

# Succession 5% Real Income

May 2023



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

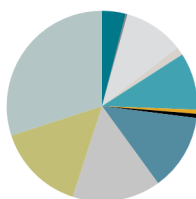
## FUND DETAILS

<b>Fund Category</b>	SA Multi Asset High Equity
<b>Benchmark</b>	CPI+5%
<b>Risk Profile</b>	Moderate Aggressive
<b>Investment period</b>	5 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 76 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 a long-term investment. The preservation of capital is extremely important to ensure continued income security. The solution will use strategies that increase overall downside protection while as the same seeking to share in upside returns. However, the benchmark of the portfolio translates to significant exposure to more risky strategies that could lead to some capital losses in the short term. 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 should 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, 4.0%	International Cash, 0.7%
Property, 0.3%	Hedged, 13.0%
Bonds, 10.2%	Global Smoothing Portfolio, 15.0%
Cash, 1.4%	Alternatives, 15.0%
International Equity, 9.7%	Smoothing Portfolio, 30.0%
International Bonds, 0.7%	

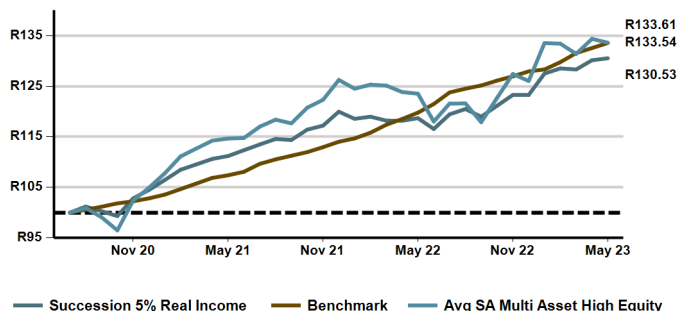
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- Moderate to high 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 SINCE LAUNCH

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg SA Multi Asset High Equity
1 Month	0.30	0.75	-0.55
3 Months	1.57	2.92	0.15
6 Months	5.88	5.19	4.87
1 Year	9.98	11.50	8.17
2 Years (annualised)	8.35	11.51	7.95
YTD	5.88	4.39	6.02
Since Launch	9.86	10.75	10.77

## RISK STATISTICS (2 YEARS)

	FUND*
Returns (annualised)	8.35%
Standard deviation (annualised)	4.34%
% Positive months	70.83%
Maximum drawdown	-2.85%
Sharpe ratio	0.71

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	2.50	Coronation Global Optimum Growth	6.06
Amplify SCI Diversified Income Retail Hedge (Terebinth)	2.50	Multi-Strategy Alternative	15.00
Amplify SCI Flexible Equity (Abax)	3.00	Ninety One Global Franchise Feeder	2.63
Amplify SCI Income Plus Retail Hedge (Matrix)	2.50	PSG Flexible	2.68
Amplify SCI Managed Equity Retail Hedge (Oyster Catcher)	5.50	Sanlam Multi-Managed Smooth Global Growth	15.00
Amplify SCI Strategic Income (Terebinth)	4.00	Sanlam Multi-Managed Smooth Growth	30.00
Centaur BCI Flexible	3.00	Satrix Bond Index	5.63

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2023	3.42	0.80	-0.16	1.42	0.30								5.88
Fund 2022	-1.17	0.36	-0.65	-0.03	0.44	-1.81	2.49	0.88	-1.26	1.82	1.77	0.00	2.76
Fund 2021	1.87	1.91	0.98	0.98	0.52	1.03	1.01	0.95	-0.17	1.80	0.68	2.35	14.80

## FEES (% INCL. VAT)

Annual Solution Fee	0.40	Underlying Manager TER's	1.41
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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

President Joe Biden highlighted the possibility of an upcoming US government default. This dominated financial news in May and political parties were finding it difficult to reach a compromise on raising the US borrowing limit during the month of May. Leading up to the agreement, US government bond investors drove US 10-year government bond yields higher, to above 3.8%. The US dollar ended May stronger against most currencies, and higher yields made the currency more attractive.

Emerging markets did not perform well with the MSCI EM Index closing at -1.65% month-on-month (m/m). The MSCI World Index ended -1.00% m/m and global bonds at -1.95%. Global Property ended at -4.42% m/m in dollar terms, the FTSE 100 Index at -4.63% m/m and the S&P 500 ended 0.43% m/m in dollar terms.

South Africa's FTSE/JSE All Share Index recorded a decline of -3.92% m/m in May. Financials were hardest hit at -7.92% m/m and Property ended at -5.32% m/m. Resources also retreated and were down -2.16% m/m, even though gold counters shone as the rand gold price soared on the back of a falling rand. Industrials declined by 3.06% m/m. Cash ended the month at 0.65%. The rand weakened by 7.73% m/m against the US dollar. It further declined by 4.45% against the euro, 6.43% against the pound, 0.44% against the yen and 0.005% against the Australian dollar. This is in relation to the rand crash caused by accusations of supplying arms to Russia. In May, the rand breached the R19.90/US\$1 level and got close to the psychological R20/US\$1 mark.

## 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

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