

SPW WORLDWIDE EQUITY PORTFOLIO

30 NOVEMBER 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.

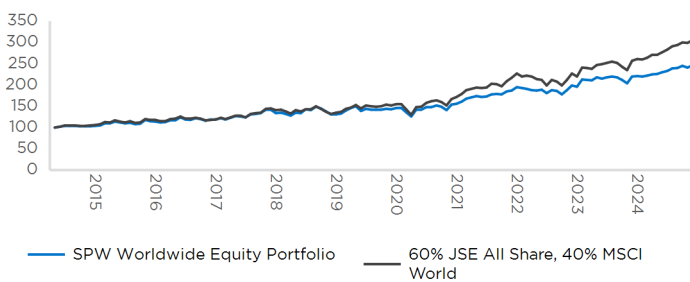
YOUR PERSONAL EQUITY PORTFOLIO

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%	11.12%	-2.10%
10 Yrs (Annualised)	9.21%	11.24%	-2.03%
5 Yrs (Annualised)	11.72%	15.00%	-3.28%
3 Yrs (Annualised)	9.59%	12.01%	-2.42%
Past 12 Months	11.68%	18.78%	-7.10%
YTD	11.11%	16.80%	-5.69%

PORTFOLIO INFORMATION

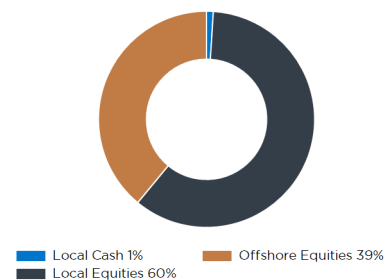
Risk rating	Aggressive
Inception date	30 April 2014
Minimum investment	R1.5 million
Benchmark	60% JSE All Share, 40% MSCI World
Management company	Sanlam Private Wealth
Portfolio manager	David Lerche
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Sanlam Global High Quality Fund	17.30%
Naspers -N-	7.77%
Schroder International Selection Fund - QEP Global Core	6.83%
Amplify Global Equity	6.68%
PEPKOR (PPH)	4.29%

EQUITY SECTOR EXPOSURE



¹The 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

November was a mixed month in financial markets, dominated by the US elections, in which Donald Trump prevailed and the Republicans obtained a clean sweep of the Presidency, Senate and Congress. In obtaining their highest share of the popular vote in decades, the Republicans have a clear mandate from the American people to change things, as well as the ability to change laws to facilitate such change.

The US market responded well to the election result given expectations for less regulation, particularly in the financial services arena. While the prospect of increased domestic protectionism via higher import tariffs was positive for US companies, it hurt both Europe and emerging markets. The US Federal Reserve lowered interest rates by another 25bps in November, although given the healthy state of the US economy, the outlook for many more rate cuts in 2025 has diminished. The MSCI World Index rose 4.6%, the S&P 500 was up 5.9%, the Eurostoxx 50 fell 3.1%, while the Japanese Topix Index edged up 1.2%.

The US dollar had a strong month, increasing by 1.7%. The gold price fell 4.3%, driven in part by the stronger US dollar and the expectation of delayed rate cuts. Most other major commodities fell in the month, with oil down 0.3% and copper dropping 5%.

The SA equity market fell 0.9% in rand terms (-2.9% in US dollars), lagging developed market peers but ahead of emerging markets, with financials and industrials far outperforming resources.

The portfolio recorded a return of 11.7% in rand terms - net of fees - for the 12 months to the end of November, underperforming the benchmark return of 18.8%. The portfolio's underperformance relative to its benchmark was driven by both the Global High-Quality building block's dramatic underperformance and the SA component lagging. In the first 11 months of 2024, the portfolio returned 11.1% compared to the benchmark's 16.8%. The portfolio participated in the initial public offering of Boxer Retail. We like Boxer's positioning as a discount grocery retailer and think that its business model of having fewer stock items in store will allow it to maintain industry-leading margins.

Outlook and portfolio positioning

The balance of inflation versus growth risk has shifted. We are now in a globally synchronised rate-cutting cycle (with the exception of Japan). Historically, market performance in easing cycles has depended on whether economies avoided recessions or not (recessions occurred around two-thirds of the time).

While the labour market is cooling, US economic activity remains healthy. Inventory and credit cycles are bottoming and could support the next leg of growth, aided by politics. Private sector balance sheets are also generally in good shape which, in our view, increases the probability of a soft landing. It is, however, important not to become complacent about inflation and growth risks given the level at which assets are priced. This, coupled with elevated geopolitical tensions, calls for a diversified approach to portfolio construction.

While the risk-versus-reward outlook for global equities currently doesn't appear very attractive at the index level, there are pockets of attractively valued companies for active managers to pick from. At present, our security selection reflects both a quality and a defensive bias, which should lead to relative outperformance in a more challenging economic environment.

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 R1.5 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 2000/023234/07, 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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