Sanlam PRIVATE Wealth

SPW DIVIDEND INCOME PORTFOLIO

31 MARCH 2024

Conservative | Cautious | Moderate | Moderate Aggressive | Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is a diversified local equity portfolio which may include both ordinary and preference shares. The portfolio aims to invest in shares that offer higher dividend yields than the general market, and which we believe can sustain or grow their dividends over time. The objective of the portfolio is to provide a combination of income and capital growth, with an emphasis on growing the income stream in real terms over an investment horizon of three years. This portfolio is suitable for investors who can withstand potential capital volatility in the shorter term.

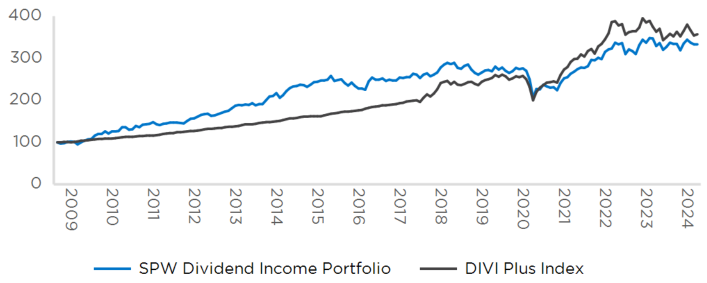
YOUR PERSONAL EQUITY PORTFOLIO

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

WHY SELECT A PERSONAL PORTFOLIO

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

PERFORMANCE NET OF FEES[1]



Percentage Returns	Portfolio	Benchmark	Active
Since inception	8.03%	8.51%	-0.48%
10 Yrs (Annualised)	4.13%	8.67%	-4.54%
5 Yrs (Annualised)	4.33%	7.12%	-2.79%
3 Yrs (Annualised)	7.48%	6.24%	1.24%
Past 12 Months	1.33%	-1.51%	2.84%
YTD	-3.24%	-6.09%	2.85%

PORTFOLIO INFORMATION

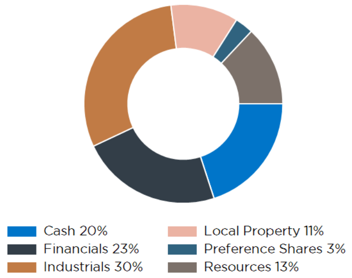
Risk rating	Aggressive
Inception date	September 2008
Minimum investment	R1 million
Benchmark	70% FTSE/JSE Dividend Plus TR Index / 30% STeFI
Management company	Sanlam
Portfolio manager	Gary Davids
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

British American Tobacco PLC	9.87%
Absa Group Ltd	6.20%
Investec	4.61%
Mondi Plc	4.18%
Standard Bank Group Ltd	3.95%

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

Gary Davids, B.Com Honours

Gary Davids joined Sanlam Private Wealth in July 2022, focusing on the South African financials sector. He graduated with a BCom Honours in Financial Analysis and Portfolio Management from the University of Cape Town and is currently completing his Master's in Corporate Finance and Valuation at the University of Cape Town. Gary worked as an investment analyst in the asset management industry for eight years before joining Sanlam Private Wealth.

PORTFOLIO MANAGER`S COMMENTS

The global equity market continued the rally that started in October 2023 into the first quarter of 2024, once again led by US tech. However, the equity market did not require lower rates to perform this time, as traders pushed back their expectation for central bank rate cuts amid stickier-than-hoped-for inflation prints. Rather, equities were bolstered by economic data that suggested a still-resilient economy, while financial conditions loosened as the confidence of market participants grew. In March, the equity market started to broaden out as some of the cyclical sectors such as energy, mining and financials outperformed.

Developed market equities, as measured by the MSCI World Index, rose 8.9% in US dollar terms in the first quarter, while global bonds declined 2.1%. The technology (+12.4%), financial (+10.7%) and energy (+10.1%) sectors led the gains, while the more rates-sensitive and defensive sectors such as consumer staples (+3.5%) and real estate (-1.3%) lagged.

As real interest rates increased, the US Dollar Index strengthened by 3.1%, while the gold price jumped 8.1%, disengaging from its historic inverse relationship to interest rates as strong demand from the East supported its price.

South African equities, as measured by the FTSE/JSE All Share Index, continued to struggle versus global equities over the quarter, losing 2.2% in rand terms (or 5.7% in US dollars). Platinum shares were particularly weak, while higher bond yields put pressure on financial shares. Sasol also continued to underperform. Gold mining shares rose on the back of a higher gold price, while rand-hedge shares British American Tobacco, Bidcorp, Richemont and Naspers/Prosus also outperformed.

Bonds traded weaker on the back of higher yields globally – the FTSE/JSE All Bond Index losing 1.8%. Cash returned 2.1% while local listed property gained 3.9%. The rand was on the back foot, weakening by 2.8% to the US dollar.

Considering the sharp rise in interest rates over the past year and the reduction in global money supply, the US economy has remained remarkably resilient. However, we know that monetary policy works with variable lags. Inflation and the labour market have not yet returned to equilibrium, while loose fiscal policy, excess savings and fixed rate debt have slowed the impact of tighter monetary policy. This has created uncertainty over the appropriateness of current monetary policy and the future interest rate path, with significant repercussions for expected asset class performance. In this environment, appropriate asset class diversification becomes even more important.

The SPW Dividend Income Portfolio returned 0.1% ,as our South African banks position negatively contributed to performance, for the month of March 2024. Over the last 3 years the fund has delivered a total return of 7.5% per annum for the period ending March 2024. The top contributors to performance for the month were Glencore (+14.2%) ,Anglo American Plc (+12.6%),British American Tobacco (+3%), and Investec (+5.5%), while ABSA (-9.4%), Netcare (-12.3%) and Standard Bank (-8.2%) detracted from performance. The expected gross dividend yield on the portfolio over the next 12 months is 7.2%.

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

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

MANDATORY DISCLOSURE

Participation in the SPW Dividend Income 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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