

31 January 2025

Financial Associates Cautious

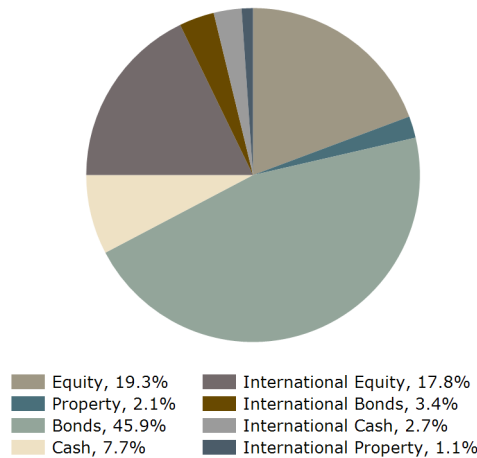
**Fund Details**

<b>Fund Category</b>	SA Multi Asset Low Equity
<b>Benchmark</b>	Avg SA Multi Asset Low Equity
<b>Risk Profile</b>	Cautious
<b>Investment period</b>	3 years
<b>Launch Date</b>	01 October 2022
<b>Platform</b>	Glacier

**Fund Objective**

The wrap fund aims to provide investors with stable income and a high level of capital stability. The probability of capital loss over the medium to long term is low. The fund will consist primarily of income orientated assets with a below average exposure to equities (maximum of 40%). Investors in this fund should have a minimum investment horizon of 3 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

**Asset Allocation**

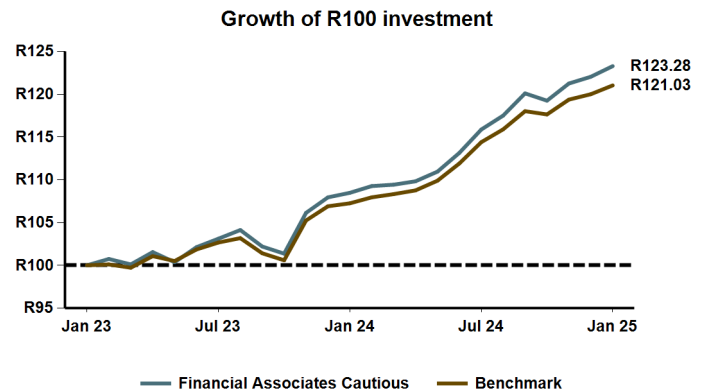


**Investor Profile**

This fund is suitable for investors looking for:

- Stable income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 3 years

**Cumulative performance - 2 years \***



Performance (%)	Fund*	Benchmark
1 Month	1.02	0.86
3 Months	3.38	2.88
6 Months	6.40	5.80
1 Year	13.65	12.85
2 Years (annualised)	11.03	10.01
YTD	1.02	0.86
Since Launch	13.69	12.57

Risk statistics (2 years)	Fund*
Returns (annualised)	11.03%
Standard deviation (annualised)	4.74%
% Positive months	79.17%
Maximum drawdown	-2.65%
Sharpe ratio	0.58

**Manager Selection (%)**

Amplify SCI Strategic Income (Terebinth)	15.00	Aylett Balanced Prescient	6.00
SIM Flexible Income	15.00	Amplify SCI Flexible Equity (Abax)	5.00
Amplify SCI Wealth Protector (Truffle)	12.00	PSG Flexible	5.00
Amplify SCI Defensive Balanced (Matrix)	11.00	Satrix Bond Index	5.00
Ninety One Opportunity	10.00	Nedgroup Global Equity Feeder (Veritas)	4.00
Satrix Low Equity Balanced	10.00	Coronation Global Optimum Growth	2.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2025	1.02												1.02
Fund 2024	0.49	0.72	0.15	0.36	1.02	1.98	2.41	1.41	2.21	-0.71	1.68	0.65	13.06
Fund 2023	4.07	0.74	-0.63	1.44	-1.16	1.75	0.97	0.98	-1.85	-0.82	4.70	1.71	12.33

**Fees (% incl. VAT)**

Annual wrap fee	0.29
Underlying Manager TER's	0.76

\* The investor is liable for CGT on any transactions in the units of the underlying unit trusts 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.

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**Manager Comment**

The US jobs data was positive for the month when nonfarm payroll employment added jobs. China's stimulus package aided in boosting growth in the country's economy for 2024, allowing it to meet its target, while presenting opportunity for more growth. The Bank of Japan (BoJ) raised rates to the highest level in 17 years, with hopes to push interest rates to 1%. US Retail Sales were positive for the month amid a positive holiday shopping season. The European Central Bank (ECB) cut interest rates to maintain current inflation levels until the target level of 2% has been reached. Locally, President Cyril Ramaphosa signed the Expropriation Bill, stirring controversy both locally and globally. The SA Consumer Price Inflation (CPI) rate also dropped to below the South African Reserve Bank (SARB)'s target, motivating the reserve bank to cut rates.

Developed market equities bounced back from the December wobble, with a strong start to the year as the MSCI World Index ended the month positively at 3.53% in dollar terms. Emerging market equities underperformed relative to developed market equities, however, the MSCI EM Index was still in positive territory at 1.81% month-on-month (m/m) in dollar terms. Global property fared better relative to global bonds at 1.78% m/m and 0.57% m/m respectively. The FTSE Index was the biggest gainer for the month in the global market, ending at 5.52% in pounds. After two years of equity markets led by US mega-cap tech shares, the shape of January returns was different, with the EuroStoxx 50 Index (8.14% m/m) outperforming its US counterpart, the S&P 500 (2.78% m/m). The underperformance of US tech stocks - a significant contributor to the S&P 500's gains - is attributed to the announcement of the development of an AI model, DeepSeek, to replicate the performance of OpenAI. The Dow Jones Index ended the month in positive territory at 4.78% in dollar terms, whereas the Nikkei ended the month in negative territory at -0.80% in yen terms.

South African equity markets bounced back from a three-month losing streak in January with the FTSE/JSE All Share Index at 2.32%. The resurgence of the South African rand hints at shifting market sentiments after a turbulent end to 2024. Industrials, Property, and Financials were in negative territory at -2.60% m/m, -2.34% m/m, and -2.87% respectively. However, Resources and Cash were in positive territory at 16.29% m/m and 0.66% m/m, respectively, with Resources posting the biggest gains for the month. The FTSE/JSE All Bond Index was also positive at 0.44% m/m. Short- and long-term bonds posted gains for the month although the gains were low. Bonds of 1-3 years gained 0.77% m/m; bonds of 3-7 years gained 0.76% m/m; bonds of 7-12 years gained 0.49% m/m; and bonds of 12 years and above gained 0.08% m/m. The rand strengthened in January, ending the month at 1.07% against the US dollar; 0.68% against the euro; and 1.87% against the pound.

**Investment Committee**

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

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**Portfolio Manager**



**Shawn Phillips**

BSocSci PPE  
BCom (Hons) FAPM

**About the Portfolio Manager**

Shawn joined Sanlam Investments Multi-Manager in October 2021 as a Portfolio Manager in the Retail Implemented Consulting team. He started his career as a Research and Investment Analyst at Glacier by Sanlam in 2016. Shawn holds a BCom (Hons) degree in Financial Analysis and Portfolio Management from the University of Cape Town. He also holds a BSocSci degree in Philosophy, Politics and Economics from the University of Cape Town. He has passed Level I of the CFA® programme.

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