Sasfin Horizon Medium Equity Portfolio

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March 2019

ASISA Category	SA Multi Asset Medium Equity	**Portfolio Manager**	Philip Bradford, CFA
Launch Date	27-Sep-2012	**Benchmark**	SA Multi Asset Medium 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 5% over any rolling 5 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 5 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	11.50%
Sasfin BCI Opportunity Equity	8.21%
Sygnia ALSI Tracker	8.24%
Sasfin BCI Equity	4.92%
Sygnia SAPY Tracker	3.64%
Absa Property	8.48%
Coronation Strategic Income	13.80%
Futuregrowth Yield Enhanced Bond	13.89%
BCI Income Plus Fund	5.06%
Managed Cash	1.57%
BlackRock Developed World Index	18.37%
Nedbank USD Account	2.33%
Total	**100.0%**

Risk Profile

Conservative	Cautious	Moderate	Assertive	Aggressive

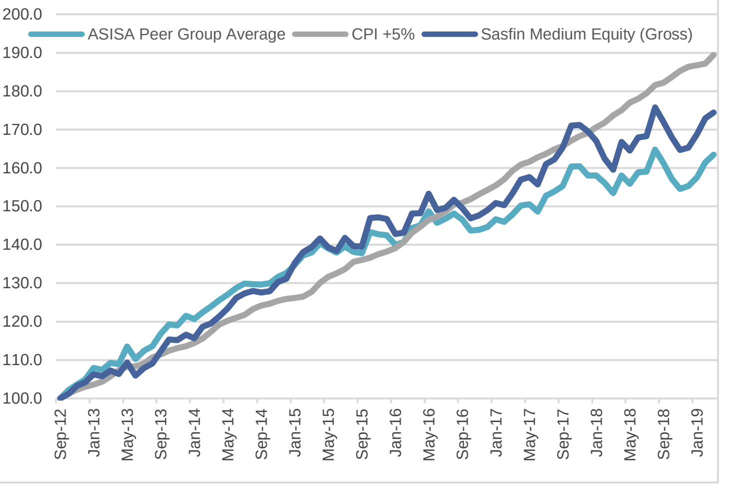
Minimum Recommended Investment Term

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

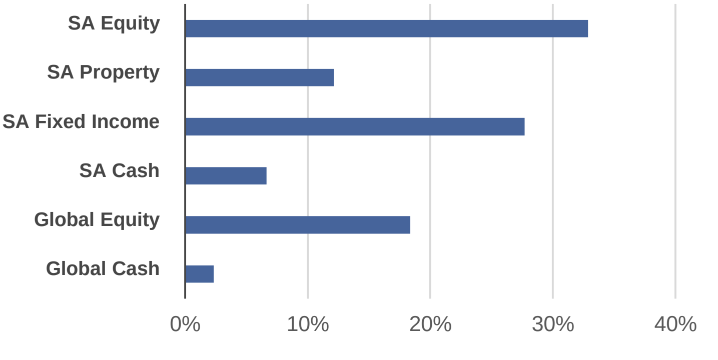
Performance vs Benchmark

	1 Year	3 Year	5 Year	Since Inception
Portfolio Return (Gross)	9.3%	5.6%	7.9%	8.9%
Portfolio Return (Net)	8.6%	4.9%	7.1%	8.1%
ASISA Peer Group Average (Net)	6.5%	4.2%	5.7%	7.9%

Cumulative Returns – Since Inception



Asset Allocation



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Monthly Commentary

South Africa: The JSE recorded its best first quarter performance since 2007 as the All Share added 7.1% for the three months ending March 2019 as dual listed counters and commodity stocks surged higher. The year started on a positive note as the South African Reserve Bank (SARB) kept rates unchanged at 6.75% and confirmed this during its March meeting. Governor Khanyago struck a dovish tone during the March press conference, and cited weak global growth, low business confidence and the impact of load-shedding as reasons for the SARBs downward revision to its growth forecast from 1.7% to 1.3% for this year. Inflation during the quarter also held steady at around 4.0%, comfortably within the SARBs target range. The Rand reacted negatively to President Ramaphosa's comments on "nationalising" the SARB, saying it would bring the Bank in line with global norms and not affect its independence. The negative effect of load-shedding became clear in March as manufacturing PMI numbers fell to 46.2 from 49.9 in January (a four-month low). Quarter-on-quarter (QoQ) seasonally adjusted GDP growth declined to 1.4% in Q4, resulting in growth for 2018 coming in at 0.8%. Retail sales rebounded from -1.6% year-on-year (YoY) in December to +1.2% in January, but still came in below consensus of 1.4%. Vehicle and tourist accommodation numbers also remained weak during the quarter and the fact that the National Energy Regulator of SA (NERSA) granted Eskom a 9.4% price increase effective from the first of April 2019, is likely to ensure that consumers will remain under pressure. Resources (+16.0%) and Industrials (+6.8%) moved higher during the quarter as Property remained flat and Financials lost 1.0%.

International: U.S markets recorded the best quarter in almost a decade as the Dow Jones Industrial Average (+11.2%), S&P 500 (+13.1%) and Nasdaq (+16.5%) moved significantly higher. Most of these gains were recorded during January as the market rebounded from its December lows and reacted positively to the re-opening of the U.S government, following a 35-day partial shutdown. A more dovish stance from the U.S Federal Reserve and an interim "trade-war truce" between the U.S and China provided an extra fillip to the markets. Fourth quarter GDP numbers exceeded expectations, coming in at 2.6% YoY vs expectations of 2.3%.
Although Europe recorded robust market movements during the first quarter, it was unfortunately not backed by strong economic data. The third estimate of euro-zone GDP growth in Q4 last year confirmed that the economy grew at a very moderate pace, increasing just 0.2% QoQ. Manufacturing PMI numbers dropped below the all-important level of 50, which separates the contraction from expansion, with weakness evident across Europe. The European Central Bank kept rates steady and pledged to leave policy rates on hold until next year. The UK remains under pressure as weak services PMI numbers were reported with businesses citing Brexit uncertainty as the key reason. The March 29th Brexit deadline came and went as lawmakers voted against Theresa May's plan for a third time. The world is still unsure when, or even if, the UK will leave the bloc it joined 46 years ago. The FTSE Italy (+16.2%), Euro Stoxx 600 (+11.7%), France CAC (+13.1%), German Dax (+9.2%), Spain's IBEX (+8.2%) and FTSE 100 (+8.2%) all moved higher during the quarter.

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.

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

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