

SPW CONSERVATIVE 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. This portfolio will aim for long-term capital growth through active stock picking and asset allocation.

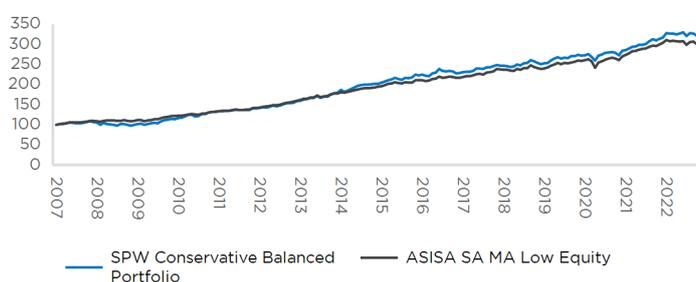
This portfolio may have a maximum effective equity exposure (including international equity) of up to 40% and a maximum effective property exposure (including international property) of up to 25% of the market value of the portfolio. Total allowable offshore exposure is 30%. Due to the lower exposure to equities in the portfolio, lower levels of volatility can be expected.

YOUR PERSONAL BALANCED PORTFOLIO

The SPW Conservative 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 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)	7.82%	6.90%	0.92%
5 Yrs (Annualised)	5.77%	5.28%	0.49%
3 Yrs (Annualised)	6.38%	5.93%	0.45%
Past 12 Months	4.88%	2.70%	2.18%
YTD	0.60%	-0.83%	1.43%

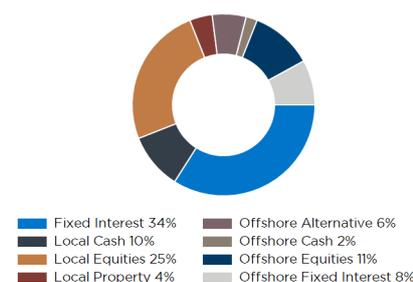
PORTFOLIO INFORMATION

Risk rating	Cautious
Inception date	December 2004
Minimum investment	R1 million
Benchmark	Average peer group performance of low 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	2.56%
Prosus NV	1.94%
Sasol Ltd	1.76%
British American Tobacco PLC	1.70%
Standard Bank Group Ltd	1.67%

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 4.8% for the 12 months to the end of October, outperforming the peer group average by 215 basis points. The asset allocation worked well in the portfolio for the period - it was overweight in equities, underweight in cash and long duration on bonds. Although the local equity component is relatively small in the portfolio, local equity selection added value to the relative performance. The one-year performance has put the portfolio on the 87th percentile against competitors. The portfolio achieved an 82nd percentile position versus peers over 10 years.

We had another active month. We trimmed the holdings in BHP by 0.5% and invested the proceeds in Sasol to increase the energy exposure in the portfolio. We also added 4.8% 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 33.8%. The portfolio holds 41.7% in fixed interest investments, 3.9% in local listed property, 5.9% in global alternative investments, 2.4% in direct gold and 12.3% in local and offshore 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 Conservative Balanced 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/O23234/O7, 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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