

SPW WORLDWIDE EQUITY PORTFOLIO

31 DECEMBER 2021

Conservative Cautious Moderate Moderate Aggressive Aggressive

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is an equity portfolio that invests both locally and offshore. The portfolio aims to achieve capital and income growth over an investment horizon of at least five years, by investing in companies that are undervalued relative to their intrinsic value. The local portion of the portfolio offers a carefully selected, well-diversified basket of shares from all sectors on the JSE. It may also provide exposure to unlisted shares. The investments in the portfolio are subject to rigorous, in-depth research and adhere to SPW's pragmatic value-investment philosophy.

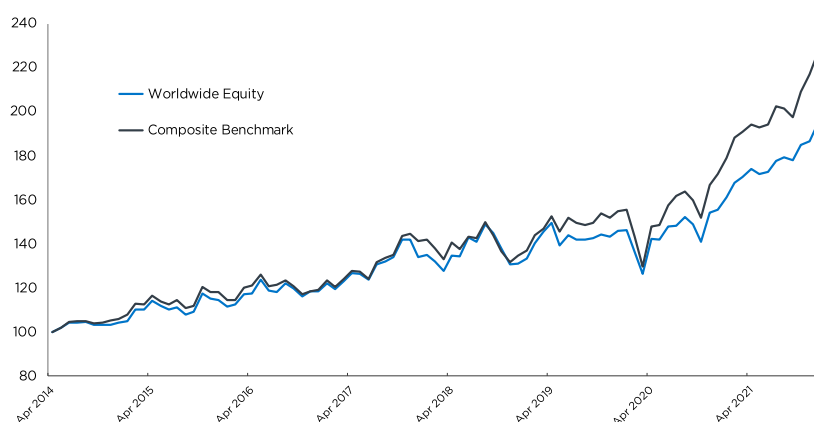
Offshore exposure is obtained through direct investment in listed equities and/or investment in equity funds. Both active and passively managed funds (i.e. index trackers) are provided.

YOUR PERSONAL EQUITY PORTFOLIO

SPW Worldwide Equity 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 and you have the benefit of enjoying 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 Annualised)	9.06%	11.27%	-2.21%
5 Yrs (Annualised)	10.40%	13.71%	-3.31%
3 Yrs (Annualised)	14.10%	19.01%	-4.91%
Past 12 Month	25.08%	32.07%	-6.99%
YTD	25.08%	32.07%	-6.99%

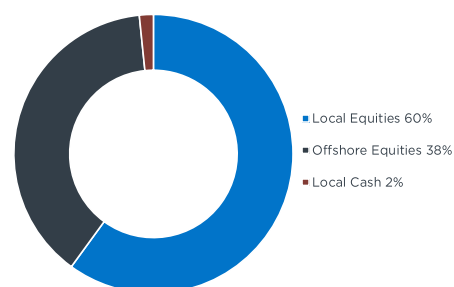
PORTFOLIO INFORMATION

Risk Rating	Aggressive
Inception Date	30 April 2014
Minimum Investment	R1 Million
Benchmark	Composite Benchmark
Management Company	Sanlam Private Wealth
Portfolio Manager	David Lerche
Initial Fees	Nil
Annual Management	Fee Sliding Scale (refer to mandate)

TOP HOLDINGS

(Please note your portfolio might vary from this)

Sanlam Global High Quality Fund	21.53%
Polaris Global Value Fund	7.10%
Prosus NV	6.74%
Satrix Global Equity Tracker	6.33%
BHP Group Plc	6.22%

SECTOR BREAKDOWN


1. The net of fee calculation assumes a 1.14% 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 joined Sanlam Private Wealth in 2016 as a senior investment analyst and became head of equities in 2021. He has over 13 years' investment industry experience, having previously worked as an analyst in institutional stockbroking, servicing major asset managers across SA, the UK and the rest of the world.

PORTFOLIO MANAGER'S COMMENTS

December saw a continuation of the general equity market strength shown throughout most of 2021 both in SA and internationally, quickly shrugging off worries around the Omicron variant of Covid-19. SA equity prices increased by 4.8% for the month on a total return basis, as measured by the FTSE/JSE All Share Index. Globally, the picture was similar, with developed market share prices rising 4.3% in US dollar terms, as measured by the MSCI World Index, while emerging markets gained 1.9% in the month, as measured by the MSCI Emerging Market Index.

2021 was another remarkable year for markets, as ultra-accommodative monetary policy lifted both economic activity and market sentiment. The SA market delivered an exceptional total return of 29.2% over 2021, while developed markets rose 22.3% in US dollar terms, although emerging markets declined 2.2%. The US was the key driver of global markets, with the S&P500 up 29% for the year and an annualised 26% per year over the past three years.

The SA financials sector gained 8.3% in December, followed by resources (+5.4%), while industrials were up 2.9% in the month. Banks were up 10% in the month. Losing sectors were pharmaceuticals (-5.1%) and food producers (-2.9%). For the full year, resources returned 31.9%, financials 29% and industrials 25%.

Over 2021, global markets saw real estate investment trusts recover from being the worst performers in 2020 (-10%) to leading the pack in 2021 (+33%). The value factor marginally outperformed growth, while smaller-cap companies underperformed the wider market.

The portfolio recorded a return of 25.1% – net of fees – for the 12 months to the end of December, underperforming the benchmark return of 32.1%. The portfolio's underperformance relative to its benchmark was driven by the substantial underperformance of the key international building block, the Sanlam Global High Quality Fund, relative to the MSCI World Index. This fund's 'quality at a reasonable price' style resulted in the portfolio lagging given its underweight to the US market, which continues to outperform the rest of the world, and it was also hurt by its Alibaba exposure. The SA portion of the portfolio was unable to fully counter this, but it was helped by its overweight positions in Investec, Aspen and Sasol.

In December, we shifted our exposure to banks more towards SA by reducing the Investec stake and increasing the holding in Standard Bank. We also increased the portfolio's stake in Bidvest on the view that the market is undervaluing the non-SA operations.

MANDATORY DISCLOSURE

Participation in the Sanlam Private Wealth's Worldwide Equity 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). Please [click here](#) to read our Privacy Statement.

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.

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