

# Horizon Low Equity Portfolio

August 2021

The Horizon Low Equity 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 0.35%  
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
14.2%	8.1%	8.0%	10.5%

## PERFORMANCE COMMENTARY

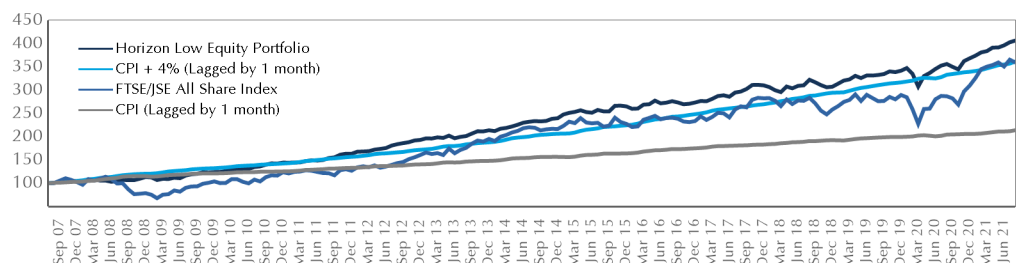
World energy usage per unit of GDP has consistently fallen over the last 25 years, yet more is still required. A landmark climate change report from the United Nation's Intergovernmental Panel on Climate Change (IPCC) issued a "code red for humanity" cautioning that the planet will warm by 1.5°C without large-scale emissions reductions. In the Middle East, Afghanistan is back under Taliban control. In the near-term, heightened volatility on crude oil can be expected. US President Joe Biden is shifting focus towards Russia and China, making a nuclear deal between the U.S. and Iran more likely.

The Delta variant continues to wreak havoc globally, leading to spiking cases in the United States, and breaking New Zealand's Covid-free record. More than 100 cases within seven days prompted the New Zealand government to order a national three-day lockdown, extended by a further three days. Despite the prevalence of the Delta variant, global mobility is improving on the back of vaccine rollouts and as governments adjust. This confirms our view that growth will continue to recover over the next 6 to 12 months, albeit at a slower rate than before.

Gold struggled this year despite a weaker dollar. When volatility strikes, gold is often turned to for liquidity and sold off, decreasing its protection value. We continue to believe that tapering QE will be negative for the US bonds and the gold price. China's State Council and the Communist Party's Central Committee jointly released a five-year blueprint calling for greater regulation. Legislation has also been passed in China setting out tougher rules for how companies handle user data while online game play for teens has been pulled back to three hours a week.

Locally, the vaccination rate took a dip but regained momentum in August with vaccination numbers surpassing 12 million. A new wage deal includes a 1.5% salary increase and a monthly cash "bonus", with spending on public servant salaries moving from the R650 billion budgeted for in February to a record high of R668 billion. Load-shedding concerns continue to weigh heavily with 650 hours of load shedding in the first half of 2021 (15% of the time). South Africa's unemployment rate has risen to 34.4%, making it officially the highest in the world. The FTSE/JSE SWIX Index rose 0.4%, Industrials were down 5.2% and Financials increased by 12.4%. The JSE All Bond Index climbed 1.7%, while the rand appreciated by 1.1% 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>	1.2%	-0.2%	1.9%	2.2%	0.5%	-1.0%	3.1%	0.7%	1.8%	2.9%	0.1%	-0.4%	<b>13.5%</b>
<b>2018</b>	-1.2%	-2.2%	-1.3%	4.0%	-1.2%	1.7%	0.4%	3.8%	-1.7%	-1.9%	-1.5%	0.4%	<b>-0.9%</b>
<b>2019</b>	2.1%	2.1%	0.8%	2.4%	-1.5%	1.7%	0.0%	0.4%	0.6%	1.7%	-0.4%	0.9%	<b>11.2%</b>
<b>2020</b>	1.7%	-3.6%	-8.2%	7.3%	2.0%	2.6%	2.1%	1.0%	-1.7%	-1.6%	5.1%	1.7%	<b>7.8%</b>
<b>2021</b>	1.5%	1.9%	0.7%	2.0%	0.1%	1.2%	1.7%	0.9%					<b>10.4%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 169

	FUND	LMM
Sharpe Ratio	0.03	-0.04
Sortino Ratio	0.04	-0.06

## RISK ANALYSIS

	FUND	LMM
% Positive Months	69.8%	66.9%
% Negative Months	30.2%	33.1%
Best Month	7.3%	9.7%
Worst Month	-8.2%	-10.5%
Avg Negative Return	-1.2%	-2.0%
Maximum Drawdown	-11.4%	-23.8%
Standard Deviation	6.4%	9.4%
Downside Deviation	4.9%	7.0%

## CORRELATIONS

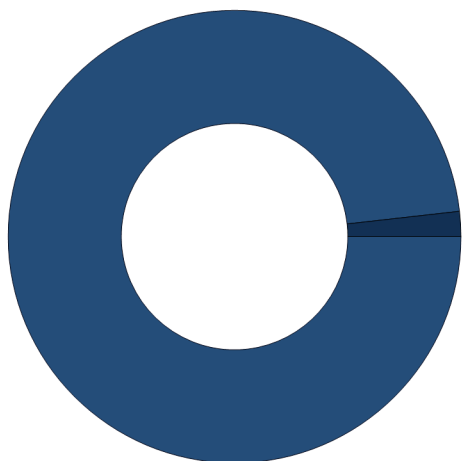
FTSE/JSE All Share Index	0.78	0.93
BESA All Bond Index	0.36	0.21

## MARKET STRESS MONTHS

	FUND	ALSI
September 2008	-0.2%	-13.2%
October 2008	-0.1%	-11.6%
February 2009	-5.0%	-9.9%
March 2020	-8.2%	-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



Horizon Multi Managed Preservation Fund - 98.2%  
Cash - 1.8%

## FOR MORE INFORMATION CONTACT:

Sasfin Asset Managers FSP Number 21664  
Sasfin Place | 29 Scott Street | Waverley | 2090  
Tel | +27 (0)11 809 7592 / 7525  
Fax | +27 (0) 86 720 1258  
Email | sasfinassetmanagers@sasfin.com

## PERFORMANCE ANALYSIS

### PERFORMANCE

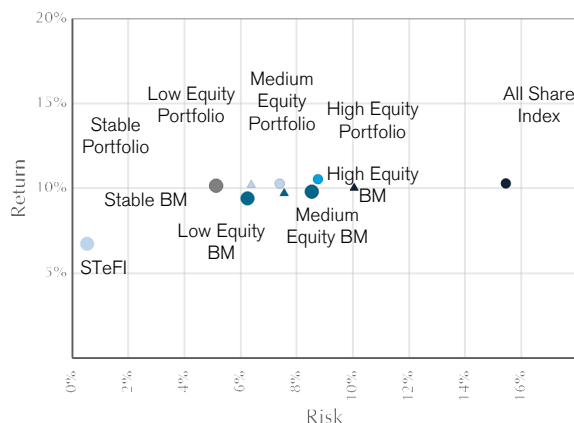
#### Calendar Years

	FUND	CPI + 4%	DIFFERENCE
2015	10.6%	8.8%	1.8%
2016	3.1%	10.6%	-7.5%
2017	13.5%	8.6%	4.9%
2018	-0.9%	9.2%	-10.1%
2019	11.2%	7.6%	3.6%
2020	7.8%	7.2%	0.6%

#### Periodic Performance

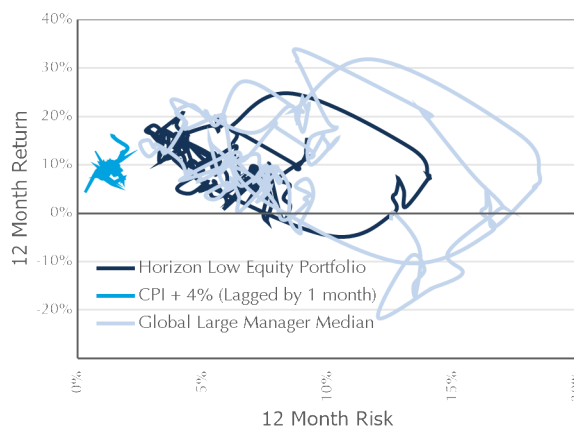
1 month	0.9%	1.4%	-0.4%
3 month	3.9%	2.4%	1.5%
6 month	6.7%	5.4%	1.3%
Year to date	10.4%	6.6%	3.8%
1 year	14.2%	8.6%	5.5%
2 year	10.6%	7.9%	2.7%
3 year	8.1%	7.9%	0.1%
5 year	8.0%	8.3%	-0.3%
10 year	10.2%	9.0%	1.2%
Since Inception (back dated)	10.5%	9.6%	0.9%

## 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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