

31 December 2022

Agathos BlueStar Flexible Income

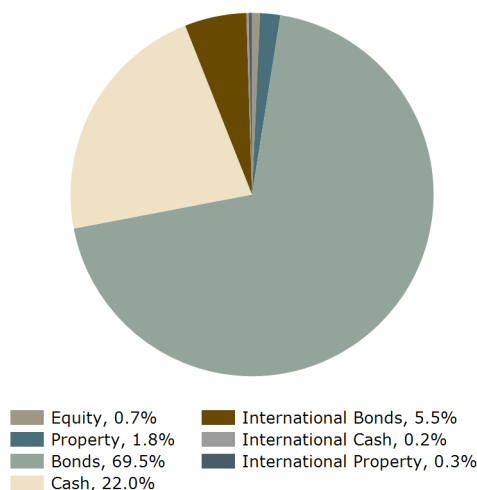
#### Fund Details

|                          |                       |
|--------------------------|-----------------------|
| <b>Fund Category</b>     | SA Multi Asset Income |
| <b>Benchmark</b>         | CPI+1%                |
| <b>Risk Profile</b>      | Conservative          |
| <b>Investment period</b> | 1 year or longer      |
| <b>Launch Date</b>       | 01 July 2019          |
| <b>Fund Size</b>         | R 23 million          |
| <b>Platform</b>          | Glacier               |

#### Fund Objective

The wrap fund aims to provide investors with a high level of income over the short term. The preservation of capital is of primary importance, focusing on highest yielding assets with risk of capital being paramount. The fund will consist primarily of income orientated assets with limited exposure to equities (maximum of 10%). Investors in this fund have an investment horizon of a minimum of 1 year or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

#### Asset Allocation

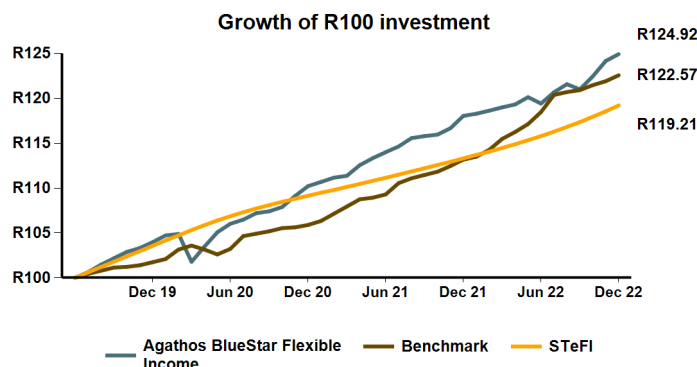


#### Investor Profile

This fund is suitable for investors looking for:

- High level of income over the short term
- Capital preservation, with limited exposure to equities
- A minimum investment horizon of 1 year or longer

#### Cumulative performance since launch \*



| Performance (%)      | Fund* | Fund Benchmark | STeFI |
|----------------------|-------|----------------|-------|
| 1 Month              | 0.61  | 0.54           | 0.56  |
| 3 Months             | 3.24  | 1.37           | 1.58  |
| 6 Months             | 4.61  | 3.46           | 2.95  |
| 1 Year               | 5.83  | 8.30           | 5.21  |
| 2 Years (annualised) | 6.46  | 7.59           | 4.51  |
| 3 Years (annualised) | 6.31  | 6.40           | 4.80  |
| YTD                  | 5.83  | 8.30           | 5.21  |
| Since Launch         | 6.56  | 5.99           | 5.15  |

| Risk statistics (2 years)       | Fund*  |
|---------------------------------|--------|
| Returns (annualised)            | 6.46%  |
| Standard deviation (annualised) | 1.67%  |
| % Positive months               | 91.67% |
| Maximum drawdown                | -0.59% |
| Sharpe ratio                    | 1.18   |

#### Manager Selection (%)

|                              |       |                           |       |
|------------------------------|-------|---------------------------|-------|
| Amplify SCI Strategic Income | 20.00 | Granate BCI Multi Income  | 15.00 |
| BCI Income Plus              | 15.00 | Prescient Income Provider | 17.50 |
| Coronation Strategic Income  | 15.00 | SIM Flexible Income       | 17.50 |

| Monthly Fund Performance* (%) | Jan  | Feb  | Mar   | Apr  | May  | Jun   | Jul  | Aug  | Sep   | Oct  | Nov  | Dec  | YTD  |
|-------------------------------|------|------|-------|------|------|-------|------|------|-------|------|------|------|------|
| Fund 2022                     | 0.20 | 0.29 | 0.31  | 0.27 | 0.68 | -0.59 | 1.05 | 0.75 | -0.47 | 1.20 | 1.40 | 0.61 | 5.83 |
| Fund 2021                     | 0.42 | 0.43 | 0.18  | 1.07 | 0.69 | 0.59  | 0.56 | 0.81 | 0.19  | 0.14 | 0.61 | 1.18 | 7.10 |
| Fund 2020                     | 0.72 | 0.15 | -2.96 | 1.67 | 1.55 | 0.90  | 0.43 | 0.68 | 0.19  | 0.44 | 1.14 | 1.01 | 6.00 |

#### Fees (% incl. VAT)

|                          |      |
|--------------------------|------|
| Annual wrap fee          | 0.23 |
| Underlying Manager TER's | 0.47 |

\* 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 Agathos BlueStar Flexible Income Wrap Fund is developed and managed by Sanlam Investments on behalf of Agathos 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 -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.

### Portfolio Manager



#### Luke McMahon

BCom (Accounting)  
BCom (Hons) Business  
Administration

### About the Portfolio Manager

Luke holds a B.Com (Accounting) degree and B.Com (Hons) degree in Business Administration from the University of the Western Cape (UWC). He also holds a Master's degree in Business Management from the University of the Western Cape and is a CFA Level 1 candidate. He joined Glacier Research team as investment analyst in January 2016, with responsibilities being local and offshore fund manager research. He has written numerous financial articles, published in the Financial Mail and Moneyweb, and has participated in numerous investment roadshows as a presenter and panel facilitator. Luke left Glacier Research and joined Sanlam Multi-Manager International in September 2019 as a portfolio manager in the Retail Implemented Consulting team.

### Manager Information

Sanlam Multi Manager International (SMMI) (Pty) Ltd

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### 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.

Ian Viljoen  
Eduard Viljoen  
Andries Stephanus Maree  
Jacobus Stephanus Janse van Nieuwenhuizen  
Luke McMahon  
Rocco Carr  
Helgard Muller

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