

Asset Consulting | **sasfin**
Wealth

The Horizon Stable Portfolio is a low risk balanced fund that aims to deliver superior real returns over the medium to longer term, with a strong focus on risk management through the combination of active and passive investment strategies.

The underlying managers have been selected, mandated, monitored and reviewed by Sasfin Asset Consulting on behalf of their clients. The portfolio complies with Regulation 28 of the Pension Funds Act, 1956 as amended.

Sygnia is a financial services group specialising in the design and management of customised multi-manager product solutions for institutional clients in South Africa and globally. Sygnia Life is a registered life assurance company within the group.

Sasfin is a premier South African banking group, providing business banking, wealth management, capital, specialised services and treasury services. Sasfin Asset Consulting, a division of Sasfin, provides a comprehensive, independent and highly professional financial advisory service to institutional clients.

Investment Managers: Up to 0.52%
Platform: Up to 0.28%

The above fees exclude VAT, performance fees and fund expenses. The investment management fees consist of fees charged by the underlying investment managers and Sasfin Asset Managers. The indicative investment management fees are based on the respective strategic weightings of the underlying investment managers. The investment management fees will vary from time to time based on the actual manager weightings.

1 Year	3 Year	5 Year	Since Inception
10.2%	8.4%	7.4%	10.4%

January had a strong start thanks to a decent earnings season, improving macro data, a tsunami of liquidity and the signing of the US/China trade deal, which pushed global equities to all-time highs in January. However, the coronavirus brought this cyclical bounce to a sudden end. Hundreds of people have already died as the coronavirus continues to spread, and the WHO has declared a global health emergency. The economic impact is potentially devastating: economists have estimated that the 2003 SARS epidemic was responsible for a 1–2% dent in China's economic growth and a 0.5% dip across southeast Asia.

Unplanned breakdowns reached almost 16 000 MW in early January, resulting in further unexpected load shedding. The energy disruption caused the World Bank to cut its economic growth forecast for South Africa to 0.9% for 2020. Inflation rose to 4% year on year but is still below the bank's target of 4.5%. This finally allowed the SARB to unanimously cut the repo rate by 25 bps, and the bank's models forecast another cut later this year.

The US and China signed phase one of a trade deal after 18 months of dispute, delivering some certainty to global markets. Phase two negotiations will begin shortly but are only likely to be signed after the US elections in November of this year. The assassination of Major General Qasem Soleimani in an American drone strike ratcheted up tensions. Iran retaliated by firing 22 missiles on two Iraqi bases hosting US troops; fortunately, the strikes resulted in no fatalities, and President Trump indicated that the US would not escalate the conflict further. The US elections are fast approaching, scheduled for 3 November of this year. In the short term, the Democratic primary elections will be the most relevant for markets.

Prime Minister Boris Johnson's Brexit deal cleared its final hurdles in Parliament, marking the end of the beginning after the country voted to leave the European Union almost four years ago. The FTSE/JSE SWIX Index decreased 1.8%, with Industrials gaining 2.1% and Financials 5.9% in the red. The JSE All Bond Index gained 1.2%, while the rand depreciated by 7.3% relative to the US dollar.

The chart displays the performance of four investment strategies from September 2007 to December 2019. The Y-axis represents the value of the investment, ranging from 50 to 400. The X-axis shows the time period in months. The Horizon Stable Portfolio (dark blue line) shows the highest growth, starting at 100 and ending at approximately 340. The FTSE/JSE All Share Index (light blue line) follows, starting at 100 and ending at about 280. The CPI + 3% (Lagged by 1 month) (cyan line) and the CPI (Lagged by 1 month) (grey line) show lower growth, ending around 200 and 190 respectively. The Horizon Stable Portfolio consistently outperforms the other three strategies throughout the period.

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FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 150

	FUND	LMM
Sharpe Ratio	0.01	-0.08
Sortino Ratio	0.02	-0.11

RISK ANALYSIS

	FUND	LMM
% Positive Months	75.3%	65.3%
% Negative Months	24.7%	34.7%
Best Month	4.0%	7.3%
Worst Month	-3.5%	-7.7%
Avg Negative Return	-0.7%	-1.8%
Maximum Drawdown	-4.2%	-23.8%
Standard Deviation	4.4%	8.6%
Downside Deviation	2.4%	5.8%

CORRELATIONS

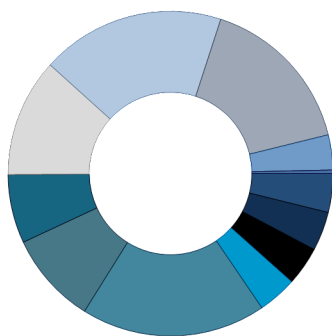
FTSE/JSE All Share Index	0.70	0.93
BESA All Bond Index	0.42	0.06

MARKET STRESS MONTHS

	FUND	ALSI
July 2008	2.0%	-8.7%
September 2008	0.4%	-13.2%
October 2008	-0.3%	-11.6%
February 2009	-3.5%	-9.9%

Returns are gross of fees. Proforma performance numbers for periods prior to inception of the portfolio are based on actual performance of the underlying building blocks used in the portfolio. These risk and return numbers are shown to aid in the understanding of potential future performance and risk characteristics of the product.

MANAGER ALLOCATION



- Sygnia ALSI Equity Index Tracker Portfolio - 3.9%
- Sasfin BCI Opportunity Equity Fund - 3.9%
- Bateleur Equity Portfolio - 3.9%
- Fairtree Equity Portfolio - 3.9%
- FutureGrowth Yield Enhanced Bond Fund - 18.4%
- Coronation Strategic Income Fund - 9.2%
- Sygnia Life Absa Property Fund - 6.8%
- BCI Income Plus Fund - 11.8%
- Sasfin BCI Flexible Income Fund - 18.3%
- BlackRock Developed World Index Sub Fund - 16.1%
- Nedbank USD Account - 3.5%
- Cash - 0.4%

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PERFORMANCE ANALYSIS

PERFORMANCE

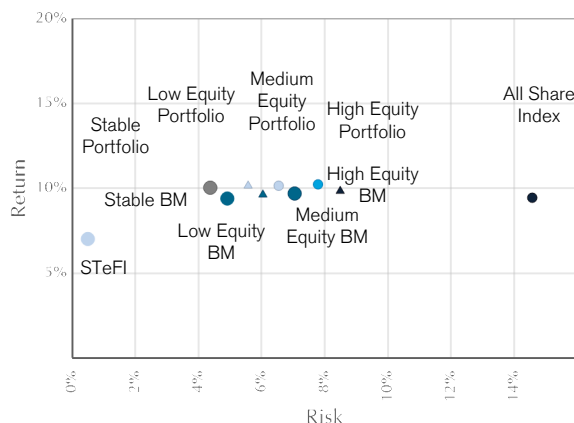
Calendar Years

	FUND	CPI + 3%	DIFFERENCE
2014	11.6%	8.8%	2.8%
2015	8.8%	7.8%	1.1%
2016	5.4%	9.6%	-4.2%
2017	12.6%	7.6%	5.0%
2018	1.8%	8.2%	-6.3%
2019	10.6%	6.6%	4.0%

Periodic Performance

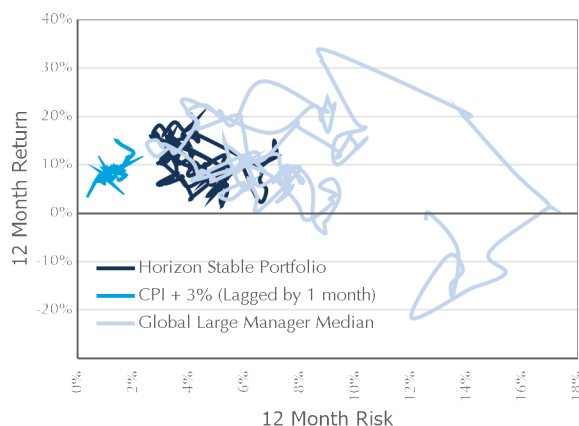
1 month	1.6%	0.5%	1.1%
3 month	2.2%	1.1%	1.1%
6 month	4.8%	2.7%	2.1%
Year to date	1.6%	0.5%	1.1%
1 year	10.2%	7.0%	3.1%
2 year	7.4%	7.3%	0.2%
3 year	8.4%	7.4%	1.0%
5 year	7.4%	8.0%	-0.6%
10 year	10.6%	8.1%	2.5%
Since Inception (back dated)	10.4%	8.7%	1.7%

RISK/RETURN COMPARISON



This chart compares how each portfolio in the range has performed against its benchmark and other relevant comparators in risk and return space since inception.

12 MONTHS RISK/RETURN SNAIL TRAIL



FAIS Notice and Disclaimer:

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