OUR INVESTMENT PHILOSOPHY AND PROCESS

Sanlam Private Wealth crafts customised private client portfolios to grow and preserve your wealth – now and for generations to come.

Our tried-and-tested investment philosophy, coupled with our expertise and extensive experience, ensures we can deliver what counts. Our diverse and well-balanced team of highly skilled investment professionals offers a robust combination of experience and youth to ensure we're able to consistently deliver the long-term results you expect of your wealth partner.

The results speak for themselves. Our customised local and global equity, multi-asset and offshore portfolios have a strong record of outperformance over the long term.

OUR INVESTMENT PHILOSOPHY RESTS ON THREE PILLARS:

PRICE

We believe the price of an asset or asset class is the dominant factor driving investment performance over the longer term.

We seek out investments we consider to be attractively priced relative to intrinsic value, and use them to replace those in our portfolios that our research has indicated as being expensive.

These opportunities may at times be contrarian, and may therefore be unpopular and perhaps even illogical – but always sensible.

PERSPECTIVE

Thorough proprietary analysis and research are essential to build the correct investment thesis underlying an asset or asset class – which isn't necessarily the popular view or 'story' of the asset.

While forecasting the future is of course impossible, we endeavour to understand the assets we invest in, well.

We also believe that the correct view of the macro environment is important in understanding the price movements of assets or asset classes.

PATTERN

Financial markets are not always logical, and they don't work in a sequential, linear manner.

But more often than not, we can identify in previous periods a set of circumstances similar to those affecting an asset or its price today.

So while historical patterns aren't necessarily repeated in a particular order, we believe they can provide us with excellent clues as to what we can expect from an asset or its price in future.

OUR INVESTMENT PROCESS

We have a systematic, centralised investment process grounded in robust, intensive research. We constantly challenge the norm and ask the tough questions.

Apart from relying on their years of experience in the investment world, our investment committees (South African and global) tap into numerous sources of information and analyses, as we assemble informed, intelligent investment decisions to meet your individual needs.

RESEARCH

First and foremost, we rely on the proprietary research of our team of in-house investment analysts. Our rigorous research process is also informed by, among other sources, financial and investment information databases, including:

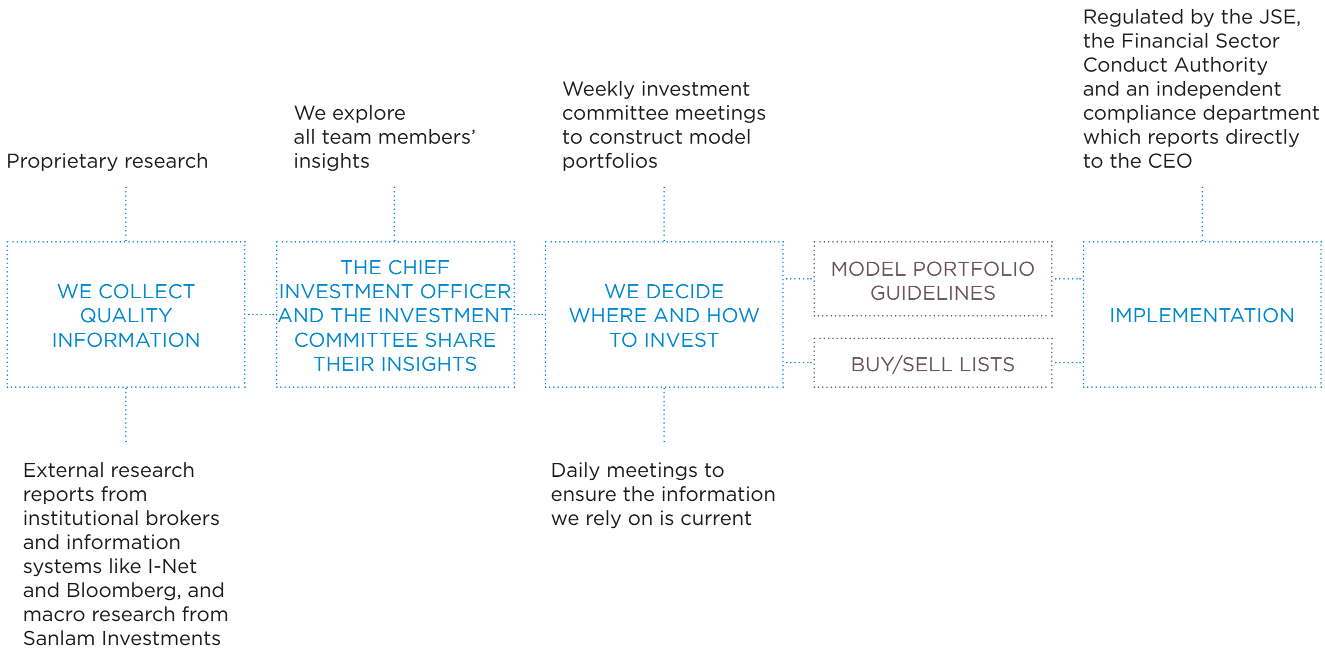
- selected institutional broker research reports
- the Sanlam Group research team
- Bloomberg and other investment information systems.

DECISION-MAKING

Our South African investment committee meets once a week to debate and agree on an investment view, and construct model portfolios to guide our portfolio managers in constructing customised client portfolios.

The decision-making process also includes:

- daily meetings, to ensure we understand up-to-the-minute information
- a daily snapshot of the markets in the last 24 hours
- a multi-factor equity valuation tool, covering more than 160 shares.



PRIVATE Wealth

INVESTMENT METHODOLOGY

Our methodology marries a top-down and bottom-up approach in the construction of our portfolios. For us, top down means reviewing and assessing a portfolio's asset allocation. The bottom-up approach looks at stock selection.

ASSET ALLOCATION

Our investment philosophy of price, perspective and pattern is crucial when we decide on the appropriate asset class composition:

- We analyse each asset class in terms of its relative price levels, relative to its history and relative to other asset classes.
- We acknowledge that macro factors can drive financial markets.

Through this process we quantify our expected returns and the volatility for each asset class over the medium to longer term and we apply this insight to your objectives and risk profile.

STOCK SELECTION

When selecting equities we seek companies capable of delivering earnings and dividend growth at attractive valuations. Crucially, we want to make investments in companies in which we believe through an investment cycle and not speculate on short-term price movements.

We prefer to invest in companies that have:

- a market price below intrinsic value
- a sound balance sheet
- a history of sound financial performance and sustainability
- strong cash flow
- a competitive advantage (moat)
- strong fundamentals.

> "New investments are made into assets where the market price is below our intrinsic value of the company or asset. For stocks, this encompasses businesses with sustainable competitive advantages, healthy balance sheets and proven management. Sometimes the best investment decision is the unpopular one."
>
> David Lerche, Chief Investment Officer

OUR EXPERT TEAM

DAVID LERCHE

CHIEF INVESTMENT OFFICER

As our Chief Investment Officer since the start of 2023, David Lerche is the custodian of Sanlam Private Wealth's investment philosophy. He is responsible for the investment process and all research, as well as the performance of our model portfolios. He works closely with our Head of Asset Allocation and a core team of talented, in-house investment analysts, and our team of expert portfolio managers to ensure private client portfolio performance in line with risk appetite.

David has over 16 years' experience in investments. He joined Sanlam Private Wealth in 2016 as a senior investment analyst and was promoted to Head of Equities in 2021. He holds a BBusSc (Finance) from the University of Cape Town, a Postgraduate Diploma in Accounting from the University of the Witwatersrand, and the CA(SA) qualification. He is a CFA charterholder, and is a member of our executive committee.

OUR EXPERT TEAM

RENIER DE BRUYN
HEAD OF ASSET ALLOCATION

Renier de Bruyn joined Sanlam Private Wealth at the start of 2010 as an equity analyst. After co-managing the multi-asset portfolios with the Chief Investment Officer since 2021, he was promoted to Head of Asset Allocation in 2023. Renier graduated with a BCom Honours in Financial Analysis from the University of Stellenbosch and is a CFA charterholder.

DUMISANI CHIUME
INVESTMENT ANALYST

Dumisani Chiume joined Sanlam Private Wealth at the end of 2023 as an investment analyst focusing on South African, dual-listed and global industrial companies. He has both breadth and depth of experience in financial markets as a both an equity trader and an equity analyst – he has worked in the field of investment analysis for more than 12 years. He holds a BBusSc (Finance Honours) from the University of Cape Town and is a CFA charterholder.

GARY DAVIDS
INVESTMENT ANALYST

Gary Davids joined Sanlam Private Wealth in July 2022, focusing on the South African financials sector. He graduated with a BCom Honours in Financial Analysis and Portfolio Management from the University of Cape Town and is currently completing a Master's Degree in Corporate Finance and Valuation. Gary has extensive experience of financial markets – he has been an investment analyst since 2013.

CHRISTIAAN BOTHMA
INVESTMENT ANALYST

Christiaan Bothma joined Sanlam Private Wealth at the end of 2017, focusing on companies in the resource and healthcare sectors. He graduated from Stellenbosch University with a Master's Degree in Economics in 2017. Christiaan is a CFA charterholder.

KGOMOTSO MOKABANE
EQUITY ANALYST

Kgomotso Mokabane joined Sanlam Private Wealth in December 2023 as an equity analyst, focusing on the South African retail sector. He graduated from the University of the Free State with a BAcc (cum laude) and BAcc Honours in 2020. Before joining the team, Kgomotso was a trainee in the Sanlam CA Programme where he worked across different business segments. In his third year of SAICA articles he worked as an equity analyst in the Sanlam Investment Management equities team.

MICHELLE PUTTER
INVESTMENT AND PRODUCT OPERATIONAL SPECIALIST

Michelle Putter joined Sanlam Private Wealth in 2001 and has worked in diverse operational areas of the business, specialising in investment and product operations. She was responsible for establishing the operational groundwork for offshore investments for Sanlam Private Wealth. Michelle holds a BCom in Financial Management from the University of South Africa.

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