

# Succession 2.5% Real Income

April 2022



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

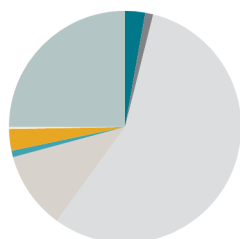
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Income
<b>Benchmark</b>	CPI+2%, Avg SA Multi Asset Income
<b>Risk Profile</b>	Conservative
<b>Investment period</b>	2 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 0
<b>Platform</b>	Glacier

## FUND OBJECTIVE

The Real Income solution aims to provide investors with a level of income that is consistent with the associated risk of short- to medium-term investments. The preservation of capital is extremely important to ensure continued income security. The solution will use strategies that increase overall downside protection while at the same time seeking to share in upside returns. The solution may also be exposed to Retail Investment Hedge Funds, a multi-strategy alternative fund, and a smoothed bonus fund. Smoothed bonus funds declare monthly bonuses in a way that helps reduce short-term volatility. Investors in this solution have an investment horizon of one year or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 2.8%	International Equity, 0.9%
Property, 1.1%	International Bonds, 3.0%
Bonds, 56.1%	International Property, 0.3%
Cash, 10.8%	Smoothing Portfolio, 25.0%

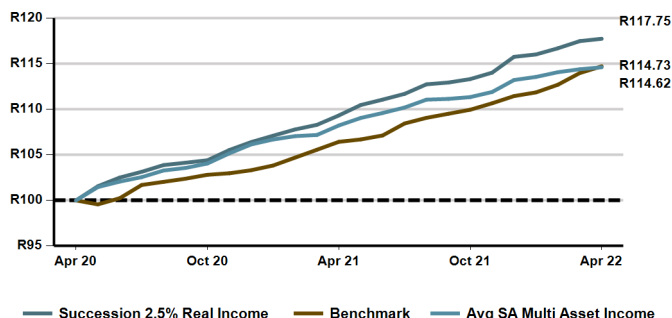
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Low levels of income withdrawals from their living annuity
- Capital preservation over the short term
- A minimum investment horizon of 2 years or longer

## CUMULATIVE PERFORMANCE - 2 YEARS \*

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Income
1 Month	0.22	0.65	0.19
3 Months	1.48	2.56	0.93
6 Months	3.90	4.34	2.94
1 Year	7.70	7.79	5.91
2 Years (annualised)	8.51	7.11	7.06
YTD	1.71	2.93	1.24
Since Launch	7.86	7.13	6.56

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	8.51%
Standard deviation (annualised)	1.30%
% Positive months	100.00%
Maximum drawdown	0.00%
Sharpe ratio	3.33

## MANAGER SELECTION (%)

Amplify SCI Defensive Balanced	5.63	Prescient Flexible Bond	9.00
Amplify SCI Strategic Income	16.25	Prescient Income Provider	5.00
BCI Income Plus	11.25	Sanlam Multi-Managed Smooth Growth	25.00
Coronation Strategic Income	3.00	SIM Inflation Plus	5.62
Granate BCI Multi Income	2.50	SIM SA Active Income	2.00
Nedgroup Investments Core Income	6.25	SMM Inflation Linked Bonds	8.50

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2022	0.23	0.58	0.67	0.22									1.71
Fund 2021	0.66	0.64	0.47	0.95	1.05	0.54	0.57	0.94	0.17	0.34	0.62	1.52	8.80
Fund 2020					1.56	0.94	0.62	0.72	0.25	0.26	1.08	0.82	N/A

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	0.71
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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

Atterbury Estate Block 6, 19 Frikkie de Beer Street, Menlyn, 0018, Tel: +27 (12) 348-2559 Email: admin@sfpadvice.co.za  
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## MANAGER COMMENT

Following a disappointing first quarter for global markets, the month of April proved no different. Most global markets ended in the "red", including South Africa on the back of myriad factors which all weighed on sentiment and left investors rattled. Such factors include the ongoing Russian invasion of Ukraine and inflationary pressures, particularly in the US. Furthermore, the strict movement restrictions in parts of China to curb recent COVID-19 infections raised supply chain shortage concerns.

Developed equity markets had a miserable month. The MSCI World Index returned -8.43% in USD and -0.89% in ZAR. In USD terms, this also marked its worst month of a bad year thus far. US equities struggled. The S&P 500 was down 8.72% m/m, its worst month since March 2020. US tech shares were amongst April's biggest losers, with the tech-heavy Nasdaq 100 index (around -13% m/m) experiencing its worst monthly drawdown since 2008. European equities fared better than US counterparts, despite April concluding with no signs of a resolution to the war in Ukraine. The Euro Stoxx 50 (€) returned -2.00% m/m. The UK's blue-chip FTSE (£) surprised on the upside, closing 0.31% m/m.

Emerging equity markets fared slightly better than developed counterparts, with the MSCI Emerging Market Index closing down 5.75% in USD and 2.02% up in ZAR. Chinese equities experienced a late-month rally as the government pledged support for economic growth, which has been hampered by severe lockdowns related to China's "Zero-COVID" policy. Despite the April drop, the Brazilian and South African equity markets remain the only two global markets in positive territory year to date, measured in USD.

The South African equity market followed global markets, ending the month in negative territory for the first time in seven months. The FTSE/JSE All Share Index closed down 3.66% m/m. The local bourse was red across the board.

All major indices recorded losses. Financials plummeted 3.42% m/m as banks and insurance companies were amongst April's worst-performing stocks. Miners have been a key driver of local market performance but were generally weaker during the month as production reports disappointed, with Resources returning -5.39% m/m. Industrials, which have lagged other sectors this year, was the best performing sector in April, at -1.80% m/m. Local bonds sold off sharply, with the All Bond Index (ALBI) returning -1.67% m/m. SA listed property struggled, at -1.41% m/m. Cash (STeFI) delivered a moderate return of 0.36% m/m. South African value managers (-2.96% m/m) outperformed growth managers (-4.38% m/m) once again, consistent with what is occurring globally as interest rates remain the key theme across key countries.

The ZAR experienced another rollercoaster of a month, dropping to its weakest level in close to five months as expectations of a 50 basis-point hike by the Fed kept the USD elevated, with the ZAR losing as much as 7.61% m/m against the USD. The ZAR also lost 3.11% and 2.56% m/m against the pound and euro respectively. On a positive note, the ZAR gained 6.74% m/m against the Japanese yen.

## PORTFOLIO MANAGER



**Paul Wilson**  
BSc (Hons) Actuarial Mathematics; CFA  
Charterholder

Paul joined Sanlam in 2011 as an investment analyst before being appointed to his current position of Chief Investment Officer in 2013. As CIO, Paul heads up a substantial team of experienced investment professionals in Sanlam's Multi-Management team. As solutions architects, the team performs in-depth macro and manager research that informs the portfolio construction process, which is encompassed within a disciplined framework. Sanlam's multi manager investment team has an exceptional tactical asset allocation track record, giving them a distinct competitive edge.

In his previous capacity as head of research, Paul ensured that the quality of data was high and appropriate for the investment process. His responsibilities included due diligence at a manager level, developing new analysis methods, writing articles and doing research. In his role as portfolio manager, Paul was responsible for client portfolios and making trading and investment decisions.

Before joining Sanlam, Paul fulfilled the roles of head of asset manager research and an investment consultant at Jacques Malan Consultants & Actuaries. He also gained experience as a business analyst at Monocle Solutions and a Quantitative Analyst at RisCura Solutions in 2004.

Paul is a certified Chartered Financial Analyst (CFA) and also has a BSc (Honours) in Actuarial Mathematics from the University of Pretoria.

## MANAGER INFORMATION

Sanlam Multi Manager International (SMMI) (Pty) Ltd

## PHYSICAL ADDRESS

55 Willie van Schoor Avenue, Bellville, 7530  
Postal Address: Private Bag X8, Tygervalley, 7536  
Website: [www.sanlaminvestments.com](http://www.sanlaminvestments.com)

## POSTAL ADDRESS

Private Bag X8, Tygervalley, 7536

## WEBSITE

[www.sanlaminvestments.com](http://www.sanlaminvestments.com)

## CONTACT DETAILS

Tel: +27 (21) 950-2500  
Fax: +27 (21) 950-2126  
Email: [siretail@sanlaminvestments.com](mailto:siretail@sanlaminvestments.com)