

# Succession 6% Real Income

November 2023



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

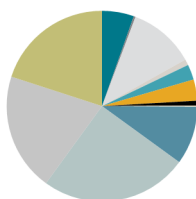
## FUND DETAILS

<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 112 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, 5.4%	International Cash, 0.8%
Property, 0.3%	International Property, 0.2%
Bonds, 11.2%	Hedged, 9.9%
Cash, 1.0%	Smoothing Portfolio, 25.0%
International Equity, 2.6%	Global Smoothing Portfolio, 20.0%
International Bonds, 3.6%	Alternatives, 20.0%

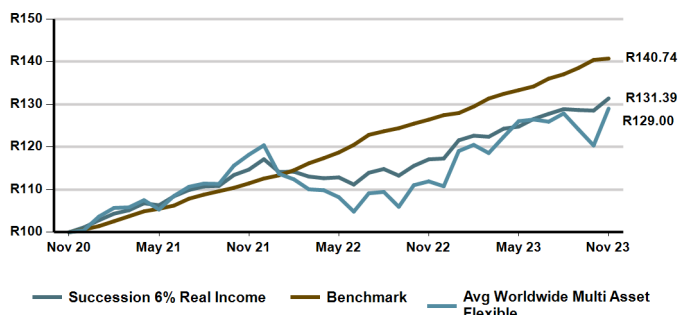
## INVESTOR PROFILE

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 \*

### Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg Worldwide Multi Asset Flexible
1 Month	2.22	0.23	7.18
3 Months	1.95	2.69	0.88
6 Months	5.30	5.56	2.33
1 Year	12.20	11.34	15.24
2 Years (annualised)	7.03	12.37	4.47
3 Years (annualised)	9.53	12.07	8.86
YTD	12.02	10.41	16.44
Since Launch	9.30	11.64	8.09

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.53%
Standard deviation (annualised)	4.35%
% Positive months	75.00%
Maximum drawdown	-5.07%
Sharpe ratio	0.91

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	1.50	Prescient Flexible Bond	3.10
Amplify SCI Diversified Income Retail Hedge (Terebinth)	1.60	PSG Flexible	2.00
Amplify SCI Flexible Equity (Abax)	4.00	Saffron SCI Active Bond Fund	3.05
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	1.00	Satrix Bond Index	2.90
Multi-Strategy Alternative	20.00	Truffle SCI Flexible	6.00
Ninety One Global Multi-Asset Income FF	3.00		

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	0.87	-0.17	-0.10	2.22		12.02
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	1.26
---------------------	------	--------------------------	------

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

Atterbury Estate Block 6, 19 Frikkie de Beer Street, Menlyn, 0018, Tel: +27 (12) 348-2559 Email: admin@sfpadvice.co.za  
Succession Financial Planning Advisory Services (Pty) Ltd (SFP) Licence No. 41158  
Glacier Financial Solutions (Pty) Ltd, A member of the Sanlam Group, Reg. No. 1999/025360/07 Licenced Financial Service Provider

# Succession 6% Real Income

November 2023



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

## MANAGER COMMENT

The International Monetary Fund (IMF) forecasts China's economy will grow by 5.4% for 2023, from a previous growth forecast of 5%. Consumer price pressures in the euro zone are expected to ease on the back of declining energy prices, after two years of skyrocketing inflation. The US Federal Reserve (Fed) kept its key short-term interest rate unchanged at its November meeting, but highlighted that it was willing to raise interest rates if inflationary pressure persisted in coming months.

The South African National Treasury announced its Medium-Term Budget Policy Statement (MTBPS) in November, which included a provision of R33.6 billion to extend the R350 monthly social stipend until March 2025. The Monetary Policy Committee (MPC) reached a unanimous decision to pause interest rates in November, maintaining the repurchase rate at 8.25%. Unemployment declined marginally to 31.9% from its peak of 35.3%, but remains higher than pre-pandemic levels.

Global equity markets rallied hard in November. The MSCI World ended in positive territory at 9.38% month-on-month (m/m) in dollar terms, reversing losses compounded over the three prior months. The "higher-for-longer" interest rate narrative from global central banks was the key driver of markets in the months leading up to November, but there are hopes of rate cuts in Q2 2024. Emerging markets (EM) were held back by Chinese equities but ended the month with the MSCI EM Index at a positive 8.02% in dollar terms. Global Bonds were at 5.4% m/m in dollars and Global Property was at 10.68% m/m in dollars. The Dow Jones Index was also positive at 9.15% m/m in dollars and the FTSE 100 Index at a positive 2.99% in pound terms. The S&P 500 ended the month at 9.13% in dollars, up from the previous month's figure of -2.1% in dollars.

The South African stock market benefited from a substantial shift in investor sentiment in November. The FTSE/JSE All Share Index ended the month at 8.55%, recouping most of the losses incurred in the three months leading up to November. The Industrials sector was an outperformer for the month at 10.47%, followed by Property at 9.14% and Financials at 8.72%. Resources also ended the month in positive territory at 5.86%, and Cash was the lowest, but at a positive 0.68%. In credit markets, the FTSE/JSE All Bond Index ended the month at 4.73%, with 1-3 year bonds at 1.89%, 3-7 year bonds at 2.99%, 7-12 year bonds at 5.17% and bonds of above 12 years at 5.9%. The rand underperformed against the market and ended the month down -1.07% against the US dollar, -4.16% against the euro, -5.17% against the pound, -0.27% 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

## PHYSICAL ADDRESS

55 Willie van Schoor Avenue, Bellville, 7530  
Postal Address: Private Bag X8, Tygervalley, 7536  
Website: [www.sanlaminvestments.com](http://www.sanlaminvestments.com)

## POSTAL ADDRESS

Private Bag X8, Tygervalley, 7536

## WEBSITE

[www.sanlaminvestments.com](http://www.sanlaminvestments.com)

## CONTACT DETAILS

Tel: +27 (21) 950-2500  
Fax: +27 (21) 950-2126  
Email: [siretail@sanlaminvestments.com](mailto:siretail@sanlaminvestments.com)