

# MAESTRO GLOBAL BALANCED FUND



**27** f o  
u r  
LIFE

July  
2020

## Investment objective

To produce above average long-term returns by investing in global equity, bonds and cash markets, through the assumption of less risk than that of the underlying markets. The Fund acts as a feeder fund for Central Park Global Balanced Fund, which is also managed by Maestro Investment Management.

## The Fund benchmark

An index consisting of a 60% equity weighting (MSCI World Index), and a 40% weighting in bonds (Bloomberg Barclays Global Aggregate Bond Index).

## Legal structure

The Fund is a pooled portfolio on the 27Four Life Limited balance sheet. The appointed Investment 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.

## Inception Date

15 November 2017

## Fee structure

The Fund incurs fees at two levels. Firstly, the investment management fee in Central Park Global Balanced Fund is 1.5% per annum, together with a 10% performance fee subject to a high water mark. Secondly, administration and other fees are charged by 27Four Life on the following basis:

- For investments under R5m: 0.46%
- Investments between R5m and R10m: 0.41%
- For investments in excess of R10m: 0.39%

## Fund size

R 107 829 841 as at 31 July 2020

## NAV

Class A: 139.10

## Long term insurer

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

## Auditor

SNG Grant Thornton International

## Investment manager

Maestro Investment Management (Pty) Limited

## Enquiries

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Orchestrating Your Wealth



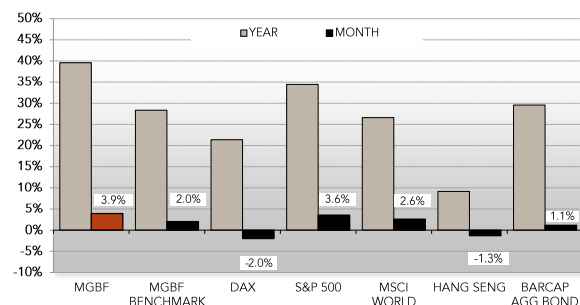
## Market Overview

The investment landscape and environment are changing rapidly, and are full of disparate forces, each pulling in their own direction. Responses to the global pandemic have had a mixed effect, economies have rebounded at differing speeds, and idiosyncratic issues like the US election and the ongoing Sino-US tech Cold War haven't added any comfort or visibility into the future. Yet markets continue to rise strongly, and bond yields reach new lows.

The dollar, lost 4.2% in July, which in turn boosted other currencies, especially emerging market ones. The rand gained 2.0% against the greenback, the Aussie dollar 4.2% and the Brazilian real 5.5%. The euro was firm, ending 5.3% higher on the month. The weak dollar laid the platform for firmer commodity prices: gold and platinum prices ended up 10.5% and 9.6% respectively while silver rose 29.4% on the month. The oil price rose 3.5%, while the base metal and soft commodity price complexes were all firm.

The MSCI Emerging Market index rose 8.4% versus the MSCI World index 4.7% – the latter has now risen 24.4% in the last 4 months! The MSCI Emerging Market is up 27.1% over the same period, while the NASDAQ is up an astonishing 39.6%. The Chinese equity market rose 10.9%, and the Brazilian and Indian markets ended 8.3% and 7.7% higher respectively. The Hong Kong market turned in another disappointing monthly return of only 0.7% while the UK fell 4.4%.

## Market Returns (In rand terms)



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

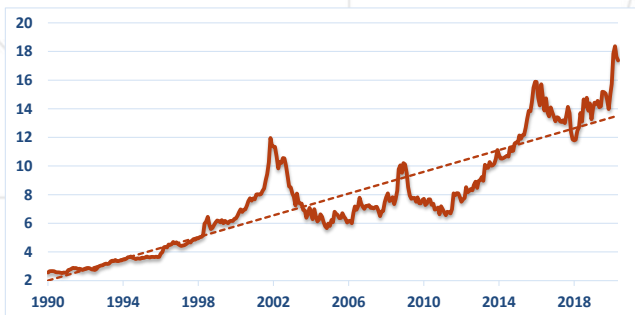
- Leonard Bernstein



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### The Rand Dollar Exchange rate



### Investment Manager Comment

The Maestro Global Balanced Fund posted a positive return this month on the back of a firm rand. The rand strengthened 2.0% this month. The Maestro Global Balanced Fund rose 3.9% in July, this can be compared to the benchmark and comparable sector returns of 2.0% and 2.7% respectively.

Turning to the specific drivers of the Global Balanced Fund's return this month; Vifor Pharma declined 9.8%, Helvetia 6.9%, Swiss Life 5.2%, and TeamViewer 4.9%. On a more positive note, Tencent rose 7.1%, New Oriental Education 7.7%, SAP 7.9%, Sika 10.0%, Pierer Mobility and CSPC Pharma 11.0% each, Lonza 13.7%, Mercadolibre 14.1%, and TAL Education 14.3%. Alibaba rose 16.4%, Sunny Optical rose 17.7%, Yihai 19.5% and GSX Techedu, which we sold during the month, rose 48.7%.

### Monthly and Annual Average Returns

Investment	1 month	3 month	6 month	1 year	2 years
<b>Maestro Global Balanced Fund</b>	<b>3.9</b>	<b>7.4</b>	<b>24.3</b>	<b>39.6</b>	<b>21.1</b>
Fund benchmark	2.0	1.2	15.1	28.4	19.9
Sector*	2.7	1.7	11.2	23.3	16.4

\* Morningstar ASISA Global Multi Asset Flexible Category

\*\* Inception Date 1 December 2017

Investment	YTD	2019	2018	2017	2016
<b>Maestro Global Balanced Fund</b>	<b>32.1</b>	<b>26.2</b>	<b>-5.6</b>	<b>NA**</b>	<b>NA**</b>
Fund benchmark	23.6	14.6	8.4	4.0	-9.1
Sector*	18.0	15.5	4.6	5.3	-8.6

\* Morningstar ASISA Global Multi Asset Flexible Category

At the end of July 1.0% of the Fund was invested in bonds, 24.8% was retained in cash and the balance of 74.2% was invested in global equity markets.

### Note to Investors

The Fund is an investment-linked Endowment Policy, issued by 27Four Life. Maestro Investment Management is the Fund's Investment Manager. All investments into the Fund are directed into Central Park Global Balanced Fund, the unit trust Maestro uses to manage its Clients' offshore assets.

### The Fund's Largest Holdings

Investment	% of Fund
Alibaba Group Holdings Limited	6.7%
TAL Education Group	6.2%
Tencent Holdings Limited	5.4%
Adobe Systems	5.4%
Visa Inc.	5.2%
New Oriental Education and Tech Group	4.8%
SAP AG	4.8%
Alphabet Inc.	4.1%
Partners Group Holdings AG	3.7%
CSPC Pharma Group Ltd	3.6%
<b>Total</b>	<b>49.9%</b>

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).