

SPW EQUITY PORTFOLIO
31 DECEMBER 2021

PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This is a diversified local equity portfolio. The portfolio aims to outperform the JSE All Share Index on a total return basis, over an investment horizon of three years or more, by investing in high-quality companies that we feel are undervalued. This portfolio is suitable for investors who can withstand potential capital volatility in the shorter term.

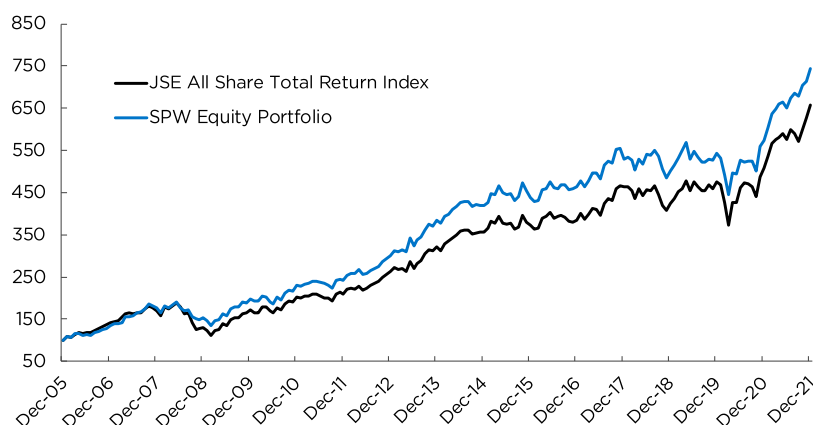
The portfolio offers a carefully selected, well diversified basket of shares from all sectors on the JSE. However, it may also provide exposure to unlisted shares. The investments in the portfolio are subject to rigorous, in-depth research and adhere to our pragmatic value investment philosophy.

YOUR PERSONAL EQUITY PORTFOLIO

SPW 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 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 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
10 Yrs (Annualised)	11.89%	12.17%	-0.28%
5 Yrs (Annualised)	9.96%	11.38%	-1.42%
3 Yrs (Annualised)	14.14%	15.71%	-1.57%
Past 12 Month	30.02%	29.23%	0.79%
YTD	30.02%	29.23%	0.79%

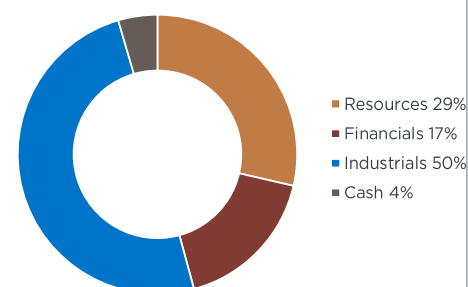
PORTFOLIO INFORMATION

Risk Rating	Aggressive
Inception Date	April 2001
Minimum Investment	R1 Million
Benchmark	FTSE/JSE All Share TR Index
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)

Prosus	10.66%
BHP Group Plc	10.54%
Anglo American Plc	8.02%
Compagnie Financiere	7.58%
British American Tobacco	5.54%

EQUITY SECTOR EXPOSURE


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

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

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 – as measured by the FTSE/JSE All Share Index – increased by 4.8% for the month on a total return basis. Globally, the picture was similar, with developed market share prices – as measured by the MSCI World Index – rising 4.3% in US dollar terms, while emerging markets – as measured by the MSCI Emerging Markets Index – gained 1.9% in the month.

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 the year. Developed markets rose 22.3% in US dollar terms, but 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%. Losing sectors were pharmaceuticals (-5.1%) and food producers (-2.9%). For the full year, resources returned 31.9%, financials 29% and industrials 25%.

Cash returned 0.3% for the month and 3.8% for the year. SA listed property had a strong December, up 7.9% and recovered from 2020's disaster by posting a total return of 36.9% for the year.

The portfolio recorded a return of 30.0% – net of fees – for the 12 months to the end of December, outperforming the benchmark return of 29.2% and ahead of the median peer return of 26.7%. The outperformance relative to the benchmark over the past year was driven by the portfolio's overweight positions in Investec, Aspen and Sasol, partially countered by the underweight positions in Richemont and MTN.

When compared to competing general equity unit trusts, the portfolio was in the top third of its peer group over the past 12 months, three years and five years. The portfolio's performance remains in the top quartile of its peer group over seven and 10 years.

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 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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