

SPW SHARIAH EQUITY PORTFOLIO

31 JULY 2024



PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

The primary objective is to provide Shariah-compliant above-average total returns over an investment horizon of three years or more by investing in quality Shariah-compliant ordinary shares listed on the JSE.

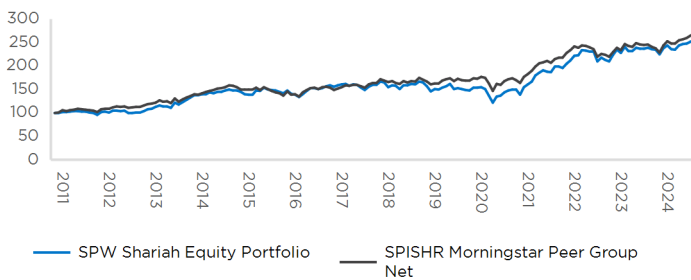
YOUR PERSONAL EQUITY PORTFOLIO

The SPW Shariah 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



PORTFOLIO INFORMATION

Risk rating	Aggressive
Inception date	November 2010
Minimum investment	R1 million
Benchmark	Average of Shariah-compliant equity unit trust category
Management company	Sanlam Private Wealth
Portfolio manager	Suleman Khan
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

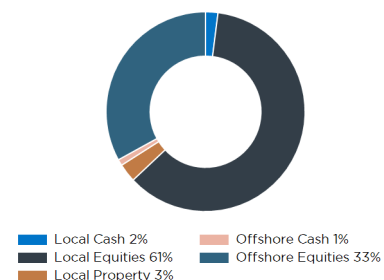
TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Anglo American PLC	7.27%
Bidvest	6.86%
Glencore	5.54%
Gold Fields	4.48%
BHP Group Ltd	4.40%

Percentage Returns	Portfolio	Benchmark	Active
Since inception	7.05%	7.57%	-0.52%
10 Yrs (Annualised)	5.45%	5.45%	0.00%
5 Yrs (Annualised)	11.03%	9.62%	1.41%
3 Yrs (Annualised)	8.67%	7.76%	0.91%
Past 12 Months	6.90%	9.51%	-2.61%
YTD	4.71%	6.62%	-1.91%

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

Suleman Khan, BCom (UP), CAIB (SA), REGISTERED PERSONS (SAIFM)

Solly joined Sanlam Private Wealth in 2011. He is responsible for managing the Shariah-compliant investment portfolio, liaising with the Independent Shariah Supervisory Board which supervises this portfolio as well as managing investment portfolios for high net worth clients. Solly has over 14 years' industry experience and previously worked at Grindrod Private Clients.

PORTFOLIO MANAGERS COMMENT

The global equity market continued to move higher in the second quarter, with further outperformance from the US over other developed markets. The S&P 500 Index reached a new all-time high, but the gains remained narrow as the equal-weighted S&P 500 Index actually declined while the so-called 'Magnificent 7' US large-cap technology stocks were responsible for most of the returns, rising another 17%. The Eurostoxx 50 and Japanese Topix indices both ended lower in US dollar terms.

Developed market equities, as measured by the MSCI World Index, rose 2.6% in US dollar terms in the second quarter while global bonds declined 1.1%. The technology sector rose 11.4% but other sectors struggled to keep momentum, ending the quarter little changed.

After remaining sticky in the first quarter, US inflation numbers continued their downward trajectory in the second quarter. However, the US Federal Reserve (the Fed) remained cautious about the risk of reigniting inflation if it lowers interest rates too early given the strength of the labour market and financial conditions that remain loose. Towards the end of the quarter, global economic data showed signs of cooling with the economic surprise indices of major economies moving into negative territory.

South African equities, as measured by the FTSE/JSE All Share Index, had a strong quarter, gaining 8.2% in rand terms. Given a stronger rand, the return in US dollars was even stronger at 12.3%. This was on the back of improved investor sentiment following the election outcome – the Government of National Unity is expected to continue progress with regard to structural reforms aimed at lifting the country's potential growth rate. In this context, South African domestic sectors such as banks (+20%) and general retailers (+12%) performed strongly. Unrelated to the political developments, Anglo American rose sharply (+24%) following a takeover bid from BHP.

South African bonds also reacted positively to the election outcome, as the governing parties are seen to be committed to fiscal discipline – the FTSE/JSE All Bond Index gained 7.5% in the quarter. Cash returned 2.1% while local listed property gained 5.5%. The rand strengthened against most currencies, gaining 3.2% against 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. Recent economic data has turned softer, but not enough to persuade the Fed to start cutting, as it remains wary of the strong labour market and the risk of reigniting inflation.

The risk-versus-reward outlook for global equities currently doesn't appear very attractive, but the increase in real yields over the past two years has improved the prospective return profile of fixed interest investments. South African equities and bonds screen cheaply after more than five years of domestic and foreign investor outflows. It remains to be seen whether the election outcome has provided the catalyst for the reversal of these investor flows to unlock the value.

The SPW Shariah Portfolio returned 1.31% (benchmark 1.65%) in July. We made one change to the portfolio, reducing our holding in AngloGold and switching the proceeds into Goldfields.

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 Shariah 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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