

Succession 4% Real Income

July 2022



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

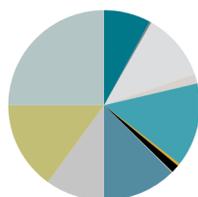
FUND DETAILS

Fund Category	SA Multi Asset Medium Equity
Benchmark	CPI+4%, Avg SA Multi Asset Medium Equity
Risk Profile	Moderate
Investment period	5 years or longer
Launch Date	01 August 2020
Fund Size	R 29 million
Platform	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, 7.9%	International Cash, 1.4%
Property, 0.3%	International Property, 0.1%
Bonds, 11.5%	Hedged, 12.5%
Cash, 1.6%	Global Smoothing Portfolio, 10.0%
International Equity, 14.3%	Alternatives, 15.0%
International Bonds, 0.4%	Smoothing Portfolio, 25.0%

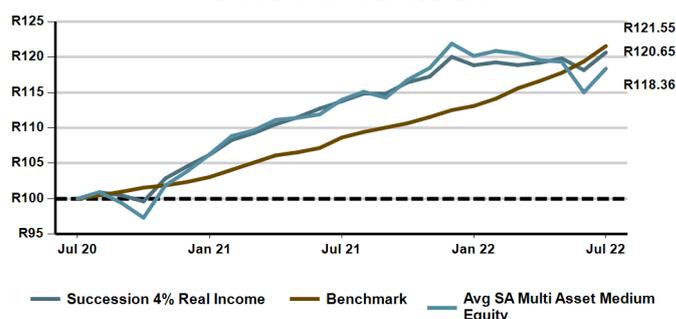
INVESTOR PROFILE

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	Avg SA Multi Asset Medium Equity
1 Month	2.11	1.82	2.91
3 Months	1.21	4.22	-1.01
6 Months	1.51	7.48	-1.50
1 Year	6.06	11.88	3.86
2 Years (annualised)	9.84	10.25	8.79
YTD	0.51	8.04	-2.90
Since Launch	9.84	10.25	8.79

RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	9.84%
Standard deviation (annualised)	3.83%
% Positive months	75.00%
Maximum drawdown	-1.56%
Sharpe ratio	1.50

MANAGER SELECTION (%)

Amplify SCI* Absolute Income Retail Hedge (Acumen)	2.50	Coronation Global Optimum Growth	3.70
Amplify SCI* Diversified Income Retail Hedge (Terebinth)	2.50	Multi-Strategy Alternative	15.00
Amplify SCI* Enhanced Equity Retail Hedge (Peregrine)	2.50	Nedgroup Global Equity Feeder	4.00
Amplify SCI* Flexible Equity	3.00	Ninety One Global Franchise Feeder	4.00
Amplify SCI* Income Plus Retail Hedge (Matrix)	2.50	Ninety One Opportunity	5.00
Amplify SCI* Real Income Retail Hedge (Marble Rock)	2.50	Prescient Flexible Bond	6.00
Amplify SCI* Strategic Income	2.00	Sanlam Multi-Managed Smooth Global Growth	10.00
Aylett Balanced Prescient	3.80	Sanlam Multi-Managed Smooth Growth	25.00
Bateleur Flexible Prescient	3.00	Truffle SCI Flexible	3.00

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2022	-0.99	0.34	-0.33	0.29	0.51	-1.38	2.11						0.51
Fund 2021	1.53	1.94	0.91	1.13	0.91	1.09	0.91	0.96	-0.01	1.39	0.70	2.37	14.74
Fund 2020								0.92	-0.43	-0.85	3.27	1.67	N/A

FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.28
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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

Following the devastating first half of the year, most major global markets rebounded in July, including South Africa. Global markets jumped in the final week, as investors anticipated that a US second quarter GDP contraction may foreshadow an end to the Fed's aggressive hiking cycle. Market sentiment also improved due to the recent decline in commodity prices, easing the inflation "problem". However, inflation is at multi-decade highs across the globe and the question remains: have markets reached the bottom or was it just a bear market rally?

Developed equity markets recorded their best month since November 2020, when markets rallied following the news of successful COVID-19 vaccine trials. However, due to the extent of declines experienced in the first half of the year, it remains meaningfully down YTD. The MSCI World Index closed 7.86% m/m in USD and 9.69% m/m in ZAR. US earnings results were a key catalyst for the July rally as 55% of the S&P 500 companies reported earnings ahead of consensus estimates. The S&P 500 returned 9.22% m/m, with the tech-heavy Nasdaq rising around 12% m/m. The UK's blue-chip FTSE (£) ended July 4.36% in the green. The Euro Stoxx 50 (€) returned 7.46% m/m.

Emerging equity markets underperformed their developed counterparts for the first time in three months, unable to capitalise on the improved investor sentiment, and weighed down by Chinese equities. The MSCI Emerging Markets Index closed -0.69% m/m in USD and 0.99% m/m in ZAR. China's equity market struggled as regulatory penalties for Alibaba and Tencent raised concerns regulatory headwinds remain. Furthermore, lockdowns in Macau and reports of a new COVID-19 variant in Shanghai prompted investors of the hovering threat of the country's zero-COVID policy.

The South African equity market followed developed equity markets higher, rebounding from a horrid June and edging back towards break-even YTD. The FTSE/JSE All Share Index closing 4.22% m/m, with companies geared to the domestic economy amongst the best performers.

All major sectors managed to finish the month in positive territory and Industrials led the pack closing 5.93% m/m, as market heavyweights Prosus and Richemont recorded good monthly gains, although Naspers disappointed. Financials and Resources lagged, closing 5.37% m/m and 0.81% m/m. SA Listed Property ended its three-month losing streak. The Index was July's outperformer, rising 8.81% m/m. Local bonds gained in the high interest rate environment, the All Bond Index (ALBI) returning 2.44% m/m. Cash (STeFI) delivered a moderate return of 0.43% m/m. South African growth managers (5.03% m/m) outperformed value managers (3.41%) for the second consecutive month, consistent with what occurred globally.

Despite the rate hike delivered by the SARB, fears of a recession continue to encourage demand on the safe-haven dollar, resulting in the rand losing 1.66% m/m against the US dollar. Furthermore, the rand also lost as much as 1.86% and 1.62% against the pound and Japanese yen. On a positive note, the rand gained 0.83% m/m against the euro.

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

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