

# Succession Stable

February 2021



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

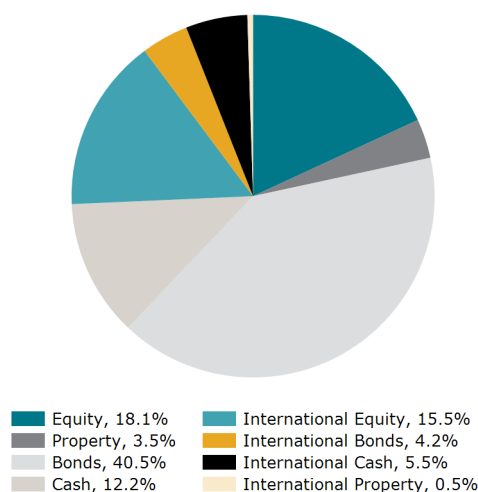
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Low Equity
<b>Benchmark</b>	Avg SA Multi Asset Low Equity
<b>Risk Profile</b>	Cautious
<b>Investment period</b>	3 years
<b>Launch Date</b>	01 August 2014
<b>Fund Size</b>	R 77 million

## FUND OBJECTIVE

The wrap fund aims to provide investors with stable income and a high level of capital stability. The probability of capital loss over the medium to long term is low. The fund will consist primarily of income orientated assets with a below average exposure to equities (maximum of 40%). Investors in this fund should have a minimum investment horizon of 3 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



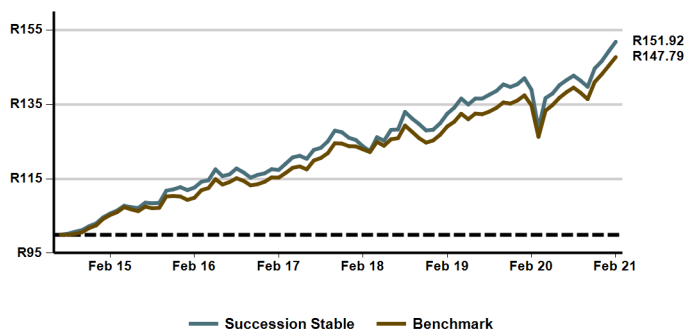
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Stable income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 3 years

## CUMULATIVE PERFORMANCE SINCE LAUNCH

### Growth of R100 investment



PERFORMANCE (%)	FUND*	BENCHMARK
1 Month	1.72	1.60
3 Months	4.98	4.76
6 Months	6.39	5.89
1 Year	9.29	9.65
2 Years (annualised)	7.06	6.99
3 Years (annualised)	7.07	6.32
5 Years (annualised)	6.16	6.10
Since Launch	6.56	6.11

RISK STATISTICS (2 YEARS)	FUND*
Returns (annualised)	7.06%
Standard deviation (annualised)	8.37%
% Positive months	75.00%
Maximum drawdown	-9.56%
Sharpe ratio	0.12

## MANAGER SELECTION (%)

Amplify SCI Defensive Balanced	16.00	Prescient Income Provider	12.00
Amplify SCI Wealth Protector	11.00	Prudential Inflation Plus	7.00
Coronation Balanced Defensive	15.00	Satrix Low Equity Balanced	18.00
Nedgroup Global Equity Feeder	4.00	SIM Inflation Plus	17.00

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2021	1.83	1.72											3.58
Fund 2020	1.15	-2.18	-7.55	6.41	0.91	1.64	0.97	0.84	-0.95	-1.17	3.53	1.35	4.40
Fund 2019	1.35	1.97	1.23	1.84	-1.18	1.19	0.01	0.75	0.73	1.27	-0.49	0.53	9.55

## FEES (% INCL. VAT)

Annual wrap fee	0.29	Underlying Manager TER's	0.77
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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

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### MANAGER COMMENT

During the month the optimism over COVID-19 vaccinations overshadowed fears that a stronger-than-expected economic rebound could change the monetary policy trajectory. February was, however, another reminder of how swiftly things can change in financial markets, and the scale and velocity of the rise in bond yields were painful for many market participants. A combination of factors, including inflation worries, contributed to a sharp and sudden steepening of the yield curve in February, and we saw bond markets sell off sharply. Economic activity picked up in all major economies in February, though in most cases it remained short of end-2020 levels. During the month we saw investors shift their focus from the US Presidential Election and the social media trading frenzy, back to market fundamentals. Attention was centered on three key inputs, namely corporate earnings, economic data, and interest rates, all three of which influence longer-term stock valuations.

In South Africa, Finance Minister Tito Mboweni, delivered the 2021/2022 National Budget during February, setting an overall optimistic tone. Stronger than expected revenues and a commitment to aggressively cut expenditure over the medium term enabled South Africa to announce decidedly better fiscal projections in its annual budget. A currently strong mining industry and a faster-than-expected recovery in spending led to corporate tax and VAT collections surpassing expectations by R100 billion. Minister Mboweni was therefore able to avoid raising taxes to pay for the COVID-19 vaccine programmes.

During the month the MSCI World bounced back from a rather slow start to the year, mainly led by cyclical stocks, returning 3.09% in rand terms and 2.45% in US dollar, for the month. Developed market equity markets managed to recover and closed the month on a positive note as the policy fears started to ease. Constraints on the supply of Covid-19 vaccines have meant that the roll-out has been much slower in emerging markets relative to developed markets. The Emerging Markets index posted relatively smaller gains over the month, closing at 1.36% in rand terms and 0.73% in US dollar. During the month traditionally defensive sectors, such as utilities and consumer staples, lagged, while sectors that are most sensitive to the economic cycle (such as energy, financials, and industrials) managed to performed well.

Local stocks produced a fourth consecutive positive monthly return, with the ALSI returning 5.87% for the February. On a sector basis, resources delivered a solid return of 11.73% for the month, outpacing financials and industrials, which closed the month at 4.37% and 1.99% respectively. Listed property rose by 8.6% m/m, having matched the local equity market's 40% rally over the past four months. SA bonds (ALBI) were rather flat for the month at 0.06% and cash (STeFI) returned 0.28%. The rand weakened by 0.62% against the US dollar, 0.53% versus the euro and was down a substantial 2.39% against the sterling.

### 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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