Sanlam PRIVATE Wealth

SPW Flexible Model portfolio

30 September 2019

Conservative | Cautious | Moderate | Moderate Aggressive | Aggressive

Portfolio Description and Investment Objective

This multi-asset class portfolio invests both locally and offshore. Local assets may include equities, bonds, money market instruments and property. Offshore exposure will be obtained through direct investment in listed instruments and/or investment in collective investment schemes. The mandate allows for an unconstrained view both from an asset allocation perspective as well as from stock picking perspective. The management of the portfolio is likely to reflect high-conviction calls and high levels of trading activity. The conviction calls and trading activity will at times reflect tactical investment calls.
The asset classes and holdings will be selected on the potential to generate nominal performance and not on a relative valuation perspective.

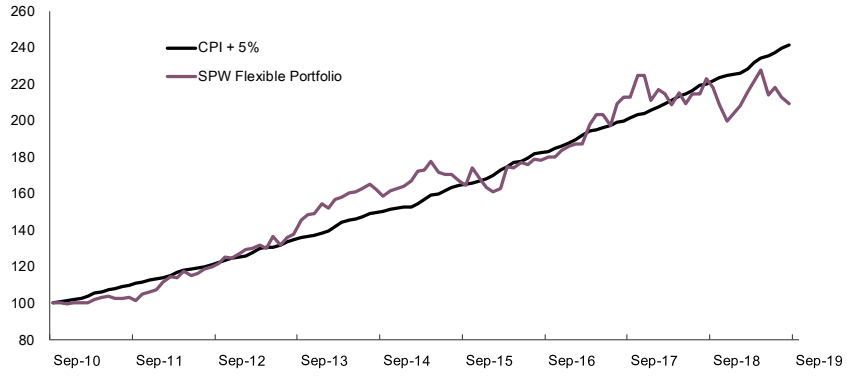
Your Personal Balanced Portfolio

SPW Flexible Model 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 suite 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 and withdrawals of other investors.

Performance Net of Fees[1]



Percentage Returns	Portfolio	Benchmark	Active
Since Inception (Annualised)	8.67%	10.34%	-1.67%
5 Yrs (Annualised)	5.93%	10.00%	-4.07%
3 Yrs (Annualised)	5.44%	9.76%	-4.33%
Past 12 Month	-3.19%	9.32%	-12.51%
YTD	3.52%	7.54%	-4.02%

Portfolio Information

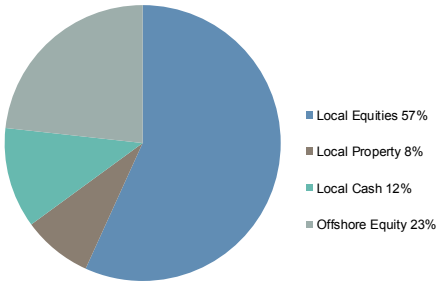
Risk Rating	Moderate Aggressive
Inception Date	October 2010
Minimum Investment	R1 Million
Benchmark	CPI + 5% <over rolling 36 months>
Management Company	Sanlam Private Wealth
Portfolio Manager	Alwyn van der Merwe
Initial Fees	Nil
Annual Management	Fee Sliding Scale (refer to mandate)

Top 5 Share Holding

(Please note your portfolio might vary from this)

Naspers	7.40%
BHP Group Plc	6.83%
Firstrand	6.65%
British American Tobacco Plc	5.08%
Anglo American Plc	4.01%

Equity 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

Alwyn Van Der Merwe, B.Com (Hons), MBA
Alwyn was appointed as Director of Investments for Sanlam Private Wealth in 2007. He has over 24 years' investment industry experience and managed institutional and unit trust portfolios successfully for 14 years. Alwyn leads and chairs Sanlam Private Wealth's formal investment committee.

Portfolio Manager's Comments

In a highly volatile month for local equities, the asset class managed to keep head above water with a total return of 0.19% for the month as measured by the FTSE/JSE All Share Index (ALSI). The general trend in the market continued to be dictated by macro news flow and geopolitical events.

The lacklustre performance during the month could not rescue the ALSI from a material decline of 4.6% for the quarter. Globally, shares followed a similar pattern. Emerging markets were down by 4.1% on average in the quarter, while developed markets managed to stay in the blue (+0.7%), largely driven by a strong performance by US and Japanese equities.

Some recently underperforming sectors bounced in the month and some previous winners retreated. Key sector leaders were pharmaceuticals (read Aspen), which appreciated by 7.5%, and tobacco, up by 5%. The biggest laggards were the gold miners – down 15%. Listed property was up by 0.31% in the month but could not escape the negative sentiment over the quarter as it retreated by 4.4%.

Cash returned 0.59%. South African bonds gained 0.51% in the month and 0.7% over the quarter. Bonds and cash returned 8.4% and 5.5% respectively year to date. Despite a decent recovery in the nominal performance of the portfolio since January, it recorded poor nominal performance of 3.5% for the nine months to September. The 12-month performance lagged as financial markets sold off in the fourth quarter of 2018. The fund returned -3.2% for the 12 months ending September. Since inception, the fund has returned 8.6% per annum.

The fund selection within global assets was disappointing. Emerging markets and financial shares lagged the MSCI. We are unlikely to sell the underperforming global funds as both emerging markets and financial shares look cheap relative to the global benchmark. We have maintained the South African equity holdings.

About SPW

Sanlam Private Wealth is a holistic, integrated wealth management business that provides advice and manages assets for high net worth private individuals, cultural organizations, charitable institutions and similar entities with investable assets of more than R1million.

Mandatory Disclosure

Participation in the Sanlam Private Wealth's Flexible Model 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 exclude 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).

Treating Customers Fairly (TCF)

As a business we are committed to the principles of TCF, practicing a specific business philosophy that is based on client-centricity and treating customers fairly. Our clients can be confident they are dealing with a company where TCF is central to what we do and be reassured that we have a holistic wealth management product offering that is tailored to their needs, and a service that is of a high standard.

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