

Sasfin Horizon High Equity Portfolio

April 2018

Portfolio Category SA Multi Asset High Equity

Portfolio Manager Philip Bradford, CFA

Launch Date 01-Nov-2012

Benchmark CPI + 6% (rolling 6 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 6%.

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 6 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	14,00%
Sasfin BCI Opportunity Equity	10,10%
Sygnia ALSI Tracker	10,10%
Sasfin BCI Equity	6,00%
Sygnia SAPY Tracker	4,30%
Absa Property	10,00%
Coronation Strategic Income	11,10%
Futuregrowth Yield Enhanced Bond	11,00%
Investec Money Market	1,10%
Prescient Cash	1,10%
Managed Cash	0,10%
BlackRock Developed World Index	21,10%
Nedbank USD Account	0,00%
Total	100.00%

Risk Profile

Conservative	Cautious	Moderate	Assertive	Aggressive
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Minimum Recommended Investment Term

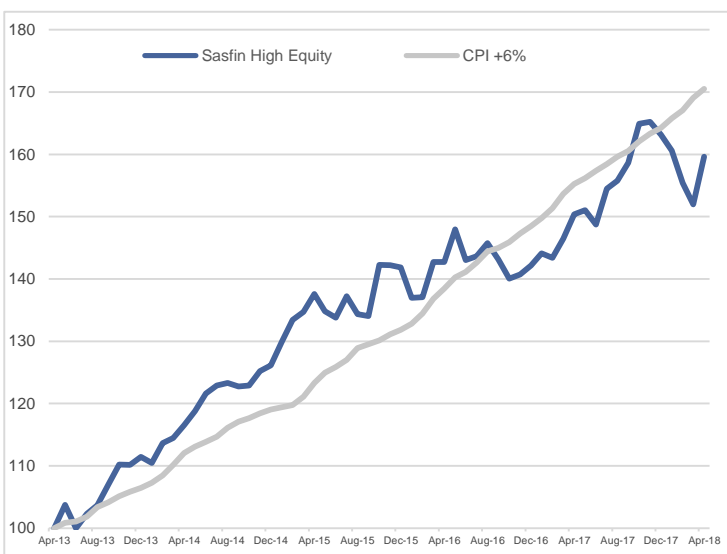
+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years
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Performance vs Benchmark

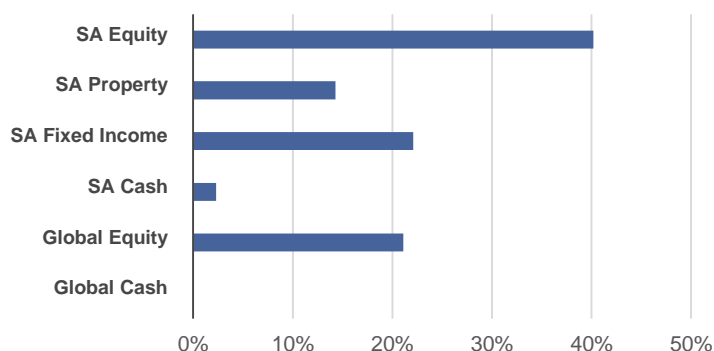
	3 Month	6 Month	1 Year	3 Year	5 Year
Sasfin Horizon High Equity	-0,6%	-3,2%	6,1%	5,1%	9,8%
CPI + 6%	2,8%	5,2%	9,8%	11,4%	11,3%

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

Cumulative Returns – 5 Years



Asset Allocation



Monthly Commentary

South Africa:

The South African economy advanced an annualized 3.1 percent on quarter in the last three months of 2017, following an upwardly revised 2.3 percent rise in the previous period and beating market expectations of 1.8 percent. Unemployment rate came in at 26.7 percent in the first quarter of 2018, unchanged from the previous period. The annual inflation rate in South Africa rose to 4.5 percent in April of 2018 from 3.8 percent in the previous month and below market expectations of 4.7 percent. The ALSI had a very strong month, up over 5% with Property, Resources and Industrials all making large gains.

International:

The US economy expanded an annualized 2.3 percent on quarter in the first quarter of 2018, below 2.9 percent in the previous period but beating market expectations of 2 percent. Still, it is the lowest growth rate in a year. The US unemployment rate fell to 3.9 percent in April 2018 from 4.1 percent in the previous month, and below market expectations of 4 percent. It was the lowest rate since December 2000. American markets were relatively flat over the month. The ECB held its benchmark refinancing rate at 0% on April 26th. European had a positive month, with the Dax and the Cac 40 up 4.3% and 7.2% respectively. The British economy grew by 0.1 percent on quarter in the three months to March 2018, easing from a 0.4 percent expansion in the previous period. The FTSE recovered some losses from the first quarter, gaining 6.8%.

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.
- This Fact Sheet is proprietary and has been issued for the use of Sasfin Investors and may not be distributed, copied or published without permission.
- 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 0.42%
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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