

# Succession 3% Real Income

August 2023



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

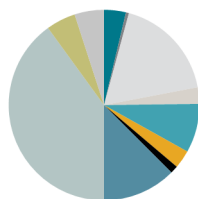
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Low Equity
<b>Benchmark</b>	CPI+3%
<b>Risk Profile</b>	Cautious
<b>Investment period</b>	3 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 10 million
<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 a medium-term investment. 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 should have an investment horizon of three years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 3.7%	International Cash, 1.3%
Property, 0.5%	Hedged, 12.5%
Bonds, 17.8%	Smoothing Portfolio, 40.0%
Cash, 2.8%	Alternatives, 5.0%
International Equity, 8.3%	Global Smoothing Portfolio, 5.0%
International Bonds, 3.1%	

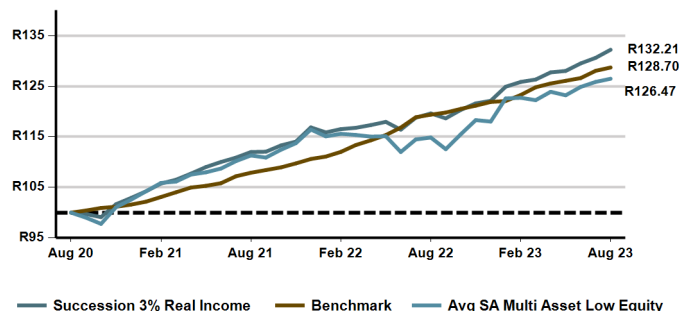
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Low to moderate levels of income withdrawals from their living annuity
- Capital preservation over the short to medium term
- A minimum investment horizon of 3 years or longer

## CUMULATIVE PERFORMANCE - 3 YEARS \*

### Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Low Equity
1 Month	1.23	0.52	0.50
3 Months	3.27	2.09	2.66
6 Months	5.06	4.42	3.07
1 Year	10.53	7.81	10.12
2 Years (annualised)	8.65	9.22	6.60
3 Years (annualised)	9.75	8.77	8.14
YTD	8.27	5.59	7.17
Since Launch	9.84	8.67	8.22

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.75%
Standard deviation (annualised)	3.02%
% Positive months	86.11%
Maximum drawdown	-1.31%
Sharpe ratio	1.52%

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Coronation Global Optimum Growth	1.50
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Granate BCI Multi Income	5.00
Amplify SCI Enhanced Equity Retail Hedge (All Weather)	2.50	Multi-Strategy Alternative	5.00
Amplify SCI Flexible Equity (Abax)	2.00	Ninety One Global Franchise Feeder	4.50
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	Ninety One Global Multi-Asset Income FF	3.00
Amplify SCI Real Income Retail Hedge (Marble Rock)	2.50	Sanlam Multi-Managed Smooth Global Growth	5.00
Amplify SCI Strategic Income (Terebinth)	7.00	Sanlam Multi-Managed Smooth Growth	40.00
Aylett Balanced Prescient	1.50	SMM Inflation Linked Bond (SIM)	7.00
Bateleur Flexible Prescient	4.00	Truffle SCI Flexible	2.00

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2023	2.28	0.75	0.38	1.12	0.22	1.16	0.85	1.23					8.27
Fund 2022	-0.85	0.56	0.22	0.47	0.54	-1.31	2.03	0.71	-0.81	1.40	1.08	0.42	4.50
Fund 2021	1.28	1.48	0.71	1.13	1.21	0.92	0.78	1.01	0.05	1.11	0.67	2.47	13.56

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.36
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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

The BRICS bloc have shown their commitment to developing the world and obtaining a large share of the global GDP. The biggest news from the BRICS Summit in August was the addition of new members to the bloc amongst other developments. Globally, the US is continuously looking at ways to tame inflation to achieve the 2% target and have put restrictive monetary and fiscal measures in place, one of them being the need to increase interest rates. On the contrary, China has cut down rates to recover economically after the impact from the Covid pandemic. The ongoing Russia-Ukraine war has had detrimental effects on both countries, and Russia had to significantly raise its benchmark rate to hedge against a declining currency. Locally, the inflation rate continued slowing to a little below the upper end of the 3-6% target range, but the Reserve Bank Governor says there are still some inflation risks to be watched. China has also supplied a donation to South Africa to assist with its energy crisis.

Global equity markets stumbled in August with the MSCI World ending the month at -2.3% in dollar terms. Global Bonds were also recorded at -1.37% month-on-month (m/m) and Global Property at -3.30% m/m respectively in dollar terms. Despite the bulk of the year's equity market returns coming from US-domiciled, mega-cap tech and chip companies, this area of the market held up relatively well and the S&P 500 ended the month at -1.59% in dollar terms. The Footsie (FTSE) declined by 2.50% m/m. Emerging market stocks fared even worse than those in developed markets, ending the month at -6.14% in dollar terms. Chinese companies were the biggest drag. Looking at the bond market, the All Bond Index finished the month at -0.23% with the 1-3 year bonds at 0.91%, 3-7 year bonds at 0.74%, 7-12 year bonds at -0.13% and bonds of above 12 years at -1.10%.

The SA stock market followed global equity markets lower with the FTSE/JSE All Share Index -4.77% m/m, leaving local equities only slightly positive. Industrials and Resources were the biggest drag and ended the month in negative territory at -5.05% and -9.57% respectively. Property ended the month with a positive 0.92%. Financials were at -1.78 m/m and Cash at 0.69% m/m. When it comes to currency, the rand underperformed against the US dollar, ending the month at -6.08%. The local currency was still in negative territory against the euro but fared better at -4.59% m/m. When compared against the British pound and the Japanese yen, the rand ended the month at -4.63% and -2.27%. The rand showed some resilience against the Australian dollar, even though it ended the month at -1.29%.

## 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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