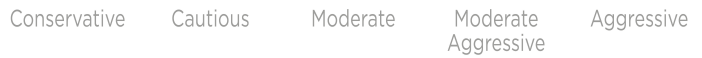


SPW BALANCED PORTFOLIO

31 MAY 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%.

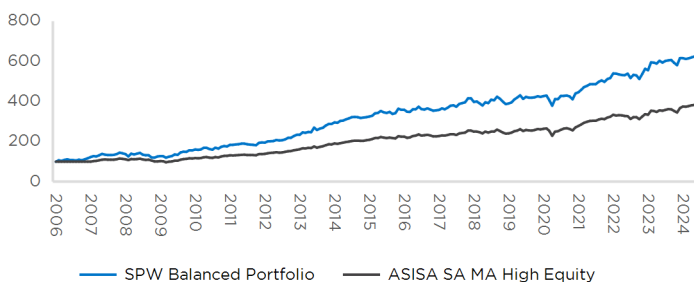
YOUR PERSONAL BALANCED PORTFOLIO

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 FEES<sup>1</sup>



PORTFOLIO INFORMATION

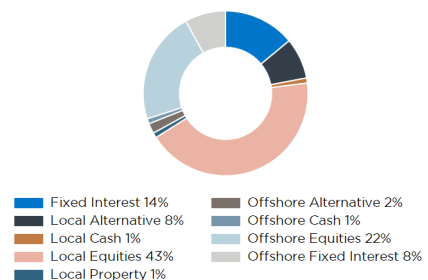
|                    |                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------|
| Risk rating        | Moderate Aggressive                                                                                     |
| 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  | 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)

|                              |       |
|------------------------------|-------|
| Prosus NV                    | 5.28% |
| British American Tobacco PLC | 2.97% |
| FirstRand Ltd                | 2.75% |
| Anglo American PLC           | 2.63% |
| Compagnie Fin Richemont      | 2.53% |

ASSET ALLOCATION EXPOSURE



| Percentage Returns  | Portfolio | Benchmark | Active |
|---------------------|-----------|-----------|--------|
| 10 Yrs (Annualised) | 7.20%     | 6.84%     | 0.36%  |
| 5 Yrs (Annualised)  | 8.89%     | 8.92%     | -0.03% |
| 3 Yrs (Annualised)  | 9.17%     | 8.53%     | 0.64%  |
| Past 12 Months      | 6.45%     | 9.71%     | -3.26% |
| YTD                 | 2.80%     | 3.61%     | -0.81% |

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 global equity market continued the rally that started in October 2023 into the first quarter of 2024, once again led by US tech. However, the equity market did not require lower rates to perform this time, as traders pushed back their expectation for central bank rate cuts amid stickier-than-hoped-for inflation prints. Rather, equities were bolstered by economic data that suggested a still-resilient economy, while financial conditions loosened as the confidence of market participants grew. In March, the equity market started to broaden out as some of the cyclical sectors such as energy, mining and financials outperformed.

Developed market equities, as measured by the MSCI World Index, rose 8.9% in US dollar terms in the first quarter, while global bonds declined 2.1%. The technology (+12.4%), financial (+10.7%) and energy (+10.1%) sectors led the gains, while the more rates-sensitive and defensive sectors such as consumer staples (+3.5%) and real estate (-1.3%) lagged. As real interest rates increased, the US Dollar Index strengthened by 3.1%, while the gold price jumped 8.1%, disengaging from its historic inverse relationship to interest rates as strong demand from the East supported its price.

South African equities, as measured by the FTSE/JSE All Share Index, continued to struggle versus global equities over the quarter, losing 2.2% in rand terms (or 5.7% in US dollars). Platinum shares were particularly weak, while higher bond yields put pressure on financial shares. Sasol also continued to underperform. Gold mining shares rose on the back of a higher gold price, while rand-hedge shares British American Tobacco, Bidcorp, Richemont and Naspers/Prosus also outperformed.

Bonds traded weaker on the back of higher yields globally – the FTSE/JSE All Bond Index losing 1.8%. Cash returned 2.1% while local listed property gained 3.9%. The rand was on the back foot, weakening by 2.8% to the US dollar.

Considering the sharp rise in interest rates over the past year and the reduction in global money supply, the US economy has remained remarkably resilient. However, we know that monetary policy works with variable lags. Inflation and the labour market have not yet returned to equilibrium, while loose fiscal policy, excess savings and fixed rate debt have slowed the impact of tighter monetary policy. This has created uncertainty over the appropriateness of current monetary policy and the future interest rate path, with significant repercussions for expected asset class performance. In this environment, appropriate asset class diversification becomes even more important.

The SPW Balanced portfolio delivered a return of 5.3% for the 12 months to the end of March, underperforming the peer group average of 9.4%. However, the portfolio has performed above the peer group average over the past two years and is firmly in the top quartile over the past 15 years.

Value was added through portfolio changes made over the year, but this was offset by an underweight position in offshore equity. During the quarter we made material changes to the offshore fund holdings in the portfolio. This has shifted the mix of offshore equity towards higher-quality and growth companies. We also added to Naspers.

## 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.

## CONTACT US

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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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