

# Horizon High Equity Portfolio

July 2021

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 0.35%  
Platform: Up to 0.15%

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
15.6%	9.1%	7.7%	10.5%

## PERFORMANCE COMMENTARY

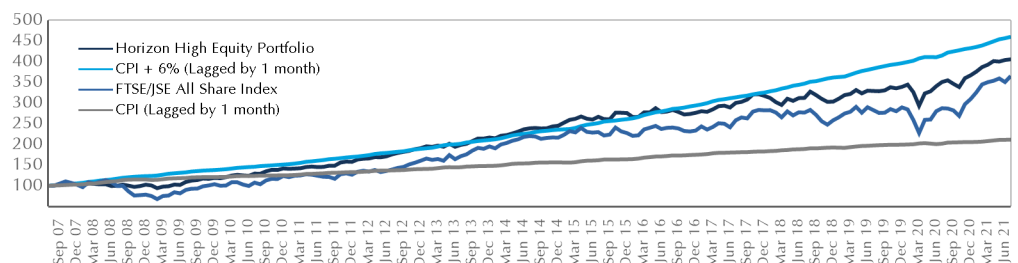
The Delta variant of Covid-19 continues to wreak havoc. Microbiologist and Professor of Public Health and Microbiology at the University of Cambridge, Sharon Peacock, recently called it the "fittest and fastest variant yet". Early signs are showing that while vaccination remains the best option to prevent death, it is no guarantee against infection. In Singapore, three quarters of the Coronavirus cases were among the vaccinated, although none were seriously ill. On the other hand, in Israel, 60% of the current hospitalised Covid patients had already been vaccinated.

In May, China said couples can have up to three children, rather than the previous restriction of two children per family. This change is intended to have broader, long-term implications for the country's shrinking work force. China is driving a bid to lower families' living costs by rolling out regulatory oversight in the private education industry. Firms teaching school subjects are also banned from making profits, raising capital, or going public. Hong Kong and New York listed Chinese private education companies have already seen their share prices tumbling in the last week of July.

In the US, Joe Biden drove the vaccination of 60% of the American population in his first six months in office while passing a \$1.9 trillion COVID-19 relief bill. The Centre for Disease Control (CDC), who previously said fully vaccinated Americans could ditch their masks in most settings, backtracked, recommending the re-imposition of face masks in indoor settings. Vaccination is likely to become widely accepted, but it looks like Covid is here to stay.

South Africans are known for their resilience and ability to rally in the face of difficult circumstances and July 2021 proved no exception. After an initial shock about the riots and looting which broke out, largely in Gauteng and Kwa-Zulu Natal, citizens quickly mobilised to protect communities from criminal elements. Sasria, the only insurer in the country which provides insurance cover against riots and civil unrest noted: this was the worst case of unrest seen since the 1976 riots and the true damages are only likely to be reflected in a few months when all claims have been submitted. The FTSE/JSE SWIX Index rose 1.6%, Industrials were up 1.0% and Financials decreased by 1.4%. The JSE All Bond Index increased 0.8%, while the rand depreciated by 2.5% relative to the US dollar.

## CUMULATIVE RETURNS



## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<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%	-2.2%	6.3%	2.0%	<b>8.3%</b>
<b>2021</b>	2.4%	2.9%	1.5%	2.2%	-0.3%	0.9%	0.4%						<b>10.5%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 168

	FUND	LMM
Sharpe Ratio	0.05	-0.05
Sortino Ratio	0.07	-0.06

## RISK ANALYSIS

	FUND	LMM
% Positive Months	66.7%	66.7%
% Negative Months	33.3%	33.3%
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	6.1%	7.0%

## CORRELATIONS

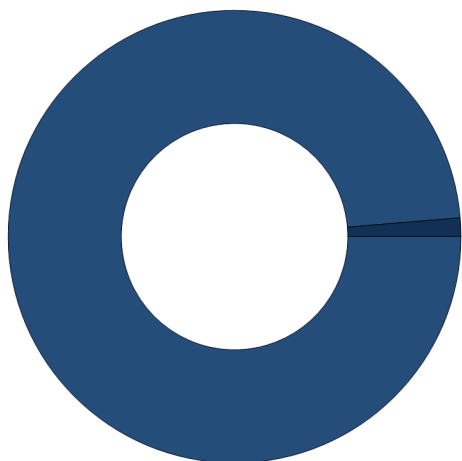
FTSE/JSE All Share Index	0.87	0.93
BESA All Bond Index	0.26	0.21

## 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



## PERFORMANCE ANALYSIS

### PERFORMANCE

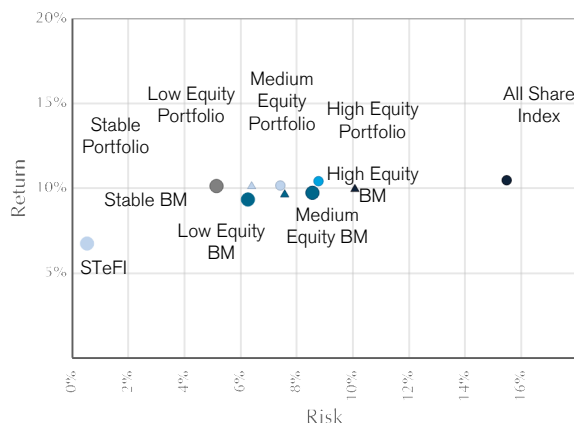
#### Calendar Years

	FUND	CPI + 6%	DIFFERENCE
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%
2020	8.3%	9.2%	-0.9%

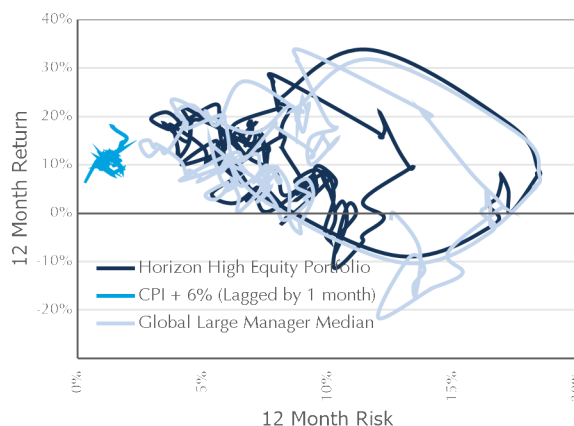
#### Periodic Performance

	FUND	CPI + 6%	DIFFERENCE
1 month	0.4%	0.7%	-0.3%
3 month	1.1%	2.4%	-1.4%
6 month	7.9%	5.6%	2.3%
Year to date	10.5%	6.3%	4.2%
1 year	15.6%	10.9%	4.7%
2 year	11.0%	9.5%	1.5%
3 year	9.1%	9.9%	-0.8%
5 year	7.7%	10.2%	-2.5%
10 year	10.8%	11.0%	-0.2%
Since Inception (back dated)	10.5%	11.5%	-1.0%

## RISK/RETURN COMPARISON



## 12 MONTHS RISK/RETURN SNAIL TRAIL



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