

SPW MODERATE BALANCED PORTFOLIO

31 MAY 2022



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%.

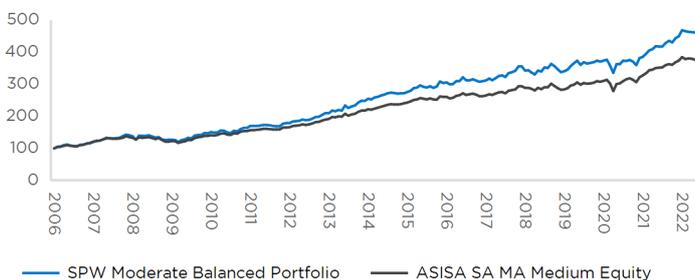
YOUR PERSONAL BALANCED PORTFOLIO

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 FEES¹



PORTFOLIO INFORMATION

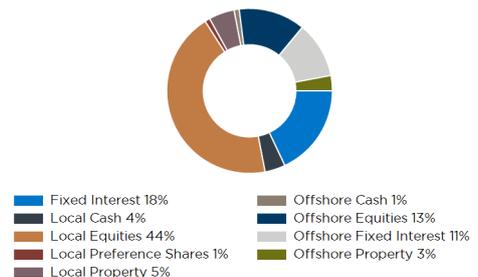
Risk rating	Moderate
Inception date	December 2004
Minimum investment	R1 million
Benchmark	Average peer group performance of medium-equity multi-asset collective investment schemes in South Africa
Management company	Sanlam Private Wealth
Portfolio manager	Alwyn van der Merwe
Initial fees	Nil
Annual management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

TOP 5 SHARE HOLDINGS

(Please note your portfolio might vary from this)

Anglo American PLC	5.01%
Standard Bank Group Ltd	3.30%
Prosus NV	2.84%
British American Tobacco PLC	2.80%
Sasol Ltd	2.69%

ASSET ALLOCATION EXPOSURE



Percentage Returns	Portfolio	Benchmark	Active
10 Yrs (Annualised)	9.49%	8.06%	1.43%
5 Yrs (Annualised)	7.27%	6.45%	0.82%
3 Yrs (Annualised)	8.92%	8.01%	0.91%
Past 12 Months	11.58%	7.10%	4.48%
YTD	-0.53%	-2.10%	1.57%

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

May was a month of two halves for financial markets. Both bonds and equities initially sold off only to recover strongly in the second half of the month. This schizophrenic behaviour was driven by changing views on inflation and the likely path of the global interest rate cycle. SA equities largely followed the global trend. However, the recovery of local equities was not strong enough to end in positive territory - the FTSE/JSE All Share Index recorded a total return of -0.36% for the period under review.

May was also a month of material disparity within the range of economic sectors. Gold shares were generally under pressure and Goldfields declined by 29%. Other losing sectors were personal goods (Richemont being the biggest constituent) which lost 8.4%, and healthcare providers, which retreated by 4.5%. Big gainers were chemicals (Sasol), adding another 5.2%, diversified miners, which advanced by 6%, with software and computer services (Naspers/Prosus) gaining 5.5% off a low base.

It was a mixed month for commodities as the prices of precious metals (gold down by 3.4%) and base metals came under pressure. However, Brent (+12.3%) and WTI (+9.5%) had another very strong month and have now risen for six consecutive months for the first time since 2011. Local bond yields strengthened marginally and the All Bond Index returned 1.01% in the month. Cash returned 0.4%.

The portfolio delivered a return of 11.58% for the 12 months to the end of May, materially outperforming the peer group average by 448 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 started to add value to performance from late 2021.

The strong one-year performance puts the portfolio in the 98th 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 three, seven and 10 years. Following several changes in April, May was relatively quiet. We trimmed the exposure to Sasol after a period of material outperformance. The net result was a marginal reduction in equity exposure in the portfolio.

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 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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