

Sasfin Horizon High Equity Portfolio

June 2018

ASISA Category SA Multi Asset High Equity

Portfolio Manager Philip Bradford, CFA

Launch Date 27-Sep-2012

Benchmark SA Multi Asset High Equity Category Average

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 has an inflation objective of CPI plus 6% over any rolling 6 year period.

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	14.17%
Sasfin BCI Opportunity Equity	9.78%
Sygnia ALSI Tracker	10.10%
Sasfin BCI Equity	6.21%
Sygnia SAPY Tracker	4.12%
Absa Property	9.64%
Coronation Strategic Income	11.29%
Futuregrowth Yield Enhanced Bond	11.34%
Investec Money Market	1.26%
Prescient Cash	1.26%
Managed Cash	0.07%
BlackRock Developed World Index	20.75%
Nedbank USD Account	0.00%
Total	100.0%

Risk Profile



Minimum Recommended Investment Term



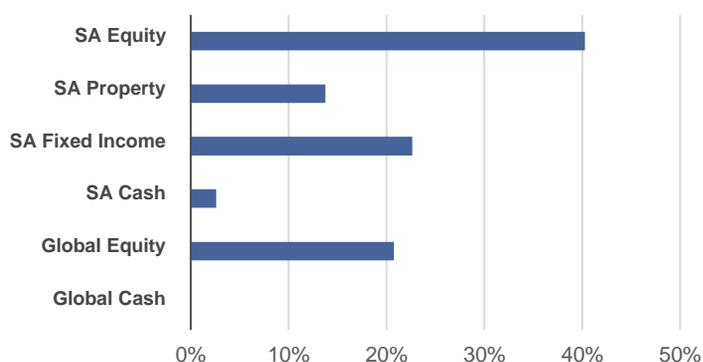
Performance vs Benchmark

	1 Year	3 Year	5 Year	Since Inception
Sasfin Horizon High Equity	7.1%	5.5%	9.2%	9.0%
ASISA Multi Asset Peer Group Average	7.2%	4.6%	8.0%	8.9%

Cumulative Returns – Since Inception



Asset Allocation



Monthly Commentary

South Africa: The Rand lost ground against all major currencies as emerging markets currencies globally were sold off. The Rand lost 8.2% against the US Dollar, 7.4% against the British Pound and 8.2% against the Euro. The annual inflation rate in South Africa increased to 4.6 percent in June of 2018 from 4.4 percent in the previous month and below market expectations of 4.8 percent. It was the highest inflation rate since December last year, mainly due to higher prices of transport. The JSE All Share endured a volatile month with low volumes traded, but managed to end the month 3.5% higher. The strong performance was driven by Resources (+6.0%), Industrials (+3.9%) and Consumer Services (+9.2%). General retailers (-7.3%), Health Care (-8.7%), Financials (-3.0%) and Property (-3.9%) negatively impacted the JSE All Share's performance.

International: Global equity markets ended the month mixed as markets continued to digest trade-war fears, political risk in Europe and divergence in monetary policies across the world. Weaker-than-expected manufacturing data out of China fuelled concern that the second biggest economy in the world's growth is in fact slowing as China's Caixin Purchasing Managers Index (PMI) came in at 51. The Eurozone did receive some positive economic news as unemployment was revised down to 8.4%, the lowest level since December 2008. However, Eurozone PMI declined to 54.9 from 55.5 in May. Even the positive economic news could not prevent markets in the Eurozone from moving lower, as the EuroStoxx 600 lost 1.0%, German Dax lost 2.4% and the FTSE 100 lost 0.5%. The S&P 500 managed to add 0.5% during June.

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.
- Performance returns are calculated net of 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.

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