

MAESTRO CAUTIOUS FUND



27four Life

30 September 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 287 391

NAV

Class A: 2.4157

Long term insurer

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

Auditor

SNG Grant Thornton International

Portfolio manager

Maestro Investment Management (Pty) Limited

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Orchestrating Your Wealth



Market Overview

So many variables weighed on global markets during September that it is hard to touch on all of them. Let me jump right in: clear indications from the US Federal Reserve that the end of very loose monetary policy is in sight resulted in bond yields rising, and bond prices falling. That in turn supported the US dollar, which rose 1.7%. The strong dollar rippled across multiple asset classes. Add to that rapidly escalating energy prices around the world, reduced growth forecasts for major economies, the usual pandemic wobbles, increasing evidence of severe supply chain constraints, and the results of some really unintelligent decisions (such as the Brexit decision in the UK) – the “investment cocktail mix” was toxic.

The Bloomberg Global Aggregate Bond index declined 1.8% while the MSCI World and Emerging Market indices both declined 4.3% in September. The Hong Kong equity market fell 5.0%, the US market fell 4.7% and the NASDAQ 5.3%. The German equity market fell 3.6%, while Switzerland lost 6.2% on the month. The Indian market rose 2.1%, the Chinese market 0.7%, and the Russian market, rose 5.6%. Brazil fell 6.6% and Turkey 4.5%. The (US) S&P Mid and Small cap indices declined 4.1% and 2.6%.

On the currency front, just about all currencies gave up ground against the dollar. The commodity complex bore the brunt of concern about the pace of economic recovery, supply chain issues, and the strong dollar. Apart from the oil price, which rose 9.4% and the coal price, which rose 34.5% reflecting the energy crisis, the iron ore price fell 22.5% on the month, the palladium price fell 21.6%, and copper 6.2%.

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

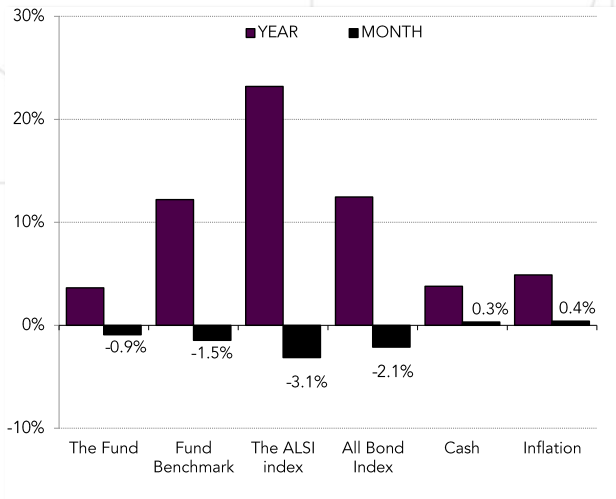
- Leonard Bernstein



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Returns for periods ended 30 September 2021



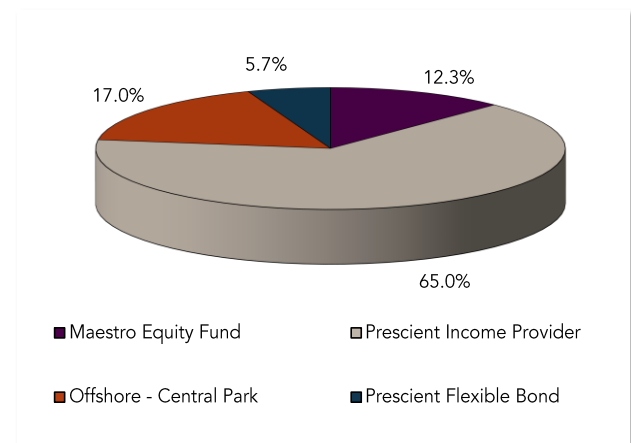
Turning to the South African investment markets the All Bond index fell 2.1% and the All Share index -3.1%. The Basic Materials, Financial, and Industrial indices posted returns of -9.8%, 1.7%, and -0.8% respectively; the Financial index rose despite the rand losing 3.9% against the dollar – financial shares are usually weak when the rand loses ground. The Fund’s offshore exposure supported the return, given the weak rand. Afrimat and BHP (Billiton) followed the steep decline in the ore price, falling 19.6% and 15.8% respectively. Cashbuild declined 10.4% and the Satrix Resources ETF 9.1%. On a more positive note, Discovery rose 6.3%, Renegen 6.6%, Transaction Capital 8.5%, Afrocentric 12.2% and Aspen 38.2%.

Monthly fund returns

During September the Maestro Cautious Fund's NAV fell 10.9% versus the Fund's benchmark decrease of 1.5%. The [Maestro Equity Prescient Fund](#) fell 0.9% versus the 3.1% decrease of the All Share index. The [Prescient SA Income Provider Fund](#) rose 0.9% versus

its benchmark return of 0.3%. [The Prescient Income Plus Fund](#) rose 0.1% versus its benchmark return of 0.5% The [Prescient Flexible Bond Fund](#) fell 2.5% versus its benchmark which decreased 2.1%. [Central Park Global Balanced Fund](#) fell 3.7% in rand terms versus the 0.6% increase of the rand benchmark.

Asset allocation (% of Fund)



Largest Holdings

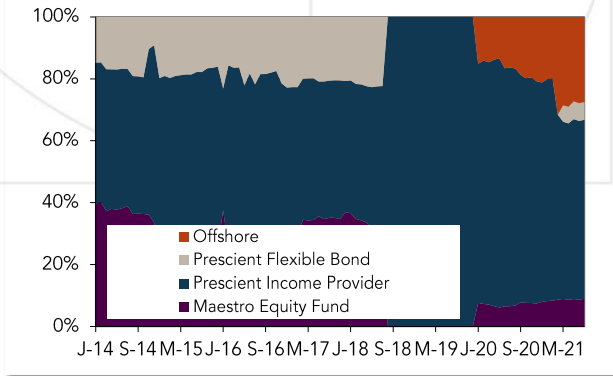
Investment	% of Fund
SA National Roads Agency 10.365%	5.3%
R2048 8.75% 280248	4.5%
Standard Bank Group SBT102 300922	2.8%
Standard Bank Transnet CLN707	2.7%
Calgro M3 CGR47 FRN 280225 Jb3+450	2.1%
RSA 10.50% R186 211226	2.0%
iShares China CNY Bond ETF	1.9%
Barclays Africa Group FRN BGT01 120922	1.6%
Sygnia Itrix US	1.5%
Nedbank Group Ltd FRN NGT104	1.5%
Total	25.7%



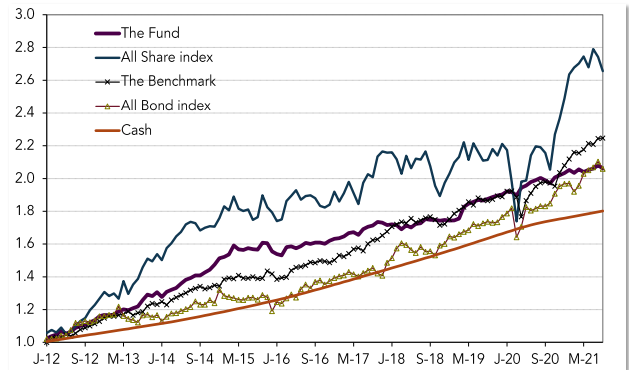
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Historic sector allocation



Historic performance



Monthly and annual average return (%)

Investment	1 month	1 year	3 year	5 years	7 years
Maestro Cautious Fund	-0.9	3.6	5.4	5.1	5.6
Fund Benchmark	-1.5	12.2	8.0	7.8	7.5

Monthly and annual average return (%)

Investment	YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012
Maestro Cautious Fund	2.0	6.2	5.7	1.8	5.9	4.2	5.4	12.9	12.6	16.1
Fund Benchmark	6.5	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).

