

# Sasfin Horizon Low Equity Portfolio

July 2018

<b>ASISA Category</b>	SA Multi Asset Low Equity	<b>Portfolio Manager</b>	Philip Bradford, CFA
<b>Launch Date</b>	27-Sep-2012	<b>Benchmark</b>	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	9.50%
Sasfin BCI Opportunity Equity	6.63%
Sygnia ALSI Tracker	6.75%
Sasfin BCI Equity	4.00%
Sygnia SAPY Tracker	3.55%
Absa Property	8.36%
Coronation Strategic Income	18.28%
Futuregrowth Yield Enhanced Bond	18.33%
Investec Money Market	2.71%
Prescient Cash	2.71%
Managed Cash	0.13%
BlackRock Developed World Index	16.48%
Nedbank USD Account	2.58%
<b>Total</b>	<b>100.0%</b>

## Risk Profile

Conservative	Cautious	<b>Moderate</b>	Assertive	Aggressive
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## Minimum Recommended Investment Term

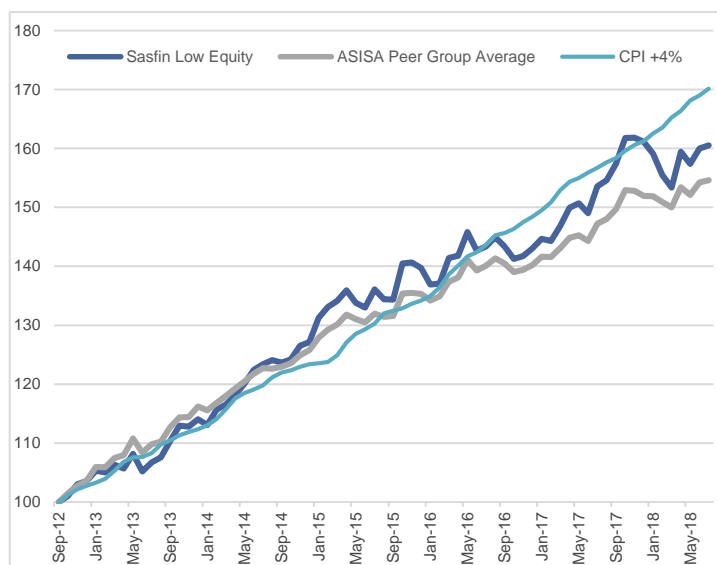
+ 3 Months	+ 1 Year	<b>+ 3 Years</b>	+ 5 Years	+ 7 Years
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## Performance vs Benchmark

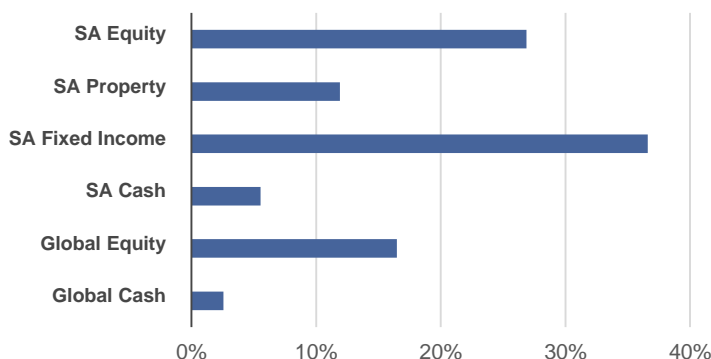
	1 Year	3 Year	5 Year	Since Inception
<b>Sasfin Horizon Low Equity</b>	4.5%	5.7%	8.5%	8.4%
<b>ASISA Peer Group Average</b>	5.0%	5.4%	7.1%	7.8%

Performance returns are calculated net of fees

## Cumulative Returns – Since Inception



## Asset Allocation



## Monthly Commentary

**South Africa:** The Rand strengthened against all the major currencies. It gained 4.4% against the U.S Dollar, 5.0% against the British Pound and 4.2% against the Euro. The JSE All Share followed emerging markets lower during the month of July as investors digested numerous corporate results and economic data. The SARB unanimously decided to hold their key policy rate at 6.5% as the Reserve Bank governor Lesetja Kganyago stated "we would not hesitate to act" if inflation moves significantly away from the midpoint of the target range. We also saw "soft" inflation numbers as headline inflation came in at 4.6% year over year, slightly above the midpoint range of 4.5%. Retail sales advanced 1.9% year-over-year (YoY), the second slowest rate of growth since July 2017. The Financial sector outperformed during July, adding 4.5%, while the Industrial sector declined 2.0%, as Naspers (-7.0%) moved lower amid a decline in the value of Chinese tech behemoth Tencent.

**International:** Global equity markets shrugged off fears of a global trade war as corporate earnings pushed markets higher. The U.S continued to report strong economic data, with retail sales growing 6.0% year-on-year (YoY), its fastest pace since 2012. 213 000 Nonfarm jobs were created, and the unemployment remained steady at 4.0%. U.S second quarter GDP rose at an annualised pace of 4.1% over the previous quarter and inflation came in at 2.9% for the month of June. Corporate earnings for the second quarter remains very strong as almost 90% of companies beat analysts' expectations and full-year earnings remain on track to increase by 20% YoY. As the second quarter earnings season comes to an end, the focus will now turn to the U.S – China trade war, Brexit negotiations and the European Central Bank's pathway to a "faster" normalization.

**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.
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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

<b>Investment managers</b>	Up to 0.41%
<b>Platform</b>	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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