

# Succession 4% Real Income

August 2021



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

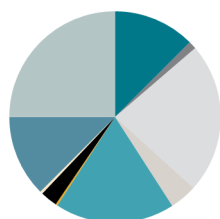
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	CPI+4% over a 5-year rolling period, Avg SA Multi Asset Medium Equity
<b>Risk Profile</b>	Moderate
<b>Investment period</b>	5 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 25 million
<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 medium- to long-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 five years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



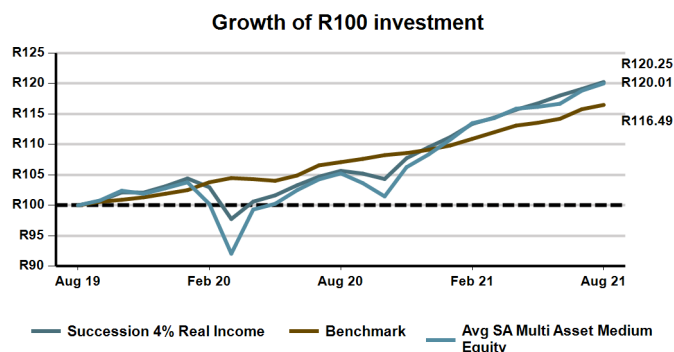
Equity, 12.5%	International Bonds, 0.3%
Property, 1.2%	International Cash, 2.6%
Bonds, 23.0%	International Property, 0.4%
Cash, 4.2%	Hedged, 12.5%
International Equity, 18.3%	Smoothing Portfolio, 25.0%

## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Moderate levels of income withdrawals from their living annuity
- Capital preservation over the medium term
- A minimum investment horizon of 5 years or longer

## CUMULATIVE PERFORMANCE - 2 YEARS \*



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Medium Equity
1 Month	0.96	0.61	1.00
3 Months	3.00	2.58	3.30
6 Months	6.07	5.02	5.74
1 Year	13.80	8.77	14.03
2 Years (annualised)	9.66	7.93	9.55
YTD	9.79	6.75	10.77
Since Launch	13.63	8.56	13.86

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	9.66%
Standard deviation (annualised)	5.56%
% Positive months	79.17%
Maximum drawdown	-6.38%
Sharpe ratio	0.81

## MANAGER SELECTION (%)

Amplify SCI Absolute	4.03	Sanlam Alternative Rho Retail Hedge (Marble Rock)	2.50
Amplify SCI Flexible Equity	4.03	Sanlam Alternative Vega Retail Hedge (Matrix)	2.50
Amplify SCI Strategic Income	4.00	Sanlam Alternative Veta Retail Hedge (Terebinth)	2.50
Coronation Optimum Growth	5.00	Sanlam Alternative Zeta Retail Hedge (Acumen)	2.50
Coronation Strategic Income	1.00	Sanlam Multi-Managed Smooth Growth	25.00
Nedgroup Global Equity Feeder	3.50	Satrix Balanced Index	1.95
Ninety One Global Franchise Feeder	6.50	Satrix Bond Index	11.50
Ninety One Opportunity	7.00	SIM Inflation Plus	1.56
PSG Flexible	2.53	SMM Inflation Linked Bonds	2.50
Sanlam Alternative Lambda Retail Hedge (Peregrine)	2.50	Truffle SCI Flexible	7.40

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2021	1.53	1.94	0.91	1.13	0.91	1.09	0.91	0.96					9.79
Fund 2020	1.24	-1.39	-5.06	2.93	1.02	1.62	1.37	0.92	-0.43	-0.85	3.27	1.67	6.20
Fund 2019									0.72	1.40	-0.02	1.02	N/A

## FEES (% INCL. VAT)

Annual Wrap fee	0.29	Underlying Manager TER's	1.27
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\*\*The annual wrap fee is only applicable to those funds within the wrap portion of the solution and excludes those portfolios within a policy or segregated portfolio (e.g.: Sanlam Multi-Managed Smooth Growth and Multi-Managed Alternative Fund).

## CONTACT DETAILS

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## MANAGER COMMENT

The global reopening continued in August, with a number of developed markets further lifting restrictions. For example, the UK finally lifted its last domestic COVID-19 restrictions. Economic data remained strong, although the developed world appears to be at or just past the peak rate of growth. Despite ongoing concerns of the Delta variant and monetary policy tightening, most nations ended the month on a positive note, excluding South Africa.

Overall global equity markets had a bumper month in August, as developed equity markets delivered yet another positive return for the seventh consecutive month. The MSCI World Index closed 2.35% month-on-month (m/m) in USD and 1.20% in ZAR. US equities led from the front once again, with the S&P 500 (US\$) up 3.04% month-on-month and 21.57% year to date. Furthermore, European equities also closed the month on a positive note, with the Euro Stoxx 50 (€) up 2.63%.

Emerging equity markets managed to bounce back from last month's results, recording a positive return of 2.42% m/m in USD and 1.27% in ZAR, slightly edging developed equity markets for the month. Indian equities produced a stellar performance in August, buoyed by strong retail investor demand following economic data showing the Indian economy was significantly less impacted by the severity of the most recent COVID-19 wave than expected. The former, as well as a strong performance from Russian equities, contributed to emerging equity markets' recovery. Meanwhile, the rollout of regulations in China continued to weigh on Chinese stocks, with uncertainty around the impact of the shifting Chinese regulatory landscape abounding.

The South African equity market ended the month in the negative for August, as the FTSE/JSE All Share Index closed at -1.74%, with the best performers of the month coming in the form of local banking companies.

All major indices were in negative territory for August, with Financials leading the pack at -0.97% m/m, while resources and industrials lagged somewhat, closing at -4.88% and -5.17% m/m. Industrials were once again negatively affected by Naspers and Prosus' performance. SA listed property closed the month 7.46% up, with cash (STeFI) delivering a moderate return of 0.32% m/m. South African value managers (2.52% m/m) outperformed growth managers (-6.16% m/m), while globally, the opposite occurred.

Our currency experienced its lowest level in five months against the USD during the month of August, but managed to close the month 1.13% up, in another rollercoaster month. Furthermore, the ZAR gained as much as 2.17%, 1.59% and 0.10% against the sterling, euro and Japanese yen respectively.

## 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

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