Sasfin Horizon Low Equity Portfolio

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January 2019

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 is 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	9.67%
Sasfin BCI Opportunity Equity	6.81%
Sygnia ALSI Tracker	7.03%
Sasfin BCI Equity	4.06%
Sygnia SAPY Tracker	3.79%
Absa Property	8.95%
Coronation Strategic Income	18.50%
Futuregrowth Yield Enhanced Bond	18.56%
BCI Income Plus Fund	5.61%
Managed Cash	0.30%
BlackRock Developed World Index	14.44%
Nedbank USD Account	2.30%
Total	**100.0%**

Risk Profile

Conservative	Cautious	Moderate	Assertive	Aggressive

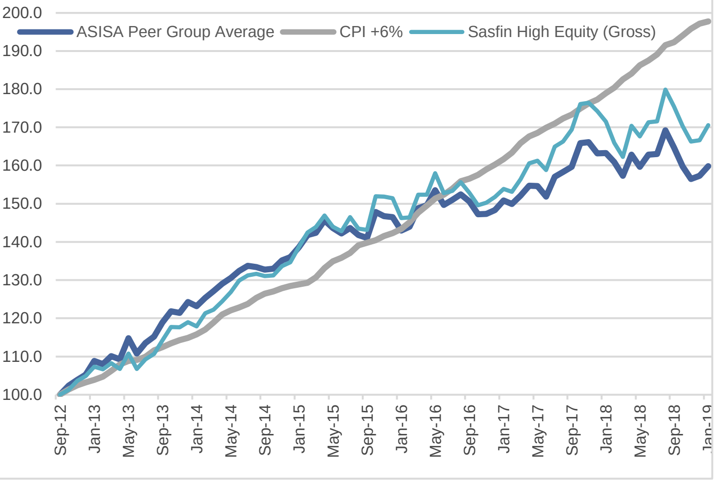
Minimum Recommended Investment Term

+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years

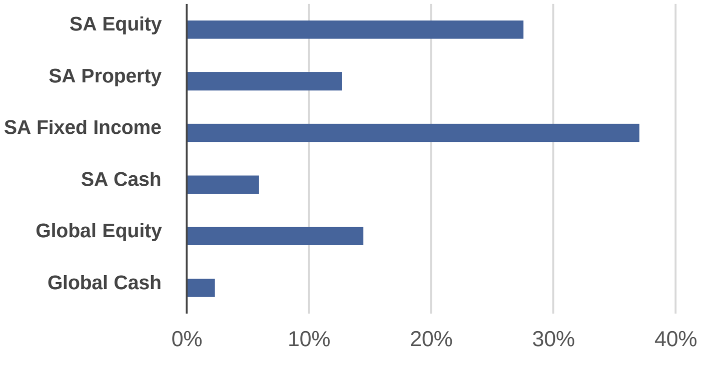
Performance vs Benchmark

	1 Year	3 Year	5 Year	Since Inception
Portfolio Return (Gross)	2.4%	6.5%	8.2%	8.6%
Portfolio Return (Net)	1.7%	5.7%	7.4%	7.8%
ASISA Peer Group Average (Net)	2.5%	5.1%	6.1%	7.2%

Cumulative Returns – Since Inception



Asset Allocation



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Monthly Commentary

South Africa: A positive start to the year for equity markets around the world pushed the JSE All Share higher during January as the index added 2.7% to end on 54 157 index points. Financials added 6.0% during the month while the Property index reversed 4 months of losses to add 9.2%. Sentiment remains mixed as market participants digested mixed economic data-points. On the positive side, the SARB kept rates unchanged at 6.75%, there was a drop in CPI to 4.5% in December down from 5.2% in November (the biggest one month drop in 20-months) mainly due to lower fuel prices and the trade balance improved sharply, to its largest ever monthly surplus of R17.2bn. On the negative side, the ABSA manufacturing PMI dropped below the critical level of 50.0 to 49.9 (the expectation was 50.5), tourist accommodation numbers declined once again, and the Reserve Bank's leading indicator moved lower, a trend we've been seeing since Feb 2018.
The Rand gained ground against the US Dollar (+7.8%), British Pound (+4.7%) and the Euro (+7.4%) during the month.

International: An interim "trade-war truce" between the U.S and China, coupled with the re-opening of the U.S government and the fact that the apparent abandoning of plans by the U.S Fed to continue gradually rising interest rates have pushed markets higher. The S&P 500 (+7.9%), Dow Jones (+7.2%) and tech heavy Nasdaq (+9.7%) all moved higher during January. Job growth in January shattered economists' expectations, as non-farm payrolls surged by 304 000 (170 000 expected).
European markets recouped some of its losses it suffered during December as the Euro Stoxx 50 (+5.3%), FTSE Italy (+7.7%), German Dax (+5.8%), France's CAC (+5.5%) and FTSE 100 (+3.6%) all moved higher, but apart from the positive market moves during the month, there is still little to get excited about in Europe. The manufacturing new export orders component of the Purchasing Managers' Index (PMI) for the Eurozone remained below 50. Initial estimates of Italian GDP for the fourth quarter of 2018 showed a contraction of 0.2% over the previous quarter, this puts Italy into a technical recession. The lower oil price and the continued improvement in the labour market should help to support Eurozone consumption. In the UK, uncertainty around Brexit remains as high as ever, as prime minister May tries to convince the British parliament on her "revised Plan B", which is set for a vote on the 14th February.

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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