

Succession Income Plus

October 2020



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

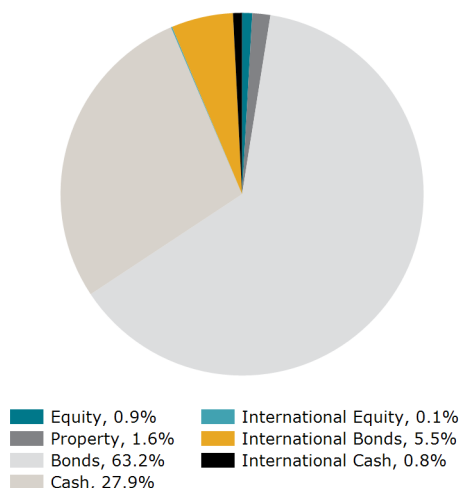
FUND DETAILS

Fund Category	SA Multi Asset Income
Benchmark	STeFI +1%
Risk Profile	Conservative
Investment period	1 year or longer
Launch Date	01 August 2014
Fund Size	R 310 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



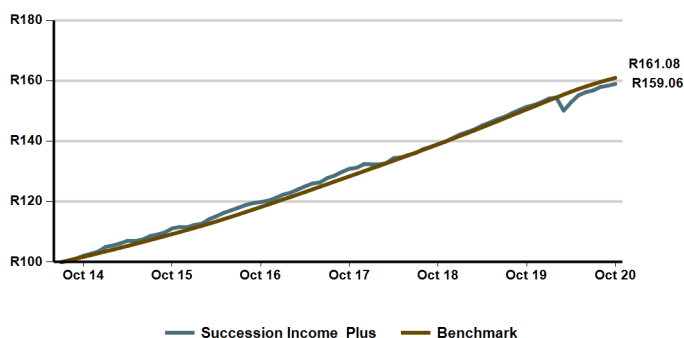
INVESTOR PROFILE

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	0.36	0.42
3 Months	1.36	1.32
6 Months	3.98	2.94
1 Year	5.02	6.94
2 Years (annualised)	6.92	7.63
3 Years (annualised)	6.70	7.84
5 Years (annualised)	7.42	8.06
Since Launch	7.71	7.93

RISK STATISTICS (2 YEARS)	FUND*
Returns (annualised)	6.92%
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	0.39	0.71	0.28	0.36			3.94
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

During October markets were governed by a global risk-off sentiment with the US elections and fears over the second wave of COVID-19, dominating the news and dictated much of the movement in the market. Second wave fears have come to fruition as many European countries will be going back into lockdown. In South Africa daily new cases are just under the 2 000 mark and concerns start to rise. However, it is unlikely that the country will enter another level-5 type lockdown given the impact it had on the economy the first time.

President Ramaphosa unveiled his economic reconstruction and recovery plan in which he outlined the government's approach to resuscitate the economy and create jobs. Sentiment, however, was subdued following the announcement, with global ratings agency S&P stating that the plan lacked detail on the necessary reforms to aid a proper recovery. During the highly anticipated Medium Term Budget Speech (MTBS), Minister Mboweni highlighted that our economy is now expected to contract by 7.8% this year and that we can expect only a 3.3% recovery in 2021. Among other expenditure cuts, the minister announced that Treasury plans to reduce its wage bill over the next three years, including a proposed pay freeze. In more encouraging news, manufacturing PMI rose to 60.9 in October, pointing to a third consecutive month of expansion in factory activity and the fastest pace on record. Retail sales, meanwhile, increased 4.0% in August, above market expectations of 3.5% and well above the 0.6% posted in July.

Most major indices were in the red in the month of October as COVID-19 infection rates surged across Europe and the US. Prospects of new lockdowns clearly flustered markets as the MSCI World Index returned -3.07% (USD terms) and -1.42% YTD. The story is more positive on the emerging market (EM) front as the MSCI Emerging Markets Index returned 2.08% (USD terms) and 1.03% YTD. This positive performance was mainly buoyed by Asian EMs, particularly China, where the surge in COVID-19 cases has been kept under control. As more countries in Europe go back into lockdown, European stocks were amongst the worst performers, with the indices reflecting this sentiment. The EuroStoxx 50 and the DAX returned -7.3% (euro terms) and -9.44% (USD terms) respectively. The S&P 500 returned -2.66% (USD terms) and 2.76% YTD as the US presidential election approached.

During October local markets were also affected by the global risk-off sentiment, with the FTSE/JSE All Share Index (ALSI) returning -4.73% (rand terms) and -7.12% YTD. The only positive return came from Industrials, which delivered 0.37%. Meanwhile, Listed Property (SAPY index) returned -8.5%, Financials -6.08% and Resources -11.36%. SA bonds delivered 0.89% (as measured by the FTSE/JSE All Bond Index), while SA inflation-linked bonds returned 0.75% and cash (as measured by the STeFI Composite) delivered 0.34%.

Finally, the rand appreciated against the major currencies, gaining 2.65% against US dollar, 2.64% against the pound sterling and 3.34% versus the euro. For the month, South Africans invested offshore would have experienced lower market returns from their global investments in rand terms due to the strengthening of the currency, but on a year-to-date basis would have had their offshore returns bolstered by the weaker currency as the rand was down 13.94% versus the US dollar.

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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