

## SPW FLEXIBLE PORTFOLIO

30 SEPTEMBER 2022

Conservative
Cautious
Moderate
Moderate Aggressive
Aggressive

**PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE**

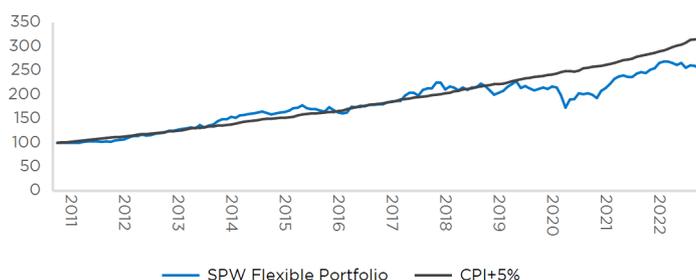
This multi-asset class portfolio invests both locally and offshore. Local assets may include equities, bonds, money market instruments and property. Offshore exposure is obtained through direct investment in listed instruments and/or investment in collective investment schemes. The mandate allows for 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 FEES<sup>1</sup>**


Percentage Returns	Portfolio	Benchmark	Active
Since inception	8.06%	10.27%	-2.21%
10 Yrs (Annualised)	7.64%	10.21%	-2.57%
5 Yrs (Annualised)	3.53%	9.89%	-6.36%
3 Yrs (Annualised)	6.24%	10.13%	-3.89%
Past 12 Months	3.39%	12.48%	-9.09%
YTD	-4.61%	9.77%	-14.38%

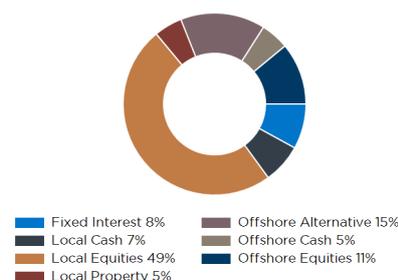
**PORTFOLIO INFORMATION**

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	6.43%
FirstRand Ltd	5.21%
Anglo American PLC	5.00%
Prosus NV	4.54%
BHP Group Ltd	2.98%

**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

Equity and bond markets both locally and globally ended Q3 and the month of September on the back foot. Following a strong recovery in June after the sell-off in the first half, a very 'hawkish' speech by the US Federal Reserve (the Fed) chair Jerome Powell fundamentally turned investor sentiment in mid-August. The Fed then followed through on this hawkish rhetoric, delivering a third consecutive 75bps rate hike at their September meeting. Hence, the negative mood persisted in September.

South African equities, as measured by the FTSE/JSE All Share Index, declined by 4.1% in the month and by a modest 1.9% in the quarter when measured in the local currency. The losses were broad-based, with chemicals (-8.2%), retailers (-8.1%) and banks (-7%) leading the way down in the month. The woes of listed property continued - the sector declined by 6.1% in the month. Selective miners were stronger as both platinum and selective gold counters traded higher. Local bonds could not escape the international trend - the All Bond Index lost 2.1% in the month. Cash provided a positive return of 0.46%.

The portfolio delivered decent nominal performance for the 12-month period to the end of September, posting a return of 3.39% against a benchmark of 12.5%. Not only has the higher recent inflation number raised the performance bar materially, but 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 (12.62% per annum) surpassed the inflation-plus benchmark of 11.2% per annum for the period. The portfolio has recorded a credible 8.06% after costs since inception.

We seldom comment on short-term movements. First, the severe drawdown in global equities had a material impact on the nominal performance of the portfolio. Second, 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 Q2, we made few changes to the portfolio in Q3. We sold the entire holding in Shoprite after a period of material outperformance. We bought Spar Holdings with the proceeds. Equity market weakness diluted the equity exposure to 60.3%. The portfolio holds 7.9% in fixed interest investments, 4.8% in local listed property, 15.5% in global alternative investments and 11.5% in local cash.

## 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.

## CONTACT US

T 021 950 2770

E [clientcare@privatewealth.sanlam.co.za](mailto:clientcare@privatewealth.sanlam.co.za)

A 55 Willie van Schoor Avenue, Bellville, Cape Town, 7530

## 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).

Please click [here](#) to read our Privacy Statement.