

Sasfin Horizon Medium Equity Portfolio

August 2017

Portfolio Category SA Multi Asset Medium Equity

Portfolio Manager Philip Bradford, CFA

Launch Date 01-Nov-2012

Benchmark CPI + 5% (rolling 5 year period)

Portfolio Description

The portfolio is managed as a core-satellite portfolio, combining active management and index investment strategies. The core of the portfolio is invested in passively-managed portfolios, while the satellites are invested in actively-managed, "high-alpha" portfolios. This portfolio is aimed at investors with a long term investment horizon. It is expected to have an inflation objective of CPI plus 5%.

The asset composition of the fund is compliant with Regulation 28 of the pension Funds Act of 1956.

The actual asset allocation of the portfolio may vary from strategic asset allocation due to market movement or tactical asset allocation decisions made from time to time by Sasfin Asset Managers.

Investment Objective

The Fund aims to provide investment income and capital growth over the long term through investing primarily in local and international equity, fixed interest and cash instruments. The fund is optimized to have the highest probability of meeting the real return target over a 5 year investment period while minimising volatility. The Fund is actively managed by a combination of leading investment managers and value is added through specialist manager expertise and allocation skills.

Manager Weightings

Fund Managers	Weights
Bateleur Equity	13.51%
Sasfin BCI Opportunity Equity	7.65%
Sygnia ALSI Tracker	9.64%
Sasfin BCI Equity	7.66%
Sygnia SAPY Tracker	6.53%
Absa Property	6.53%
Coronation Strategic Income	11.22%
Futuregrowth Yield Enhanced Bond	11.20%
Investec Money Market	2.49%
Prescient Cash	2.49%
Managed Cash	0.23%
BlackRock Developed World Index	18.21%
Nedbank USD Account	2.64%
Total	100.00%

Risk Profile

Conservative	Cautious	Moderate	Assertive	Aggressive
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Minimum Recommended Investment Term

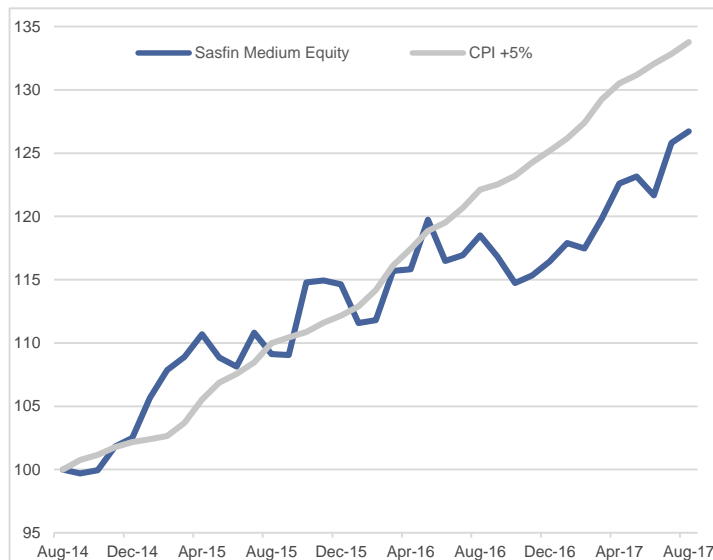
+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years
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Performance vs Benchmark

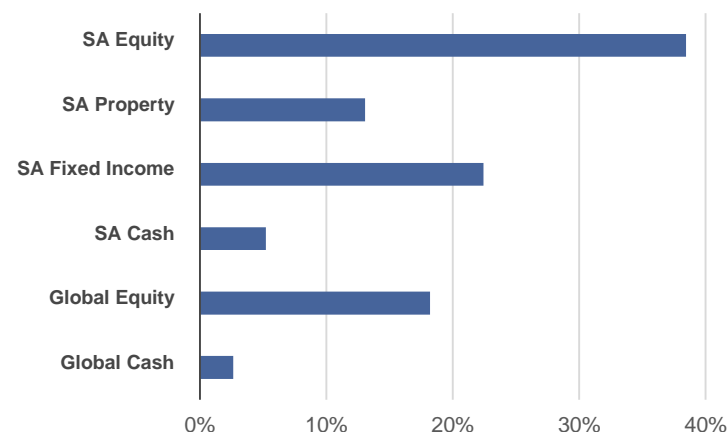
	3 Month	6 Month	1 Year	3 Year	5 Year
Sasfin Horizon Medium Equity	2.9%	7.9%	6.9%	8.2%	10.4%
CPI + 5%	2.0%	5.0%	9.5%	10.2%	10.6%

- Prior to 1 November 2012 notional returns have been used to calculate longer term returns

Cumulative Returns – 3 Years



Asset Allocation



Monthly Commentary

South Africa: The SARB lowered its benchmark repo rate by 25bps to 6.75% in July, saying the inflation outlook has improved while domestic growth prospects have deteriorated further following the surprise GDP contraction in the first quarter of the year. The South African economy expanded an annualized 2.5% quarter-on-quarter in the three months to June of 2017, ending two quarters of contraction. South Africa's unemployment rate came in at 27.7% in the second quarter. Consumer prices in South Africa increased 4.6% year-on-year in July of 2017, below a 5.1% rise in June. The ALSI was up 2.7% in August with resources faring the best, up 4.5%. South Africa's benchmark bond, the R186 experienced a 1% yield contraction to end the month at 8.57%. The rand strengthened against the dollar and pound by 1.4% and 3.5% respectively.

International: The Fed left the target range for its federal funds rate unchanged at 1.25% during its July 2017 meeting. The US economy expanded an annualized 3% in the second quarter of 2017. The US markets had a good month with the Nasdaq fairing the best, up 1.4%. The ECB held its benchmark refinancing rate at 0%. The Eurozone economy expanded 0.6% quarter-on-quarter in the three months to June. The major European markets were down slightly over the month. The Bank of England voted to keep the Bank Rate at a record low of 0.25%. The UK economy advanced 0.3% quarter-on-quarter in second quarter of the year. The FTSE100 had a strong August, up 1.7%. The benchmark interest rate in China was last recorded at 4.35%. The official NBS Manufacturing PMI in China rose to 51.7 in August of 2017. The Shanghai Composite Index had a very positive month, up 2.8%. The Bank of Japan left its key short-term interest rate unchanged at -0.1% at its July meeting. The Japanese economy advanced 0.6% quarter-on-quarter in the June quarter. The Nikkei was down 1.3% during August. The dollar weakened by 0.6% against the euro in August. Brent crude was down 0.5% during the month while gold, silver and platinum were up 4.1%, 4.5% and 6.2% respectively.

Our Position: We are maintaining our maximum exposure in international equities according to the fund's risk/return profile, with zero in offshore bonds. Locally we see no reason to invest in local companies that have 'challenging' conditions. We have retained our exposure to SA equities with an emphasis on 'international companies listed on the JSE'. We have an overweight position in property stocks, well diversified between local and foreign exposure. Local property continues to offer good potential real returns, foreign property in developed markets is continuing to benefit from relatively low interest rates and improving growth dynamics and provides additional protection from currency depreciation. We have an overweight position in local bonds which is comprised of managers who, in combination, take advantage of high yielding corporate opportunities and low duration instruments which has benefited our investors in the current environment.

Notes and Disclaimer

- The portfolio was fundamentally changed on 1 November 2012 on conversion to a core-satellite model. Accordingly past investment returns have been calculated using notional model portfolios which illustrate the investment performance that would have been experienced if the changes had been applied earlier. These back tested notional returns are not necessarily a guide to the future investment performance of the portfolio and do not constitute any form of guarantee. Investors are urged to note that in any event past investment returns are not an accurate indication of future returns and that the value of investments will fluctuate up and down over time.
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Fees

Investment managers	Up to 0.41%
Platform	Up to 0.28%

Fees are quoted per annum and excluding VAT. The investment manager fees are based on strategic weightings and may vary from time to time. The portfolio may include investment managers with performance fee structures. This may result in higher overall fees, but only when performance targets agreed have been exceeded. Details of performance fees paid to underlying managers over the previous calendar year will be provided to clients on request.

Contact Details

Sasfin Asset Managers (Pty) Ltd
Registered Financial Service Provider,
FSP number 21664.
29 Scott Street, Waverley, 2090
Tel: (011) 809 7500
Fax: (086) 574 5310
Email: SasfinCI@sasfin.com