

SPW BALANCED PORTFOLIO

31 OCTOBER 2022

Conservative
Cautious
Moderate
Moderate Aggressive
Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

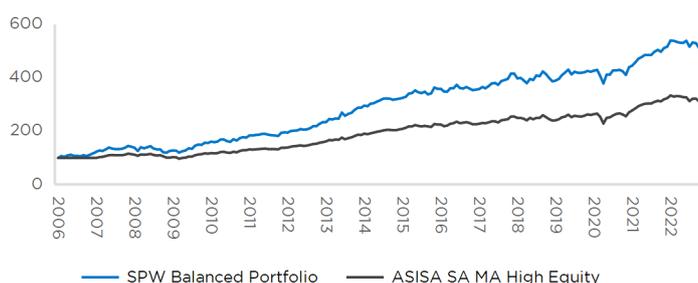
This multi-asset class portfolio invests in equities, bonds, money market instruments and property, both locally and offshore. The portfolio will aim for long-term capital growth. However, a higher exposure to growth assets (equities and properties) is likely to lead to higher volatility over the short 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)	8.92%	7.54%	1.38%
5 Yrs (Annualised)	5.21%	5.01%	0.20%
3 Yrs (Annualised)	7.92%	7.32%	0.60%
Past 12 Months	4.66%	1.61%	3.05%
YTD	-0.75%	-2.81%	2.06%

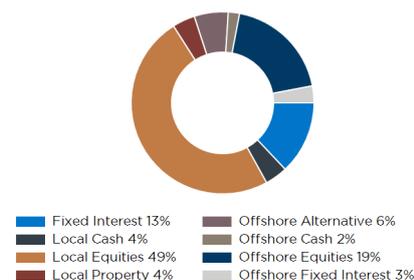
PORTFOLIO INFORMATION

Risk rating	Moderate Aggressive
Inception date	December 2004
Minimum investment	R1 million
Benchmark	Average peer group performance of high equity multi-asset collective investment schemes in South Africa
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 HOLDINGS

(Please note your portfolio might vary from this)

Anglo American PLC	4.05%
Compagnie Fin Richemont	3.88%
Standard Bank Group Ltd	3.75%
British American Tobacco PLC	3.38%
Prosus NV	3.36%

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

Alwyn van der Merwe, BCom (Hons), MBA

Alwyn was appointed as Director of Investments of Sanlam Private Wealth in 2007. He has over 25 years` experience in the investment industry and has 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

After a disastrous performance in Q3, October proved to be a much stronger month for South African financial assets. A key driver behind the recovery was speculation that central banks might start pivoting away from their campaign of rapid rate hikes. Both equity and bond prices fluctuated as economic indicators and central banks drove changes in interest rate expectations. South African equity prices followed the global equity pattern. However, the return was relatively muted - local equities, as measured by the FTSE/JSE All Share Index, gained 4.9% in rand terms versus a very strong 7.2% (US dollar) gain in global equities. We saw strong gains across a wide range of equity sectors. Banks (16%), tobacco (11%) and forestry and paper (28%) were some of the standout sectors. However, the heavyweight technology sector, with Naspers/Prosus as its biggest constituent, lost 15% in the month.

Bond yields weakened further from what were regarded as cheap levels. However, the high yields countered the loss in capital of these assets and the All Bond Index still gained 1.1%. Inflation-linked bonds lost 1.3%. Cash returned 0.5%. October was another bad month for metals, with both gold and copper losing ground for a seventh consecutive month. Gold weakness continued as the US Federal Reserve has hiked rates and real yields have moved into firmly positive territory. Industrial metals didn't fare well, with the prospect of a recession putting downward pressure on prices.

The portfolio delivered a return of 4.6% for the 12 months to the end of October, outperforming the peer group average by 280 basis points. The outperformance would suggest that most things went right for the portfolio. It was overweight in equities when equity prices escalated in the third quarter of 2021, and we then trimmed the exposure somewhat. Local stock selection contributed positively to the relative performance over this period. Finally, the offshore stock selection started to add value to performance from late 2021. When compared to competing high-equity, multi-asset unit trusts over longer-term periods, the portfolio's performance puts it in the top quartile over one and 10 years.

We had another active month. We trimmed the holdings in BHP by 1% and invested the proceeds in Sasol to increase the energy exposure in the portfolio. We also added 3.3% to US bonds to enhance its defensive qualities. This was the first material increase in global bonds in the last six years. We funded the transaction by selling the Sanlam Global Multi-Strategy Fund. Equity exposure increased marginally to 66.1%. The portfolio holds 16.1% in fixed interest investments, 3.6% in local listed property, 6.2% in global alternative investments, 3.1% in direct gold and 4.9% in local 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 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/O23234/O7, 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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