

Global balanced portfolio

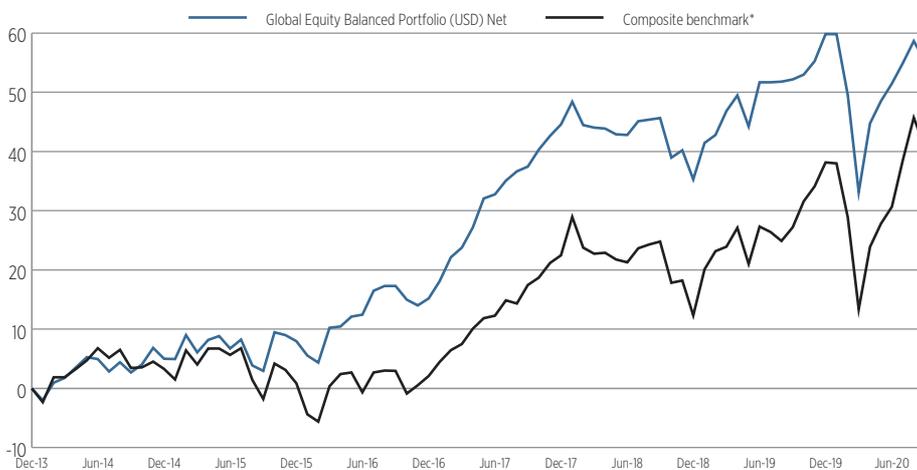
September 2020

**OBJECTIVE** The primary objective is to provide above-average total returns (capital plus income) over a medium to long-term investment horizon, by investing in ordinary shares listed globally. The portfolio is designed to achieve a balance between income and capital growth. It will have between 40% and 75% in international equities and to manage overall risk, the portfolio will include exposure to fixed interest and cash. For diversification there may also be an allocation to alternatives and property funds. The underlying global fixed income exposure will predominately be focussed on investment grade government and corporate bonds, and will actively seek a total return for investors, through generating a reasonable income while attempting to preserve capital. Global fixed income exposure is provided through employing an active asset allocation approach to investing in fixed income assets across the investible global universe. This may include investing in direct bonds, and funds for diversification benefits, of global developed governments, global investment grade corporates, global emerging markets and global high yield.

**WHY CHOOSE THIS PORTFOLIO** This mandate is suitable for investors who are looking for a balance of risk and reward. They accept that seeking higher returns means there is an increased risk of capital loss compared with a more cautious strategy, but wish to balance this with a desire to avoid high levels of risk within their portfolio as a whole. Equity and property exposure will range between 40% – 75% and fixed income/alternatives/cash allocation will range between 25% – 60%. Investors in this portfolio could be exposed to potentially significant volatility due to a combination of underlying share price movements and foreign exchange impacts on portfolio returns.

PERFORMANCE

INVESTMENT PERFORMANCE TO 30 September 2020									
Figures for YTD, 1; 3; 6; 12 months and since inception for periods >1 year in USD									
	YTD	1 mnth	3 mnths	6 mnths	1 year	3 years	5 years	Inception	ITD Annualised
Global Equity Balanced Portfolio (USD) Net	-2.9%	-2.2%	2.5%	16.6%	2.0%	13.0%	50.8%	55.2%	6.7%
Composite benchmark*	1.1%	-3.5%	7.5%	23.8%	9.8%	18.5%	41.2%	38.5%	4.9%



Sources: Bloomberg and SPW. Inception date: 1.12.2013

Note: TR refers to Total Return, and the Global balanced portfolio performance is net of all costs.

\*Average 65%/35% between MSCI World Net TR Index (USD) and IA £ Strategic Sector (USD)

TOP 5 EQUITY POSITIONS

Microsoft Corp	2.9%
Yum! Brands Inc	2.7%
Oracle Corp	2.7%
Fresenius Medical Care AG & Co	2.6%
Samsung Electronics Co Ltd	2.6%

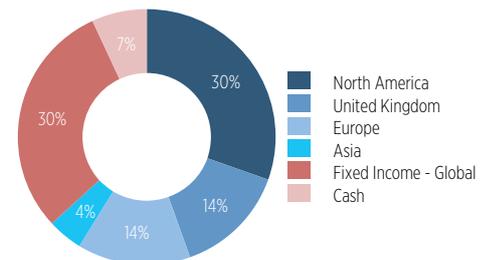
TOP FIXED INCOME POSITIONS

MAN GLG Strategic Bond Fund	29.9%
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ASSET ALLOCATION

International equity	63.1%
Global Fixed income	29.9%
Cash	6.9%
Total	100.0%

GLOBAL ANALYSIS



ABOUT THE PORTFOLIO

Minimum investment:	US\$150,000 GBP£150,000 €150,000
Portfolio management fee:	1.15%pa
SPW admin fee:	0.25%pa
Custody fees:	10bps on assets < £300,000 5bps on all assets > £300,000
Brokerage fees:	0.5% per trade
Benchmark:	Composite
Risk rating:	Adventurous
Yield:**	1.04%

This investment strategy includes unit trusts and as such there will be additional costs charged by the underlying manager which will be passed through to the investor. The fees payable on the underlying unit trusts in the model increase the TER of the model portfolio by approximately 20-30bps pa.

\*\*The estimated yields are net of dividend credit. The yield figures are as at the last day of the month and may go down as well as up.

## GLOBAL EQUITY COMMENTARY

In September markets were negative across most major geographies. The MSCI World ended the month down -3.4%. The MSCI North America was down -3.8% whilst the MSCI Europe excluding UK was down -2.9%. The MSCI UK All Cap was down -5.1%, the MSCI Japan was up 1% and the MSCI Asia excluding Japan decreased by -6%. The MSCI Emerging Markets index was down -2.6%.

The Global Balanced portfolio outperformed the MSCI World Index by 0.29% during September. The underweight allocation to IT and Financials were the largest contributors this month, this was offset by our overweight to Healthcare and underweight to Consumer Discretionary companies.

In terms of stock selection, Samsung was the best performer in absolute terms rising by 7.7%. Other notable performers were British American Tobacco (5.9%) and Imperial Tobacco (5.3%). Facebook (-10.7%) and Booking Holdings (-10.5%) were the major detractors.



As Head of Global Equities, Pieter is the lead fund manager for the Sanlam Global High Quality Equity fund and the Clime International Equity fund having joined the firm in mid 2012. His responsibilities include the design, management and implementation of our global equity client offering including segregated mandates for high net worth individuals. Pieter oversees a team of five analysts focusing on global and UK equities across multiple industries. Current assets under management managed by the investment team in direct global and UK equity mandates is more than \$1.1bn.

**PIETER FOURIE, Head of Global Equities**



Phil is the Chief Investment Officer for Sanlam Private Wealth UK. He graduated with a first-class honours degree in Mathematics from Oxford University and has 29 years of investment experience. He has a proven track record running a market neutral hedge fund as well as global long only funds. His career began in 2000 as an analyst on the European Equity team at Tokyo Mitsubishi Asset Management. In 2006 he joined the Global Equity team at Batterymarch. Phil has been a CFA Charterholder since 2003.

**PHILIP SMEATON, Chief Investment Officer**

## FIXED INCOME COMMENTARY

Government bonds were down -0.2% in September as measured by the Bloomberg Barclays aggregate Government Bond Index. Investment grade credit fell -0.8% as measured by the Bloomberg Barclays Global Corporate Index, while the Bloomberg Barclays Global High Yield Index was down -1.4% in the month. The Global balanced portfolio's fixed income holdings returned -0.1% in USD.

## MANDATORY DISCLOSURE

Participation in this 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. 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.

This factsheet provides information on a model portfolio that has been designed to reflect the global equity income portfolio service. Actual investment performance experienced by clients will reflect portfolio specific decision made by the portfolio manager. In practice, the portfolio manager may take up to six months to be fully invested in this portfolio and potentially longer where this is appropriate to do so. This gives the portfolio manager the opportunity to invest in the stocks at an attractive entry point.

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## CONTACT INFORMATION

Johannesburg (011) 778 6600      Pretoria (012) 470 0622      Durban (031) 560 3600      George (044) 805 5900

Knysna (044) 382 7727      Stellenbosch (021) 861 3700      Tyger Valley (021) 950 2300      Claremont (021) 672 1888

Derivatives Team (021) 950 2153      Offshore Team (021) 950 2034

Corporate Office  
Market Manor,  
Farm 1,  
Vineyards Office Estate,  
Jip de Jager Dr,  
Welgemoed 7530

Private Bag X8, Tyger Valley, 7536  
Tel (021) 950 2770  
Fax (021) 950 2270  
[www.privatewealth.sanlam.co.za](http://www.privatewealth.sanlam.co.za)

## PRIVATE WEALTH

Email: [enq@sanlam.co.uk](mailto:enq@sanlam.co.uk) | [www.sanlam.co.uk](http://www.sanlam.co.uk) | +44 (0) 20 7280 8700  
Sanlam Private Wealth is a trading name of **Sanlam Private Investments (UK) Ltd** which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales 2041819.  
Registered office: Monument Place, 24 Monument Street, London, EC3R 8AJ.

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E [enq@sanlam.co.uk](mailto:enq@sanlam.co.uk)

[www.sanlam.co.uk](http://www.sanlam.co.uk)