

# Horizon High Equity Portfolio

September 2020

The Horizon High Equity Portfolio is a medium to high 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.

This portfolio is managed on a multi-manager basis and includes international exposure. The strategic allocation to various asset classes is set out in the description of the strategic benchmark. Each manager appointed to manage assets within a particular asset class has been selected on the basis of rigorous quantitative and qualitative analysis.

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.

## ABOUT SYGNIA

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.

## ABOUT SASFIN

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.

## FEES

Investment Managers: Up to 0.53%  
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.

## PERFORMANCE SUMMARY

1 Year	3 Year	5 Year	Since Inception
4.8%	3.9%	5.8%	9.9%

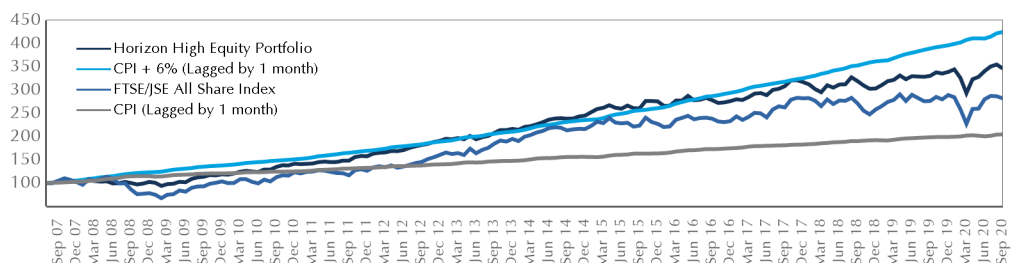
## PERFORMANCE COMMENTARY

Markets dipped in the last month, recovered slightly and then fell as global Covid-19 infection rates started rising again. Pharmaceuticals are holding out for hope of a vaccine before year-end, which has lifted market sentiment to some degree. The OECD upgraded its outlook for world economic growth this year, shifting up from -6% to -4.5%.

In the United States, the Federal Open Market Committee (the equivalent of the South African Monetary Policy Committee) signalled that interest rates are set to remain close to zero through to 2023. Despite a somewhat ill-mannered (on both sides) first presidential debate, Biden seems to have made a narrow victory through the chaos. Having said that, it seems Trump will contest a democratic victory on the grounds of fraud in postal votes, making this the first contested election in 20 years. Yoshihide Suga was elected Prime Minister of Japan in September, succeeding Shinzo Abe. After years of being the longest chief cabinet secretary in the country, Suga is known for his political deal-making skills. He also seems set to continue implementing Abe's regulatory reforms and investment spending plans. The UK has pressed ahead with its Internal Market Bill, despite clear warnings from the EU threatening legal action. The Bill passed through the House of Commons but will probably not become law before late November or December. The EU has warned that it will not agree a free trade deal with Britain unless the treaty-breaking clauses are removed from the Bill. All of which makes the prospect of a deal being concluded before 15 October increasingly unlikely.

The OECD has cut SA's growth outlook for 2020 to -11.5%. The country's debt service costs are estimated to reach 22% of GDP this year, significantly up from 9% in 2009. If it moves any higher, growth could be permanently crippled. All eyes will be on the Medium-Term Budget Policy Statement (MTBPS) on Wednesday, 28 October, which could well prove to be a turning point. Unfortunately, until we see a strong social compact between government, business and labour, the South African outlook remains grim. The FTSE/JSE SWIX Index lost 1.6%, with Industrials down 1.7% and Financials up 3.4%. The JSE All Bond Index was flat, while the rand appreciated by 1.5% relative to the US dollar.

## CUMULATIVE RETURNS



## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2016</b>	-3.5%	0.1%	4.1%	0.0%	3.7%	-3.3%	0.4%	1.4%	-1.8%	-2.2%	0.5%	1.0%	<b>0.2%</b>
<b>2017</b>	1.4%	-0.5%	2.2%	2.7%	0.4%	-1.5%	3.9%	0.8%	1.9%	4.0%	0.2%	-1.2%	<b>14.8%</b>
<b>2018</b>	-1.6%	-3.2%	-2.2%	5.0%	-1.6%	2.2%	0.2%	4.8%	-2.5%	-2.9%	-2.4%	0.2%	<b>-4.4%</b>
<b>2019</b>	2.4%	2.8%	0.9%	2.9%	-2.4%	2.0%	-0.2%	-0.2%	0.6%	2.3%	-0.8%	1.0%	<b>11.7%</b>
<b>2020</b>	1.6%	-5.3%	-10.1%	10.2%	1.6%	3.8%	2.9%	1.2%	-2.4%				<b>2.1%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 158

	FUND	LMM
Sharpe Ratio	-0.02	-0.13
Sortino Ratio	-0.02	-0.17

## RISK ANALYSIS

	FUND	LMM
% Positive Months	65.8%	65.2%
% Negative Months	34.2%	34.8%
Best Month	10.2%	9.7%
Worst Month	-10.1%	-10.5%
Avg Negative Return	-1.8%	-2.0%
Maximum Drawdown	-14.8%	-23.8%
Standard Deviation	8.8%	9.4%
Downside Deviation	6.2%	7.1%

## CORRELATIONS

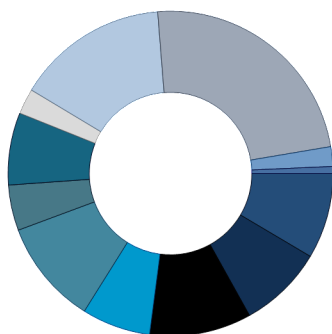
FTSE/JSE All Share Index	0.87	0.93
BESA All Bond Index	0.26	0.20

## MARKET STRESS MONTHS

	FUND	ALSI
September 2008	-2.4%	-13.2%
October 2008	-3.0%	-11.6%
February 2009	-6.5%	-9.9%
March 2020	-10.1%	-12.1%

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	- 8.5%
Sasfin BCI Opportunity Equity Fund	- 8.4%
Fairtree Equity Portfolio	- 10.1%
Bateleur Equity Prescient Fund	- 6.8%
FutureGrowth Yield Enhanced Bond Fund	- 10.4%
Coronation Strategic Income Fund	- 4.5%
Sygnia Life Absa Property Fund	- 7.2%
BCI Income Plus Fund	- 2.5%
Sasfin BCI Flexible Income Fund	- 15.1%
BlackRock Developed World Index Sub Fund	- 23.6%
Nedbank USD Account	- 2.0%
Cash	- 0.7%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

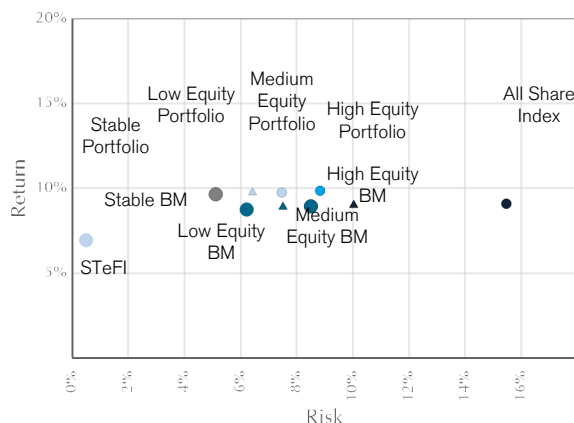
#### Calendar Years

	FUND	CPI + 6%	DIFFERENCE
2014	13.2%	11.8%	1.3%
2015	12.5%	10.8%	1.7%
2016	0.2%	12.6%	-12.4%
2017	14.8%	10.6%	4.2%
2018	-4.4%	11.2%	-15.5%
2019	11.7%	9.6%	2.2%

#### Periodic Performance

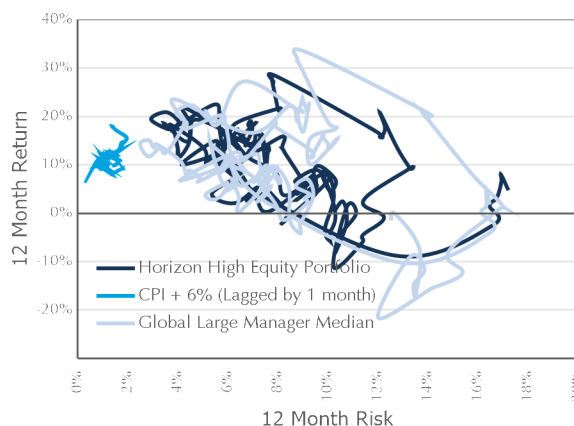
1 month	-2.4%	0.6%	-3.1%
3 month	1.6%	3.4%	-1.8%
6 month	18.0%	4.1%	13.9%
Year to date	2.1%	7.2%	-5.0%
1 year	4.8%	9.1%	-4.3%
2 year	4.1%	9.7%	-5.6%
3 year	3.9%	10.1%	-6.2%
5 year	5.8%	10.6%	-4.8%
10 year	9.9%	11.1%	-1.2%
Since Inception (back dated)	9.9%	11.6%	-1.7%

## 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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