Sanlam PRIVATE Wealth

SPW MODERATE BALANCED MODEL PORTFOLIO

31 AUGUST 2020

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. However, a higher exposure to growth assets (equities and property) is likely to lead to higher volatility over the short term. Investment performance will be driven by active stock picking and asset allocation. This portfolio may have a maximum effective equity exposure (including international equity) of up to 65% 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%.

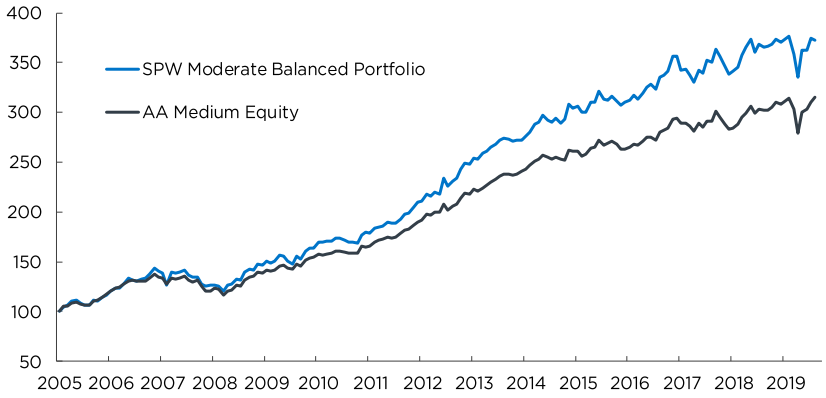
YOUR PERSONAL BALANCED PORTFOLIO

SPW Moderate Balanced model 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. 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)	9.42%	8.12%	1.30%
5 Yrs (Annualised)	5.40%	4.72%	0.68%
3 Yrs (Annualised)	3.60%	4.18%	-0.58%
Past 12 Month	2.40%	5.25%	-2.84%
YTD	0.54%	2.37%	-1.83%

PORTFOLIO INFORMATION

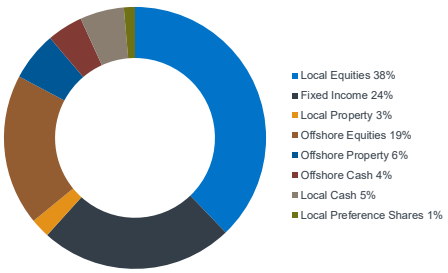
Risk Rating	Moderate
Inception Date	December 2004
Minimum Investment	R1 Million
Benchmark	Average peer group performance of Medium equity multi-asset collective investment schemes in South Africa
Management Company	Sanlam Private Wealth
Portfolio Manager	Alwyn van der Merwe
Initial Fees	Nil
Annual Management	Fee Sliding Scale (refer to mandate)

TOP 5 SHARE HOLDING

(Please note your portfolio might vary from this)

Naspers Ltd	7.46%
BHP Group Plc	3.55%
Anglo American Plc	3.30%
Compagnie Financiere	2.37%
British American Tobacco Plc	2.31%

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, B.Com (Hons), MBA

Alwyn was appointed as Director of Investments for Sanlam Private Wealth in 2007. He has over 24 years' investment industry experience and 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

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 portfolio delivered a return of 2.4% for the 12 months to the end of August, underperforming the peer group average of 5.2%. A combination of stock selection and recent trimming in global equities – arguably too soon – largely explains the underperformance. We did not own gold and platinum shares which detracted materially from the year-to-date performance.

When compared to competing medium-equity, multi-asset unit trusts over longer-term periods, the portfolio's performance puts it in the top third against peers over five years and in the top quartile over 10 years.

Following the substantial recovery in equity prices from the lows recorded in March, we trimmed the exposure to global equities into the recent strength. The current equity exposure is 56%. We also reduced passive equity exposure in favour of our own stock picks, as some of the global information technology counters are, in our view, overpriced.

MANDATORY DISCLOSURE

Participation in the Sanlam Private Wealth's Moderate Balanced Model 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).

ABOUT SPW

Sanlam Private Wealth is a holistic, integrated wealth management business that provides advice and manages assets for high net worth private individuals, cultural organizations, charitable institutions and similar entities with investable assets of more than R1million.

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.

CONTACT US

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