

SPW FLEXIBLE PORTFOLIO

30 NOVEMBER 2023

Conservative Cautious Moderate Moderate Aggressive
Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This multi-asset class portfolio invests both locally and offshore. Local assets may include equities, bonds, money market instruments and property. Offshore exposure is obtained through direct investment in listed instruments and/or investment in collective investment schemes. The mandate allows for an unconstrained view, both from an asset allocation and a stock-picking perspective. Portfolio management is likely to reflect high-conviction calls and high levels of trading activity, both of which will at times reflect tactical investment calls. The asset classes will be selected on the potential to generate nominal performance and not on a relative valuation perspective.

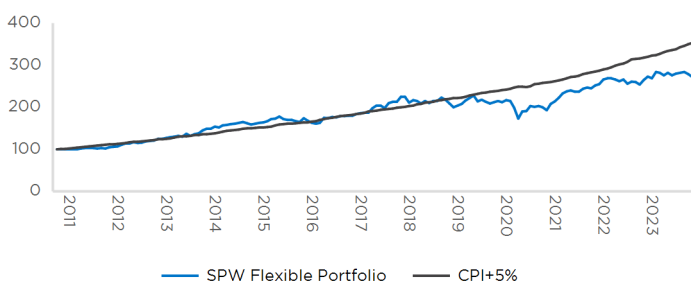
YOUR PERSONAL EQUITY PORTFOLIO

The SPW Flexible Portfolio is constructed by the investment team based on an intensive and rigorous investment process. It acts as a guide to your portfolio manager in customising your personal portfolio to suit your individual requirements. Note that the performance on this fact sheet is based on the model portfolio - the performance of your portfolio may vary, depending on the level of deviation from the model and the fees charged.

WHY SELECT A PERSONAL PORTFOLIO

A personal portfolio is suitable to discerning investors who might have unique factors to consider during the investment process. Your investment can be tailored to your requirements, you have more direct access to your portfolio manager and you have 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	8.33%	10.26%	-1.93%
10 Yrs (Annualised)	6.77%	10.19%	-3.42%
5 Yrs (Annualised)	7.52%	9.98%	-2.46%
3 Yrs (Annualised)	11.29%	11.07%	0.22%
Past 12 Months	5.31%	10.34%	-5.03%
YTD	6.94%	9.50%	-2.56%

PORTFOLIO INFORMATION

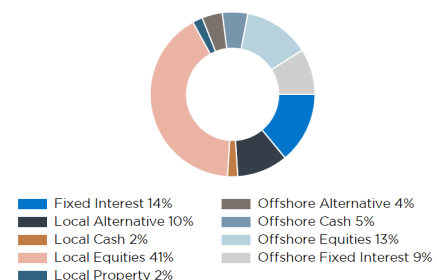
Risk rating	Aggressive
Inception date	October 2010
Minimum investment	R1 million
Benchmark	CPI + 5% <over rolling 36 months>
Management company	Sanlam Private Wealth
Portfolio manager	David Lerche
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Prosus NV	5.79%
British American Tobacco PLC	5.26%
FirstRand Ltd	5.18%
Anglo American PLC	4.14%
Standard Bank Group Ltd	2.79%

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

The third quarter of 2023 was a weak period for most markets. This was driven mainly by the realisation by market participants that central bank interest rates would likely have to remain higher for longer than previously expected. A sharp rise in oil prices as Saudia Arabia and Russia extended their production cuts caused the inflation outlook to deteriorate, while a growing focus on persistent budget deficits, including a US credit rating downgrade by Fitch, put further upward pressure on real interest rates.

This provided the backdrop for weaker equity as well as bond prices – not a great environment for multi-asset portfolios. Developed market equities, as measured by the MSCI World Index, declined 3.5% in US dollar terms, while global bonds fell 3.6%. Rate-sensitive sectors such as consumer staples (-6.3%), global listed property (-6.1%) and technology (-6.0%) underperformed. The energy sector was the standout performer benefitting from the higher oil price, rising 11.5% over the quarter.

The US dollar strengthened against most major currencies – the US Dollar Index gained 3.2% during the quarter. This was supported by the rise in real yields, putting pressure on the gold price, which fell 4.9%. South African equities, as measured by the FTSE/JSE All Share Index, declined 3.5% in rand terms over the quarter. Gold and platinum mining shares were particularly weak while Sasol gained on the higher oil price. Bonds had another negative quarter as yields continued their relentless march higher – the FTSE/JSE All Bond Index lost 0.3%. Cash returned 2.1% while local listed property lost 1.0%. The rand ended the quarter broadly unchanged from the previous one versus the US dollar.

The portfolio delivered nominal performance of 5.3% for the 12-month period to the end of November. This return missed the inflation-plus-5% target for the period. Not only have the higher recent inflation numbers raised the performance bar materially, but the benchmark of CPI+5% has proven to be a tough measuring stick over the past five years. However, the good performance over 36 months (11.3% per annum) surpassed the inflation-plus benchmark of 11.1% per annum for the period. The portfolio has recorded a credible 8.3% per annum after costs since inception.

Over the past 12 months, the relatively poor performance of government bonds (both locally and globally), which struggled to beat inflation, hampered the fixed-income performance of the portfolio in the short term. We made no material changes to the portfolio in November.

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 Flexible 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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