

31 December 2022

Aquila Volo BlueStar Conservative

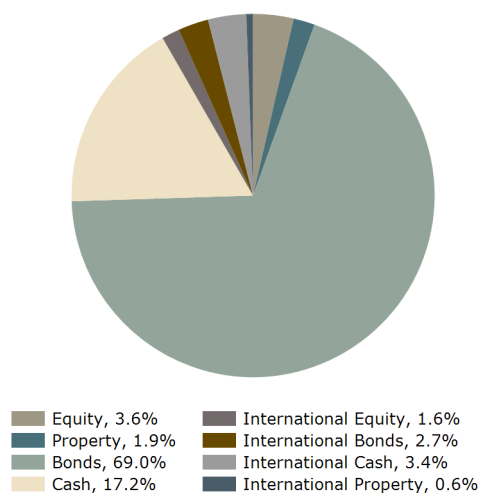
Fund Details

Fund Category	SA Multi Asset Income
Benchmark	Avg SA Multi Asset Income
Risk Profile	Conservative
Investment period	1 year or longer
Launch Date	01 March 2015
Fund Size	R 21 million
Platform	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. The fund will consist primarily of income orientated assets with limited exposure to equities (maximum of 20%). Investors in this fund have an investment horizon of 1 year or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation

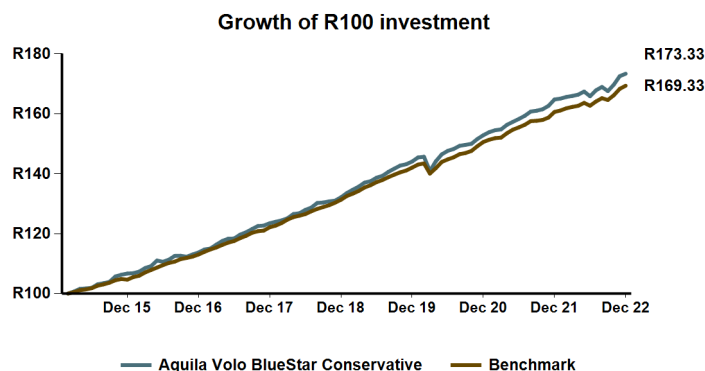


Investor Profile

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*	Benchmark
1 Month	0.47	0.62
3 Months	3.46	2.89
6 Months	4.53	4.10
1 Year	5.22	5.45
2 Years (annualised)	6.50	6.05
3 Years (annualised)	6.37	6.04
5 Years (annualised)	7.02	6.76
Since Launch	7.27	6.95

Risk statistics (2 years)	Fund*
Returns (annualised)	6.50%
Standard deviation (annualised)	2.05%
% Positive months	91.67%
Maximum drawdown	-0.94%
Sharpe ratio	0.98

Manager Selection (%)

Amplify SCI Strategic Income	22.50	Prescient Income Provider	21.50
Coronation Strategic Income	21.00	SIM Enhanced Yield	10.00
Granate BCI Multi Income	10.00	SIM Inflation Plus	15.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	0.18	0.33	0.20	0.27	0.62	-0.94	1.20	0.67	-0.82	1.28	1.67	0.47	5.22
Fund 2021	0.68	0.42	0.18	0.99	0.64	0.61	0.67	0.88	0.18	0.29	0.72	1.30	7.80
Fund 2020	0.95	0.15	-3.27	2.31	1.61	0.79	0.43	0.71	0.22	0.23	1.07	0.83	6.09

Fees (% incl. VAT)

Annual wrap fee	0.46
Underlying Manager TER's	0.49

* 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 Aquila Volo BlueStar Conservative Wrap Fund, is developed and managed by Sanlam Investments on behalf of Aquila Volo 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.

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.

Ingrid Orban
Robin Griffiths
Kiru Padayachee
Niël Hougaard

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Portfolio Manager



Niël Hougaard, CFA

BCom Management Sciences
BCom (Hons) Financial Analysis
CFA Charterholder

About the Portfolio Manager

Niël has over 10 years of experience in the financial industry across the UK and SA. Having graduated in 2007 from Stellenbosch University with an honours degree in Financial Analysis, he took up a role with PwC UK (London) in 2008 as a member of their Anti-Money Laundering team. In 2009 he returned to South Africa where he joined up with State Street Southern Africa, serving as a Portfolio Administrator. Having always had the ambition of entering the asset management industry he eventually teamed up with Autus Fund Managers, a small Cape Town based boutique fund manager, in 2010. He gained a wealth of experience in managing various direct equity and multi-asset portfolios. He is a CFA charter holder having obtained the designation in 2014.

Manager Information

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