

# Succession Balanced

August 2020



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

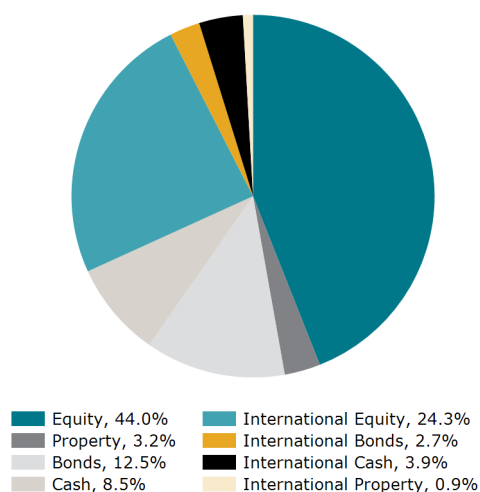
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset High Equity
<b>Benchmark</b>	Avg SA Multi Asset High Equity
<b>Risk Profile</b>	Moderate Aggressive
<b>Investment period</b>	5 years
<b>Launch Date</b>	01 August 2014
<b>Fund Size</b>	R 281 million

## FUND OBJECTIVE

The wrap 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%). Investors in this fund should have a minimum investment horizon of 5 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



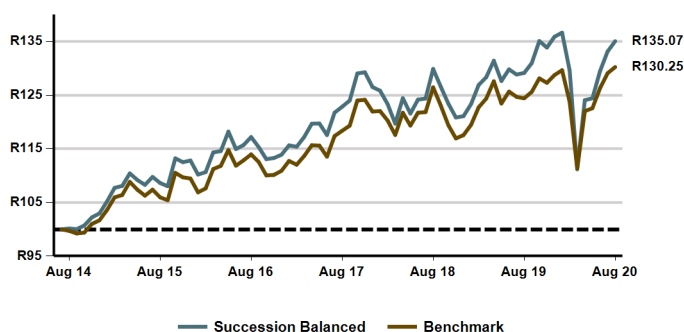
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- High level of capital growth
- Able to tolerate high levels of volatility
- A minimum investment horizon of 5 years

## CUMULATIVE PERFORMANCE SINCE LAUNCH

Growth of R100 investment



PERFORMANCE (%)	FUND*	BENCHMARK
1 Month	1.44	0.90
3 Months	8.56	6.26
6 Months	4.19	5.26
1 Year	4.58	4.68
2 Years (annualised)	1.97	1.48
3 Years (annualised)	3.21	3.24
5 Years (annualised)	4.45	4.21
Since Launch	5.07	4.44

RISK STATISTICS (2 YEARS)	FUND*
Returns (annualised)	1.97%
Standard deviation (annualised)	15.33%
% Positive months	66.67%
Maximum drawdown	-18.62%
Sharpe ratio	-0.32

## MANAGER SELECTION (%)

Amplify SCI Balanced	11.00	PSG Flexible	12.00
Amplify SCI Flexible Equity	15.00	Satrix Balanced Index	15.00
Coronation Balanced Plus	11.00	SIM Inflation Plus	11.00
Fairtree Equity Prescient	8.00	Truffle SCI Flexible	10.00
Nedgroup Global Equity Feeder	7.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2020	0.56	-5.14	-14.21	11.57	0.27	4.05	2.85	1.44					-0.61
Fund 2019	1.86	2.89	1.14	2.40	-2.88	1.70	-0.74	0.23	1.41	3.15	-0.91	1.52	12.22
Fund 2018	-0.54	-1.99	-2.94	3.96	-2.30	2.14	0.15	4.44	-2.53	-2.50	-2.10	0.21	-4.29

## FEES (% INCL. VAT)

Annual wrap fee	0.29	Underlying Manager TER's	0.84
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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

Among the many unusual features of the pandemic-induced downturn is the disconnect between depressed real economies and buoyant financial markets. As such, the appetite for risk assets has remained strong over the last few months. August saw equity markets from New York to Tokyo push higher, and the S&P 500 posted its strongest rally for August since 1986. The outlook remains cautious given COVID-19, lower-for-longer interest rates and geo-political uncertainty. Even though inflation is far below central bank targets almost everywhere, its potential resurgence tops investors' worry lists. The Fed announced a major policy shift, saying that it is willing to allow inflation to run hotter than before to support the labour market and broader economy. US President Donald Trump unveiled executive orders targeting popular social media apps TikTok and WeChat. This spells risk in the medium to longer term, given that information technology services make up a sizeable contribution to the current account surplus. Locally, the SARB came under pressure from politicians to take a more direct role in stimulating the economy. There have been calls from unions and some economists for the bank to adopt quantitative easing.

Central banks continue to drive up stock prices by committing to keeping interest rates low for longer. The MSCI World index rallied some 6.13% in rands. The MSCI EM index lagged its developed market counterpart, delivering some 1.71% in rands. As risk assets rallied, global bond markets were softer for the month of August, and the Bloomberg Barclays Global Aggregate index declined some 0.67% in rands. Emerging market bonds fared better than their developed market counterparts, delivering some 0.03% in rands. Furthermore, as risk assets rallied, developed market property rallied some 2.57% in dollars and 2.05% in rands. The local equity market lagged the strong rally in developed markets and declined 0.26% in rands. For the month of August, fixed coupon bond yields were relatively unchanged with some marginal flattening of the yield curve from 10 years out. As such, the ALBI delivered 0.89% in rands. Inflation-linked bond yields fell sharply as inflation prints have started to rise, and local inflation-linked bonds delivered 3.92% in rands. Excess supply and weak demand in the SA property sector look likely to drive a long and painful reset of market rentals. As such, the SAPY declined some 8.59% in rands.

## 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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