

# Succession 6% Real Income

July 2023



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

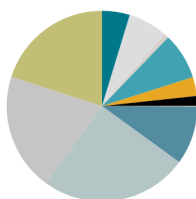
## FUND DETAILS

<b>Fund Category</b>	Worldwide Multi Asset Flexible
<b>Benchmark</b>	CPI+6%
<b>Risk Profile</b>	Aggressive
<b>Investment period</b>	7 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 102 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 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 at the same time seeking to share in upside returns. However, the benchmark used by this portfolio has significant exposure to riskier strategies that can lead to 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 seven years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



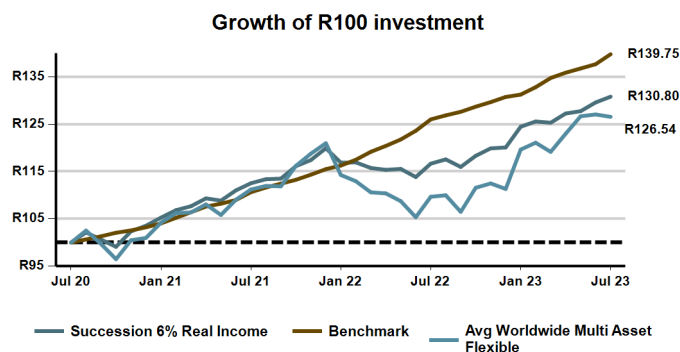
Equity, 4.7%	International Property, 0.1%
Bonds, 6.7%	Hedged, 9.9%
Cash, 0.8%	Smoothing Portfolio, 25.0%
International Equity, 7.9%	Global Smoothing Portfolio, 20.0%
International Bonds, 3.2%	Alternatives, 20.0%
International Cash, 1.7%	

## INVESTOR PROFILE

This fund is suitable for investors looking for:

- High levels of income withdrawals from their living annuity
- Capital preservation over the medium term
- A minimum investment horizon of 7 years or longer

## CUMULATIVE PERFORMANCE - 3 YEARS \*



Performance (%)	Fund*	Benchmark	Avg Worldwide Multi Asset Flexible
1 Month	0.94	1.53	-0.40
3 Months	2.79	2.87	2.90
6 Months	5.10	6.49	5.78
1 Year	12.12	10.91	15.39
2 Years (annualised)	7.81	12.39	6.67
3 Years (annualised)	9.36	11.80	8.16
YTD	8.93	6.90	13.67
Since Launch	9.36	11.80	8.16

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.36%
Standard deviation (annualised)	4.90%
% Positive months	75.00%
Maximum drawdown	-5.07%
Sharpe ratio	0.88%

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	1.50	Ninety One Global Multi-Asset Income FF	3.00
Amplify SCI Diversified Income Retail Hedge (Terebinth)	1.60	PSG Flexible	2.85
Amplify SCI Income Plus Retail Hedge (Matrix)	1.50	Sanlam Multi-Managed Smooth Global Growth	20.00
Amplify SCI Managed Equity Retail Hedge (Oyster Catcher)	5.35	Sanlam Multi-Managed Smooth Growth	25.00
Centaur BCI Flexible	3.00	Satrix Bond Index	5.90
Coronation Global Optimum Growth	7.30	Truffle SCI Flexible	3.00
Multi-Strategy Alternative	20.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2023	3.64	0.89	-0.21	1.55	0.39	1.44	0.94						8.93
Fund 2022	-2.54	0.04	-1.00	-0.34	0.17	-1.49	2.49	0.77	-1.35	2.02	1.33	0.16	0.14
Fund 2021	1.66	1.49	0.78	1.55	-0.44	1.99	1.36	0.75	0.11	2.31	1.12	2.12	15.79

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.35
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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

Globally, macroeconomic challenges continued during the month of July. These global challenges include Chinese exports dropping to historically low levels since the pandemic started, inevitably resulting in an economic decline in China. A Chinese economic decline means that there will be an overall decline in global trade, and ideas around investment in developing economies since China is the world's second largest economy.

Despite this, the Chinese government is still optimistic that they will achieve their desired GDP growth target of 5%. Economists were shocked by the announcement that the US Federal Reserve (US Fed) was hiking rates by 25 basis points (bps) as this has taken US interest rates to the highest level in 22 years. On a positive note, the US is close to achieving its 2% inflation target from the current 3% range. The Growth for Knowledge (GfK) Consumer Confidence Index recorded a drop in consumer confidence in the UK due to consumers holding back on spending. Locally, consumers were relieved when interest rates were paused due to inflation meeting the target range of 3-6%, amongst other critical factors.

Global equity markets rallied strongly for a second consecutive month with the MSCI World Index at 3.36% month-on-month (m/m) in dollar terms and all the major global equity markets up for the month. Over half of S&P 500 companies - predominantly tech companies - reported Q2 2023 earnings in July. This resulted in a positive 3.21% m/m figure for the S&P 500 in dollar terms. Global Bonds ended the month at 0.69% in dollar terms and Global Property at 3.73% m/m in dollar terms. The Dow Jones closed the month at a positive 3.44% in dollar terms. The MSCI Emerging Markets Index had a positive figure of 6.29% for the month in dollar terms with the FTSE closing the month at 2.62% in sterling terms. The All Bond Index finished the month at a positive 2.29% with 1-3 year bonds finishing the month at 1.40%, 3-7 year bonds at 1.87% for the month, 7-12 year bonds at 2.46% for the month and bonds of over 12 years at a positive 2.54% for the month.

The local stock market rallied alongside global peers in July and the FTSE/JSE Capped SWIX Index ended on a positive 4.01% m/m in rand terms, recording its best monthly return since January 2023. Financials finished the month at a positive 7.94%, with Cash ending the month at 0.68%. Resources were also positive, ending at 3.66% m/m. Industrials ended the month at 2.76% with Property at 2.30% m/m. The local currency continued to recover from its plunge towards R20/US\$1 in May in the wake of US allegations that SA supplied weapons to Russia. The rand ended the month at a positive 6.23% against the US dollar, 5.11% against the Euro, 4.96% against the pound, 0.22% against the Japanese yen and 0.004% against the Australian dollar.

## 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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