

# Succession 2.5% Real Income

March 2022



**SUCCESSION FINANCIAL PLANNING**  
Advisory Services (PTY) Ltd  
Licensed Financial Services Provider PSP 41158

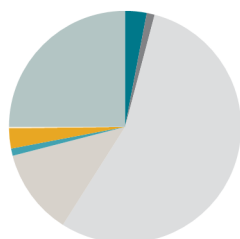
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Income
<b>Benchmark</b>	CPI+2%, Avg SA Multi Asset Income
<b>Risk Profile</b>	Conservative
<b>Investment period</b>	2 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 0
<b>Platform</b>	Glacier

## FUND OBJECTIVE

The Real Income solution aims to provide investors with a level of income that is consistent with the associated risk of short- to medium-term investments. The preservation of capital is extremely important to ensure continued income security. The solution will use strategies that increase overall downside protection while at the same time seeking to share in upside returns. The solution may also be exposed to Retail Investment Hedge Funds, a multi-strategy alternative fund, and a smoothed bonus fund. Smoothed bonus funds declare monthly bonuses in a way that helps reduce short-term volatility. Investors in this solution have an investment horizon of one year or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 3.0%	International Equity, 1.0%
Property, 1.1%	International Bonds, 2.8%
Bonds, 54.9%	International Property, 0.2%
Cash, 12.0%	Smoothing Portfolio, 25.0%

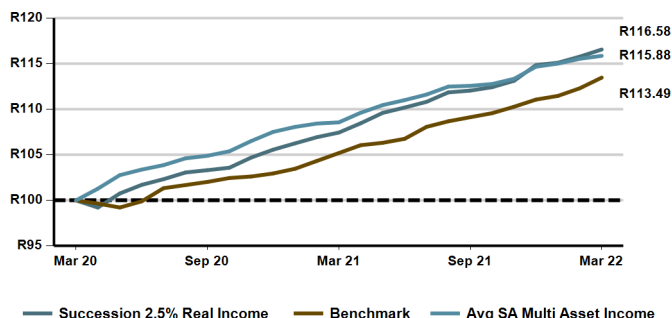
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Low levels of income withdrawals from their living annuity
- Capital preservation over the short term
- A minimum investment horizon of 2 years or longer

## CUMULATIVE PERFORMANCE - 2 YEARS \*

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Income
1 Month	0.67	1.04	0.28
3 Months	1.49	2.17	1.04
6 Months	4.03	3.99	2.93
1 Year	8.49	7.88	6.73
2 Years (annualised)	7.97	6.53	7.65
YTD	1.49	2.17	1.04
Since Launch	8.13	7.03	6.78

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	7.97%
Standard deviation (annualised)	1.64%
% Positive months	95.83%
Maximum drawdown	-0.79%
Sharpe ratio	2.26

## MANAGER SELECTION (%)

Amplify SCI Defensive Balanced	5.63	Prescient Flexible Bond	9.00
Amplify SCI Strategic Income	16.25	Prescient Income Provider	5.00
BCI Income Plus	11.25	Sanlam Multi-Managed Smooth Growth	25.00
Coronation Strategic Income	3.00	SIM Inflation Plus	5.62
Granate SCI Multi Income	2.50	SIM SA Active Income	2.00
Nedgroup Investments Core Income	6.25	SMM Inflation Linked Bonds	8.50

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2022	0.23	0.58	0.67										1.49
Fund 2021	0.66	0.64	0.47	0.95	1.05	0.54	0.57	0.94	0.17	0.34	0.62	1.52	8.80
Fund 2020				-0.79	1.56	0.94	0.62	0.72	0.25	0.26	1.08	0.82	N/A

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	0.71
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The investor is liable for CGT on any transactions in the units of the underlying unit trust within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

## CONTACT DETAILS

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## MANAGER COMMENT

Global markets finally managed to find some relief in March. On a country level, major US indices recorded good gains for the month, while European and Chinese equity markets struggled. South African equity markets once again managed to advance slightly. Despite global equity markets rallying in the final week of March on the back of progress in peace talks between Russia and Ukraine, the optimism quickly faded after the Ukraine president stated he did not expect a quick resolution to the conflict. The ongoing war in Ukraine has further impacted global supply chains, record inflation levels and the prospect of tightening monetary policy.

Despite the ongoing conflict in Ukraine, developed equity markets ended the month higher as the MSCI World Index returned 2.52% m/m in USD and -3.05% in ZAR. US stocks proved resilient through the recent market volatility as the S&P 500 (US\$) posted positive m/m gains (3.71%). However, following seven straight quarters of gains they ended the first quarter of 2022 down. European equities fared worst amongst developed market peers, as their reliance on Russian energy exports exposes them most directly to the fallout from the conflict. The Euro Stoxx 50 (€) returned -0.42% m/m.

Emerging equity markets experienced another tough month, under pressure from Russia and China's performance. The MSCI Emerging Market Index closed -2.52% m/m in USD and -7.82% in ZAR. The MSCI Russia Index was marked down to zero and trading stocks were suspended. Sentiment turned considerably negative on Chinese companies in March, due to the uncertainty of whether the Chinese government would support Russia's invasion. The prospects of sanctions being extended to China left foreign investors in Chinese companies scrambling to avoid a similar outcome experienced by Russia's foreign investors.

The South African equity market advanced for the sixth consecutive month, as the FTSE/JSE All Share Index closed at 0.01% m/m. The local bourse, along with Brazil and India, were the only major global markets to deliver a positive return for the quarter. JSE-listed shares exposed to the domestic economy were the key drivers of March's performance, particularly financial companies and clothing retailers.

Financials led the pack and was the only major sector to post gains, returning 0.21% m/m. Resources finished the month in the "red" for the first time this year, -2.03% m/m. Industrials lagged once again, closing the month 4.87% down, noticeably Naspers (around -14% m/m) and Prosus (around -15% m/m) weighing on the sector. Bonds gained slightly, the All Bond Index (ALBI) returning 0.45% m/m. SA listed property experienced strong gains, 5.05% m/m. Cash (STeFI) delivered a moderate return of 0.36% m/m. South African value managers (1.44% m/m) outperformed growth managers (-1.66% m/m). Value managers have also been leading the way globally, but to a lesser magnitude.

The ZAR continues to benefit from the surge in commodity prices and the recent hawkish tone by the SARB, which in turn makes South African assets more attractive globally. The ZAR gained as much as 7.76%, 6.75%, 5.75% and 5.38% against the sterling, euro, USD, and Japanese yen.

## PORTFOLIO MANAGER



**Paul Wilson**  
BSc (Hons) Actuarial Mathematics; CFA  
Charterholder

Paul joined Sanlam in 2011 as an investment analyst before being appointed to his current position of Chief Investment Officer in 2013. As CIO, Paul heads up a substantial team of experienced investment professionals in Sanlam's Multi-Management team. As solutions architects, the team performs in-depth macro and manager research that informs the portfolio construction process, which is encompassed within a disciplined framework. Sanlam's multi manager investment team has an exceptional tactical asset allocation track record, giving them a distinct competitive edge.

In his previous capacity as head of research, Paul ensured that the quality of data was high and appropriate for the investment process. His responsibilities included due diligence at a manager level, developing new analysis methods, writing articles and doing research. In his role as portfolio manager, Paul was responsible for client portfolios and making trading and investment decisions.

Before joining Sanlam, Paul fulfilled the roles of head of asset manager research and an investment consultant at Jacques Malan Consultants & Actuaries. He also gained experience as a business analyst at Monocle Solutions and a Quantitative Analyst at RisCura Solutions in 2004.

Paul is a certified Chartered Financial Analyst (CFA) and also has a BSc (Honours) in Actuarial Mathematics from the University of Pretoria.

## MANAGER INFORMATION

Sanlam Multi Manager International (SMMI) (Pty) Ltd

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