

SPW FLEXIBLE PORTFOLIO

31 MAY 2022

Conservative
Cautious
Moderate
Moderate Aggressive
Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

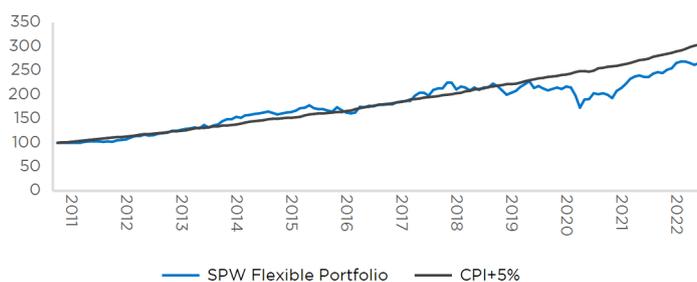
This multi-asset class portfolio invests both locally and offshore. Local assets may include equities, bonds, money market instruments and property. Offshore exposure is obtained through direct investment in listed instruments and/or investment in collective investment schemes. The mandate allows for an unconstrained view, both from an asset allocation and a stock-picking perspective. Portfolio management is likely to reflect high-conviction calls and high levels of trading activity, both of which will at times reflect tactical investment calls. The asset classes will be selected on the potential to generate nominal performance and not on a relative valuation perspective.

YOUR PERSONAL EQUITY PORTFOLIO

The SPW Flexible Portfolio is constructed by the investment team based on an intensive and rigorous investment process. It acts as a guide to your portfolio manager in customising your personal portfolio to suit your individual requirements. Note that the performance on this fact sheet is based on the model portfolio - the performance of your portfolio may vary, depending on the level of deviation from the model and the fees charged.

WHY SELECT A PERSONAL PORTFOLIO

A personal portfolio is suitable to discerning investors who might have unique factors to consider during the investment process. Your investment can be tailored to your requirements, you have more direct access to your portfolio manager and you have direct ownership of shares. Your portfolio will not be affected by the cash investment and withdrawals of other investors.

PERFORMANCE NET OF FEES¹


Percentage Returns	Portfolio	Benchmark	Active
Since inception	8.73%	10.13%	-1.40%
10 Yrs (Annualised)	8.71%	10.04%	-1.33%
5 Yrs (Annualised)	5.46%	9.43%	-3.97%
3 Yrs (Annualised)	7.42%	9.43%	-2.01%
Past 12 Months	12.30%	11.12%	1.18%
YTD	-0.11%	4.69%	-4.80%

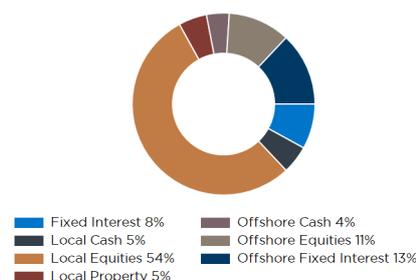
PORTFOLIO INFORMATION

Risk rating	Aggressive
Inception date	October 2010
Minimum investment	R1 million
Benchmark	CPI + 5% <over rolling 36 months>
Management company	Sanlam Private Wealth
Portfolio manager	Alwyn van der Merwe
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 SHARE HOLDINGS

(Please note your portfolio might vary from this)

British American Tobacco PLC	7.51%
Anglo American PLC	6.66%
FirstRand Ltd	5.93%
Prosus NV	3.71%
Sasol Ltd	3.57%

EQUITY SECTOR EXPOSURE


1. The net of fee calculation assumes a 1.15% annual management charge and total trading costs of 1% (both inclusive of VAT) on the value of actual portfolio turnover.



ABOUT THE PORTFOLIO MANAGER

Alwyn van der Merwe, BCom (Hons), MBA

Alwyn was appointed as Director of Investments of Sanlam Private Wealth in 2007. He has over 25 years` experience in the investment industry and has managed institutional and unit trust portfolios successfully for 14 years. Alwyn leads and chairs Sanlam Private Wealth`s formal investment committee.

PORTFOLIO MANAGER'S COMMENTS

May was a month of two halves for financial markets. Both bonds and equities initially sold off only to recover strongly in the second half of the month. This schizophrenic behaviour was driven by changing views on inflation and the likely path of the global interest rate cycle. SA equities largely followed the global trend. However, the recovery of local equities was not strong enough to end in positive territory - the FTSE/JSE All Share Index recorded a total return of -0.36% for the period under review.

May was also a month of material disparity within the range of economic sectors. Gold shares were generally under pressure and Goldfields declined by 29%. Other losing sectors were personal goods (Richemont being the biggest constituent) which lost 8.4%, and healthcare providers, which retreated by 4.5%. Big gainers were chemicals (Sasol), adding another 5.2%, diversified miners, which advanced by 6%, with software and computer services (Naspers/Prosus) gaining 5.5% off a low base.

It was a mixed month for commodities as the prices of precious metals (gold down by 3.4%) and base metals came under pressure. However, Brent (+12.3%) and WTI (+9.5%) had another very strong month and have now risen for six consecutive months for the first time since 2011. Local bond yields strengthened marginally and the All Bond Index returned 1.01% in the month. Cash returned 0.4%.

The portfolio delivered good nominal performance for the 12-month period to the end of May, posting a return of 12.30% against a benchmark of 11.12%. The benchmark of CPI+5% has proved to be a tough measuring stick over the past five years - all local asset classes have failed to match it. However, the good performance over 24 months closed the gap between the inflation-plus benchmark and the actual portfolio performance over the longer term. The portfolio has recorded a credible 8.71% after costs versus the CPI+5% benchmark since inception.

We seldom comment on short-term movements. However, the outbreak of the war in Ukraine had severe negative short-term implications for global banking shares and overall emerging market performance - the performance in Russia was diabolical. Since the portfolio has direct exposure to emerging markets and international financial shares, the very short-term performance came under pressure. Following several changes in April, May was relatively quiet. We trimmed the exposure to Sasol after a period of material outperformance. The net result was a marginal reduction in equity exposure in the portfolio.

ABOUT SANLAM PRIVATE WEALTH

Sanlam Private Wealth is a holistic, integrated wealth management business that provides advice and manages assets for high net worth private individuals, cultural organisations, charitable institutions and similar entities with investable assets of more than R1 million.

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MANDATORY DISCLOSURE

Participation in the SPW Flexible Portfolio is a medium- to long-term investment. The value of this portfolio is subject to fluctuation and past performance is not necessarily a guide to its future performance. Calculations are based on a lump sum investment with gross income reinvested on the ex-dividend date. All performance figures are net of fees and costs. Actual investment performance will differ based on the fees applicable, the actual investment date and the date of reinvestment of income. A schedule of fees and maximum commissions is available from the manager. Sanlam Private Wealth (Pty) Ltd, registration number 2000/023234/07, is a member of the Johannesburg Stock Exchange, a licensed Financial Services Provider (FSP 37473) and a Registered Credit Provider (NCRCP1867).

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