

# Succession 4% Real Income

December 2023



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

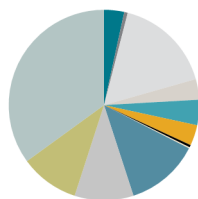
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	CPI+4%
<b>Risk Profile</b>	Moderate
<b>Investment period</b>	5 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 48 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 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



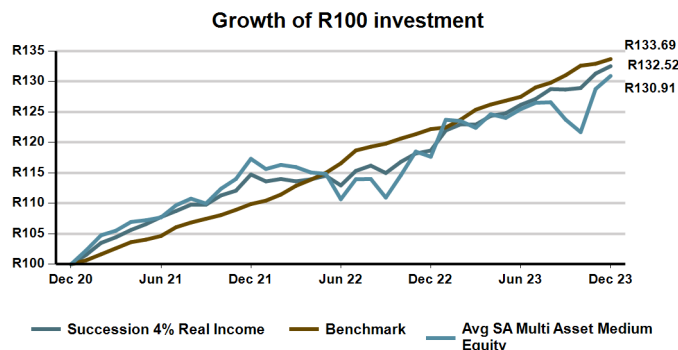
Equity, 3.4%	International Cash, 0.4%
Property, 0.6%	International Property, 0.2%
Bonds, 16.6%	Hedged, 12.5%
Cash, 3.5%	Global Smoothing Portfolio, 10.0%
International Equity, 4.3%	Alternatives, 10.0%
International Bonds, 3.5%	Smoothing Portfolio, 35.0%

## 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 - 3 YEARS \*



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Medium Equity
1 Month	0.92	0.58	1.66
3 Months	2.98	2.03	5.80
6 Months	5.03	4.86	4.34
1 Year	11.67	9.41	11.28
2 Years (annualised)	7.47	10.30	5.64
3 Years (annualised)	9.84	10.16	9.39
YTD	11.67	9.41	11.28
Since Launch	10.03	9.63	9.43

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.84%
Standard deviation (annualised)	3.15%
% Positive months	80.56%
Maximum drawdown	-1.56%
Sharpe ratio	1.32

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Granate BCI Multi Income	6.20
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Multi-Strategy Alternative	10.00
Amplify SCI Enhanced Equity Retail Hedge (All Weather)	2.50	Ninety One Global Franchise Feeder	1.00
Amplify SCI Flexible Equity (Abax)	2.00	Ninety One Global Multi-Asset Income FF	3.00
Amplify SCI Global Equity FF (Sarofim&Co)	1.00	Prescient Flexible Bond	3.90
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	Saffron SCI Active Bond Fund	2.90
Amplify SCI Real Income Retail Hedge (Marble Rock)	2.50	Sanlam Multi-Managed Smooth Global Growth	10.00
Amplify SCI Strategic Income (Terebinth)	5.50	Sanlam Multi-Managed Smooth Growth	35.00
Aylett Balanced Prescient	1.00	Truffle SCI Flexible	4.00
Bateleur Flexible Prescient	2.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2023	2.78	0.83	-0.04	1.16	0.35	1.11	0.77	1.28	-0.06	0.19	1.85	0.92	11.67
Fund 2022	-0.99	0.34	-0.33	0.29	0.51	-1.38	2.11	0.75	-1.04	1.59	1.18	0.41	3.43
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

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.32
---------------------	------	--------------------------	------

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 (FSP) Licence No. 41158  
Glacier Financial Solutions (Pty) Ltd, A member of the Sanlam Group, Reg. No. 1999/025360/07 Licenced Financial Service Provider

# Succession 4% Real Income

December 2023



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

## MANAGER COMMENT

2023 was a year of market surprises, indicating that volatility will always be part of the investment journey and amid the highs and lows, there will always be gains and losses for investors, businesses, and economies. Some of the market conditions might continue into 2024 but the reality is that no one knows what's in store for the new year. Economists can make predictions of how they perceive the market to play out, however, unforeseen circumstances might arise to impact global economies and once again prove market predictors otherwise.

The year ended on a high note for global investors with the MSCI World Index ending the month at 4.91% and a year-to-date (YTD) positive of 23.79%, both in dollar terms. Since late October, investors became increasingly optimistic about the prospect of US rate cuts in 2024 and this led to a benchmark rise of 16%. Earlier in the year, tech stocks showed dominance with the Magnificent Seven recording an aggregate of 50% by late October, while the rest of the S&P 500 shares were down 2% in aggregate over the same period. The S&P 500 Index ended the month at 4.53% with a YTD figure of 26.26%. Even though emerging markets were held back by Chinese stocks, the MSCI Emerging Markets Index still ended in positive territory at 3.95% m/m and 10.27% YTD. The Dow Jones ended the month at 4.93% in dollar terms, the FTSE at 4.52% m/m in pound terms, the Euro Stoxx at 3.22% m/m in euro terms, and the Nikkei Index at 0.04% m/m in yen terms.

The SA stock market ended the year positively with the FTSE/JSE All Share Index at 2% and a YTD figure of 9.25%. SA Value stocks ended at 2.81% m/m and 2.79% YTD, while SA Growth stocks ended at 1.18% m/m and 14.45% YTD. In the derivatives market, Resources ended the month negatively at -1.31%, with Industrials and Financials positively at 0.49% and 2.31% respectively. Cash ended in positive territory with the STeFI Composite Index at 0.70% m/m and 8.06% YTD, both in rand terms. In the credit market, the All Bond Index ended at a positive 1.49% m/m in rand terms, with bonds of 1-3 years at 1.10% m/m, bonds of 3-7 years at 1.25% m/m, bonds of 7-12 years at 2.23% m/m and bonds of over 12 years at 1.13% m/m. In the currency market, the rand ended positively against the US dollar at 3.62% m/m (-6.96% YTD), positively against the euro at 2.35% m/m (-10.11% YTD), positively against the British pound at 2.90% m/m (-12.21% YTD), but negatively against the Japanese yen at -4.64% m/m (+6.85% YTD).

## 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)