

# Sasfin Horizon Medium Equity Portfolio

April 2019

|                       |                              |                          |   |
|-----------------------|------------------------------|--------------------------|---|
| <b>ASISA Category</b> | SA Multi Asset Medium Equity | <b>Portfolio Manager</b> | Philip Bradford, CFA                          |
| <b>Launch Date</b>    | 27-Sep-2012                  | <b>Benchmark</b>         | 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                  | 9.27%         |
| Sasfin BCI Opportunity Equity    | 6.74%         |
| Sygnia ALSI Tracker              | 6.74%         |
| Sasfin BCI Equity                | 4.00%         |
| Sygnia SAPY Tracker              | 3.54%         |
| Absa Property                    | 8.34%         |
| Coronation Strategic Income      | 9.07%         |
| Futuregrowth Yield Enhanced Bond | 18.05%        |
| Sasfin Flexible Income Fund      | 9.10%         |
| BCI Income Plus Fund C           | 5.36%         |
| Managed Cash                     | 0.17%         |
| BlackRock Developed World Index  | 17.31%        |
| Nedbank USD Account              | 2.32%         |
| <b>Total</b>                     | <b>100.0%</b> |

## Risk Profile

|              |          |          |           |            |
|--------------|----------|----------|-----------|------------|
| Conservative | Cautious | Moderate | Assertive | Aggressive |
|--------------|----------|----------|-----------|------------|

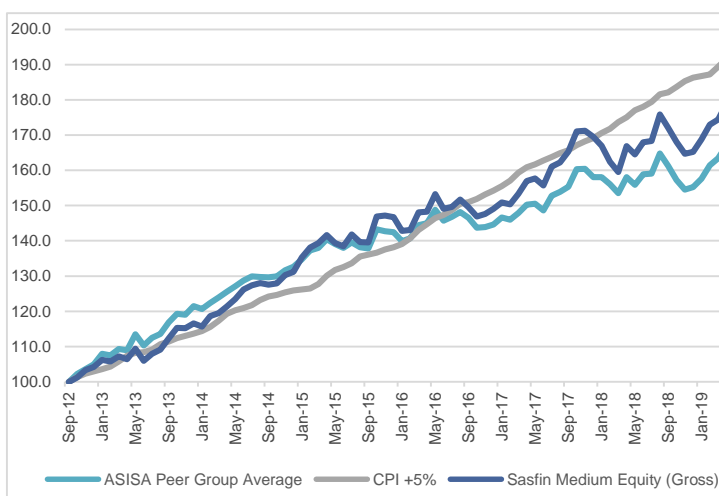
## Minimum Recommended Investment Term

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

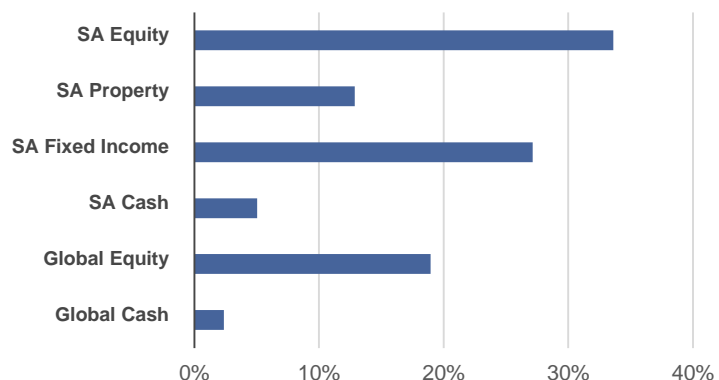
## Performance vs Benchmark

|                                       | 1 Year | 3 Year | 5 Year | Since Inception |
|---------------------------------------|--------|--------|--------|-----------------|
| <b>Portfolio Return (Gross)</b>       | 7.3%   | 6.5%   | 8.1%   | 9.2%            |
| <b>Portfolio Return (Net)</b>         | 6.5%   | 5.7%   | 7.4%   | 8.5%            |
| <b>ASISA Peer Group Average (Net)</b> | 5.7%   | 4.8%   | 5.9%   | 8.1%            |

## Cumulative Returns – Since Inception



## Asset Allocation



## Monthly Commentary

**South Africa:** The JSE All Share recorded its best month thus far in 2019, gaining 3.7% to 54 417 index points. Economic data points released during the month did not support this performance. The seasonally adjusted Absa PMI fell further in March to 45.0, from 46.2 in February and a recent high of 50.7 in December. The intensification of load-shedding and weakening of economic conditions weighed down on sentiment and consumer confidence. The 0.76c increase in the petrol price during March as well as the R1.34 jump announced in April had a negative effect on inflation numbers, which picked up from 4.1% in February to 4.5% in March and now sits in the middle of the SARB target range. Mining output dropped by 7.5% during the month, its biggest decline since 2016. The IMF and the World Bank downgraded its growth forecast for S.A's GDP, specifically citing the effects of load-shedding. The currency did get some breathing space after Moody's decided to delay its review of South Africa's sovereign debt rating, the rating remains at Baa 3 with a stable outlook.

Financials outperformed during the month, adding 4.6% while the Property Index added 1.4%, following two consecutive months of losses. The Resource index moved lower for the first time this year, losing 2.3% and the Industrial index continues to move higher (+6.5%), driven by a good performance in Naspers (9.7%). The Rand initially appreciated following the delay in Moody's rating decision but did lose some steam as the month progressed. It did eventually gain against the US Dollar (+0.6%), British Pound (+0.5%) and the Euro (+0.8%) during the month.

**International:** The global equity market rally which began just before Christmas, continued throughout the month of April with the S&P 500 (+3.9%) and tech-heavy Nasdaq (+4.7%) reaching new all-time highs. This upward move in the market materialised as a result of better-than-expected first quarter corporate earnings, a continued dovish stance from central banks, a recovery in growth numbers in China, strong economic data out from the U.S and renewed optimism around trade talks between the U.S and China.

European markets continued to move higher, making it four consecutive months of positive returns, as the Euro Stoxx 50 (+4.9%), German Dax (+7.1%), France's CAC (+4.4%), FTSE Italy (+2.8%) and FTSE 100 (+1.9%) all performed well. For those still following Brexit, after six hours of tense talks, the decision was made to delay Brexit until the 31st October.

## 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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