

SPW DIVIDEND INCOME PORTFOLIO
31 AUGUST 2020

Conservative
Cautious
Moderate
Moderate Aggressive
Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is a diversified local equity portfolio which may include both ordinary and preference shares. The portfolio aims to invest in shares that offer higher dividend yields than the general market, and which we believe can sustain or grow their dividends over time.

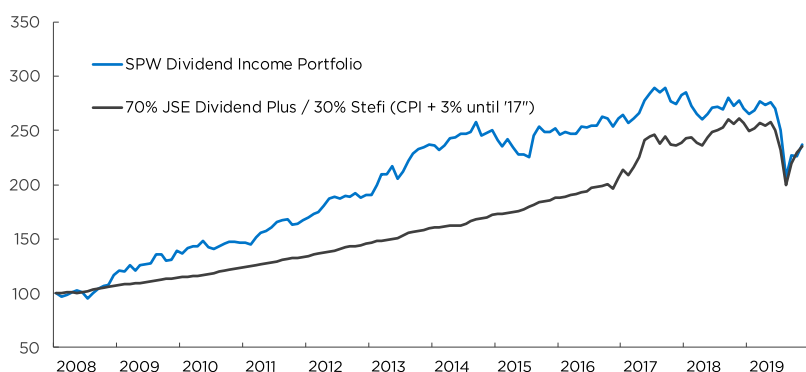
The objective of the portfolio is to provide a combination of income and capital growth, with an emphasis on growing the income stream in real terms over an investment horizon of 3 years. This portfolio is suitable for investors who can withstand potential capital volatility in the shorter term.

YOUR PERSONAL EQUITY PORTFOLIO

SPW Dividend Income 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 FEES¹


| Percentage Returns | Portfolio | Benchmark | Active |
|------------------------------|-----------|-----------|---------|
| Since Inception (Annualised) | 7.19% | 7.66% | -0.47% |
| 5 Yrs (Annualised) | -0.91% | 7.02% | -7.93% |
| 3 Yrs (Annualised) | -4.51% | 4.31% | -8.82% |
| Past 12 Month | -13.24% | -2.65% | -10.60% |
| YTD | -16.66% | -5.98% | -10.68% |

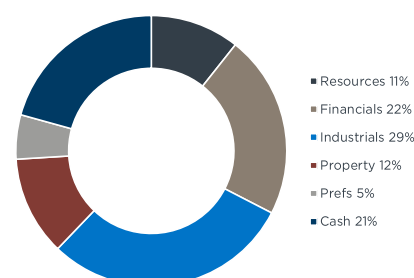
PORTFOLIO

| | |
|-------------------|--|
| Risk Rating | Aggressive |
| Inception Date | September 2008 |
| Minimum | R1 Million |
| Benchmark | 70% FTSE/JSE Dividend Plus TR Index/ 30% STEFI |
| Management | Sanlam |
| Portfolio Manager | Renier de Bruyn |
| Initial Fees | Nil |
| Annual Management | Fee Sliding Scale (refer to mandate) |

TOP 5 SHARE HOLDING

(Please note your portfolio might vary from this)

| | |
|------------------------------|-------|
| British American Tobacco Plc | 7.16% |
| Vodacom Group (Pty) | 7.06% |
| Exxaro Resources Ltd | 5.62% |
| BHP Group Plc | 5.04% |
| Ninety One Plc | 4.45% |

EQUITY SECTOR 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

Renier de Bruyn

Renier joined Sanlam Private Wealth at the start of 2010 as an investment analyst, focusing on financial, retail, media and selected industrial shares. Renier graduated with a BCom Honours in Financial Analysis from the University of Stellenbosch and also has an Advanced Postgraduate Diploma in Financial Planning from the University of the Free State. He is a CFA charterholder.

PORTFOLIO MANAGER'S COMMENTS

During August, South African equities lagged their offshore peers as the local market rolled over after a decent recovery from the lows recorded late in March 2020. South African shares, as measured by the FTSE/JSE All Share Index (ALSI), slipped by 0.26% in the month. This is in contrast to a very strong showing by developed market equities that gained 6.7%, largely driven by international 'big tech' shares – the NASDAQ gained 10.5%. Emerging market equities recorded a relatively muted gain of 1.7% in the month.

The negative performance of South African shares was mainly driven by the poor performance of financial shares (-4.2%). Banks lost 3.6% in the month, life insurance traded 4.5% lower and listed property lost 8.6%. Mining shares generally traded firmer, with platinum shares clear winners – they advanced 5.8% in the month. Gold shares, however, took a 'breather' as the sector declined by 5.7%.

The FTSE/JSE All Bond Index (ALBI) returned 0.89% in the month as local bond yields strengthened somewhat. The cuts in the repo rate in 2020 are now evident in the cash returns. Cash returned 0.39% in the month.

The Dividend Income portfolio returned -1.1% during the month versus the benchmark's return of 0.2%. The Foschini Group (+9.7%), Mondi (+7.5%) and Equites Property Fund (+3.4%) contributed positively, while Vukile Property (-15.3%), Sanlam (-9.6%) and MultiChoice (-8.2%) detracted from performance.

Over the past 12 months the portfolio returned -13.2%, impacted by an extremely challenging time for SA domestic shares. In comparison, the FTSE/JSE Financials Index returned -31% while the FTSE/JSE General Retailers Index returned -37%.

MANDATORY DISCLOSURE

Participation in the Sanlam Private Wealth's Dividend Income 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 2000/023234/07, 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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