

Sasfin Horizon Low Equity Portfolio

December 2017

Portfolio Category SA Multi Asset Low Equity

Portfolio Manager Philip Bradford, CFA

Launch Date 01-Nov-2012

Benchmark CPI + 4% (rolling 4 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 4%.

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 4 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	9.56%
Sasfin BCI Opportunity Equity	5.26%
Sygnia ALSI Tracker	6.78%
Sasfin BCI Equity	5.23%
Sygnia SAPY Tracker	3.67%
Absa Property	8.42%
Coronation Strategic Income	18.98%
Futuregrowth Yield Enhanced Bond	19.75%
Investec Money Market	2.78%
Prescient Cash	2.78%
Managed Cash	0.17%
BlackRock Developed World Index	14.58%
Nedbank USD Account	2.04%
Total	100.00%

Risk Profile

Conservative	Cautious	Moderate	Assertive	Aggressive
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Minimum Recommended Investment Term

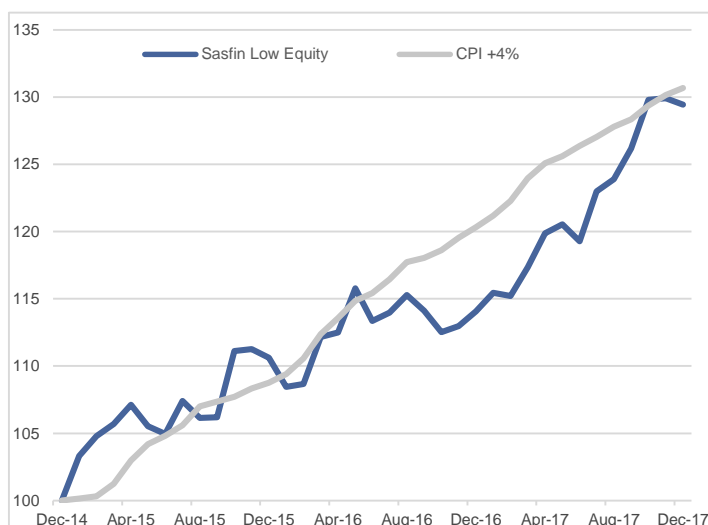
+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years
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Performance vs Benchmark

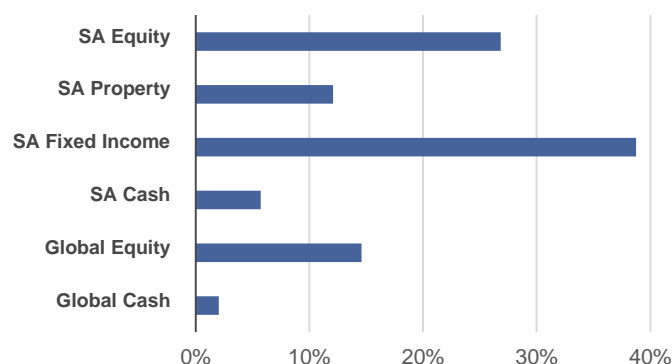
	3 Month	6 Month	1 Year	3 Year	5 Year
Sasfin Horizon Low Equity	2.6%	8.5%	13.5%	9.0%	9.9%
CPI + 4%	1.8%	3.4%	8.6%	9.3%	9.4%

- 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 unexpectedly left its benchmark repo rate steady at 6.75% in November. The South African economy expanded an annualized 2.0% on quarter in the three months to September. South Africa's unemployment rate came in at 27.7 percent in the third quarter of 2017, the same as in the previous two quarters and remaining the highest rate in 13 years. Consumer prices in South Africa increased 4.6 percent in November of 2017, easing from a 4.8 percent rise in the previous month. The ALSI had a negative month, decreasing by 0.3% with Gold shares falling 10.2% and Industrials falling 4.1% mainly due to the collapse in Steinhoff. Financials had a strong month, gaining 8.4%, as the market reacted positively to the result of the ANC elective conference. The rand also strengthened following the conference, up 9.6% against the dollar.

International: The Federal Reserve raised the target range for the federal funds rate by a quarter point to 1.25-1.5 percent during its December 2017 meeting. The US economy expanded an annualized 3.2% on quarter in the third quarter of 2017. The Dow Jones had another strong month, gaining 1.9%, while the S&P and the Nasdaq were both up over 0.5% in the month. The ECB held its benchmark refinancing rate at 0 percent in December. The Eurozone economy advanced 0.6 percent on quarter in the three months to September of 2017. European markets were negative in November with the Dax down 0.8% and the Cac 40 down 0.9%. The Bank of England voted unanimously to keep the Bank Rate at 0.5 percent in December, following a 25bps hike in the previous meeting. The British economy advanced 0.4 percent on quarter in the three months to September 2017. The FTSE had a very strong month, up 5.0%.

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.
- Generally performance returns are calculated excluding fee deduction, except where a component yield is already net of performance or other fees.
- While every effort is taken to ensure the accuracy of the information contained herein, Sasfin shall not be liable for any errors or omissions and disclaims any responsibility for any action which may be taken based on such information.
- While historical data and reasonable market related assumptions have been used in the construction of some of the data, these are general indicators only for the purpose of ongoing targeting and assessment and are not guaranteed.
- Benchmarks are probability indicators for ongoing targeting and assessment purposes and are not guaranteed.
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- The Fact Sheet does not constitute any form of advice or recommendation and Investors must consult their advisors and independently assess and confirm all material information before making any decision or taking any action.

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.

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