

# Succession 4% Real Income

January 2024



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

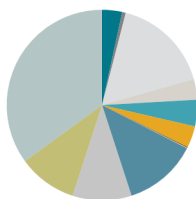
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	CPI+4%
<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 48 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



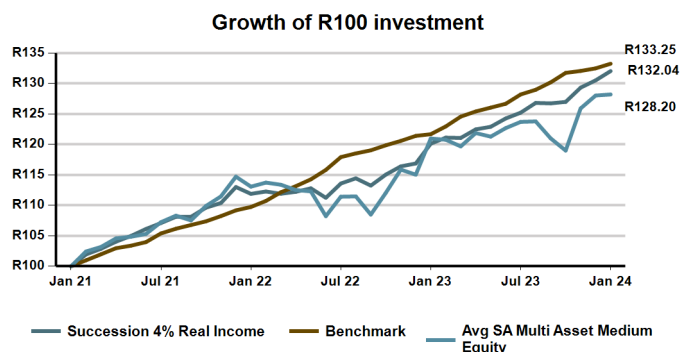
Equity, 3.4%	International Cash, 0.1%
Property, 0.6%	International Property, 0.1%
Bonds, 16.6%	Hedged, 12.5%
Cash, 3.5%	Global Smoothing Portfolio, 10.0%
International Equity, 4.5%	Alternatives, 10.0%
International Bonds, 3.7%	Smoothing Portfolio, 35.0%

## 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 - 3 YEARS \*



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset Medium Equity
1 Month	1.16	0.57	0.14
3 Months	3.98	1.14	7.74
6 Months	5.45	3.93	3.64
1 Year	9.92	9.51	5.98
2 Years (annualised)	8.63	10.20	6.48
3 Years (annualised)	9.71	10.04	8.63
YTD	1.16	0.57	0.14
Since Launch	10.15	9.49	9.24

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.71%
Standard deviation (annualised)	3.12%
% Positive months	80.56%
Maximum drawdown	-1.56%
Sharpe ratio	1.25

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Granate BCI Multi Income	6.20
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Multi-Strategy Alternative	10.00
Amplify SCI Enhanced Equity Retail Hedge (All Weather)	2.50	Ninety One Global Franchise Feeder	1.00
Amplify SCI Flexible Equity (Abax)	2.00	Ninety One Global Multi-Asset Income FF	3.00
Amplify SCI Global Equity FF (Sarofim&Co)	1.00	Prescient Flexible Bond	3.90
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	Saffron SCI Active Bond Fund	2.90
Amplify SCI Real Income Retail Hedge (Marble Rock)	2.50	Sanlam Multi-Managed Smooth Global Growth	10.00
Amplify SCI Strategic Income (Terebinth)	5.50	Sanlam Multi-Managed Smooth Growth	35.00
Aylett Balanced Prescient	1.00	Truffle SCI Flexible	4.00
Bateleur Flexible Prescient	2.00		

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2024	1.16												1.16
Fund 2023	2.78	0.83	-0.04	1.16	0.35	1.11	0.77	1.28	-0.06	0.19	1.85	0.92	11.67
Fund 2022	-0.99	0.34	-0.33	0.29	0.51	-1.38	2.11	0.75	-1.04	1.59	1.18	0.41	3.43

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.32
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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

At the start of 2024, the recovery in the global economy continued to be evident, although it was generally uneven across different regions. The International Monetary Fund (IMF) has projected a soft landing, reiterating the lagged effects of monetary policy tightening and a strong disinflation trend. The US economy performed strongly in the fourth quarter of 2023: Gross Domestic Product (GDP) increased at an annualised rate of 3.3% compared with an increase of 4.9% in the third quarter of 2023.

In January, five of the central banks overseeing the 10 most heavily-traded currencies - the US Federal Reserve (US Fed), the European Central Bank (ECB), the Bank of Japan, Bank of Canada and Norges Bank - held rate setting meetings. None of them changed rates. In SA, the Reserve Bank's Monetary Policy Committee (MPC), in its first meeting for the year, unanimously voted for an interest rate pause. Although South African consumers are feeling the impact of "higher-for-longer" interest rates, economists expect rates to be on hold until the second half of the year, and then cuts will begin.

The year started on a generally positive note for investors, with the MSCI World Index ending the month up 1.2% in dollar terms. Although there was some optimism, global bonds ended negatively at -1.38% m/m and global property was also in negative territory at 3.99% m/m (both in dollars). Emerging markets were negative for the month: the MSCI Emerging Markets Index ended at -4.64% (in dollars). The Dow Jones was in positive territory at 1.31% m/m and the S&P 500 at 1.68% m/m (both in dollars), the EuroStoxx Index ended at 2.97% m/m in euros and the Nikkei at 8.44% m/m in yen. The FTSE 100 Index ended the month at -1.32% in pounds but the DAX gained 0.91% in euros.

South African stocks experienced a tough start of the year, with the All Share Index ending the month at -2.93% in rands. The derivatives market underperformed for the month, with Resources ending at -6.31% m/m, Industrials at -4.32% m/m and Financials at -3.17% m/m. Cash was positive, with the STeFI ending at 0.7% m/m in rands. Bonds ended in positive territory for the month, boosting the credit market. The All-Bond Index ended at 0.71% m/m in rands, with bonds of 1-3 years at 0.78% m/m, bonds of 3-7 years at 0.83% m/m, bonds of 7-12 years at 0.69% m/m and bonds of over 12 years at 0.65% m/m. The rand weakened against several currencies: against the US dollar by -1.67% m/m, the euro by -0.01% m/m, and the pound at -1.57% m/m. However, it strengthened by 3.68% against the 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

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