

# Horizon Stable Portfolio

September 2021

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 0.42%  
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
16.1%	9.2%	8.7%	10.4%

## PERFORMANCE COMMENTARY

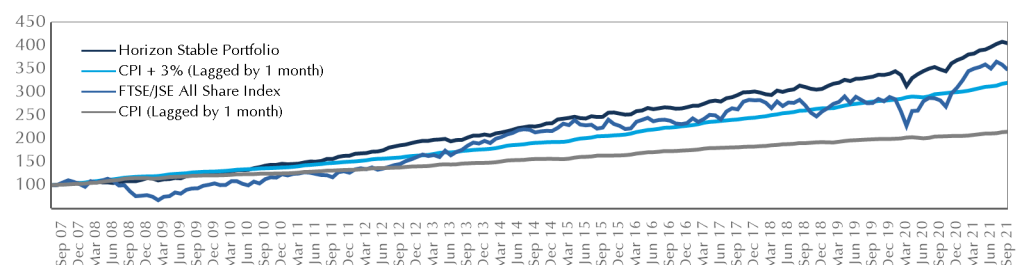
The vaccination campaign in emerging markets has accelerated whereas in developed markets, they've decelerated. And while the spike in cases in highly vaccinated countries such as Israel and the UK shows that complete immunity is unlikely, hospital utilisation rates continue to fall. Political pressure to maintain lock-downs will reduce and economies will remain open, as long as everyone who wants a vaccine is able to receive it.

New Zealand has eased restrictions everywhere except Auckland. Australia plans to gradually re-open Sydney on a two-tier basis, with more freedom for the vaccinated than the unvaccinated. In Germany, where the fourth wave is underway, most of the country has a 3G rule in place, which means you are allowed entry to places if you are unvaccinated and have a negative Covid test. The Leibniz Institute for Economic Research has recommended that 2G rules, which would exclude unvaccinated people from public settings, would cost less than another lockdown. In the East, China's policy is turning more stimulative with the injection of \$17 Billion into the financial system, the most short-term liquidity in eight months.

Interest rates are likely to start rising in the next year, and as early as the fourth quarter of 2021 in the US. In the UK, interest rates are expected to rise by February next year after the Bank of England signalled growing concern about a rise in inflation. Norway's central bank has already led the way, raising its benchmark interest rate in September from a record low of 0% to 0.25%. The Norwegian monetary policy committee says it is likely the country will see four more hikes by the end of 2022, moving it to a rate of 1.25%.

Locally, South Africa is a case in point, having moved to a reduced level one lockdown in the first week of October, although analysts claim the lockdown change is a strategic move by the ruling party to allow for campaign rallies ahead of the looming local elections. The Monetary Policy Committee chose to hold interest rates at 3.5%, marking the seventh consecutive time the MPC has left rates unchanged with the prime lending rate of commercial banks at a five-decade low of 7%. The FTSE/JSE SWIX Index fell 1.4%, Industrials were down 1.2% and Financials increased by 1.7%. The JSE All Bond Index decreased 2.1%, while the rand depreciated by 4.0% 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>	1.1%	0.0%	1.6%	1.8%	0.7%	-0.7%	2.5%	0.8%	1.6%	2.0%	0.1%	0.5%	<b>12.6%</b>
<b>2018</b>	-0.8%	-1.2%	-0.5%	3.2%	-0.9%	1.2%	0.6%	2.6%	-1.0%	-1.2%	-0.6%	0.5%	<b>1.8%</b>
<b>2019</b>	2.0%	1.6%	0.7%	1.9%	-0.8%	1.5%	0.1%	0.7%	0.6%	1.3%	-0.2%	0.8%	<b>10.6%</b>
<b>2020</b>	1.6%	-2.3%	-7.1%	5.5%	2.5%	2.0%	1.6%	1.0%	-1.5%	-1.1%	4.9%	1.9%	<b>8.6%</b>
<b>2021</b>	1.2%	2.0%	0.5%	1.8%	0.4%	1.4%	1.6%	1.2%	-0.8%				<b>9.8%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 170

	FUND	LMM
Sharpe Ratio	0.01	-0.05
Sortino Ratio	0.01	-0.06

## RISK ANALYSIS

	FUND	LMM
% Positive Months	75.3%	66.5%
% Negative Months	24.7%	33.5%
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	5.1%	9.4%
Downside Deviation	4.2%	7.0%

## CORRELATIONS

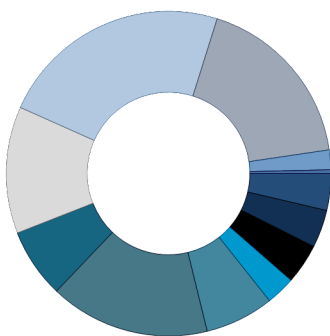
FTSE/JSE All Share Index	0.74	0.93
BESA All Bond Index	0.52	0.21

## 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 - 3.7%
Sasfin BCI Opportunity Equity Fund - 3.8%
Fairtree Equity Portfolio - 4.0%
Bateleur Equity Prescient Fund - 2.9%
Sygnia Absa Property Equity Fund - 6.8%
FutureGrowth Yield Enhanced Bond Fund - 15.9%
Coronation Strategic Income Fund - 6.9%
BCI Income Plus Fund - 12.6%
Sasfin BCI Flexible Income Fund - 23.2%
BlackRock Developed World Index Sub Fund - 17.8%
Nedbank USD Account - 2.0%
Cash - 0.4%

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## PERFORMANCE ANALYSIS

### PERFORMANCE

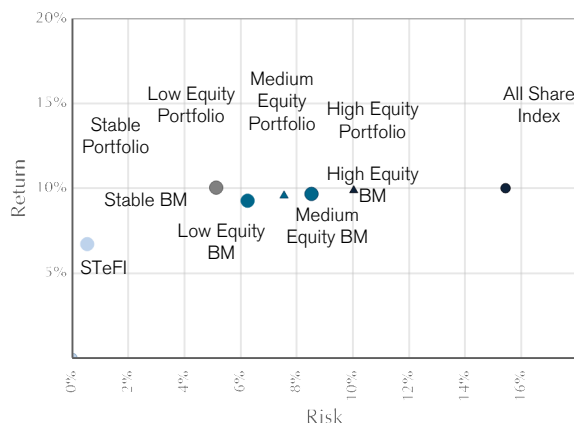
#### Calendar Years

	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%

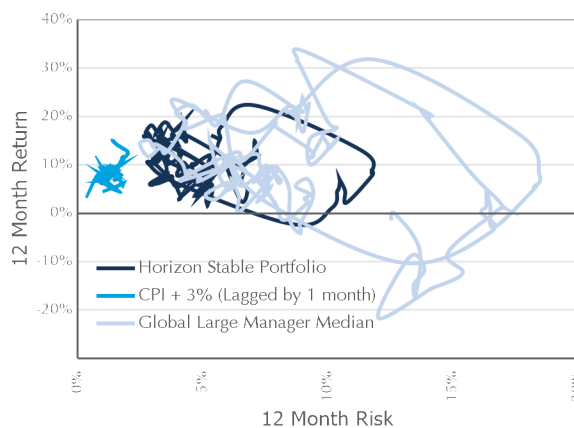
#### Periodic Performance

1 month	-0.8%	0.6%	-1.4%
3 month	2.0%	2.5%	-0.4%
6 month	5.8%	4.7%	1.1%
Year to date	9.8%	6.7%	3.2%
1 year	16.1%	7.9%	8.2%
2 year	10.3%	7.0%	3.3%
3 year	9.2%	7.1%	2.1%
5 year	8.7%	7.4%	1.3%
10 year	10.0%	8.0%	2.0%
Since Inception (back dated)	10.4%	8.6%	1.8%

## RISK/RETURN COMPARISON



## 12 MONTHS RISK/RETURN SNAIL TRAIL



### FAIS Notice and Disclaimer:

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