

Succession Income Plus

June 2020



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

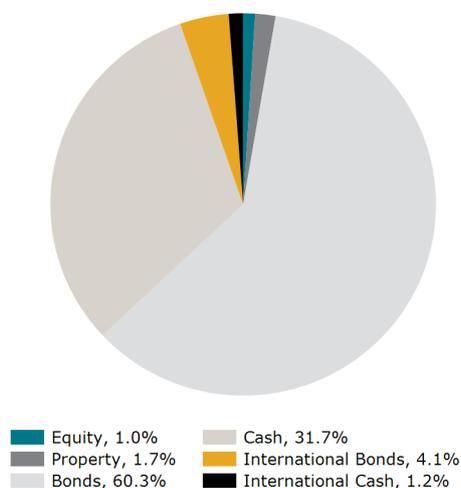
FUND DETAILS

Fund Category	SA Multi Asset Income
Benchmark	STeFI +1%
Risk Profile	Conservative
Investment period	1 year
Launch Date	01 August 2014
Fund Size	R 277 million

FUND OBJECTIVE

The wrap fund aims to provide investors with a high level of income over the short term. The preservation of capital is of primary importance. The fund will consist primarily of income orientated assets with limited exposure to equities (maximum of 20%). Investors in this fund have an investment horizon of 1 year or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

ASSET ALLOCATION



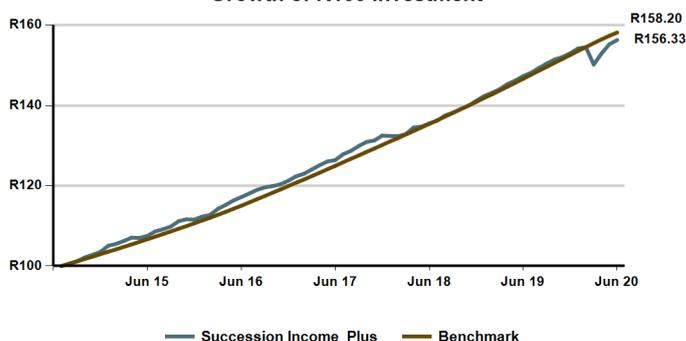
INVESTOR PROFILE

This fund is suitable for investors looking for:

- High level of income over the short term
- Capital preservation, with limited exposure to equities
- A minimum investment horizon of 1 year or longer

CUMULATIVE PERFORMANCE SINCE LAUNCH

Growth of R100 investment



PERFORMANCE (%)	FUND*	BENCHMARK
1 Month	0.68	0.52
3 Months	4.07	1.70
6 Months	2.16	3.67
1 Year	6.10	7.86
2 Years (annualised)	7.39	8.08
3 Years (annualised)	7.33	8.17
5 Years (annualised)	7.77	8.20
Since Launch	7.84	8.06

RISK STATISTICS (2 YEARS)	FUND*
Returns (annualised)	7.39%
Standard deviation (annualised)	2.76%
% Positive months	95.83%
Maximum drawdown	-2.81%
Sharpe ratio	0.11

MANAGER SELECTION (%)

Amplify SCI Strategic Income	10.00	Prescient Income Provider	20.00
Coronation Money Market	5.00	SIM Active Income	15.00
Coronation Strategic Income	25.00	SIM Enhanced Yield	13.00
Nedgroup Investments Flexible Income	12.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2020	0.78	0.22	-2.81	1.83	1.51	0.68							2.16
Fund 2019	0.85	0.57	0.64	0.88	0.62	0.74	0.56	0.81	0.74	0.66	0.41	0.62	8.41
Fund 2018	-0.07	-0.03	0.35	1.25	0.17	0.60	0.48	0.96	0.52	0.66	0.59	0.85	6.52

FEES (% INCL. VAT)

Annual wrap fee	0.29	Underlying Manager TER's	0.54
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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

In the last month of the second quarter of 2020, it became apparent that most economies have not met the conditions for a speedy recovery. A second round of infections, without a vaccine, remains a material risk to the global outlook. Risky assets held up well in June, although it was not a smooth ride. But just as equity markets start to recover, uncertainty looms around escalating tensions between the US and China. Over the short term, geopolitical, trade, and US election risks increasingly weigh on the global economic outlook. Subsequent waves of COVID-19 outbreaks and a failure to develop effective treatments or a vaccine, or a monetary policy mistake or some hesitancy over fiscal support, could derail the global recovery.

Quantitative easing by emerging market central banks have helped stabilise financial markets. Despite small quantities, the result has been lowered government borrowing costs and this has slowed the further weakening of already weak currencies. While Minister Mboweni painted a grim picture of the country's finances in his special adjustment budget, he said the government would be required to build high quality bridges, roads, railways, ports, and other infrastructure. The country is already borrowing at a rate of more than R1 billion a day, but even that may not be enough to plug a hole in government finances. This is as much as 15% of gross domestic product, which is more than double the 6.8% shortfall that was projected in February.

Investors continue to focus on guidance regarding the shape of the macro and earnings recovery. The MSCI World delivered some 1.16% in rands and the MSCI Emerging Markets index fared far better than its developed market counterparts, delivering some 5.81% in rands in June. Emerging markets and Europe outperformed the US in dollar terms. Developed market bonds delivered -0.57% in rands. Also, developed market property rallied 1.21% in rands. The local equity market tracked other emerging markets during June, and the ALSI rallied 7.74% in rands. After a terrible start to the year, the listed property sector rallied strongly in June delivering 13.41% in rands. In June we saw a further steepening in the yield curve as yields rose with some flattening from the 15-year area of the yield curve. As such, the ALBI declined some 1.18% in rands. Inflation-linked bonds followed suit and delivered marginal negative returns of -0.40% in rands. Local cash delivered some 0.44% in rands for the month of June.

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

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