

SPW WORLDWIDE EQUITY PORTFOLIO

31 JULY 2024



PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is an equity portfolio that invests both locally and offshore. The portfolio aims to achieve capital and income growth over an investment horizon of at least five years, by investing in companies that are undervalued relative to their intrinsic value. The local portion of the portfolio offers a carefully selected, well-diversified basket of shares from all sectors on the JSE. It may also provide exposure to unlisted shares. The investments in the portfolio are subject to rigorous, in-depth research and adhere to Sanlam Private Wealth's pragmatic value-investment philosophy. Offshore exposure is obtained through direct investment in listed equities and/or investment in equity funds. Both active and passively managed funds (i.e. index trackers) are provided.

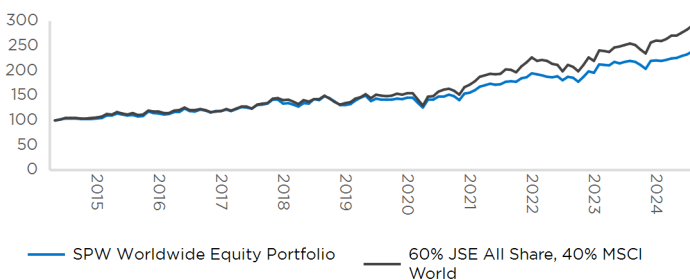
YOUR PERSONAL EQUITY PORTFOLIO

The SPW Worldwide Equity 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 FEES¹



Percentage Returns	Portfolio	Benchmark	Active
Since inception	9.02%	10.99%	-1.97%
10 Yrs (Annualised)	8.79%	10.74%	-1.95%
5 Yrs (Annualised)	11.31%	14.26%	-2.95%
3 Yrs (Annualised)	10.33%	12.87%	-2.54%
Past 12 Months	8.44%	14.12%	-5.68%
YTD	8.01%	11.47%	-3.46%

PORTFOLIO INFORMATION

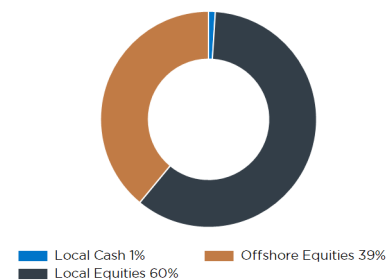
Risk rating	Aggressive
Inception date	30 April 2014
Minimum investment	R1 million
Benchmark	60% JSE All Share, 40% MSCI World
Management company	Sanlam Private Wealth
Portfolio manager	David Lerche
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Sanlam Global High Quality Fund	16.71%
Naspers -N-	6.92%
Amplify Global Equity	6.81%
Schroder International Selection Fund - QEP Global Core	6.49%
British American Tobacco PLC	4.28%

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

David Lerche, CFA, CA (SA)

David has 14 years` experience in the asset management industry. He is a CFA charterholder and a qualified CA (SA), and has degrees in finance and accounting. David joined the Sanlam Private Wealth team five years ago as an investment analyst, and has been Head of Equities since the start of 2021. Before this, he spent nine years in institutional stockbroking as an equity analyst servicing major South African and global asset managers.

PORTFOLIO MANAGERS COMMENT

July was a month of two halves, with the first half seeing a number of fresh record highs in global equity markets. In the second half, mega-cap tech stocks saw material losses, dragging the S&P 500 down over 10% from peak to trough, although it was up 1.2% over the full month. The Eurostoxx 50 rose 0.5%, while the Japanese Topix Index climbed 6.3% in US dollar terms.

To an extent, the rally in stocks in the first half of July was due to weaker data, which increased the market's confidence that the US Fed will cut rates in September. For example, the ISM manufacturing and services data releases both showed contraction, while US unemployment moved up. US core CPI for June was at its lowest level since late 2021. In addition to the macro data, some disappointing earnings reports in the tech space suggested that the rally in this sector had gone too far.

The US dollar had a tough month, falling by 1.7%. The gold price rose another 5.2%, helped by the weaker US dollar and the expectation of rate cuts, while all the other major commodities fell in the month, with oil down over 6%. The South African market rose 3.9% in rands, ahead of its global peers, with financials and resources doing better than industrials.

The portfolio recorded a return of 8.4% in rand terms - net of fees - for the 12 months to the end of July, underperforming the benchmark return of 14.1%. The portfolio's underperformance relative to its benchmark was driven by the Global High Quality building block's material underperformance due to the narrow global market for most of the period. In the first seven months of 2024, the portfolio returned 8.0% compared to the benchmark's 11.5%.

In July, the South African component of the portfolio added a new position in Remgro, where we believe the discount to net asset value was far too wide. We also switched half of the AngloGold holding into Goldfields to reduce the single-stock risk associated with gold miners following AngloGold's >40% outperformance versus the South African market and >35% versus Goldfields since the start of 2024. Within the offshore component, the Sanlam Global High Quality Fund bought shares in Automatic Data Processing, a global leader in payroll-related outsourcing solutions, while reducing its holding in SAP on valuation grounds.

Outlook and portfolio positioning

Considering the sharp rise in interest rates over the past two years and the reduction in global money supply, the US economy has remained remarkably resilient. However, we know that monetary policy works with variable lags. The US cycle has taken longer to progress due to the overhang of the generous Covid-19-era stimulus, the high prevalence of fixed-rate debt, full employment, large fiscal deficits and AI optimism. Recent economic data has turned softer, with some cracks emerging in recent days. We maintain our view that the US Fed will likely cut interest rates in September. The very low market breadth evident over the past year has historically been an unhealthy sign. Sentiment and investor positioning indicators are high relative to history as investors have been drawn into the market momentum.

In the global component of the portfolio, we have an overweight in defensive sectors such as healthcare, consumer staples and exchanges.

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 Worldwide Equity 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/O23234/O7, 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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