

## SPW WORLDWIDE EQUITY PORTFOLIO

31 DECEMBER 2024


**PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE**

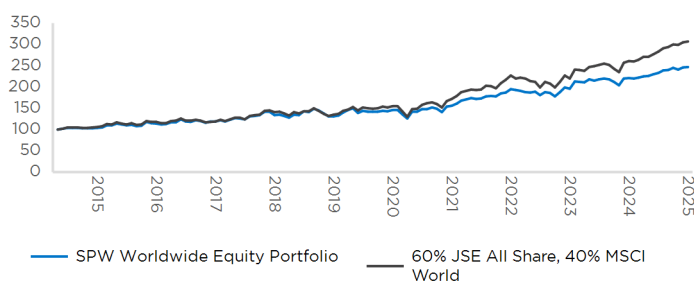
This is an equity portfolio that invests both locally and offshore. The portfolio aims to achieve capital and income growth over an investment horizon of at least five years, by investing in companies that are undervalued relative to their intrinsic value. The local portion of the portfolio offers a 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 FEES<sup>1</sup>**


Percentage Returns	Portfolio	Benchmark	Active
Since inception	9.01%	11.08%	-2.07%
10 Yrs (Annualised)	9.18%	11.23%	-2.05%
5 Yrs (Annualised)	11.45%	14.65%	-3.20%
3 Yrs (Annualised)	8.30%	10.60%	-2.30%
Past 12 Months	11.82%	17.41%	-5.59%
YTD	11.82%	17.41%	-5.59%

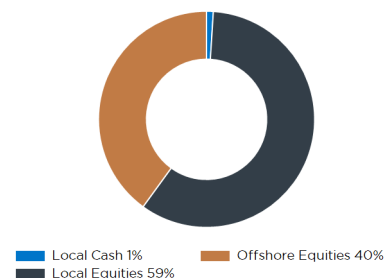
**PORTFOLIO INFORMATION**

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	17.50%
Naspers -N-	7.92%
Schroder International Selection Fund - QEP Global Core	6.88%
Amplify Global Equity	6.82%
FirstRand Ltd	4.17%

**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

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 dragged down 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 tariff threats, 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. Within sectors, technology shares performed well, as evidenced by the Nasdaq's 6.3% return over the quarter. Financial shares also gained, rising 4.1%, benefitting from firm US economic data and expectation for a more supportive regulatory environment under Trump. Other sectors mostly struggled due to rising bond yields and fears over the impact of Trump's trade policies. Interest-rate-sensitive sectors such as listed property (-9.8%) and utilities (-8.1%) were especially negatively impacted, giving up some of their sharp gains of the previous quarter.

The global backdrop took some shine off SA assets in the fourth quarter, 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%.

The portfolio recorded a return of 11.8% in rand terms - net of fees - for the 12 months to the end of December, underperforming the benchmark return of 17.4%. The portfolio's underperformance relative to its benchmark was driven by the material underperformance of the Sanlam Global High Quality building block and the lack of Capitec in the SA component, partially countered by the Pepkor and British American Tobacco holdings. In December, we took some profits in Pepkor following its very strong performance and recycled that capital into FirstRand, which we regard as the highest-quality bank among SA's traditional banks.

### Outlook and portfolio positioning

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.

## 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.

## CONTACT US

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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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