

# Succession 4% Real Income

May 2022



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

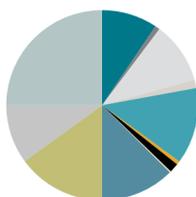
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	CPI+4%, Avg SA Multi Asset Medium Equity
<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 27 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, 9.4%	International Cash, 1.6%
Property, 0.8%	International Property, 0.2%
Bonds, 10.5%	Hedged, 12.5%
Cash, 1.4%	Alternatives, 15.0%
International Equity, 13.0%	Global Smoothing Portfolio, 10.0%
International Bonds, 0.6%	Smoothing Portfolio, 25.0%

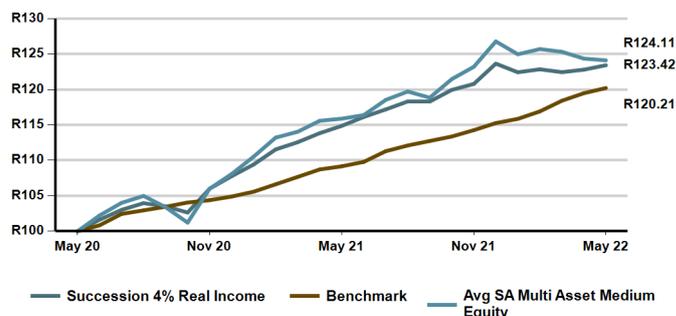
## INVESTOR PROFILE

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 - 2 YEARS \*

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Medium Equity
1 Month	0.51	0.61	-0.20
3 Months	0.47	2.82	-1.26
6 Months	2.18	5.20	0.74
1 Year	7.44	10.12	7.10
2 Years (annualised)	11.09	9.64	11.41
YTD	-0.18	4.29	-2.10
Since Launch	10.36	9.11	10.12

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	11.09%
Standard deviation (annualised)	3.43%
% Positive months	79.17%
Maximum drawdown	-1.27%
Sharpe ratio	2.04

## MANAGER SELECTION (%)

Amplify SCI Absolute	3.06	Nedgroup Global Equity Feeder	3.16
Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Ninety One Global Franchise Feeder	3.44
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Ninety One Opportunity	5.32
Amplify SCI Enhanced Equity Retail Hedge (Peregrine)	2.50	Prescient Flexible Bond	3.19
Amplify SCI Flexible Equity	3.06	PSG Flexible	1.92
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	Sanlam Multi-Managed Smooth Global Growth	10.00
Amplify SCI Real Income Retail Hedge (Marble Rock)	2.50	Sanlam Multi-Managed Smooth Growth	25.00
Amplify SCI Strategic Income	0.79	Satrix Balanced Index	1.48
Coronation Global Optimum Growth	3.70	Satrix Bond Index	2.00
Coronation Strategic Income	0.76	Truffle SCI Flexible	5.62
Multi-Strategy Alternative	15.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2022	-0.99	0.34	-0.33	0.29	0.51								-0.18
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
Fund 2020						1.62	1.37	0.92	-0.43	-0.85	3.27	1.67	N/A

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.29
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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

Atterbury Estate Block 6, 19 Frikkie de Beer Street, Menlyn, 0018, Tel: +27 (12) 348-2559 Email: admin@sfpadvice.co.za  
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## MANAGER COMMENT

Global markets experienced another volatile month in May, with the most extreme swings in recent memory as nearly all asset classes witnessed significant selling in the first half of the month, and bounced back in the last week as investors bought the dip, before ending the month on a subtle note. South Africa ended the month relatively unchanged. Investor sentiment once again was weighed down by rising interest rates, the ongoing Russian invasion of Ukraine, and soaring inflation. Furthermore, concerns over a possible US recession later this year contributed to the bleak sentiment.

Despite a rally in the last few days of the month, developed equity markets ended the month in the 'red' once again. The MSCI World Index closed 0.16% down m/m in US dollar and 1.63% down m/m in rand. However, most major developed market equity indices managed to end the month higher. The S&P 500 snapped its seven-week losing streak during the month and closed 0.18% up m/m, despite another poor month for the tech-heavy Nasdaq 100 Index (around -1.5% m/m). The UK's blue-chip FTSE (£) rose for the second consecutive month, closing at 0.69%. The EuroStoxx 50 (€) returned 1.34% m/m.

Emerging equity markets fared slightly better than their developed counterparts for the second consecutive month, the MSCI Emerging Markets Index closing 0.14% up in US dollar and 1.33% down in rand. China and Brazil led the way. The Brazilian stock market benefited from large exposure to energy counters, which rallied along with the price of Brent crude oil (around 12% m/m). Signs of restriction easing in China late in the month and the government's promise to implement various economic support measures, pushed the Shanghai Composite higher m/m.

The South African equity market eked out a tiny loss, but bounced back from April's wobble. The FTSE/JSE All Share Index closed 0.36% down m/m, its second consecutive month down. Local banks were among the best performers.

On a sector level, Financials was the only sector to finish in positive territory, 0.15% up m/m. Resources and Industrials lagged, closing 0.32% and 2.35% down m/m respectively. Gold miners were among the worst performers, dragged down with the gold price. Local bonds got back to winning ways, the All Bond Index (ALBI) returning 1.01% m/m. SA listed property gained slightly, 0.05% m/m. Cash (STeFI) increased with rate hikes, delivering a moderate return of 0.39% m/m. South African value managers (+2.25% m/m) outperformed growth managers (-3.08% m/m) once again, as the gap continues to grow both locally and globally.

The rand experienced another volatile month. Interest rate hikes by the Fed resulted in a mid-month high of R16.32 against the US dollar, however, the SARB's rate hike subsequently pushed the rand back below the psychological level of R16. The rand ended the month 1.49% and 1.11% up against the dollar and pound. The rand lost as much as 0.05% and 0.71% against the euro and Japanese yen.

## 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)