

SPW EQUITY PORTFOLIO

31 JULY 2023



PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is a diversified local equity portfolio. The portfolio aims to outperform the JSE All Share Index on a total return basis, over an investment horizon of three years or more, by investing in high-quality companies that we feel are undervalued. This portfolio is suitable for investors who can withstand potential capital volatility in the short term.

The portfolio offers a carefully selected, well diversified basket of shares from all sectors on the JSE. However, it may also provide exposure to unlisted shares. The investments in the portfolio are subject to rigorous, in-depth research and adhere to our pragmatic value investment philosophy.

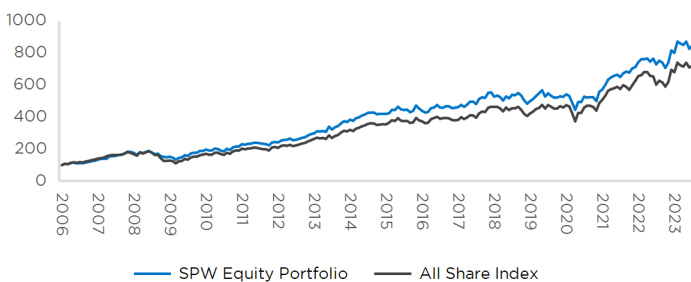
YOUR PERSONAL EQUITY PORTFOLIO

The SPW Equity 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 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
10 Yrs (Annualised)	10.01%	10.28%	-0.27%
5 Yrs (Annualised)	10.26%	10.51%	-0.25%
3 Yrs (Annualised)	18.74%	16.66%	2.08%
Past 12 Months	16.36%	19.34%	-2.98%
YTD	9.26%	10.11%	-0.85%

PORTFOLIO INFORMATION

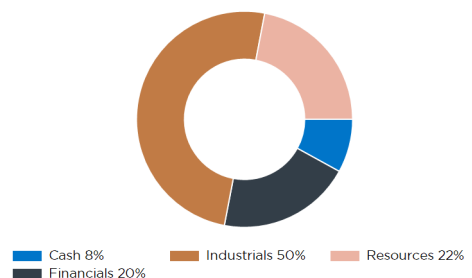
Risk rating	Aggressive
Inception date	April 2001
Minimum investment	R1 million
Benchmark	FTSE/JSE All Share TR Index
Management company	Sanlam Private Wealth
Portfolio manager	David Lerche
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Prosus NV	12.79%
British American Tobacco PLC	7.08%
Absa Group Ltd	6.13%
Standard Bank Group Ltd	5.78%
Anglo American PLC	5.74%

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

David Lerche, CFA, CA (SA)

David has 14 years` experience in the asset management industry. He is a CFA charterholder and a qualified CA (SA), and has degrees in finance and accounting. David joined the Sanlam Private Wealth team five years ago as an investment analyst, and has been Head of Equities since the start of 2021. Before this, he spent nine years in institutional stockbroking as an equity analyst servicing major South African and global asset managers.

PORTFOLIO MANAGER'S COMMENTS

Following the banking turmoil in March, the second quarter of 2023 started with much market uncertainty over whether more banking failures and widespread financial contagion would follow. However, the fallout from the collapse of three US banks and the negotiated takeover of Credit Suisse was successfully isolated through the intervention of central banks. As a result, calm returned to the market and by June the VIX Index, that measures equity volatility, fell to its lowest level since the start of the pandemic.

The provision of central bank liquidity to support the banking system and excitement around the AI theme provided the backdrop for strong outperformance from large-cap technology stocks - the Nasdaq rose 13.1% and the FANG+ Index rallied 25.2% during the quarter. The MSCI World Index rose by 6.8%, almost entirely driven by the tech sector in a very narrow market.

However, the performance of the equity market did broaden in June as data pointed towards a resilient economy and labour market in the US, despite the impact of multiple interest rate hikes over the past year. The successful political negotiations to lift the US debt ceiling also alleviated threats of a potential government default.

In China, the reopening of the economy appeared to have lost some momentum, increasing calls for fresh government stimulus. MSCI China declined by 9.7% in US dollars during the quarter, materially underperforming global equities. Commodity prices traded lower in the second quarter, with weakness across the board. Brent crude oil fell by 6% despite production cuts announced by OPEC, while copper and gold declined by 8.6% and 2.5% respectively.

South African equities, as measured by the FTSE/JSE All Share Index, were up 0.7% in rand terms, but lost 5.1% in US dollar terms over the quarter. The platinum sector was a key detractor, while Richemont continued its strong performance. The rand weakened against most major currencies due to persistent loadshedding, weaker commodity prices and accusations that South Africa has supplied arms to Russia.

The portfolio recorded a return of 16.4% - net of fees - for the 12 months to the end of July, behind the benchmark return of 19.3%, but ahead of the median peer return of 12.1%. The underperformance relative to the benchmark over the past year was driven by the portfolio's overweight positions in Sasol and Spar, as well as the relatively high level of cash, partially countered by the general underweight to platinum miners and the Bidvest overweight.

When compared to competing general equity unit trusts, the portfolio was in the top quartile of its peer group over the past 12 months as well as over two, three, five and 10 years. In the first seven months of 2023, the portfolio delivered a 9.3% return, marginally behind of the benchmark's 10.1% and ahead of the median peer's 5.9%. In July, we made no material changes to the portfolio, but we are happy with the short-term performance of Absa following the addition to this name in June.

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 Equity 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).

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