

## SPW MODERATE BALANCED PORTFOLIO

29 FEBRUARY 2024



### 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%.

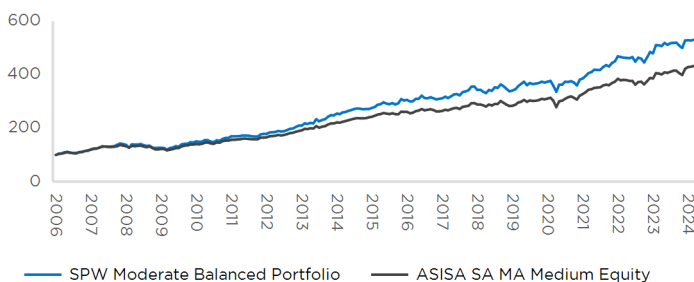
### YOUR PERSONAL BALANCED PORTFOLIO

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)	7.45%	6.81%	0.64%
5 Yrs (Annualised)	8.22%	7.95%	0.27%
3 Yrs (Annualised)	9.33%	8.04%	1.29%
Past 12 Months	4.08%	6.96%	-2.88%
YTD	0.45%	0.89%	-0.44%

### PORTFOLIO INFORMATION

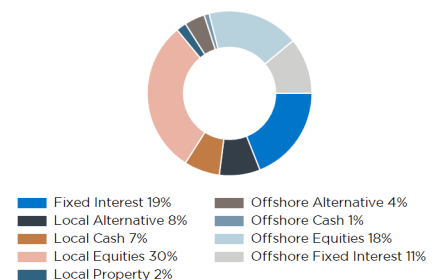
Risk rating	Moderate
Inception date	December 2004
Minimum investment	R1 million
Benchmark	Average peer group performance of medium-equity multi-asset collective investment schemes in South Africa
Management company	Sanlam Private Wealth
Portfolio manager	Renier De Bruyn
Initial fees	Nil
Annual management	Fee sliding scale (refer to mandate)

### TOP 5 HOLDINGS

(Please note your portfolio might vary from this)

Prosus NV	3.78%
British American Tobacco PLC	2.81%
Standard Bank Group Ltd	2.40%
Compagnie Fin Richemont	2.25%
Naspers -N-	1.71%

### 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

Renier de Bruyn, BCom (Hons), CFA

Renier joined Sanlam Private Wealth in 2010 as an investment analyst. He was appointed as Head of Asset Allocation in 2023 after co-managing the multi-asset portfolios with the Chief Investment Officer since 2021. Renier holds a BCom Honours in Financial Analysis from the University of Stellenbosch, and an Advanced Postgraduate Diploma in Financial Planning. He is a CFA charterholder.

## QUARTERLY PORTFOLIO MANAGER'S COMMENTS

In general, major markets had a remarkable rally towards the end of 2023 as investors grew confident that inflation has been brought under control, paving the way for an expected interest rate cutting cycle in 2024. This time the US Federal Reserve did not push back against this view, pivoting from its earlier guidance towards a 'higher-for-longer' interest rate regime. Meanwhile, as some economic stagnation has been evident in the Eurozone, data from the US continued to show a resilient economy and labour market despite the sharp increase in rates over the past 18 months. On the face of it, it seems more and more like policymakers have managed to steer the US economy towards a so-called soft landing - an outcome that very few expected a year ago.

Against this backdrop, most asset classes rose sharply from late October, resulting in decent investment returns for multi-asset portfolios for the 2023 calendar year. Developed market equities, as measured by the MSCI World Index, rose 11.4% in US dollar terms in the fourth quarter, while global bonds rose 5.7%. The technology (+17.6%), listed property (+16.3%) and financial (+13.4%) sectors led the gains, while energy (-3.9%) lagged, reversing some of its strong outperformance in the third quarter. As real interest rates declined, the US Dollar Index fell 4.6% during the quarter while the gold price jumped 11.6%.

South African equities, as measured by the FTSE/JSE All Share Index, rose 6.9% in rand terms over the quarter. Gold and platinum mining shares jumped while Sasol fell sharply on the back of a 19% drop in the price of oil. Bonds had a strong quarter as yields fell from their recent highs - the FTSE/JSE All Bond Index gaining 8.1%. Cash returned 2.1% while local listed property jumped 16.4%. The rand reversed some of its losses, gaining about 3% versus the US dollar during the quarter.

The SPW Moderate Balanced portfolio delivered a return of 10.2% for the 12 months to the end of December, underperforming the peer group average by 1.1%. However, the portfolio remains firmly in the top quartile over 10 years. Value was added through portfolio changes made over the year, but this was offset by an underweight position in offshore equity.

During the quarter we capitalised on the sharp rise in fixed income yields by increasing US Treasury bonds, funded through the reduction of offshore alternative assets. We also increased our holding in FirstRand, funded through a reduction in Anglo American.

## 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/O23234/O7, 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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