

31 December 2022

Adelaar BlueStar Cautious

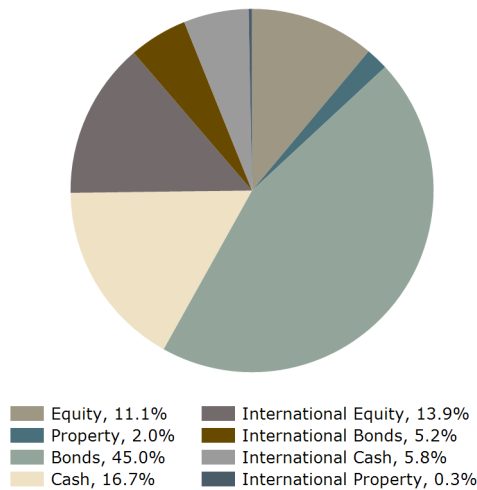
Fund Details

Fund Category	SA Multi Asset Low Equity
Benchmark	Avg SA Multi Asset Low Equity
Risk Profile	Cautious
Investment period	3 years
Launch Date	01 November 2014
Fund Size	R 168 million
Platform	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 have an investment horizon of 3 years. The fund is Regulation 28 compliant.

Asset Allocation

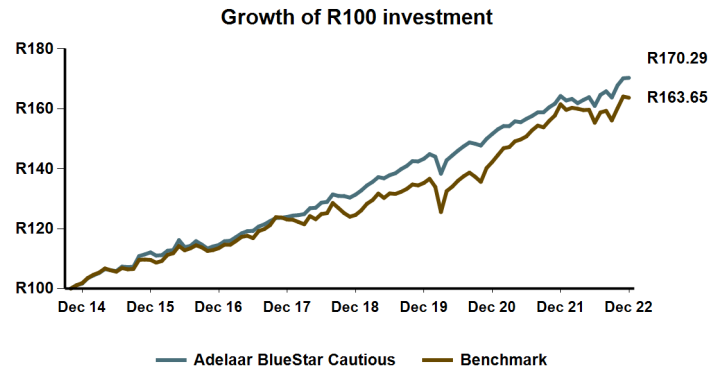


Investor Profile

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
- An investment horizon of 3 years

Cumulative performance since launch *



Performance (%)	Fund*	Benchmark
1 Month	0.08	-0.24
3 Months	4.00	4.85
6 Months	5.83	5.37
1 Year	3.69	1.36
2 Years (annualised)	6.00	7.27
3 Years (annualised)	5.92	6.57
5 Years (annualised)	6.57	5.87
Since Launch	6.74	6.22

Risk statistics (2 years)	Fund*
Returns (annualised)	6.00%
Standard deviation (annualised)	3.50%
% Positive months	75.00%
Maximum drawdown	-2.02%
Sharpe ratio	0.43

Manager Selection (%)

ABAX Absolute Prescient	10.00	Ninety One Diversified Income	8.00
Allan Gray Stable	10.00	Ninety One Global Franchise Feeder	5.00
Amplify SCI Defensive Balanced	10.00	Prescient Income Provider	8.00
Amplify SCI Strategic Income	8.00	Rezco Value Trend	5.00
Amplify SCI Wealth Protector	11.00	Satrix Bond Index	5.00
Coronation Global Optimum Growth	5.00	SIM Inflation Plus	10.00
Nedgroup Investments Flexible Income	5.00		

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	-0.91	0.32	-0.87	0.66	0.57	-1.78	2.29	0.73	-1.24	2.46	1.42	0.08	3.69
Fund 2021	1.04	0.70	-0.01	1.04	-0.19	0.72	0.61	0.76	0.02	1.05	0.75	1.58	8.36
Fund 2020	1.07	-0.57	-3.94	3.24	1.14	1.11	0.99	0.85	-0.29	-0.40	1.50	1.09	5.76

Fees (% incl. VAT)

Annual wrap fee	0.46
Underlying Manager TER's	0.77

* 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.

The Adelaar BlueStar Cautious Wrap Fund, is developed and managed by Sanlam Investments on behalf of Adelaar BlueStar.

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Manager Comment

Investors were seeking a “Santa Claus rally” in the final month of the year, however, December proved to be no different with volatility and losses seen throughout 2022. Most major global markets ended in negative territory, including South Africa. This comes as no surprise as it was driven by global central banks’ aggressive interest rate hikes to curb inflation. Increasing recession fears, Russia’s invasion of Ukraine and increasing concerns over a surge in Covid-19 cases in China further contributed to the volatility.

The fourth quarter 2022 rally faded into year-end, with developed equity markets losing more ground in December but managed to deliver its first positive quarter of 2022. The MSCI World Index closed at -4.34% m/m in USD and -4.25% m/m in ZAR. US tech stocks struggled once again, with the tech-heavy Nasdaq falling around 9% m/m, wiping out all its gains from 2022 and leaving itself comfortably in bear market territory for 2022 (around 32% down y/y). The S&P 500 returned -5.77% m/m. The Euro Stoxx 50 (€) returned -4.04% m/m. The UK’s blue-chip FTSE (£) fared better compared to counterparts, closing at -1.42% m/m.

Emerging equity markets outperformed their developed counterparts in the final month of the year, the MSCI Emerging Markets Index closed at -1.64% m/m in USD and -1.53% m/m in ZAR. China’s major market indices ended mixed, with Hong Kong’s Hang Seng Index rising, while the Shanghai Composite Index fell. This follows the country’s easing on Covid-19 restrictions and the unexpected surge in Covid-19 cases.

The South African equity market followed world markets lower, but ended the year in positive territory. The FTSE/JSE All Share Index closed at -2.26% m/m and 3.58% y/y. On a yearly basis, the country was one of the select few major global stock markets to eke out a gain in 2022. Stocks geared towards the domestic economy were amongst the worst-performing during the month.

All major sectors finished the month in the “red.” Resources took the biggest hit, closing at -3.58% m/m, followed by Financials closing at -1.71% m/m. Industrials fared slightly better, with the help of Naspers and Prosus closing at -0.07% m/m. SA Listed Property advanced for the third consecutive month, closing at 1.13% m/m. Local bonds continued to gain in the high interest rate environment, with the All Bond Index (ALBI) returning 0.62% m/m. Cash (STeFI) delivered a moderate return of 0.56% m/m. South African growth managers (-1.15% m/m) outperformed value managers (-3.52% m/m), while the opposite occurred globally.

The ZAR remained relatively unchanged against the safe-haven USD, closing at -0.10% m/m. Furthermore, the ZAR lost as much as 5.44%, 3.62% and 1.10% against the Japanese yen, euro, and sterling.

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.

Lourence Matthee
Maxie Matthee
Pierre De Bruin
Imraan Jakoet
Tommy Grewar

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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.

Manager Information

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