Sanlam PRIVATE Wealth

SPW EQUITY PORTFOLIO

28 FEBRUARY 2023

Conservative | Cautious | Moderate | Moderate Aggressive | **Aggressive**

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.

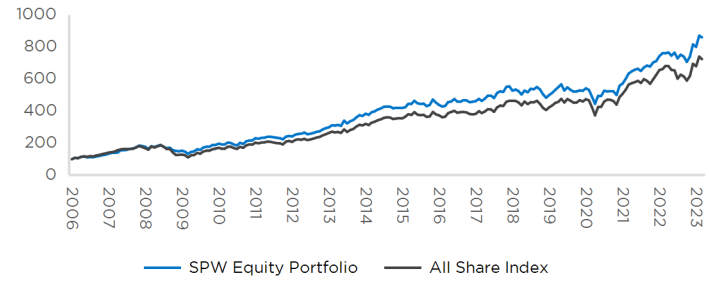
YOUR PERSONAL EQUITY PORTFOLIO

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 FEES[1]



Percentage Returns	Portfolio	Benchmark	Active
10 Yrs (Annualised)	10.74%	10.49%	0.25%
5 Yrs (Annualised)	10.35%	9.76%	0.59%
3 Yrs (Annualised)	20.56%	19.46%	1.10%
Past 12 Months	12.90%	6.24%	6.66%
YTD	7.35%	6.50%	0.85%

PORTFOLIO INFORMATION

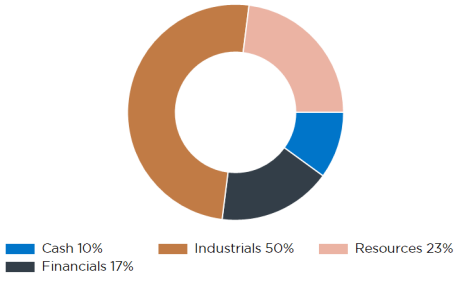
Risk rating	Aggressive
Inception date	April 2001
Minimum investment	R1 million
Benchmark	FTSE/JSE All Share TR Index
Management company	Sanlam Private Wealth
Portfolio manager	David Lerche
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Prosus NV	12.29%
Compagnie Fin Richemont	10.45%
Anglo American PLC	6.78%
British American Tobacco PLC	5.73%
Standard Bank Group Ltd	5.65%

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 a stellar start to the year in January, markets were on the back foot again in February as a tight labour market in the developed world and persistent inflation raised concerns that central banks would have to ultimately raise interest rates more than previously expected.South African equities, as measured by the FTSE/JSE All Share Index, declined by 2.2% in February. The rand weakened substantially during the month, resulting in a US dollar decline of 7.0% for the local market versus -2.4% for global equities.

Resources shares dragged our local market lower with the resources index falling by 13%, while industrial and financial shares fared materially better, managing to squeeze out positive returns of 1.7% and 2.5% respectively in rand terms. Bond prices faced the pressure from rising yields internationally, with the FTSE/JSE All Bond Index declining by 0.9% in February. Cash returned 0.6%.

The portfolio recorded a return of 12.9% - net of fees - for the 12 months to the end of February, ahead of both the benchmark return of 6.2% and the median peer return of 4.6%. The outperformance relative to the benchmark over the past year was driven by the portfolio's lack of exposure to MTN, coupled with the overweight in Prosus and Investec, partially countered by the underweight in Richemont and the drag from the cash holding.

When compared to competing general equity unit trusts, the portfolio was in the top decile of its peer group over the past 12 months, while it remains in the top quartile over two, three, five and 10 years. In the first two months of 2023, the portfolio delivered a 7.4% return, ahead of both the benchmark's 6.5% and the median peer's 5.2%.

We made no material changes to the portfolio in February. The portfolio's higher-than-usual cash holding leaves us with optionality to deploy cash should appropriate opportunities arise.

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 number2000/023234/07, 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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