

# Succession 2.5% Real Income

September 2022



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

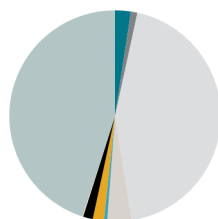
## FUND DETAILS

<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 285 753
<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, 2.4%	International Bonds, 1.7%
Property, 1.0%	International Cash, 1.5%
Bonds, 44.1%	International Property, 0.1%
Cash, 3.7%	Smoothing Portfolio, 45.0%
International Equity, 0.5%	

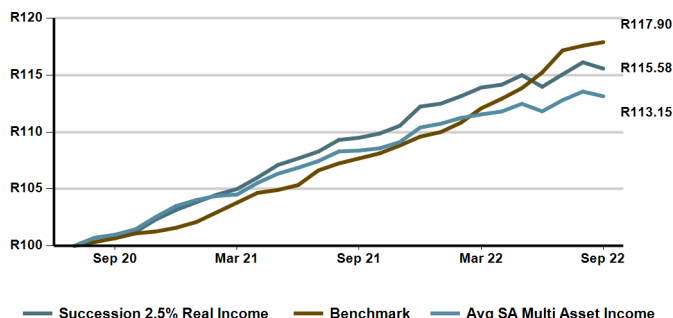
## INVESTOR PROFILE

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 SINCE LAUNCH

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Income
1 Month	-0.48	0.26	-0.37
3 Months	1.40	2.30	1.18
6 Months	1.46	5.19	1.43
1 Year	5.55	9.48	4.40
2 Years (annualised)	6.99	8.22	5.85
YTD	2.97	7.57	2.48
Since Launch	6.91	7.90	5.87

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	6.99%
Standard deviation (annualised)	1.75%
% Positive months	91.67%
Maximum drawdown	-0.89%
Sharpe ratio	1.60

## MANAGER SELECTION (%)

Amplify SCI Defensive Balanced	5.00	Prescient Income Provider	8.00
Amplify SCI Strategic Income	8.50	Sanlam Multi-Managed Smooth Growth	45.00
Amplify SCI Wealth Protector	5.00	SIM Flexible Income	5.00
Granate BCI Multi Income	8.00	SMM Inflation Linked Bonds	8.50
Prescient Flexible Bond	7.00		

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	0.74	-0.89	0.96	0.92	-0.48				2.97
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								0.72	0.25	0.26	1.08	0.82	N/A

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	0.90
---------------------	------	--------------------------	------

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  
Succession Financial Planning Advisory Services (Pty) Ltd (SFP) Licence No. 41158  
Glacier Financial Solutions (Pty) Ltd, A member of the Sanlam Group, Reg. No. 1999/025360/07 Licenced Financial Service Provider

# Succession 2.5% Real Income

September 2022



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

## MANAGER COMMENT

Global and local equity markets closed out the month and quarter in negative territory in September. Continuing concerns about rising inflation saw major central banks raising interest rates further despite concerns about growth, market volatility, and a global recession. Geopolitical risks (Russia's ongoing war in Ukraine and the increasing tension between Russia and much of Europe), Europe's energy crisis, and China's COVID-19 lockdowns added to the negative sentiment.

Global equity markets ended the month and quarter down. The MSCI World Index closed 9.3% down m/m in USD and 4.36 down m/m in ZAR. Announcements from the US Federal Open Market Committee and the August US Consumer Price Index data triggered the biggest market sell-off since 2020. The US S&P 500 declined by 9.22% m/m, its worst monthly performance since March 2020. The Dow Jones closed the month 8.76% lower with all the 30 stocks in the Dow in the red and more than 20 stocks losing at least 1%. The Nasdaq fell by 10.5% m/m. The US dollar continued to strengthen and is currently at a 20-year high against major currencies. European equities also closed the month with a negative return, with the FTSE 100, DAX, and CAC Index down, 5.88%, 5.61%, and 3.04%, respectively. The British pound depreciated to a 37-year low against the US dollar.

Lockdowns in several of China's large cities tightened COVID-19 control measures, and an embattled real estate sector weighed on Chinese markets and further dragged emerging markets lower for the month. Hong Kong's Hang Seng Index and the Shanghai Composite Index ended 13.7% and 5.6% down m/m. The MSCI Emerging Market Index returned 11.67% down m/m in USD and 6.86% down in ZAR.

The South African equity market followed international markets to end the month lower. Eskom implemented a record-long stretch of load-shedding for most of September and this weighed heavily on activity. The FTSE/JSE All Share Index closed 4.13% down m/m. The Resources sector was the only sector that ended the month in positive territory, driven higher by BHP Group, the largest company on the exchange (up 4.0% m/m), followed by Glencore (up 6.6%), Anglo American Platinum (up 7.5% m/m) and Gold Fields (up 6.6% m/m). The SA Listed Property index was one of the worst-performing indices, falling by 6.28% m/m, followed by the Industrial and Financials, which ended down 5.05% and 5.95% respectively. Prosus and Naspers dragged the Industrials lower ending the month down 10.9% and 6.7% respectively. The rand could not keep up with the strengthening US dollar and weakened by a further 5.16% m/m against the greenback. The rand further lost 2.66%, 1.15%, against the euro and pound. The SA Reserve Bank (SARB) hiked the interest rate by 75 basis points, taking the repo rate to 6.25%. SA bonds (ALBI) returned 2.11% down during the month and cash (StEF1) returned 0.46%.

## 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)