

Succession Balanced Fund

February 2022



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

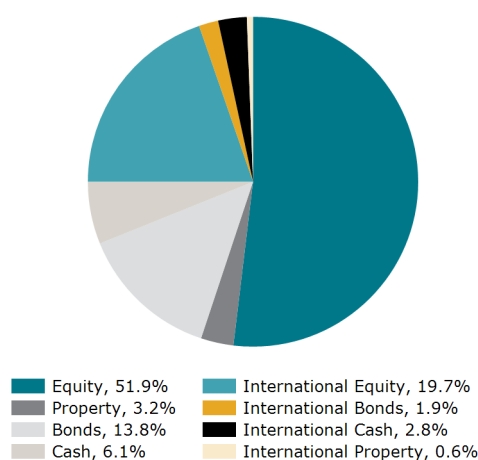
FUND DETAILS

| | |
|----------------------|--------------------------------|
| Fund Category | SA Multi Asset High Equity |
| Benchmark | Avg SA Multi Asset High Equity |
| Risk Profile | Moderate Aggressive |
| Launch Date | 09 March 2020 |
| Fund Size | R 55 million |

FUND OBJECTIVE

The fund aims to provide a high level of capital growth over the long term. Investors in this fund are prepared to tolerate high fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with a bias towards equities (maximum of 75%). The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

ASSET ALLOCATION



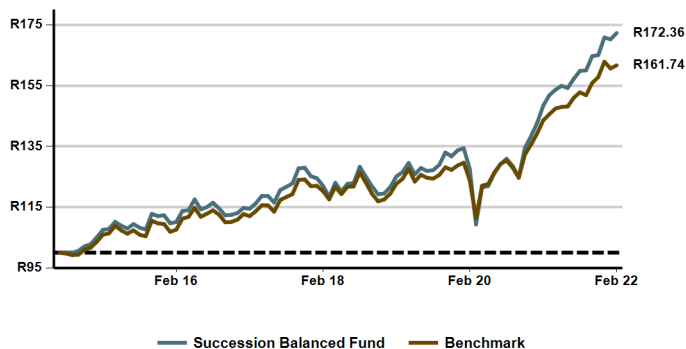
INVESTOR PROFILE

This fund is suitable for investors looking for:

- High level of capital growth
- Able to tolerate high levels of volatility

CUMULATIVE PERFORMANCE SINCE LAUNCH

Indicative value of R100 invested at launch of strategy, after fees.



| PERFORMANCE (%) | FUND | BENCHMARK |
|----------------------|-------|-----------|
| 1 Month | 1.21 | 0.65 |
| 3 Months | 4.40 | 2.45 |
| 6 Months | 7.80 | 5.81 |
| 1 Year | 16.09 | 12.63 |
| 2 Years (annualised) | 16.27 | 14.32 |
| 3 Years (annualised) | 11.25 | 9.63 |
| 5 Years (annualised) | 8.52 | 7.62 |
| Since Launch | 7.44 | 6.55 |

For illustrative purposes only and based on the historic performance of the SFP multi-managed strategy.

MANAGER SELECTION (%)

| | | | |
|-----------------------------|-------|-------------------------------|-------|
| Amplify SCI Balanced | 10.80 | Nedgroup Global Equity Feeder | 4.00 |
| Amplify SCI Flexible Equity | 9.80 | PSG Flexible | 11.10 |
| Bateleur Flexible Prescient | 6.80 | Satrix Balanced Index | 15.00 |
| Centaur BCI Flexible | 7.70 | SI:MM Cash | 2.20 |
| Coronation Balanced Plus | 8.60 | SIM Inflation Plus | 5.90 |
| Fairtree Equity Prescient | 8.20 | Truffle SCI Flexible | 9.90 |

FEES (% INCL. VAT)

| | |
|-------------------------------------|-------|
| Annual fund management fee | 0.30% |
| Total Expense Ratio (TER) | 1.31% |
| Total Cost Ratio (TCR) | 0.24% |
| Total Investment Charges (TER + TC) | 1.55% |

The TER was incurred as expenses relating to the administration of the Financial Product. The TC was incurred as cost relating to the buying and selling of the assets underlying the Financial Product. The TIC was incurred as cost relating to the investment of the Financial Product. The higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

The TER shown is based on the highest fee tier where applicable and is calculated as at 30 June 2021.

CONTACT DETAILS

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Succession Financial Planning Advisory Services (Pty) Ltd (FSP) Licence No. 41158

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MANAGER COMMENT

Following a difficult start to the year for global markets, the month of February did no favours in easing such difficulty. Most nations ended the month in negative territory, but once again South African markets showed resilience and advanced. The prospects of tightening monetary policy continue to weigh on investor sentiment, with expectations on the number of interest rate hikes increasing significantly in the US and Europe in their efforts to get inflation under control. Furthermore, global markets declined initially because of Russia's troop buildup along the Ukraine border and then the eventual invasion of Ukraine, delivering a further hit to growth expectations.

Global equity markets were relatively flat during the first half of the month but retreated as soon as the Russian invasion of Ukraine took hold. Headlines suggesting, Vladimir Putin placed his nuclear deterrent forces on high alert, raising fears of the conflict escalating beyond Ukraine and leaving investors exiting risky assets. Developed equity markets experienced its second consecutive month in negative territory, as the MSCI World Index returned -2.65% m/m in USD and -2.76% in ZAR. Despite most S&P 500 companies reporting strong earnings in 4Q21, the S&P 500 (US\$) closed the month at -3.00%, as the new developments of Russia's invasion of Ukraine weighed on US stocks. European equities were hurt even more during the month, with the Euro Stoxx 50 (€) returning -5.89% m/m.

As expected, the current environment hurt emerging markets more than developed market peers, the MSCI Emerging Market Index returned -3.06% m/m in USD and -3.17% in ZAR. Russian assets bore the brunt of the sell-off, with the MSCI Russia Index down around 53% m/m. Some emerging markets fared better, particularly those with significant commodity exports such as Brazil and South Africa, which ended the month higher.

The South African equity market continued its strong start to the year, as the FTSE/JSE All Share Index closed the month at 2.95%. The local bourse was amongst only a few major global markets to end the month in positive territory and year-to-date is only second to the Brazilian stock market. Mining shares once again pushed the JSE higher, as well as financial counters.

On a sector basis, Resources led the pack by some distance, returning 16.07% m/m, with gold and platinum miners the best performers in the sector. Financials lagged at -4.66% m/m, but banks released better-than-expected trading updates, showing strong earnings momentum (Nedbank, Standard Bank and FirstRand delivered strong returns). Industrials returned -7.73% m/m, noticeably Naspers (around -22% m/m) and Prosus (around -26% m/m) weighing on the sector. Bonds continued to gain slightly, as the All Bond Index (ALBI) closed at 0.54% m/m. SA listed property lost more ground for the second month, returning -3.26% m/m. Cash (STeFI) delivered a moderate return of 0.32% m/m. South African value managers (8.40% m/m) outperformed growth managers (0.54% m/m), consistent with what occurred globally.

The ZAR managed to end the month relatively unchanged m/m against major currencies. The ZAR won as much as 0.11% against the USD and sterling, losing as much as 0.04% and 0.08% against the Japanese yen and euro respectively.

PORTFOLIO MANAGER



Wade Witbooi

BCom Business Management PGDip Financial Planning

Wade joined Sanlam Multi Managers in May 2016 as a retail portfolio manager within the investment team and is currently working under supervision.

Wade started his career at Glacier by Sanlam on their graduate trainee programme in 2010 and for the first two years worked within their communication centre and operations team, as well as their investment administration departments where he acquired a thorough understanding of the financial adviser market.

In 2012 he joined the Glacier Research team as an investment analyst focussing on manager research within the retail asset management landscape. Wade then joined Sanlam Investments Retail in May 2014 as a retail investments analyst within their Strategy and Client Solutions team, focussing on investment research, industry trend analysis, product positioning, and distribution support.

MANAGER INFORMATION

Sanlam Multi Manager International (SMMI) (Pty) Ltd

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