

# Succession 4% Real Income

January 2021



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

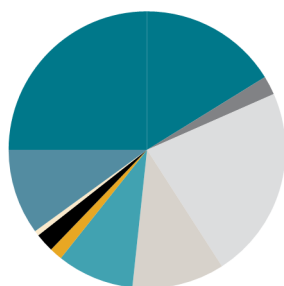
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	CPI+4% over a 5-year rolling period
<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 9 million

## FUND OBJECTIVE

The wrap fund 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 fund will use strategies that increase overall downside protection while at the same seeking to share in upside returns. The fund may also be exposed to Retail Investment Hedge Funds as well as offered together with a smoothed bonus funds. Smoothed Bonus funds smooth investment returns by way of monthly bonus declarations, in order to help reduce short term volatility. Investors in this fund have an investment horizon of 5 years or longer. The fund is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 16.2%	International Bonds, 1.5%
Property, 2.2%	International Cash, 2.2%
Bonds, 22.5%	International Property, 0.6%
Cash, 10.8%	Hedged, 10.0%
International Equity, 9.0%	Smoothing Portfolio, 25.0%

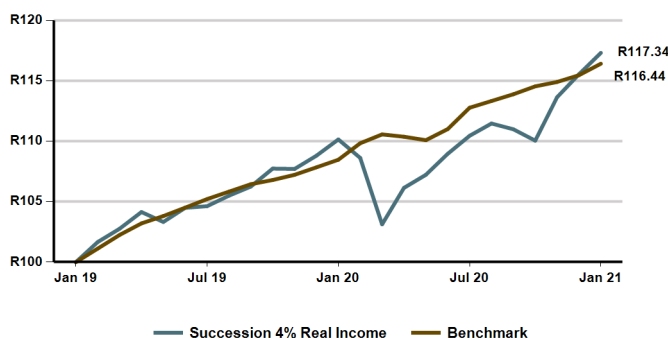
## INVESTOR PROFILE

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 \*

Growth of R100 investment



PERFORMANCE (%)	FUND*	BENCHMARK
1 Month	1.53	0.82
3 Months	6.60	1.64
6 Months	6.22	3.23
1 Year	6.51	7.33
2 Years (annualised)	8.32	7.91
Since Launch	6.22	3.23

RISK STATISTICS (2 YEARS)	FUND*
Returns (annualised)	8.32%
Standard deviation (annualised)	5.67%
% Positive months	75.00%
Maximum drawdown	-6.38%
Sharpe ratio	0.38

## MANAGER SELECTION (%)

Amplify SCI Absolute	3.53	Sanlam Alternative Vega Retail Hedge (Matrix)	2.50
Amplify SCI Flexible Equity	3.53	Sanlam Alternative Veta Retail Hedge (Terebinth)	2.50
Amplify SCI Strategic Income	10.60	Sanlam Alternative Zeta Retail Hedge (Acumen)	2.50
Coronation Strategic Income	10.60	Sanlam Multi-Managed Smooth Growth	25.00
Ninety One Opportunity	10.60	Satrix Balanced Index	4.95
PSG Flexible	3.53	SIM Inflation Plus	7.06
Sanlam Alternative Rho Retail Hedge (Marble Rock)	2.50	Truffle SCI Flexible	10.60

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2021	1.53												1.53
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		1.67	1.08	1.35	-0.79	1.13	0.13	0.83	0.72	1.40	-0.02	1.02	N/A

## FEES (% INCL. VAT)

Annual Solution fee	0.30	Underlying Manager TER's	1.11
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\*\*The annual solution fee includes a wrap fee of 0.40% (incl. VAT) which is only applicable to those funds within the wrap portion of the solution and excludes those portfolios within a policy (e.g.: Sanlam Multi-Managed Smooth Growth).

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

January saw divergent performance for shares, with developed market equities ending the month lower while emerging market equities posted positive returns. The solid gains during the end of 2020 seemed to carry through to the start of 2021, with the first week of January showing major markets all in positive territory year to date (YTD) as the US extended its bull run. However, by the second week of the month we saw markets move to a downward trend and, with a lot of good news already priced in, the month ended on a slightly more somber note relative to its start.

The MSCI World Index returned -0.99% (USD) and 2.01% (ZAR) on a month-to-month (m/m) basis and its emerging market counterpart (MSCI EM) returned 2.99% (USD) and 5.54% (ZAR). The S&P 500 took a small dip with a m/m return of -1.02% (USD). Major European markets also closed in the red, with the region's largest economy, Germany's DAX, down 2.08% m/m, while France's CAC dropped 2.7% m/m. In China, the Hang Seng rose 3.9% m/m, while the Nikkei 225 closed at 0.8% m/m.

At the start of 2021 South Africa reverted to level 3 lockdown restrictions, prohibiting access to alcohol, beaches, and parks for January and the start of the government school year was pushed out to February. These restrictions appear to have helped the country move past the peak of its recent second wave COVID-19 outbreak.

The FTSE/JSE All Share Index rose for a third straight month and closed the first month of the year with a return of 5.21%. On 25 January, the index surged past the 65 000 mark for the first time, before waning to end the day just below that mark. On a sectoral basis, Resources (RESI 20), Industrials (INDI 25) and Financials (FIN 15) returned 4.86%, 8.48% and -3.08% respectively. Property stumbled on the 2021 starting block as the SAPY returned -3.21% on a m/m basis. The ALBI returned 0.76% and cash (STeFI) returned a mere 0.28% for the month.

The rand weakened against the US dollar, pound sterling and the euro at -2.42%, -2.86% and -1.72% respectively on a month-to-month basis. In contrast, the rand strengthened against the Japanese yen with a return of 1.40%.

## 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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