



## PORTFOLIO DESCRIPTION AND INVESTMENT OBJECTIVE

This multi-asset class portfolio invests both locally and offshore. Local assets may include equities, bonds, money market instruments and property. Offshore exposure will be obtained through direct investment in listed instruments and/or investment in collective investment schemes. The mandate allows for an unconstrained view both from an asset allocation perspective as well as from stock picking perspective. The management of the portfolio is likely to reflect high-conviction calls and high levels of trading activity. The conviction calls and trading activity will at times reflect tactical investment calls.

The asset classes and holdings will be selected on the potential to generate nominal performance and not on a relative valuation perspective.

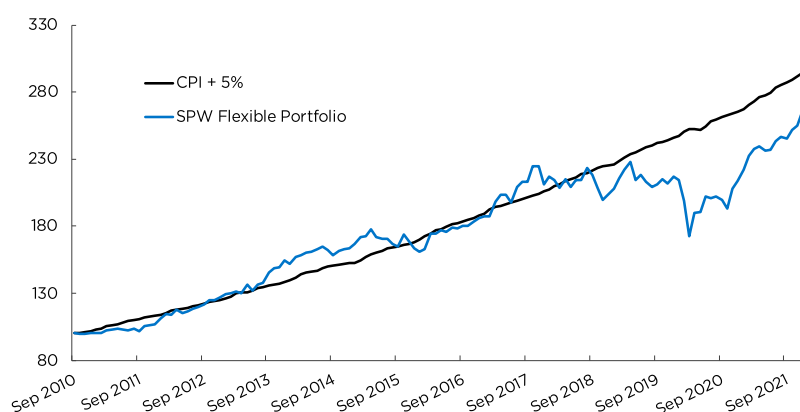
## YOUR PERSONAL BALANCED PORTFOLIO

SPW Flexible Model 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 FEES<sup>1</sup>



Percentage Returns	Portfolio	Benchmark	Active
Since Inception (Annualised)	9.08%	10.07%	-0.99%
10 Yrs (Annualised)	9.52%	10.04%	-0.52%
5 Yrs (Annualised)	7.37%	9.41%	-2.04%
3 Yrs (Annualised)	9.18%	9.29%	-0.11%
Past 12 Month	24.26%	10.80%	13.46%
YTD	24.26%	10.80%	13.46%

## PORTFOLIO

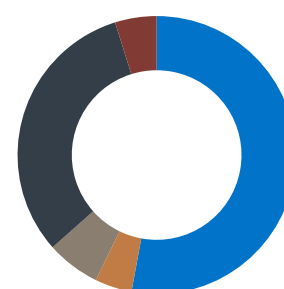
Risk Rating	Aggressive
Inception Date	October 2010
Minimum Investment	R1 Million
Benchmark	CPI + 5% <over rolling 36 months>
Management Company	Sanlam Private Wealth
Portfolio Manager	Alwyn van der Merwe
Initial Fees	Nil
Annual Management	Fee Sliding Scale (refer to

## TOP 5 SHARE HOLDING

(Please note your portfolio might vary from this)

BHP Group Plc	8.22%
British American Tobacco Plc	6.37%
Prosus	5.99%
Anglo American Plc	5.69%
Firststrand	4.97%

## EQUITY EXPOSURE



Local Equities	55%
Fixed Income	4%
Local Property	5%
Offshore Equities	32%
Local Cash	4%

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, 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%.

The All Bond Index (ALBI) returned 2.7% in December and 8.4% for the year. 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 very strong recovery over the 12-month period to the end of December, posting a return of 24.26% against a benchmark of 10.8%. The benchmark of CPI+5% has proved to be a tough measuring stick over the past five years – all local asset classes have failed to match it. However, the good performance over the past year closed the gap between the inflation-plus benchmark and the actual portfolio performance over the longer term. The portfolio has recorded a credible 9.08% after costs versus the CPI+5% benchmark since inception.

Within our global equity selection, the exposure to global financial shares contributed positively to the performance. However, the offshore equity exposure to high-quality shares detracted somewhat from performance. The offshore equity style of 'quality at a reasonable price' resulted in the portfolio lagging given its underweight to the US market and its zero weight in cyclical counters, a sector that performed well following the collapse in global equity prices during the second quarter of 2020.

We added to Bidvest on value considerations. The portfolio has a high equity exposure of 72.26%, with 54.6% invested locally and 17.66% invested in global equities. We have invested 14% in global multi-strategy funds to reduce the overall correlation to the equity asset class in the portfolio.

## MANDATORY DISCLOSURE

Participation in the Sanlam Private Wealth's Flexible Model 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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