

# Succession Balanced Fund

February 2024



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

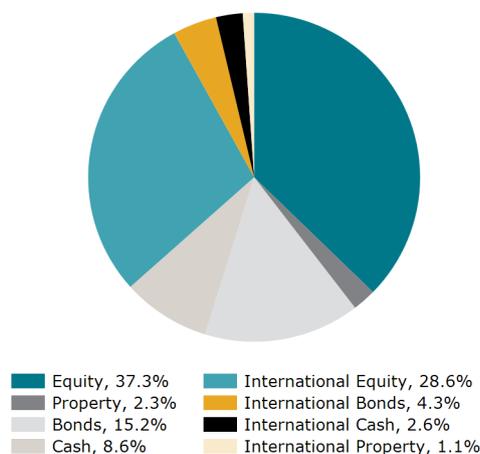
## FUND DETAILS

|                      |                                |
|----------------------|--------------------------------|
| <b>Fund Category</b> | SA Multi Asset High Equity     |
| <b>Benchmark</b>     | Avg SA Multi Asset High Equity |
| <b>Risk Profile</b>  | Moderate Aggressive            |
| <b>Launch Date</b>   | 09 March 2020                  |
| <b>Fund Size</b>     | R 175 million                  |

## FUND OBJECTIVE

The fund aims to provide a high level of capital growth over the long term. Investors in this fund are prepared to tolerate high fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with a bias towards equities (maximum of 75%). The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

## ASSET ALLOCATION

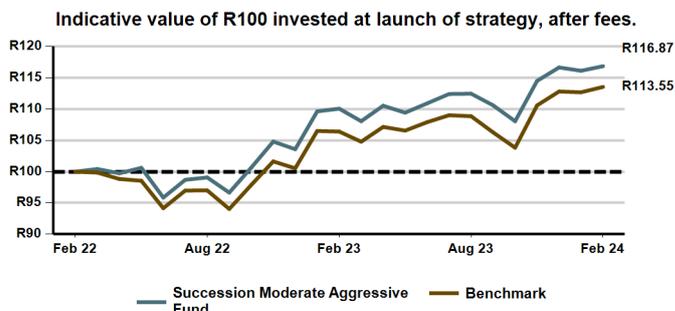


## INVESTOR PROFILE

This fund is suitable for investors looking for:

- High level of capital growth
- Able to tolerate high levels of volatility

## Cumulative performance - 2 years \*



| PERFORMANCE (%)      | FUND  | BENCHMARK |
|----------------------|-------|-----------|
| 1 Month              | 0.63  | 0.76      |
| 3 Months             | 2.06  | 2.67      |
| 6 Months             | 3.91  | 4.30      |
| 1 Year               | 6.17  | 6.71      |
| 2 Years (annualised) | 8.11  | 6.56      |
| 3 Years (annualised) | 10.70 | 8.55      |
| 5 Years (annualised) | 9.98  | 8.39      |
| Since Launch         | 7.58  | 6.55      |

For illustrative purposes only and based on the historic performance of the SFP multi-managed strategy.

| Risk statistics (2 years)       | Fund   |
|---------------------------------|--------|
| Returns (annualised)            | 8.11%  |
| Standard deviation (annualised) | 9.10%  |
| % Positive months               | 62.50% |
| Maximum drawdown                | -4.73% |
| Sharpe ratio                    | 0.12   |

## MANAGER SELECTION (%)

|                                    |       |   |       |
|------------------------------------|-------|---|-------|
| Amplify SCI Balanced (Laurium)     | 10.40 | Nedgroup Global Equity Feeder (Veritas) | 4.10  |
| Amplify SCI Flexible Equity (Abax) | 8.50  | PSG Flexible                            | 10.20 |
| Bateleur Flexible Prescient        | 6.70  | Satrix Balanced Index                   | 14.30 |
| Centaur BCI Flexible               | 7.80  | SI:MM Cash                              | 7.50  |
| Coronation Balanced Plus           | 7.20  | SIM Inflation Plus                      | 2.80  |
| Coronation Global Optimum Growth   | 5.00  | Truffle SCI Flexible                    | 9.50  |
| Fairtree Equity Prescient          | 6.00  |   |       |

## FEES (% INCL. VAT)

|                                     |       |
|-------------------------------------|-------|
| Annual fund management fee          | 0.30% |
| Total Expense Ratio (TER)           | 1.44% |
| Transaction Cost Ratio (TCR)        | 0.23% |
| Total Investment Charges (TER + TC) | 1.67% |

The TER was incurred as expenses relating to the administration of the Financial Product. The TC was incurred as cost relating to the buying and selling of the assets underlying the Financial Product. The TIC was incurred as cost relating to the investment of the Financial Product. The higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

The TER shown is based on the highest fee tier where applicable and is calculated as at 30 September 2023.

## CONTACT DETAILS

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Succession Financial Planning Advisory Services (Pty) Ltd (FSP) Licence No. 41158

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## MANAGER COMMENT

Both the UK and Japan moved into a technical recession in Q4 2023 after posting two consecutive quarters of negative economic growth. UK Prime Minister Rushi Sunak is under pressure to find ways to stimulate the UK economy and address the country's cost of living crisis. Japan battled with high economic uncertainty and inflation, which weighed heavily on private consumption and foreign investment.

US inflation rose more than expected in January because of stubbornly high shelter prices which impacted consumers. A preliminary Reuters poll showed that China's manufacturing activity contracted in February as factory owners struggled to secure local and international orders. Eurozone business activity fell for the ninth month in a row, but the rate of decline eased in January.

In SA, President Cyril Ramaphosa delivered his State of the Nation Address and Finance Minister Enoch Godongwana presented the National Budget. In these speeches, government updated citizens on the steps it will take to move the economy in the right direction.

After a positive start to 2024, global equity markets accelerated in February, with the MSCI World Index ending the month at 4.24% in dollar terms. Emerging markets (EMs) underperformed developed markets (DMs) for four consecutive months before February but managed to slightly beat DMs, with the MSCI EM Index ending positively at 4.77% month-on-month (m/m) in dollar terms. Chinese equities rallied strongly due to economic stimulus and contributed to the performance of the MSCI EM Index. Although it was announced that Japan slipped into a recession, the Nikkei still managed to end the month positively at 7.99% in yen terms. Both Global Bonds and Global Property entered negative territory at -1.26% m/m and -0.55% m/m in dollar terms. Tech stocks contributed to the S&P 500's positive performance of 5.34% m/m in dollar terms, with Nvidia, Meta and Amazon being the top contributors. The Dow Jones Index was positive at 2.5% m/m in dollar terms and the FTSE gained 0.19% m/m in pound.

The South African stock market was in negative territory in February, when the FTSE/JSE All-Share Index ended at -2.44% in rand terms. Industrials and Financials were negative, at -0.79% m/m and -1.2% m/m, but Resources was the biggest laggard, at -6.92% m/m. Local Property and Cash were both positive for the month, at 0.82% and 0.65% respectively in rand. The bond market underperformed, with the FTSE/JSE All-Bond Index ending at -0.58% m/m in rand terms. Bonds of 1-3 years ended the month at -0.04%, with bonds of 3-7 years at -0.88%, bonds of 7-12 years at -0.78% and bonds of above 12 years ending at -0.53%.

Expectations of sustained higher US interest rates boosted the dollar, which was stronger against all major DM and most major EM currencies in February. The rand was among the worst-performing currencies. It depreciated against the US dollar by -3.05% m/m, the euro by -2.68% m/m and the pound by -2.4% m/m. However, the currency appreciated against the Japanese yen by 2.39% m/m.

## PORTFOLIO MANAGER



### Wade Witbooi

BCom Business Management PGDip Financial Planning

Wade joined Sanlam Multi Managers in May 2016 as a retail portfolio manager within the investment team and is currently working under supervision.

Wade started his career at Glacier by Sanlam on their graduate trainee programme in 2010 and for the first two years worked within their communication centre and operations team, as well as their investment administration departments where he acquired a thorough understanding of the financial adviser market.

In 2012 he joined the Glacier Research team as an investment analyst focussing on manager research within the retail asset management landscape. Wade then joined Sanlam Investments Retail in May 2014 as a retail investments analyst within their Strategy and Client Solutions team, focussing on investment research, industry trend analysis, product positioning, and distribution support.

## MANAGER INFORMATION

Sanlam Multi Manager International (SMMI) (Pty) Ltd

## PHYSICAL ADDRESS

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