

# Succession 3% Real Income

April 2021



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

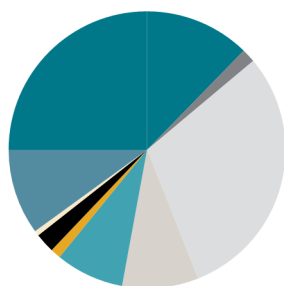
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Low Equity
<b>Benchmark</b>	CPI+3% over a 3-year rolling period
<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 1 million

## FUND OBJECTIVE

The wrap fund 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 fund will use strategies that increase overall downside protection while at the same seeking to share in upside returns. The fund may also be exposed to Retail Investment Hedge Funds as well as offered together with a smoothed bonus funds. Smoothed Bonus funds smooth investment returns by way of monthly bonus declarations, in order to help reduce short term volatility. Investors in this fund should have an investment horizon of 3 years or longer. The fund is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 12.3%	International Bonds, 1.2%
Property, 1.6%	International Cash, 2.3%
Bonds, 30.1%	International Property, 0.6%
Cash, 8.9%	Hedged, 10.0%
International Equity, 8.0%	Smoothing Portfolio, 25.0%

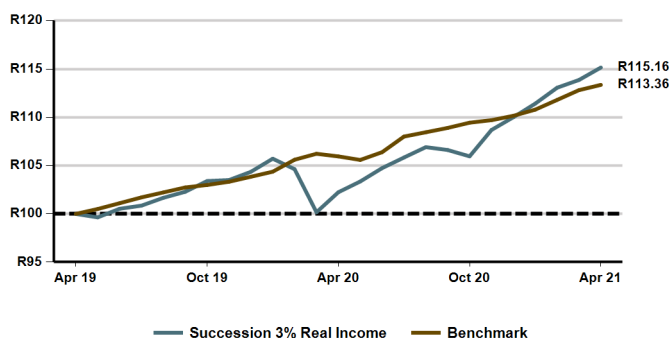
## INVESTOR PROFILE

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 - 2 YEARS \*

Growth of R100 investment



PERFORMANCE (%)	FUND*	BENCHMARK
1 Month	1.13	0.48
3 Months	3.35	2.32
6 Months	8.68	3.58
1 Year	12.63	6.99
2 Years (annualised)	7.31	6.47
Since Launch	8.80	4.96

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	7.31%
Standard deviation (annualised)	4.56%
% Positive months	79.17%
Maximum drawdown	-5.25%
Sharpe ratio	0.35

## MANAGER SELECTION (%)

Amplify SCI Defensive Balanced	3.53	Sanlam Alternative Veta Retail Hedge (Terebinth)	2.50
Amplify SCI Flexible Equity	3.53	Sanlam Alternative Zeta Retail Hedge (Acumen)	2.50
Amplify SCI Wealth Protector	9.54	Sanlam Multi-Managed Smooth Growth	25.00
Coronation Strategic Income	4.20	Satrix Bond Index	6.50
Ninety One Opportunity	10.60	Satrix Low Equity Balanced	3.53
PSG Flexible	3.53	SIM Active Income	4.00
Sanlam Alternative Rho Retail Hedge (Marble Rock)	2.50	SIM Inflation Plus	9.54
Sanlam Alternative Vega Retail Hedge (Matrix)	2.50	SMM Inflation Linked Bonds	6.50

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2021	1.28	1.48	0.71	1.13									4.68
Fund 2020	1.30	-1.03	-4.26	2.07	1.09	1.34	1.05	1.02	-0.28	-0.61	2.58	1.21	5.42
Fund 2019					-0.36	0.89	0.32	0.80	0.61	1.09	0.10	0.83	N/A

## FEES (% INCL. VAT)

Annual Solution fee	0.30	Underlying Manager TER's	1.24
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\*\*The annual solution fee includes a wrap fee of 0.40% (incl. VAT) which is only applicable to those funds within the wrap portion of the solution and excludes those portfolios within a policy (e.g.: Sanlam Multi-Managed Smooth Growth).

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

Economies around the world started to reopen and vaccine rollout plans gathered momentum during April, with the economic growth expectations at the start of the year coming to fruition. Over the course of the last year most markets have made a remarkable recovery since hitting lows at the start of the pandemic. The focus will now be on the degree to which inflationary pressures are as transitory as central bankers are flagging, or whether the growth will translate to more persistent price increases.

Developed market equities gained in April with the US leading the way, supported by a robust vaccine rollout and fiscal stimulus measures.

The MSCI World Index gave South African investors 2.69% m/m in April and 13.09% y/y in rand terms. In dollar terms the MSCI World returned 4.52% for the month and 43.16% for the year to end April. Emerging market equities recorded a gain in April aided by dollar weakness but underperformed developed markets. Covid-19 continues to be a concern in several emerging market countries and thus returns were relatively muted. The MSCI Emerging Market Index returned 0.58% m/m in rand terms and 15.09% y/y to end April, and returned 2.37% for the month and 45.70% for the year to end April in dollar terms.

South African equity markets were no exception to the global market rally, with equities clocking in a sixth-consecutive monthly gain. In April the All Share Index (ALSI) produced a return of 0.97% m/m and 36.40% for the year to end April. This has been the longest winning streak for local equities in over six years. The April gains were largely thanks to the diversified miners, with the resource sector returning 2.93% m/m and an extraordinary 59.79% for the year to end April. Industrials were down 1.35% m/m for April but still managed to return 23.04% on a yearly basis, while Financials recorded a solid 1.70% m/m and 23.42% for the year.

Property stocks had a stellar month, returning 11.68% m/m and 40.33% for the year to end April. The SA 10-year government bond yield followed global yields lower, ending April at 9.3%, and we saw the All Bond Index return 1.90% m/m and 14.68% for the year. The STeFI came in flat in April, returning 0.30% m/m and a paltry 4.34% for the year.

The rand strengthened 26.59% against the US dollar, 15.18% against the euro and 15.33% relative to the sterling over the 12 months to end April. On a monthly basis the rand was up 1.78% relative to the US dollar, down 0.63% to the euro and strengthened 1.43% to the sterling.

## 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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