

# Succession Real Income Solutions for living annuities



## Market Commentary

2023 was a year of market surprises, indicating that volatility will always be part of the investment journey and amid the highs and lows, there will always be gains and losses for investors, businesses, and economies. Some of the market conditions might continue into 2024 but the reality is that no one knows what's in store for the new year. Economists can make predictions of how they perceive the market to play out, however, unforeseen circumstances might arise to impact global economies and once again prove market predictors otherwise.

## International Markets

- MSCI World Index returned 4.91% m/m in dollar terms and 1.24% in rand terms.
- MSCI Emerging Market Index (MSCI EM) returned 3.95% m/m in dollar terms and 0.31% in rand terms

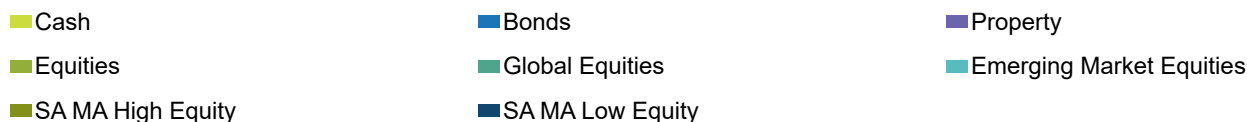
## Local Markets

- FTSE/JSE All Share Index (ALSI) closed the month 2.00%.
- (ASISA) South African Multi-Asset High Equity category average returned 2.01% for the month.
- (ASISA) South African Multi-Asset Low Equity category average returned 1.58% for the month.
- Cash (STeFI) returned 0.70% for the month

## Market Returns

As of Date: 2023/12/31 Currency: South African Rand

	1 Month	3 Months	6 Months	1 Yr	3 Yr	5 Yr
Best	Property 9,9	Property 16,4	Property 15,2	Global Equities 33,0	Global Equities 15,4	Global Equities 18,4
	SA MA High Equity 2,0	Global Equities 8,2	Bonds 7,7	Emerging Market Equities 18,0	Property 14,9	Equities 11,9
	Equities 2,0	Bonds 8,1	SA MA Low Equity 5,0	SA MA High Equity 12,3	Equities 13,5	SA MA High Equity 9,2
	SA MA Low Equity 1,6	Equities 6,9	SA MA High Equity 4,6	SA MA Low Equity 11,0	SA MA High Equity 10,5	Emerging Market Equities 8,8
	Bonds 1,5	SA MA High Equity 6,2	Cash 4,2	Property 10,1	SA MA Low Equity 8,5	Bonds 8,2
	Global Equities 1,2	SA MA Low Equity 5,4	Global Equities 4,1	Bonds 9,7	Bonds 7,4	SA MA Low Equity 7,8
	Cash 0,7	Emerging Market Equities 4,7	Equities 3,2	Equities 9,3	Cash 5,7	Cash 5,9
Worst	Emerging Market Equities 0,3	Cash 2,1	Emerging Market Equities 1,4	Cash 8,1	Emerging Market Equities 2,1	Property 0,2



Market commentary supplied by Glacier Invest.

Source: Morningstar Direct

## Succession Real Income Solutions

Succession Real Income Solutions are actively managed portfolios that reduce longevity (outliving retirement savings or investments) and sequence risk (retiring during or just before adverse market conditions that can negatively impact retirement savings). Our solutions are well-diversified, with asset manager strategies that are different, yet complement each other to achieve a smoother return profile. Each Succession Real Income Solution combines collective investment funds (CIS), hedge funds, smoothing policies and alternative assets using an asymmetrical approach which reduces volatility in returns, preserves capital and offers downside protection. As can be seen on the graph on the right, this approach essentially enables us to achieve a narrower range of return outcomes that is skewed towards positive returns. This enables the Succession Real Income Solutions to have a higher chance of earning positive returns with less capital loss than the category average. The inclusion of hedge funds, smooth bonus funds (smoothing policies) and alternative investments seek to enhance the asymmetric outcomes.

Hedge funds - Reduce risk and enhance returns (improving portfolio efficiency).

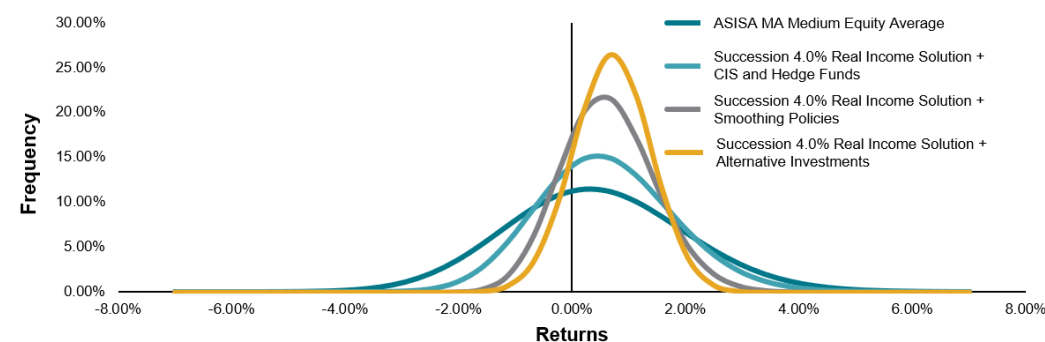
Smooth bonus funds - Create more income stability and reduce volatility.

Alternative assets - Boost returns, enabling the portfolio to better recover from drawdowns.

## Why invest in these solutions?

- These are actively managed solutions that reduce longevity and sequence risk.
- These solutions focus on increasing predictability of returns and consistency of income.
- These solutions focus on protecting capital during market downturns.
- These solutions are well diversified, with asset manager strategies that are different yet complement each other to achieve a smoother return profile.

## Asymmetrical Approach

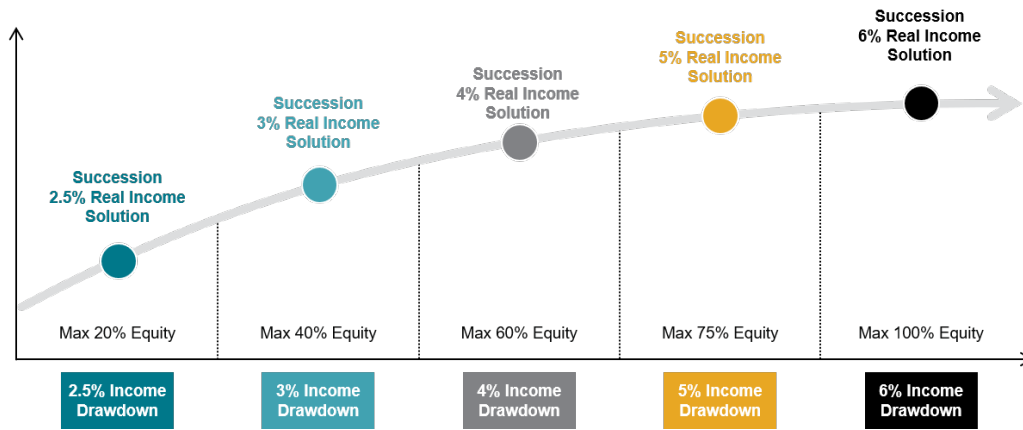


## Solution Fund Range Snapshot

	Recommended Investment Period	Fund Category	Aim	Risk Profile
Succession 2.5% Real Income Solution Wrap Fund Snapshot	2 years+	SA Multi Asset Income	Provide income and minimise risk.	Conservative
Succession 3% Real Income Solution Wrap Fund Snapshot	3 years+	SA Multi Asset Low Equity	Provide income and minimise risk.	Cautious
Succession 4% Real Income Solution Wrap Fund Snapshot	5 years+	SA Multi Asset Medium Equity	Provide income and minimise risk	Moderate
Succession 5% Real Income Solution Wrap Fund Snapshot	5 years+	SA Multi Asset High Equity	Provide income and minimise risk.	Moderate Aggressive
Succession 6% Real Income Solution Wrap Fund Snapshot	7 years+	Worldwide Multi Asset Flexible	Provide income and minimise risk.	Aggressive

# Risk and performance

## Solution Range Potential Risk-Return (%)

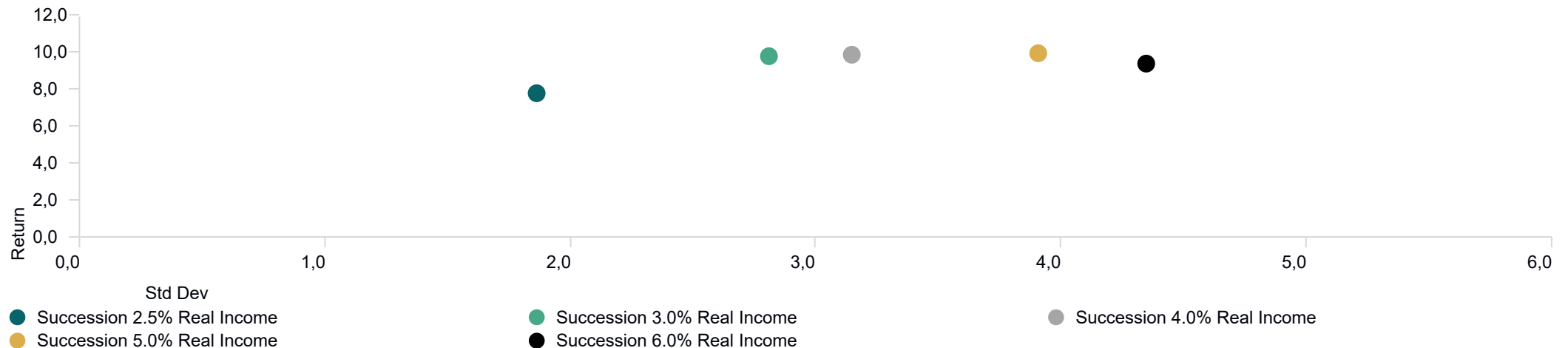


## Risk-Reward

Annualised Performance (%)	1 Year	2 Years	3 Years	5 Years
Succession 2.5% Real Income	8,83	7,24	7,76	7,21
(ASISA) South African MA Income	9,43	7,43	7,17	7,14
Succession 3.0% Real Income	11,51	7,95	9,80	8,93
(ASISA) South African MA Low Equity	11,05	6,09	8,51	7,85
Succession 4.0% Real Income	11,67	7,47	9,84	9,14
(ASISA) South African MA Medium Equity	11,30	5,65	9,40	8,60
Succession 5.0% Real Income	12,61	7,58	9,94	9,86
(ASISA) South African MA High Equity	12,25	5,86	10,48	9,21
Succession 6.0% Real Income	12,92	6,34	9,40	10,45
(ASISA) Wwide MA Flexible	18,87	4,59	9,43	10,44

## Performance

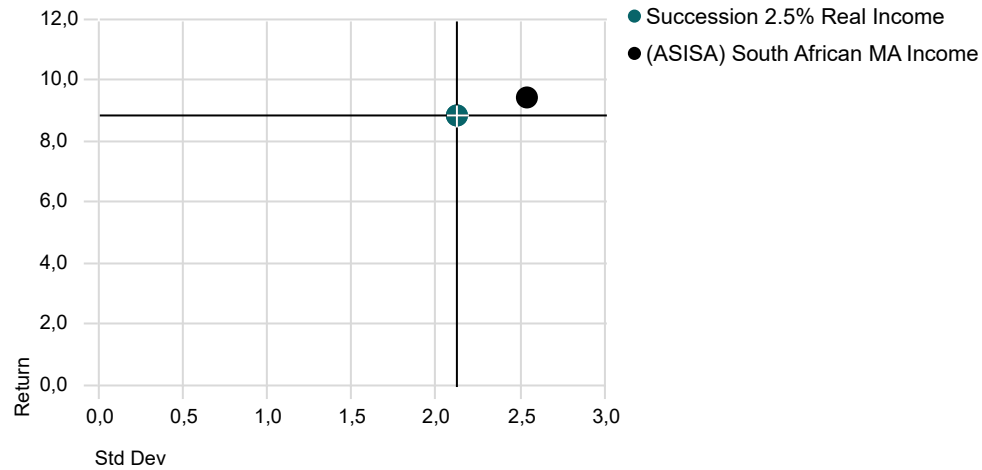
Time Period: 2021/01/01 to 2023/12/31



# Risk and performance

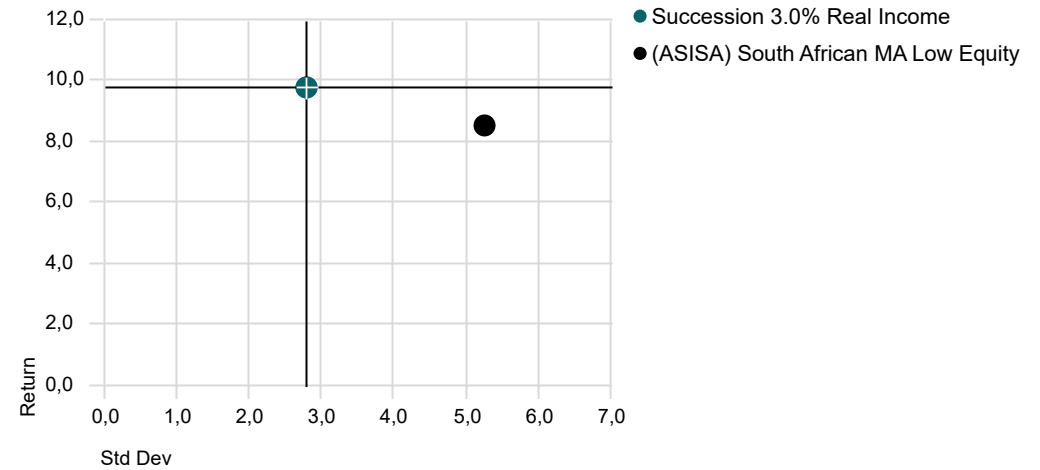
## Succession 2.5% Real Income: Risk-Reward

Time Period: 2023/01/01 to 2023/12/31



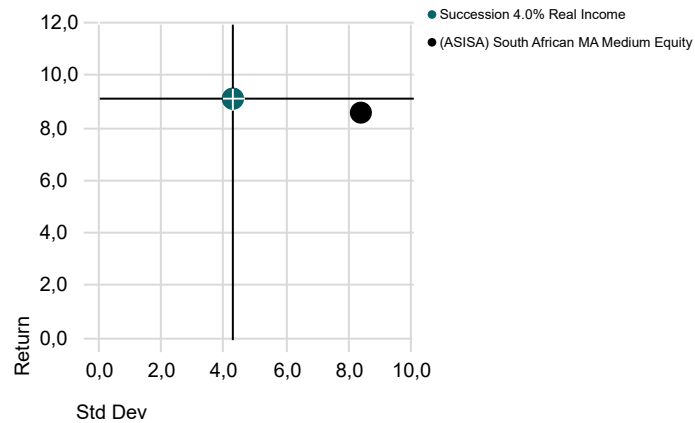
## Succession 3.0% Real Income: Risk-Reward

Time Period: 2021/01/01 to 2023/12/31



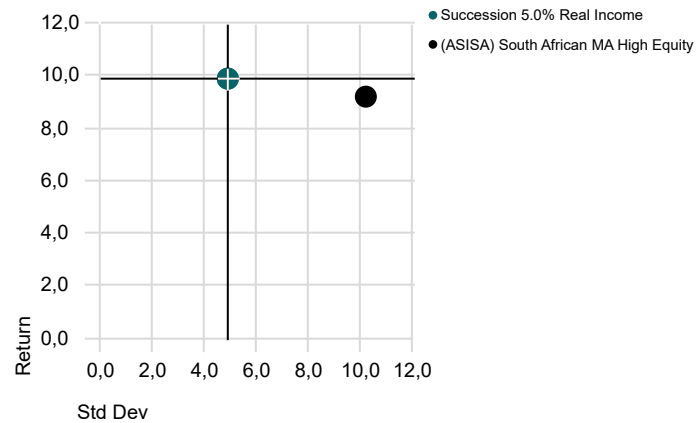
## Succession 4.0% Real Income: Risk-Reward

Time Period: 2019/01/01 to 2023/12/31



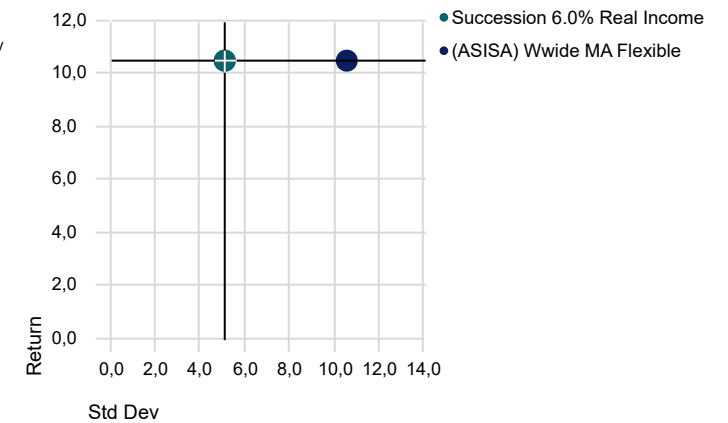
## Succession 5.0% Real Income: Risk-Reward

Time Period: 2019/01/01 to 2023/12/31



## Succession 6.0% Real Income: Risk-Reward

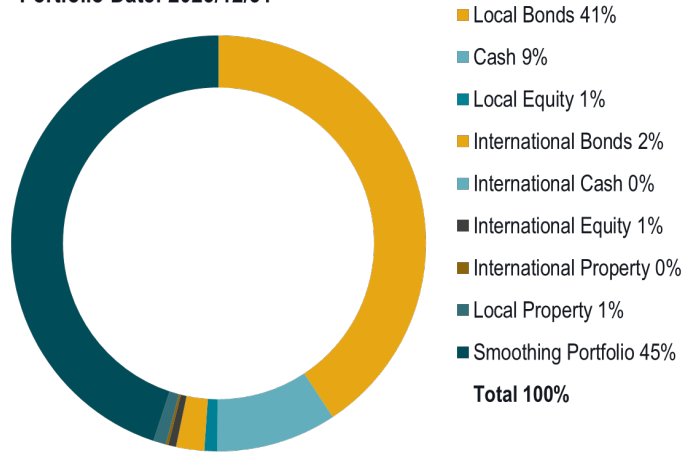
Time Period: 2019/01/01 to 2023/12/31



# Asset allocation and top holdings

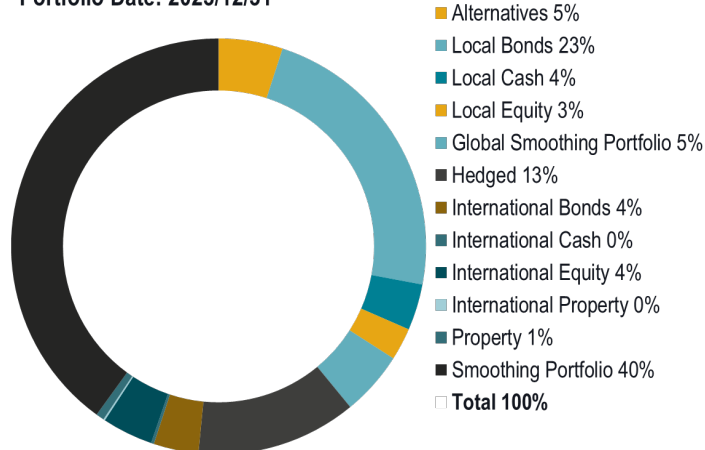
## Succession 2.5% Real Income - Strategy Allocation

Portfolio Date: 2023/12/31



## Succession 3.0% Real Income - Strategy Allocation

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## Succession 2.5% Real Income - Top Holdings

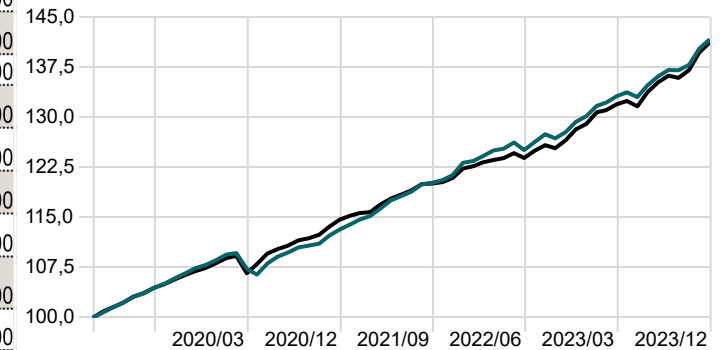
Portfolio Date: 2023/12/31	Portfolio Weighting %
Sanlam Multi-Managed Smooth Growth	45,00
Amplify SCI Strategic Income	10,00
Granate BCI Multi Income	10,00
Prescient Income Provider	8,00
SIM Flexible Income	5,00
Matrix SCI Stable Income	5,00
SMM Inflation Linked Bond	4,00
Saffron SCI Active Bond	4,00
Prescient Flexible Bond	4,00
Amplify SCI Defensive Balanced	2,50

## Succession 3.0% Real Income - Top Holdings

Portfolio Date: 2023/12/31	Portfolio Weighting %
Sanlam Multi-Managed Smooth Growth	40,00
Amplify SCI Strategic Income	7,50
SMM Inflation Linked Bond	6,00
Multi-Strategy Alternative	5,00
Granate BCI Multi Income	5,00
Sanlam Multi-Managed Smooth Global Growth	5,00
Prescient Flexible Bond	3,50
Saffron SCI Active Bond Fund	3,50
Ninety-One Global Multi-Asset Income	3,00
All Weather Hedge	2,50

## Succession 2.5% Real Income - Investment Growth

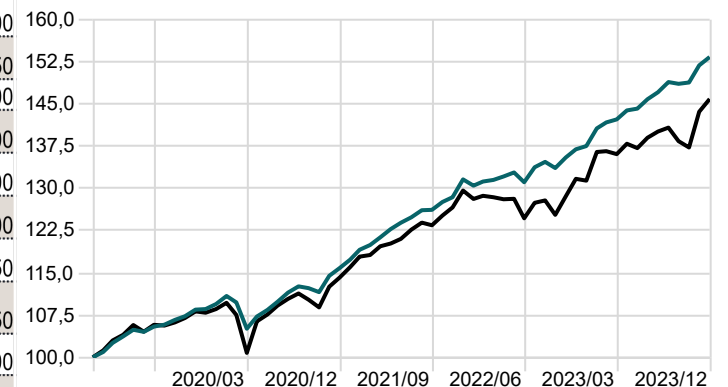
Currency: South African Rand



-(ASISA) South African MA Income    - Succession 2.5% Real Income

## Succession 3.0% Real Income - Investment Growth

Currency: South African Rand

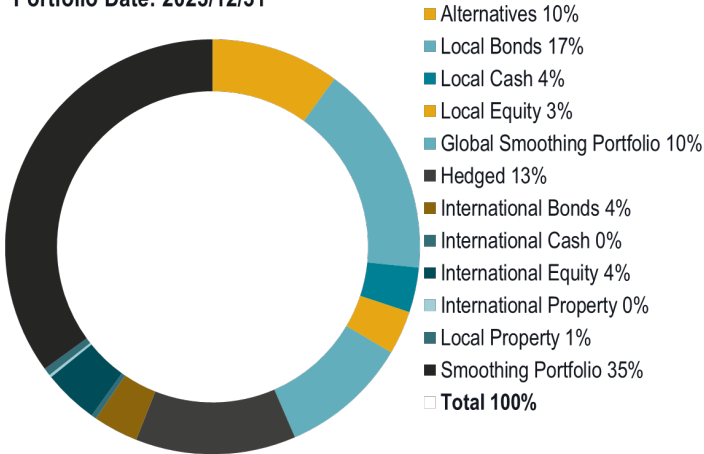


-(ASISA) South African MA Low Equity    - Succession 3.0% Real Income

# Asset allocation and top holdings

## Succession 4.0% Real Income - Strategy Allocation

Portfolio Date: 2023/12/31



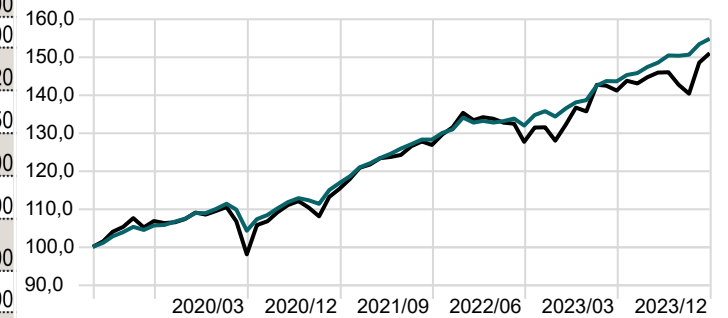
## Succession 4.0% Real Income - Top Holdings

Portfolio Date: 2023/12/31	Portfolio Weighting %
Sanlam Multi-Managed Smooth Growth	35,00
Multi-Strategy Alternative	10,00
Sanlam Multi-Managed Smooth Global Growth	10,00
Granate BCI Multi Income	6,20
Amplify SCI Strategic Income	5,50
Truffle SCI Flexible	4,00
Prescient Flexible Bond	3,90
Ninety-One Global Multi-Asset Income	3,00
Saffron SCI Active Bond Fund	2,90
Acumen Hedge	2,50

## Succession 4.0% Real Income - Investment Growth

Time Period: 2019/01/01 to 2023/12/31

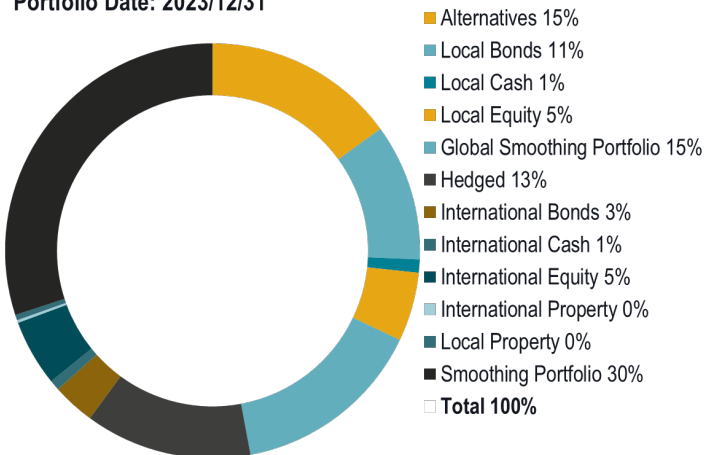
Currency: South African Rand



—(ASISA) South African MA Medium Equity —Succession 4.0% Real Income

## Succession 5.0% Real Income - Strategy Allocation

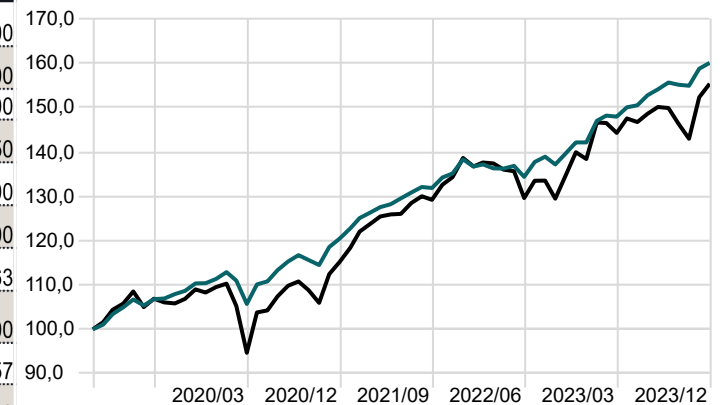
Portfolio Date: 2023/12/31



## Succession 5.0% Real Income - Top Holdings

Portfolio Date: 2023/12/31	Portfolio Weighting %
Sanlam Multi-Managed Smooth Growth	30,00
Sanlam Multi-Managed Smooth Global Growth	15,00
Multi-Strategy Alternative	15,00
Oyster Catcher Retail Hedge	5,50
Amplify SCI Strategic Income	5,00
Truffle SCI Flexible	5,00
Satrix Bond Index	3,63
Ninety-One Global Multi-Asset Income	3,00
Prescient Flexible Bond	2,57
Saffron SCI Active Bond	2,50

Currency: South African Rand

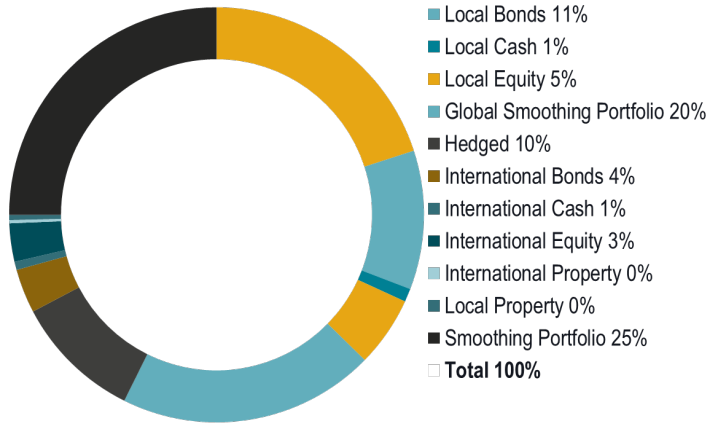


—(ASISA) South African MA High Equity —Succession 5.0% Real Income

# Asset allocation and top holdings

## Succession 6.0% Real Income - Strategy Allocation

Portfolio Date: 2023/12/31



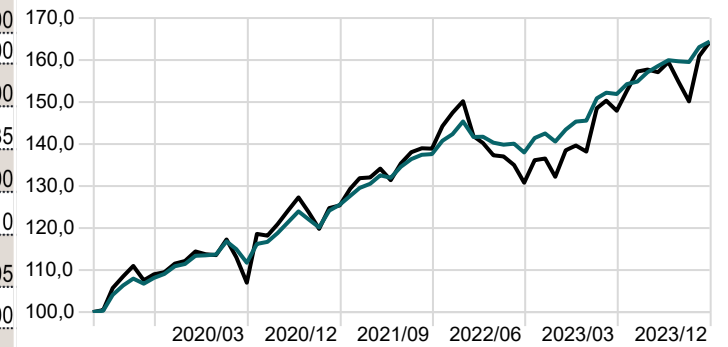
## Succession 6.0% Real Income - Top Holdings

Portfolio Date: 2023/12/31	Portfolio Weighting %
Sanlam Multi-Managed Smooth Growth	25,00
<b>Multi-Strategy Alternative</b>	<b>20,00</b>
Sanlam Multi-Managed Smooth Global Growth	20,00
Truffle SCI Flexible	6,00
Oyster Catcher Retail Hedge	5,35
Amplify SCI Flexible Equity	4,00
Prescient Flexible Bond	3,10
Saffron SCI Active Bond	3,05
Ninety-One Global Multi-Asset Income	3,00
Satrix Bond Index	2,90

## Succession 6.0% Real Income - Investment Growth

Time Period: 2019/01/01 to 2023/12/31

Currency: South African Rand



— (ASISA) Wwide MA Flexible

— Glacier Invest 6.0% Real Income

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