

Succession 4% Real Income

October 2022



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

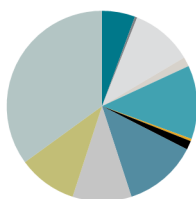
FUND DETAILS

Fund Category	SA Multi Asset Medium Equity
Benchmark	CPI+4%, Avg SA Multi Asset Medium Equity
Risk Profile	Moderate
Investment period	5 years or longer
Launch Date	01 August 2020
Fund Size	R 31 million
Platform	Glacier

FUND OBJECTIVE

The Real Income solution aims to provide investors with a level of income that is consistent with the associated risk of medium- to long-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 five years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

ASSET ALLOCATION



Equity, 5.6%	International Cash, 1.5%
Property, 0.4%	Hedged, 12.5%
Bonds, 10.5%	Global Smoothing Portfolio, 10.0%
Cash, 1.6%	Alternatives, 10.0%
International Equity, 12.5%	Smoothing Portfolio, 35.0%
International Bonds, 0.4%	

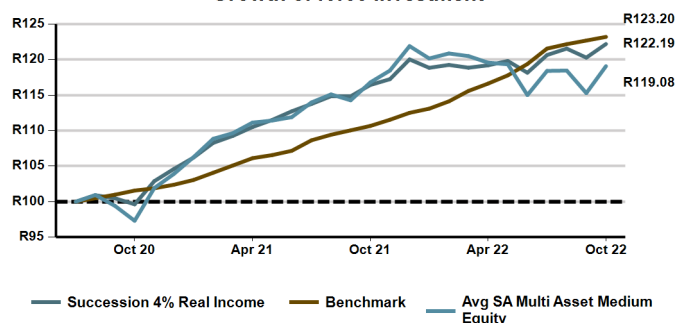
INVESTOR PROFILE

This fund is suitable for investors looking for:

- Moderate levels of income withdrawals from their living annuity
- Capital preservation over the medium term
- A minimum investment horizon of 5 years or longer

CUMULATIVE PERFORMANCE SINCE LAUNCH

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Medium Equity
1 Month	1.59	0.42	3.29
3 Months	1.28	1.36	0.56
6 Months	2.51	5.63	-0.41
1 Year	4.95	11.33	1.96
2 Years (annualised)	10.74	10.13	10.61
YTD	1.80	9.50	-2.32
Since Launch	9.32	9.72	8.07

RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	10.74%
Standard deviation (annualised)	3.81%
% Positive months	79.17%
Maximum drawdown	-1.56%
Sharpe ratio	1.70

MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Coronation Global Optimum Growth	3.70
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Multi-Strategy Alternative	10.00
Amplify SCI Enhanced Equity Retail Hedge (Peregrine)	2.50	Nedgroup Global Equity Feeder	4.00
Amplify SCI Flexible Equity	3.00	Ninety One Global Franchise Feeder	4.00
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	Prescient Flexible Bond	6.00
Amplify SCI Real Income Retail Hedge (Marble Rock)	2.50	Sanlam Multi-Managed Smooth Global Growth	10.00
Amplify SCI Strategic Income	2.00	Sanlam Multi-Managed Smooth Growth	35.00
Aylett Balanced Prescient	3.80	Truffle SCI Flexible	3.00
Bateleur Flexible Prescient	3.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2022	-0.99	0.34	-0.33	0.29	0.51	-1.38	2.11	0.75	-1.04	1.59			1.80
Fund 2021	1.53	1.94	0.91	1.13	0.91	1.09	0.91	0.96	-0.01	1.39	0.70	2.37	14.74
Fund 2020								0.92	-0.43	-0.85	3.27	1.67	N/A

FEES (% INCL. VAT)

Annual Solution Fee	0.40	Underlying Manager TER's	1.34
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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

October lived up to its reputation as a 'bear market killer', posting one of the best months for stocks in history. After two months of negative returns, the majority of global markets, as well as our local markets, rebounded. Major economies still faced inflationary fears, the impact of ongoing geopolitical tension, the energy crisis in Europe, more hawkish comments from the US Federal Reserve (Fed), COVID-19 cases in China climbing once again, and the outcome of the 20th National Congress of the Communist Party of China (CCP), impacting sentiment.

Global equities rebounded strongly in October to end the month positively. The MSCI World Index closed 7.18% up m/m in USD and 9.60% up m/m in ZAR. Most US stocks ended the month in the green, on the back of an incrementally more hawkish Fed and better-than-expected earnings. US economic data helped to push bond yields higher, with US 10-year government bond yields ending the month above 4%, the first month-end print above that level since early 2008 before the global financial crisis (GFC). The S&P 500 ended 8.10% up m/m. The energy sector contributed massively to the index on the back of better-than-expected earnings and buoyant energy prices. In Germany, the DAX ended the month 9.40% (EUR) higher, while France's CAC Index closed October 8.80% in the green. The UK's FTSE Index closed October 3.11% (£) higher.

Emerging markets had mixed returns for October, with the overall index coming under pressure for the month as Chinese markets fell. The MSCI EM index came in at -3.15% (USD) and -0.97% (ZAR) for the month. Qatar and Taiwan delivered negative returns (along with China), while Indonesia, Thailand and India outperformed the index. The markets of oil-exporting countries like Saudi Arabia, UAE and Kuwait also outperformed. Brazil, Korea, Mexico, Hungary and Poland also did relatively well, boosted by currency gains. After its inflation exceeding 83% in September, Turkey was the best performing EM country, as its central bank cut rates again.

SA equities rebounded in October to track global equities closely by posting positive returns for the month. The FTSE/JSE All Share index ended 4.89% up m/m. Property and financials contributed massively to the positive return by ending at 11% and 13.20% up respectively. The main disappointment came from Naspers and Prosus, dragged lower by their main underlying investment, Chinese tech company Tencent. South African 10-year bond yields ended the month unchanged, at already elevated levels of 11.30%, despite global yields generally pushing higher during the month. The South African rand weakened further against the US dollar; the rand has now weakened 13% against the greenback year-to-date. The finance minister delivered the medium-term budget during the month, showing fiscal restraint despite better-than-expected tax receipts. SA bonds (ALBI) returned 1.07% during the month and cash (STeFI) returned 0.51%.

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

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