

# Succession Stable Growth

March 2020



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

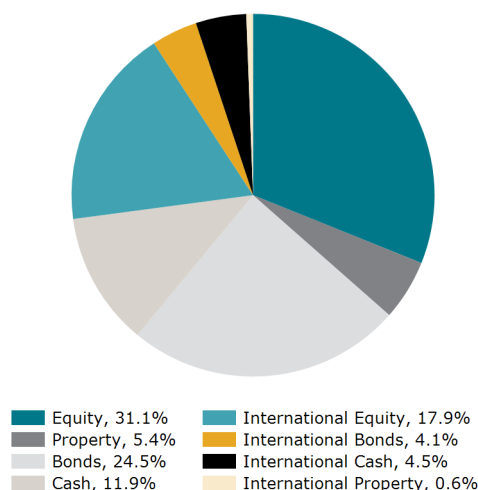
## FUND DETAILS

|                          |                                  |
|--------------------------|----------------------------------|
| <b>Fund Category</b>     | SA Multi Asset Medium Equity     |
| <b>Benchmark</b>         | Avg SA Multi Asset Medium Equity |
| <b>Risk Profile</b>      | Moderate                         |
| <b>Investment period</b> | 3 years                          |
| <b>Launch Date</b>       | 01 January 2015                  |
| <b>Fund Size</b>         | R 130 million                    |

## FUND OBJECTIVE

The wrap fund aims to provide a reasonable level of capital growth over the medium term. Investors in this fund are prepared to tolerate moderate fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with an average exposure to equities (maximum of 60%). Investors in this fund should have a minimum investment horizon of 3 years or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



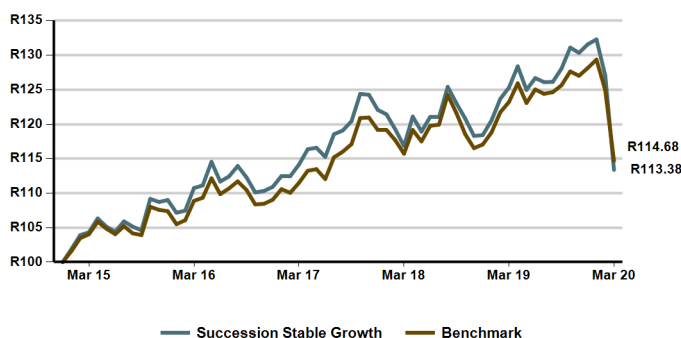
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Capital growth over the medium term
- Able to tolerate moderate volatility over the short term
- A minimum investment horizon of 3 years or longer

## CUMULATIVE PERFORMANCE SINCE LAUNCH

Growth of R100 investment



| PERFORMANCE (%)      | FUND*  | BENCHMARK |
|----------------------|--------|-----------|
| 1 Month              | -10.76 | -8.20     |
| 3 Months             | -13.83 | -10.51    |
| 6 Months             | -11.47 | -8.73     |
| 1 Year               | -9.53  | -6.94     |
| 2 Years (annualised) | -1.49  | -0.45     |
| 3 Years (annualised) | -0.22  | 0.94      |
| 5 Years (annualised) | 1.68   | 1.96      |
| Since Launch         | 2.42   | 2.64      |

| RISK STATISTICS (2 YEARS)       | FUND*   |
|---------------------------------|---------|
| Returns (annualised)            | -1.49%  |
| Standard deviation (annualised) | 10.51%  |
| % Positive months               | 58.33%  |
| Maximum drawdown                | -14.30% |
| Sharpe ratio                    | -0.83   |

## MANAGER SELECTION (%)

|                               |       |                           |       |
|-------------------------------|-------|---------------------------|-------|
| ABSA Property Equity          | 2.00  | Prudential Inflation Plus | 8.00  |
| Centaur BCI Flexible          | 9.00  | PSG Flexible              | 10.00 |
| Coronation Balanced Plus      | 13.00 | Satrix Balanced Index     | 10.00 |
| Nedgroup Global Equity Feeder | 3.00  | SIM Inflation Plus        | 12.00 |
| Nedgroup Opportunity          | 10.00 | Truffle SCI Flexible      | 8.00  |
| Prescient Income Provider     | 15.00 |                           |       |

| MONTHLY FUND PERFORMANCE* (%) | JAN   | FEB   | MAR    | APR  | MAY   | JUN  | JUL   | AUG  | SEP   | OCT   | NOV   | DEC  | YTD    |
|-------------------------------|-------|-------|--------|------|-------|------|-------|------|-------|-------|-------|------|--------|
| Fund 2020                     | 0.55  | -3.96 | -10.76 |      |       |      |       |      |       |       |       |      | -13.83 |
| Fund 2019                     | 1.79  | 2.58  | 1.35   | 2.45 | -2.66 | 1.37 | -0.45 | 0.01 | 1.53  | 2.38  | -0.58 | 0.94 | 11.11  |
| Fund 2018                     | -0.54 | -1.77 | -2.04  | 3.65 | -1.79 | 1.79 | -0.02 | 3.61 | -1.91 | -1.80 | -2.07 | 0.10 | -3.00  |

## FEES (% INCL. VAT)

|                 |      |                          |      |
|-----------------|------|--------------------------|------|
| Annual wrap fee | 0.29 | Underlying Manager TER's | 0.87 |
|-----------------|------|--------------------------|------|

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

COVID-19 was declared a global pandemic and resulting lockdowns meant a hard stop for the global economy. A significant economic contraction in the first half of 2020 looks inevitable. To make matters worse, an aggressive move from Saudi Arabia caused oil prices to collapse, as a breakdown in talks between OPEC and Russia triggered a price war. Central banks and governments across the globe raced to deliver record stimulus to prevent a severe virus shock from spiralling into a long-lasting slump. As such, risk assets have been in a tailspin. Global risk assets experienced a rapid decline and liquidity in higher yielding credit markets dried up. Safe haven assets offered limited protection as investors rushed into the dollar for safety amidst the market free fall. The downgrade by Moody's has added to South Africa's policy limitations. Although the downgrade had already been priced in by the market, the timing could not be worse. As such, local economic growth will remain weak.

There was no place to hide and all equity markets suffered the selloff. The energy sector was worst hit due to the persistent drop in the oil price. The corporate bond market facing the risk of non-performing loans given the oil price slump didn't fare much better. The MSCI World Index declined 1.49% in rand terms. As capital outflows hit emerging markets, the MSCI Emerging Markets Index underperformed developed counterparts and declined 3.96% in rand terms. Liquidity deteriorated rapidly in March, even in key safe haven economies, causing erratic movements in bond yields. Bond yields started to normalise toward month end due to monetary and fiscal stimulus. Barclays Capital Global Aggregate bond index gained 10.99% in rand terms.

The local equity market also didn't fare well in March, as the panic around COVID-19 set in. The ALSI declined 12.13% in rand terms. SA listed property continued its price slump YTD, declining 36.57% in rand terms. The nominal bond yield curve steepened in the midst of the global sell off and capital flight back to the dollar, along with the Moody's downgrade announcement. The ALBI declined some 9.75% in rand terms and local cash delivered 0.57% for the month.

## 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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