

# MAESTRO GLOBAL BALANCED FUND



## 27four Life

31 July 2021

### 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 95 979 352 as at 31 July 2021

### NAV

Class A2: 1.26010

### 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



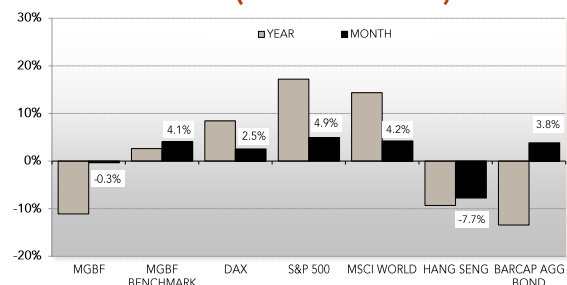
## Market Overview

I should not have tempted fate last month: after calling June a “boring month” in the markets, the proverbial budgie hit the fan during July, a month filled with a number of significant events for investors. By far the most significant one was the tsunami of Chinese regulation, some of it being the most draconian regulation I have certainly ever seen. This year has been characterized by rolling regulatory action on the part of the Chinese authorities, but it increased dramatically in intensity and ferocity during July. By far the most affected was the Chinese private education sector, and specifically the after-school tutoring (AST) sector, which was, for all intents and purposes, nationalized with no compensation for shareholders.

The MSCI World index rose 1.7% during July, but the Shanghai Composite and Hong Kong indices declined 5.4% and 9.9% respectively. The MSCI Golden Dragon index fell 10.2%. Given the 30% weighting China has in the index, it was unsurprising to see the MSCI Emerging Market index decline 7.0% in July. The German equity market was flat while the Swiss market rose 1.5%.

The Bloomberg Global Aggregate Bond index rose 1.3% in July. Currency markets were relatively firm, while commodity prices ended the month with mixed movements. The price of iron ore declined sharply (down 17.5%) but the copper price rose 3.4%. Soft commodity prices also ended the month with mixed performances.

## Market Returns (In rand terms)



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

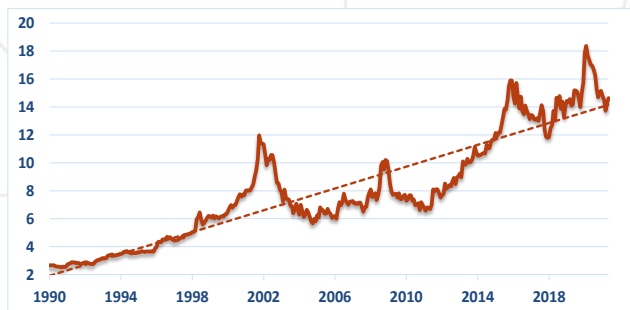
- Leonard Bernstein



**27four**  
Life

31 July 2021

**The Rand Dollar Exchange rate**



**Investment Manager Comment**

The Maestro Global Balanced Fund posted a negative return this month on the back of a weak rand. The rand weakened 2.4% this month. The Maestro Global Balanced Fund fell 0.3% in July, this can be compared to the benchmark and comparable sector returns of 4.1% and 2.8% respectively.

Turning to the shares which disappointed during July, TAL Education and New Oriental Education, two Chinese AST companies, declined 75.9% and 73.5% respectively. GDS Holdings declined 24.9%, Tencent fell 18.0%, Alibaba 14.1% and NetEase 11.6%. Underlining how well the Fund's investments in other regions did, the price of Adobe rose 6.1% on the month, Lonza rose 7.5%, Alphabet 7.9%, Partners Group 10.5%, Varta 12.3%, and VAT Group 15.6%.

At the end of July 7.1% of the Fund was invested in bonds, 20.7% was retained in cash and the balance of 72.2% invested in global equity markets, which included 3.5% invested in the Aberdeen Palladium ETF.

**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
iShares China CNY Bond ETF	7.1%
Adobe Systems	5.3%
Alphabet Inc	5.1%
Partners Group Holdings AG	4.6%
Visa Inc	4.2%
Swiss Life Holdings	4.0%
SAP AG	3.8%
Aberdeen Palladium ETF	3.5%
Sika AG	3.4%
CSPC Pharma Group Ltd	3.3%
<b>Total</b>	<b>44.4%</b>

**Monthly and Annual Average Returns**

Investment	1 month	6 month	1 year	2 years	3 years
<b>Maestro Global Balanced Fund</b>	<b>-0.3</b>	<b>-6.2</b>	<b>-11.1</b>	<b>11.9</b>	<b>10.0</b>
Fund benchmark	4.1	5.5	2.0	14.4	13.7
Sector*	2.8	4.4	3.8	12.8	11.6

\* Morningstar ASISA Global Multi Asset Flexible Category  
\*\* Inception Date 1 December 2017

Investment	YTD	2020	2019	2018	2017
<b>Maestro Global Balanced Fund</b>	<b>-2.5</b>	<b>21.5</b>	<b>26.2</b>	<b>-5.6</b>	<b>NA**</b>
Fund benchmark	7.0	17.8	14.6	8.4	4.0
Sector*	7.5	14.4	15.5	4.6	5.3

\* Morningstar ASISA Global Multi Asset Flexible Category

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).