

Sasfin Horizon Low Equity Portfolio

August 2018

ASISA Category SA Multi Asset Low Equity

Portfolio Manager Philip Bradford, CFA

Launch Date 27-Sep-2012

Benchmark SA Multi Asset Low 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 4% over any 4 year rolling 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 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	9.26%
Sasfin BCI Opportunity Equity	6.68%
Sygnia ALSI Tracker	6.71%
Sasfin BCI Equity	4.04%
Sygnia SAPY Tracker	3.73%
Absa Property	8.26%
Coronation Strategic Income	18.25%
Futuregrowth Yield Enhanced Bond	18.14%
Investec Money Market	2.60%
Prescient Cash	2.60%
Managed Cash	1.15%
BlackRock Developed World Index	16.22%
Nedbank USD Account	2.37%
Total	100.0%

Risk Profile



Minimum Recommended Investment Term

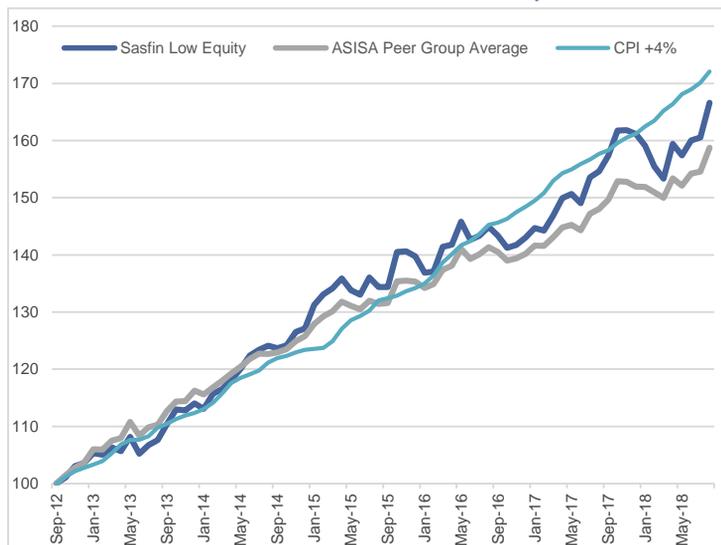


Performance vs Benchmark

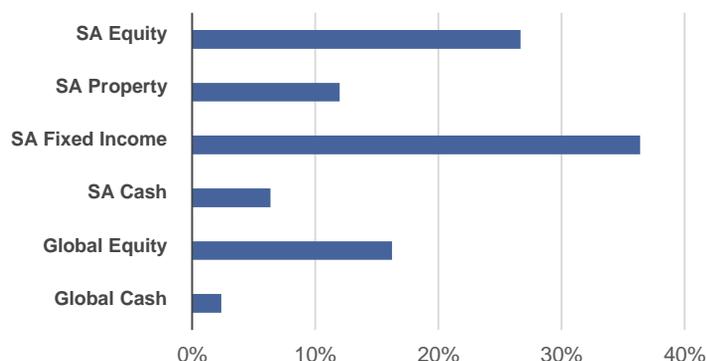
	1 Year	3 Year	5 Year	Since Inception
Sasfin Horizon Low Equity	7.8%	7.4%	9.1%	8.9%
ASISA Peer Group Average	7.2%	6.5%	7.6%	8.1%

Performance returns are calculated net of fees

Cumulative Returns – Since Inception



Asset Allocation



Monthly Commentary

South Africa: The Rand lost significant ground against all major currencies amid contagion fears resulting from economic uncertainty in Argentina and Turkey. It lost 11.8% against the U.S Dollar, 10.8% against the British Pound and 11.2% against the Euro. The JSE All Share added 2.2% as a weaker currency assisted resource and Rand hedge counters. On the local front we saw retail sales came in above consensus, increasing 2.9% year-on-year (YoY) as well as private sector credit demand growth of 5.4%, slowing slightly from the month before. CPI is also at a 10-month high, after it increased for the third straight month, to 5.1% with core inflation coming in at 4.3%. The Resource index outperformed, adding 5.0% on the back of a higher crude oil price and a weaker currency while The Industrial sector added 1.8% with Naspers only adding 0.7% as Tencent came under pressure on the back of increased gaming regulation in China.

International: Global equity markets told two very different stories during the month as the U.S is firing on all cylinders and the rest of the world unsure what to make of it all. U.S markets is now officially in its longest ever bull market run with the world's two biggest companies, Apple and Amazon also reaching all-time highs during August. Strong second quarter earnings, fuelled by the tax cuts and good economic growth sent the S&P 500, Dow Jones Industrial Index and Nasdaq higher by 3.0%, 2.2% and 5.7% respectively with the Nasdaq breaking through the 8 000-point barrier for the first time ever in its strongest August since 2000. Stronger than expected retail sales, U.S consumer confidence which is at an 18-year high and revised GDP numbers for the second quarter of 4.2%, versus 2.9% a year ago all underpinned the strong U.S markets. European markets on the other hand is trading amid a cloud of uncertainty around Brexit negotiations, Italian budget concerns and muted economic growth. EU equity funds have now experienced 25 straight weeks of net outflows according to Bank of America Merrill Lynch. These uncertainties were reflected in market performances as the Euro Stoxx 600 lost 2.7%, France CAC lost 1.9%, German Dax lost 3.5% and the FTSE 100 lost 4.1%.

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

- 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 0.41%
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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