

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
15.6%	9.2%	8.0%	10.4%

After initial signs pointing to a quick recovery post 2020, markets seem to be slowing somewhat. A slowing economy in China, a drop in tech and an apparent bubble in cryptocurrency, all point to a wait and see approach for investors. Having climbed 300% in the last year, Bitcoin tumbled to half of its April peak on the back of Tesla founder Elon Musk suspending purchases of Tesla vehicles using Bitcoin and a Chinese crackdown forbidding the use of Bitcoin to price products or services. Tech shares including Naspers followed in a downward spiral.

China's credit data moved to the downside in April, continuing to point to a reduction of stimulus and slowing of the economy. China's old economy is likely to start slowing in the third quarter. Commodities are particularly at risk of a correction, with China's policy tightening. Meanwhile in the United States, the Fed is not expected to lift interest rates even as inflation continues to rise over the rest of the year. However, treasury yields will continue to rise as inflation continues to flow through in the short term.

Locally, the South African Reserve Bank has cautioned that based on the slow vaccine rollout, and an imminent third wave, the pandemic in South Africa may last well into 2022. On 31 May, the country moved to an adjusted level two lockdown due to rising infections in several provinces. As of 1 June, 970 488 vaccines have been administered in total. Eskom started stage two load-shedding against the backdrop of a R1.4 billion restraint order against former Eskom executives by the National Prosecuting Authority. Allegations of corruption around a R255 billion power contract awarded to a Turkish company remain unaddressed. There is no sign of respite from the decline of energy availability, which could severely hamper economic growth.

ANC Secretary-General Ace Magashule is taking the ANC to court following his suspension early in May. Former President Jacob Zuma, was also shot down in the last week of May when the Constitutional Court dismissed his appeal against an estimated R10 million costs order. The FTSE/JSE SWIX Index rose 1.3%, Industrials were up 0.9% and Financials grew 9.2%. The JSE All Bond Index increased 3.7%, while the rand appreciated by 5.4% relative to the US dollar.

The chart displays the performance of the Horizon Stable Portfolio against three benchmarks over a 14-year period. The Horizon Stable Portfolio (dark blue line) starts at 100 in Sep 07 and grows steadily to approximately 400 by Mar 21. The CPI + 3% (Lagged by 1 month) benchmark (light blue line) also shows strong growth, reaching about 300. The FTSE/JSE All Share Index (grey line) and the CPI (Lagged by 1 month) benchmark (brown line) show more modest growth, ending at approximately 280 and 200 respectively. The Horizon Stable Portfolio consistently outperforms all three benchmarks throughout the period.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%
2021	1.2%	2.0%	0.5%	1.8%	0.4%								6.1%

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 166

	FUND	LMM
Sharpe Ratio	0.01	-0.05
Sortino Ratio	0.01	-0.07

RISK ANALYSIS

	FUND	LMM
% Positive Months	75.3%	66.3%
% Negative Months	24.7%	33.7%
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%	9.5%
Downside Deviation	4.2%	7.0%

CORRELATIONS

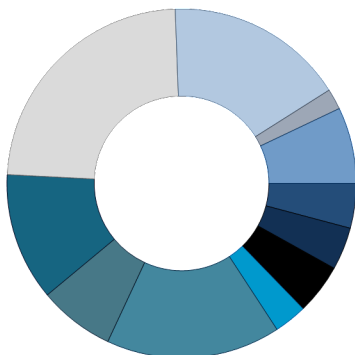
FTSE/JSE All Share Index	0.75	0.93
BESA All Bond Index	0.52	0.20

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 - 4.1%
- Sasfin BCI Opportunity Equity Fund - 3.9%
- Fairtree Equity Portfolio - 4.7%
- Bateleur Equity Prescient Fund - 3.1%
- FutureGrowth Yield Enhanced Bond Fund - 16.1%
- Coronation Strategic Income Fund - 7.0%
- BCI Income Plus Fund - 11.8%
- Sasfin BCI Flexible Income Fund - 23.6%
- BlackRock Developed World Index Sub Fund - 16.6%
- Nedbank USD Account - 1.9%
- Cash - 7.1%

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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

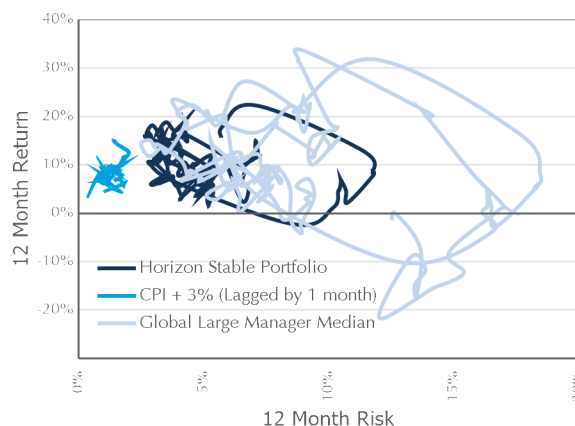
1 month	0.4%	0.9%	-0.5%
3 month	2.8%	2.7%	0.0%
6 month	8.2%	4.0%	4.2%
Year to date	6.1%	3.8%	2.4%
1 year	15.6%	7.4%	8.2%
2 year	9.9%	6.7%	3.2%
3 year	9.2%	6.9%	2.3%
5 year	8.0%	7.3%	0.7%
10 year	10.0%	8.0%	2.0%
Since Inception (back dated)	10.4%	8.6%	1.8%

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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