

## SPW MODERATE BALANCED PORTFOLIO

31 AUGUST 2022

Conservative
Cautious
Moderate
Moderate Aggressive
Aggressive

**PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE**

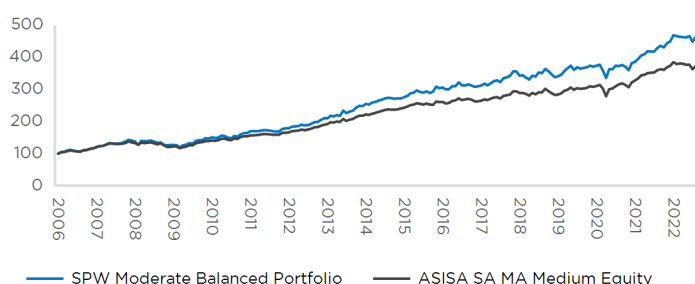
This multi-asset class portfolio invests in equities, bonds, money market instruments and property, both locally and offshore. This portfolio will aim for long-term capital growth. However, a higher exposure to growth assets (equities and property) is likely to lead to higher volatility over the short 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**

The SPW Moderate Balanced 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. Your portfolio will not be affected by the cash investment and withdrawals of other investors.

**PERFORMANCE NET OF FEES<sup>1</sup>**


Percentage Returns	Portfolio	Benchmark	Active
10 Yrs (Annualised)	8.79%	7.49%	1.30%
5Year	6.35%	5.82%	0.53%
3Year	7.80%	7.29%	0.51%
1Year	5.36%	2.91%	2.45%
YTD	-1.97%	-2.82%	0.85%

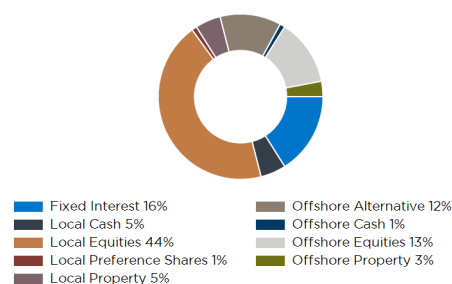
**PORTFOLIO INFORMATION**

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 HOLDINGS**

(Please note your portfolio might vary from this)

Compagnie Fin Richemont	3.89%
Prosus NV	3.78%
Anglo American PLC	3.67%
Standard Bank Group Ltd	2.87%
British American Tobacco PLC	2.81%

**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, BCom (Hons), MBA

Alwyn was appointed as Director of Investments of Sanlam Private Wealth in 2007. He has over 25 years` experience in the investment industry and has 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

August was a month of two halves for financial markets. It started with optimism and risk assets built on their gains from July. However, nervousness in the build-up to the speech by US Federal Reserve Chair Jerome Powell at Jackson Hole and the response to the hawkish delivery turned the tide decidedly. The net result was an extreme negative month across most asset classes.

South African equities could not escape the trend - the FTSE/JSE All Share Index returned -1.84% in local currency on a total return basis in the month. The US dollar return was -4.46%, lagging the MSCI Emerging Market Index (+0.5%), and largely in line with the MSCI World Index (-4.1%). The biggest losers in the month were mining shares (-5.75%) and financials (-4.69%), while industrials lost 0.37%. Listed property was particularly weak (-5.41%) on the back of higher bond yields. Despite an elevated yield curve, the All Bond Index managed to return 0.31% in the month as the high yields outweighed the capital decline in these instruments. Cash returned 0.48%.

The portfolio delivered a return of 5.36% for the 12 months to the end of August, materially outperforming the peer group average by 245 basis points. The material outperformance would suggest that most things went right for the portfolio. It was overweight equities when equity prices escalated in the third quarter of 2021, and we then trimmed the exposure somewhat. Local stock selection contributed positively to the relative performance over this period. Finally, the offshore stock selection has started to add value to performance since late 2021.

The strong one-year performance puts the portfolio on the 92nd percentile against peers. When compared to competing medium-equity, multi-asset unit trusts over longer-term periods, the portfolio is in the top quartile over seven and 10 years.

Following several changes in the second quarter, we made few changes to the portfolio in August. We have sold the entire holding in Shoprite after a period of material outperformance, buying Spar holdings with the proceeds. This has left the portfolio with a 58% exposure to equities, 16% to fixed interest investments, 7.5% to listed property, 11% to global alternative investments, 1.5% to direct gold and 6% to cash.

## 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.

## CONTACT US

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## MANDATORY DISCLOSURE

Participation in the SPW Moderate Balanced 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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