

SPW BALANCED PORTFOLIO
31 DECEMBER 2024

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

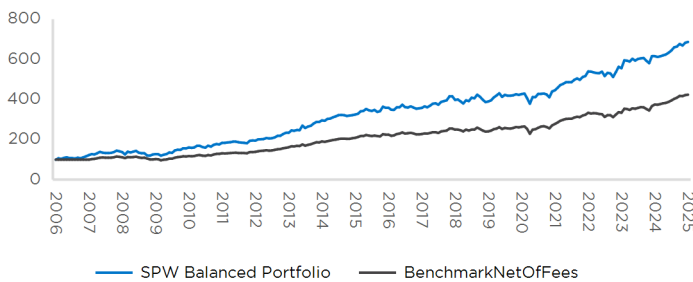
This multi-asset class portfolio invests in equities, bonds, money market instruments and property, both locally and offshore. The portfolio will aim for long-term capital growth. However, a higher exposure to growth assets (equities and properties) is likely to lead to higher volatility over the short term. Investment performance will be driven by active stock picking and asset allocation. This portfolio may have a maximum effective equity exposure (including international equity) of up to 75% and a maximum effective property exposure (including international property) of up to 25% of the market value of the portfolio. Total allowable offshore exposure is 30%.

YOUR PERSONAL BALANCED PORTFOLIO

The SPW Balanced 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. Your portfolio will not be affected by the cash investment and withdrawals of other investors.

PERFORMANCE NET OF FEES¹


Percentage Returns	Portfolio	Benchmark	Active
10 Yrs (Annualised)	7.76%	7.38%	0.38%
5 Yrs (Annualised)	9.97%	9.98%	-0.01%
3 Yrs (Annualised)	8.32%	8.33%	-0.01%
Past 12 Months	11.64%	13.45%	-1.81%
YTD	11.64%	13.45%	-1.81%

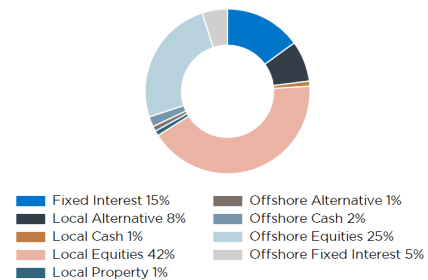
PORTFOLIO INFORMATION

Risk rating	Moderate Aggressive
Inception date	December 2004
Minimum investment	R2.5 million
Benchmark	Average peer group performance of high equity multi-asset collective investment schemes in South Africa
Management company	Sanlam Private Wealth
Portfolio manager	Renier De Bruyn
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Naspers -N-	5.35%
FirstRand Ltd	2.96%
Standard Bank Group Ltd	2.68%
Prosus NV	2.44%
Anglo American PLC	2.26%

ASSET ALLOCATION 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

Renier de Bruyn, BCom (Hons), CFA

Renier joined Sanlam Private Wealth in 2010 as an investment analyst. He was appointed as Head of Asset Allocation in 2023 after co-managing the multi-asset portfolios with the Chief Investment Officer since 2021. Renier holds a BCom Honours in Financial Analysis from the University of Stellenbosch, and an Advanced Postgraduate Diploma in Financial Planning. He is a CFA charterholder.

QUARTERLY PORTFOLIO MANAGER'S COMMENTS

The final quarter of 2024 was characterised by US exceptionalism, rising bond yields and Donald Trump's election victory. Developed market equities, as measured by the MSCI World Index, ended the quarter 0.2% lower in US dollars. In the major markets, the US (S&P 500) gained 2.4% while European (-8.9%) and emerging market equities (-8.0%) struggled. In rand terms, the MSCI World Index gained 9.6% as the rand lost material ground to the US dollar over the quarter.

The US Federal Reserve followed up its initial 50-basis-point rate cut in September with two 25-basis-point cuts in November and December as expected, but firm economic data and sticky inflation resulted in lower market expectations for future rate cuts. This put upward pressure on bond yields throughout the quarter, aggravated by the US election in which the Republicans gained control of the Presidency, the Senate and Congress - likely making it easier to implement bolder policy actions. The yield on 10-year US Treasury bonds rose 79 basis points over the quarter, the biggest quarterly gain since the third quarter of 2022. Trump's threats of implementing tariffs on trading partners, an outperforming US economy and higher interest rate expectations created the backdrop for a stronger US dollar - the Dollar Index rose 7.6% in the fourth quarter.

The global backdrop took some shine off SA assets in Q4, following two strong quarters post the positive SA election outcome earlier in the year. The FTSE/JSE All Share Index declined 2.1% in the fourth quarter, dragged lower by mining shares, while domestic-focused companies such as general retailers and food producers continued to rise. Higher global bond yields put some pressure on SA bonds, resulting in a more muted 0.4% return over the quarter. Listed property declined 0.8%, while cash returned 0.7%. While the risk-versus-reward outlook for global equities currently doesn't appear attractive at the index level, there are pockets of attractively valued companies for active managers to pick from. SA equities and bonds continue to screen cheaply after more than five years of domestic and foreign investor outflows. However, to maintain momentum, the positive post-election sentiment and structural reforms need to convert into actual improved economic growth. SA will also remain sensitive to the global cycle.

The SPW Balanced portfolio delivered a return of 11.6% for the 12 months to the end of December, underperforming the peer group average of 13.5%. However, the portfolio remains above the peer group median over a period of three years and longer. Performance was mostly impacted by local and global stock selection that did not quite keep up with their benchmarks in the short term. During the quarter we participated in the Boxer IPO and added to Absa, which was funded by some profit-taking on Pepkor. We also added to a US mid-cap equity fund, funded by the disposal of an offshore multi-strategy fund. Finally, we added to global large-cap equities, funded by the disposal of global energy shares and available US dollar 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 R1.5 million.

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MANDATORY DISCLOSURE

Participation in the SPW Balanced Portfolio is a medium- to long-term investment. The value of the portfolio is subject to fluctuations 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 Service Provider (FSP 37473) and a Registered Credit Provider (NCRCP1867).

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