA 5.50% R197 071223	2.9%
ZAR/USD FWD 20201109 RMBTD	1.9%
Firstrand Bond 6.250% 230423	1.6%
Standard Bank CLN Telkom SOC JB3+190	1.5%
Standard Bank IDC CLN JB3+210bps	1.5%
Mobile Telephone Networks MTN23 8.27%	1.4%
Standard Bank FRN 310321 Jb3+107.5	1.3%
Firstrand FRN FRB21 241121 Jb3+385	1.2%
<b>Total</b>	<b>27.7%</b>

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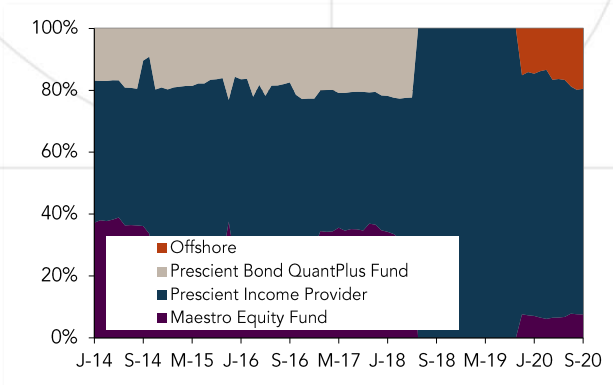
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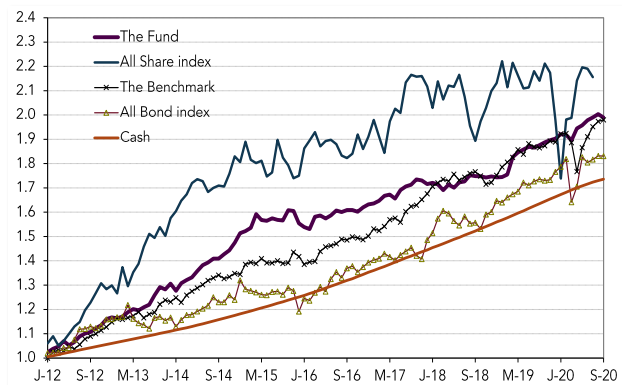
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September 2020

## Historic sector allocation



## Historic performance



## Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.7	6.0	5.1	4.9	6.8
Fund Benchmark	-0.4	4.7	6.0	6.9	7.0

## Monthly and annual average return (%)

Investment	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maestro Cautious Fund	4.5	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1	2.9
Fund Benchmark	2.1	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).

