

Succession 5% Real Income

December 2021



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

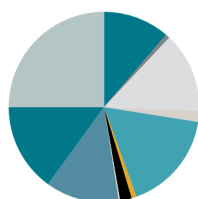
FUND DETAILS

Fund Category	SA Multi Asset High Equity
Benchmark	CPI+5%, Avg SA Multi Asset High Equity
Risk Profile	Moderate Aggressive
Investment period	5 years or longer
Launch Date	01 August 2020
Fund Size	R 44 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 a long-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 as the same seeking to share in upside returns. However, the benchmark of the portfolio translates to significant exposure to more risky strategies that could lead to some capital losses in the short term. 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 five years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

ASSET ALLOCATION



Equity, 11.3%	International Cash, 2.0%
Property, 0.7%	International Property, 0.2%
Bonds, 13.6%	Hedged, 12.5%
Cash, 1.9%	Alternatives, 15.0%
International Equity, 17.0%	Smoothing Portfolio, 25.0%
International Bonds, 0.8%	

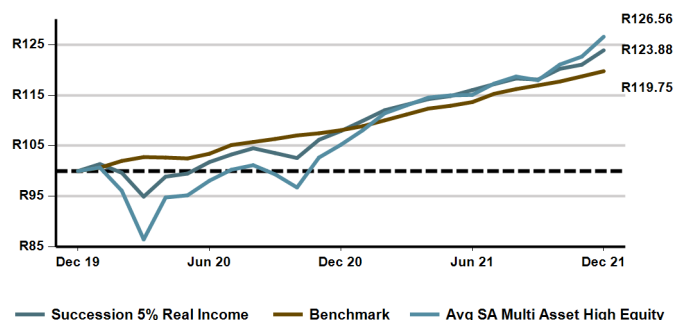
INVESTOR PROFILE

This fund is suitable for investors looking for:

- Moderate to high 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 - 2 YEARS *

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset High Equity
1 Month	2.35	0.87	3.21
3 Months	4.90	2.39	7.29
6 Months	6.78	5.38	9.99
1 Year	14.80	10.80	20.31
2 Years (annualised)	11.30	9.43	12.50
YTD	14.80	10.80	20.31
Since Launch	13.71	9.61	17.87

RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	11.30%
Standard deviation (annualised)	6.13%
% Positive months	79.17%
Maximum drawdown	-6.34%
Sharpe ratio	1.09

MANAGER SELECTION (%)

ABAX Balanced Prescient	1.92	Sanlam Alternative Rho Retail Hedge (Marble Rock)	2.50
Amplify SCI Balanced	5.15	Sanlam Alternative Theta Retail Hedge (Oyster Catcher)	2.50
Amplify SCI Strategic Income	0.55	Sanlam Alternative Vega Retail Hedge (Matrix)	2.50
Bateleur Flexible Prescient	3.20	Sanlam Alternative Veta Retail Hedge (Terebinth)	2.50
Coronation Optimum Growth	8.06	Sanlam Alternative Zeta Retail Hedge (Acumen)	2.50
Multi-Strategy Alternative	15.00	Sanlam Multi-Managed Smooth Growth	25.00
Ninety One Global Franchise Feeder	7.22	Satrix Balanced Index	0.66
Prescient Income Provider	0.76	Satrix Bond Index	10.00
PSG Flexible	2.68	Truffle SCI Flexible	7.30

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2021	1.87	1.91	0.98	0.98	0.52	1.03	1.01	0.95	-0.17	1.80	0.68	2.35	14.80
Fund 2020	1.37	-1.69	-4.74	4.16	0.62	2.28	1.46	1.20	-0.92	-0.94	3.51	1.63	7.91

FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.32
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**The annual wrap fee is only applicable to those funds within the wrap portion of the solution and excludes those portfolios within a policy or segregated portfolio (e.g.: Sanlam Multi-Managed Smooth Growth and Multi-Managed Alternative Fund).

*The simulated analysis before launch date was created using Morningstar and is for illustrative purposes only. It provides an indication of hypothetical past performance given historic asset and manager allocation, and cannot be construed as providing an indication of expected future performance. The investor is liable for CGT on any transactions in the units of the underlying unit trusts 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

Despite increased restrictions worldwide caused by the Omicron variant and ongoing inflation concerns, most major global indices ended the month higher, including South Africa. Early data suggests the Omicron variant is not as harmful as expected, with data indicating a lower risk of severe disease compared to previous variants. Economic data has also begun to show a slight return to normality. Both were enough to see a reversal from losses recorded in November.

Global equity markets managed to finish the year strongly, bouncing back for a weak November as it became apparent the latest COVID-19 variant (Omicron) was significantly less deadly than previous strains. Developed equity markets finished the month in positive territory as the MSCI World Index closed 4.19% month-on-month (m/m) in USD and 3.77% in ZAR. US stocks proved resilient as the S&P 500 (US\$) closed the month 4.47% up, its best December in over 10 years. The US 10-year government bonds closed marginally higher in December, following the Fed's announcement to accelerate the pace of quantitative easing. Furthermore, European equities also got back to winning ways, with the Euro Stoxx 50 (€) up 5.81% m/m.

Emerging market equities lagged developed market peers but did finish the month with slight gains. The MSCI Emerging Market Index returned 1.62% m/m in USD and 1.21% in ZAR. China and Russia once again contributed significantly to the latest drag on performance, the former negatively affected by US-listed Chinese stocks performance and the latter still caught up in geopolitical tensions related to the build-up of troops on its border with Ukraine.

The South African equity market produced another month in the "green", as the FTSE/JSE All Share index closed the month at 4.80% and 29.23% for the year, resulting in the strongest year for the local bourse since 2012. Gains occurred across the board in December, and gold miners (the star performers of November) were really the only drag on performance.

All major sectors were in positive territory for December. Resources led the pack at 5.53% m/m, Financials closed at 4.42% m/m higher and industrials lagged slightly at a 2.76% m/m return. Bonds recorded another positive return, as the All Bond Index (ALBI) closed 2.69% higher m/m. SA listed property delivered a strong return as it closed 7.88% higher m/m in its second consecutive month up. Cash (STeFI) delivered a moderate return of 0.34% m/m. South African value managers (6.48% m/m) outperformed growth managers (4.12% m/m) while globally the opposite occurred.

The ZAR experienced mixed results against most major currencies, due to the uncertainty around the Omicron variant. The ZAR was up 1.42% and 0.40% against the Japanese yen and USD, but lost ground against the sterling and euro, which finished the month 1.93% and 0.62% stronger against the ZAR respectively.

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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