

# Succession 6% Real Income

September 2023



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

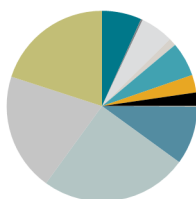
## FUND DETAILS

<b>Fund Category</b>	Worldwide Multi Asset Flexible
<b>Benchmark</b>	CPI+6%
<b>Risk Profile</b>	Aggressive
<b>Investment period</b>	7 years or longer
<b>Launch Date</b>	01 August 2020
<b>Fund Size</b>	R 108 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 at the same time seeking to share in upside returns. However, the benchmark used by this portfolio has significant exposure to riskier strategies that can lead to 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 seven years or longer. The solution is not compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION



Equity, 6.7%	International Cash, 2.3%
Property, 0.3%	International Property, 0.1%
Bonds, 5.6%	Hedged, 9.9%
Cash, 1.3%	Smoothing Portfolio, 25.0%
International Equity, 5.8%	Global Smoothing Portfolio, 20.0%
International Bonds, 3.0%	Alternatives, 20.0%

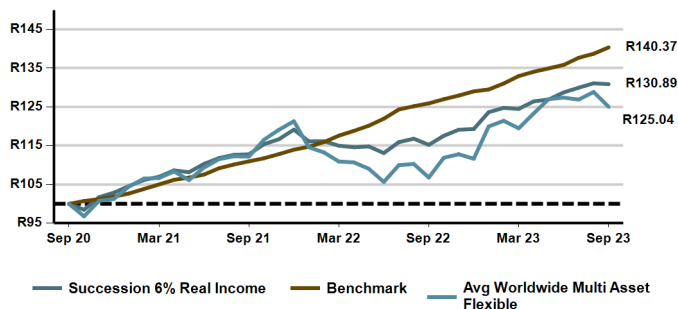
## INVESTOR PROFILE

This fund is suitable for investors looking for:

- High levels of income withdrawals from their living annuity
- Capital preservation over the medium term
- A minimum investment horizon of 7 years or longer

## CUMULATIVE PERFORMANCE - 3 YEARS \*

Growth of R100 investment



Performance (%)	Fund*	Benchmark	Avg Worldwide Multi Asset Flexible
1 Month	-0.17	1.18	-2.96
3 Months	1.65	3.33	-1.86
6 Months	5.12	5.56	4.64
1 Year	13.59	11.47	17.09
2 Years (annualised)	7.73	12.47	5.57
3 Years (annualised)	9.39	11.97	7.73
YTD	9.70	8.79	12.00
Since Launch	9.09	11.77	7.21

## RISK STATISTICS (3 YEARS)

	FUND*
Returns (annualised)	9.39%
Standard deviation (annualised)	4.68%
% Positive months	75.00%
Maximum drawdown	-5.07%
Sharpe ratio	0.87%

## MANAGER SELECTION (%)

Amplify SCI Absolute Income Retail Hedge (Acumen)	1.50	Multi-Strategy Alternative	20.00
Amplify SCI Diversified Income Retail Hedge (Terebinth)	1.60	Ninety One Global Multi-Asset Income FF	3.00
Amplify SCI Flexible Equity (Abax)	4.00	PSG Flexible	2.85
Amplify SCI Income Plus Retail Hedge (Matrix)	1.50	Sanlam Multi-Managed Smooth Global Growth	20.00
Amplify SCI Managed Equity Retail Hedge (Oyster Catcher)	5.35	Sanlam Multi-Managed Smooth Growth	25.00
Centaur BCI Flexible	3.00	Satrix Bond Index	2.90
Coronation Global Optimum Growth	3.30	Truffle SCI Flexible	6.00

MONTHLY FUND PERFORMANCE* (%)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Fund 2023	3.64	0.89	-0.21	1.55	0.39	1.44	0.94	0.87	-0.17				9.70
Fund 2022	-2.54	0.04	-1.00	-0.34	0.17	-1.49	2.49	0.77	-1.35	2.02	1.33	0.16	0.14
Fund 2021	1.66	1.49	0.78	1.55	-0.44	1.99	1.36	0.75	0.11	2.31	1.12	2.12	15.79

## FEES (% INCL. VAT)

Annual Solution Fee	0.29	Underlying Manager TER's	1.30
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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

September opened with the G20 Summit, when world leaders came together in one setting to discuss global issues under the theme of "One Earth, One Family, One Future". The European Central Bank (ECB) raised rates to 4% in September, taking them to the highest level since 1999. While the US Federal Reserve (Fed) kept rates unchanged at 5.25%-5.50%, Fed Chair Jerome Powell anticipated further rate hikes would be needed to achieve the 2% inflation target.

The UK also paused rates at 5.25%, providing relief to households battling rising prices and high borrowing costs. China's economy continues to weaken and data from the Chinese Beige Book survey indicate that retail sales and pricing power as well as manufacturing production and loans contributed to the slowdown in the Chinese economy. Locally, the South African Reserve Bank (SARB) kept interest rates unchanged at 8.25% at the September Monetary Policy Committee (MPC) meeting. The South African economy grew 0.60% in the second quarter of 2023 and there was concern that it might move into recession in the first quarter of 2023.

Global equity markets fell for a second consecutive month, with the MSCI World ending the month at -4.31% in dollar terms. Interest rates were a key factor weighing on market sentiment in September as investors' focus shifted from how much higher rates could go to how long rates would remain elevated and how many cuts would eventually come.

Emerging Market (EM) stocks outperformed their Developed Market (DM) counterparts. The MSCI EM ended at -2.57% month-on-month (m/m) in dollar terms with China dragging on EM stocks. Global Bonds ended the month negatively, at -2.92%, and Global Property was -5.96%, both in dollar terms. The FTSE ended the month at 1.82% in pound terms and the S&P 500 at a negative 4.77% in dollar terms. In domestic bond markets, the FTSE/JSE All Bond Index closed the month at -2.34% with the 1-3 year bonds at -0.36% m/m, 3-7 year bonds at -1.22% m/m, 7-12 year bonds at -2.84% m/m and bonds over 12 years at -2.96% m/m.

The South African share market followed global equity markets lower. The FTSE All-Share Index closed the month at -2.55%. Industrials and Property were in negative territory at -4.44% and -4.08% m/m. Resources ended with a positive 0.95% return. Financials ended negatively at -3.83% m/m. Cash was in positive territory at 0.68%. The local currency held up relatively well against a generally strong US dollar, ending the month at 0.51%. It performed relatively well against the euro and pound at 3.03% and 4.34% respectively. The rand performed negatively for the month against the Japanese yen at -0.17% and -0.65% against the Australian dollar.

## 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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