

Horizon Stable Portfolio

December 2020

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.

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 0.52%
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.

PERFORMANCE SUMMARY

1 Year	3 Year	5 Year	Since Inception
8.6%	7.0%	7.8%	10.2%

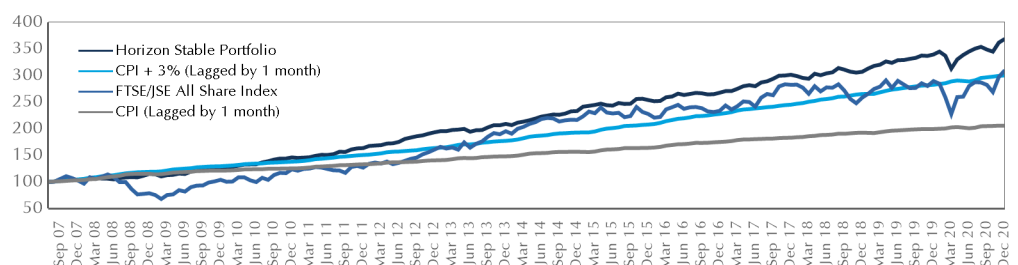
PERFORMANCE COMMENTARY

While many are hailing 2020 as one of the worst years in history, the year actually ended on more than one positive note. After lengthy negotiations, a Brexit deal was finally concluded on Christmas Eve. One of the outcomes is that UK nationals will now require a visa if they want to stay in the EU for more than 90 days in a 180-day period. The UK is already in talks with the US, Australia and New Zealand – all countries that do not currently have free trade agreements with the EU.

Pfizer and Moderna have both gone to market with Covid-19 vaccines and vaccination programmes will be rolled out globally this year. However, there has been a bit of a bunfight over who gets what, with more affluent countries such as Canada forking out and buying enough vaccines to vaccinate every Canadian five times over. At the time of writing this, the Georgia run-off elections seemed to be a sure bet for the Democrats. If this happens, it will signal a massive victory for Joe Biden's party, giving his administration greater authority when it comes to tackling the climate crisis, Covid-19 pandemic, appointing federal judges and addressing racial inequalities.

Locally, SA's third quarter GDP beat expectations, falling only 6% year-on-year. Mboweni's call to cut public wages was backed by the Labour Court, putting a significant amount of R38 billion firmly back in government coffers and strengthening South Africa's financial position incrementally. While it may be a drop in the ocean it signals a step in the right direction, which should reassure foreign investors. The positives abound but the news is tempered with the rising cases of Covid infections as we ride the second wave. Infection rates are higher, cases are more contagious, the incubation period is shorter, symptoms are more severe, and the death rate is higher. While we have much to be grateful for in 2021, lockdown restrictions will likely tighten in the next few months. President Cyril Ramaphosa must balance reducing infection rates and boosting public safety, with trying to bolster a failing economy while supporting businesses that have already taken huge knocks. The FTSE/JSE SWIX Index gained 4.0%, Industrials were down 1.1% and Financials were up 8.3%. The JSE All Bond Index advanced 2.4%, while the rand appreciated by 5.1% relative to the US dollar.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016	-0.9%	0.2%	2.7%	0.6%	2.1%	-1.0%	0.7%	0.8%	-0.3%	-0.8%	0.2%	1.0%	5.4%
2017	1.1%	0.0%	1.6%	1.8%	0.7%	-0.7%	2.5%	0.8%	1.6%	2.0%	0.1%	0.5%	12.6%
2018	-0.8%	-1.2%	-0.5%	3.2%	-0.9%	1.2%	0.6%	2.6%	-1.0%	-1.2%	-0.6%	0.5%	1.8%
2019	2.0%	1.6%	0.7%	1.9%	-0.8%	1.5%	0.1%	0.7%	0.6%	1.3%	-0.2%	0.8%	10.6%
2020	1.6%	-2.3%	-7.1%	5.5%	2.5%	2.0%	1.6%	1.0%	-1.5%	-1.1%	4.9%	1.9%	8.6%

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 161

	FUND	LMM
Sharpe Ratio	-0.02	-0.09
Sortino Ratio	-0.02	-0.13

RISK ANALYSIS

	FUND	LMM
% Positive Months	74.5%	65.2%
% Negative Months	25.5%	34.8%
Best Month	5.5%	9.7%
Worst Month	-7.1%	-10.5%
Avg Negative Return	-1.0%	-2.0%
Maximum Drawdown	-9.3%	-23.8%
Standard Deviation	5.2%	9.6%
Downside Deviation	4.2%	7.0%

CORRELATIONS

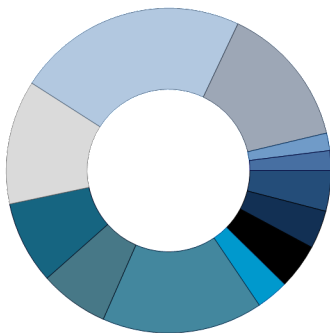
FTSE/JSE All Share Index	0.75	0.93
BESA All Bond Index	0.53	0.21

MARKET STRESS MONTHS

	FUND	ALSI
September 2008	0.4%	-13.2%
October 2008	-0.3%	-11.6%
February 2009	-3.5%	-9.9%
March 2020	-7.1%	-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 Itrix Top 40 ETF - 4.0%
Sasfin BCI Opportunity Equity Fund - 3.8%
Fairtree Equity Portfolio - 4.5%
Bateleur Equity Prescient Fund - 3.2%
FutureGrowth Yield Enhanced Bond Fund - 16.0%
Coronation Strategic Income Fund - 6.9%
Sygnia Life Absa Property Fund - 8.2%
BCI Income Plus Fund - 12.4%
Sasfin BCI Flexible Income Fund - 23.0%
BlackRock Developed World Index Sub Fund - 14.3%
Nedbank USD Account - 1.7%
Cash - 2.0%

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PERFORMANCE ANALYSIS

PERFORMANCE

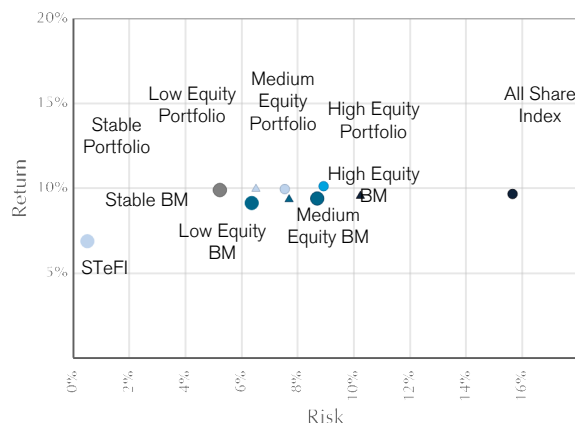
Calendar Years

	FUND	CPI + 3%	DIFFERENCE
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%
2020	8.6%	6.2%	2.5%

Periodic Performance

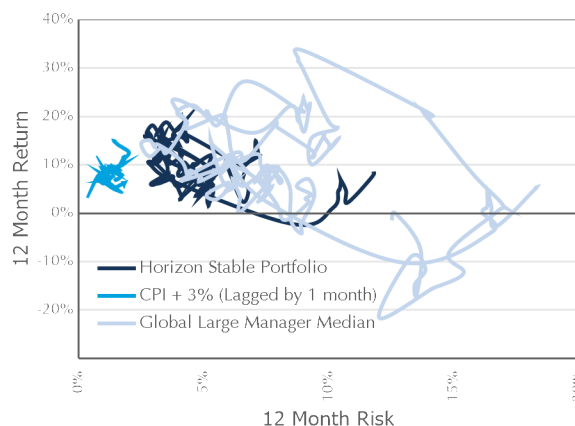
	FUND	CPI + 3%	DIFFERENCE
1 month	1.9%	0.2%	1.7%
3 month	5.8%	1.2%	4.6%
6 month	6.9%	3.9%	2.9%
Year to date	8.6%	6.2%	2.5%
1 year	8.6%	6.2%	2.5%
2 year	9.6%	6.4%	3.2%
3 year	7.0%	7.0%	0.0%
5 year	7.8%	7.6%	0.1%
10 year	9.7%	8.1%	1.6%
Since Inception (back dated)	10.2%	8.5%	1.7%

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



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