

Horizon Stable Portfolio

October 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
19.4%	10.3%	9.3%	10.4%

PERFORMANCE COMMENTARY

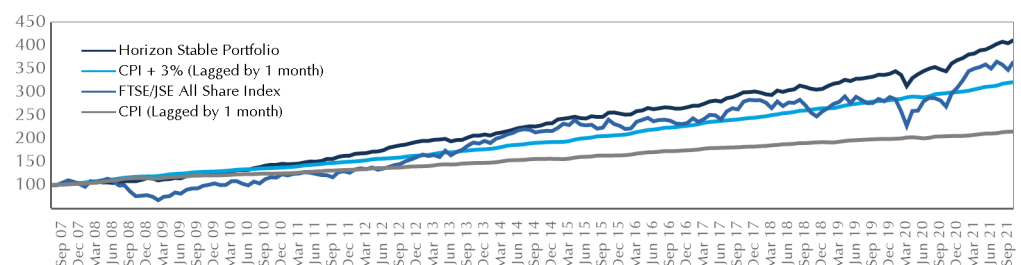
The International Monetary Fund (IMF) has cut its global growth forecasts and raised inflation forecasts. Supply-chain disruptions and rapidly rising energy costs are providing upside risks to inflation and downside risks to growth. US 5-year inflation break-evens are now at their highest in 20 years at 2.9% - in line with what the Fed is now calling "transitory for longer" inflation. However, peak inflation is behind, even though it may take a while to subside. Goods inflation will ease in 2022 and energy price pressures will abate. Most importantly, tapering will start this year, but interest rates hikes won't be rushed as the Fed remains calm.

China's economy expanded 4.9% in the third quarter, down from 7.9% in the previous quarter, as the property slump and energy crisis impacted demand. Chinese new home prices fell on a month-on-month basis in September for the first time since April 2015. Households in China are highly exposed to property values, with housing representing more than 50% of their total asset values. While we don't expect a hard landing in China, it will be a soft recovery. Electricity consumption is at peak levels at a time when it has reduced coal production and banned Australian coal imports.

The peak prices in coal and natural gas prices could reflect the future for oil demand. However, the most likely outcome of the current energy crisis is increased production at higher energy prices. This will have the effect of stabilising the global economy and energy infrastructure but is also likely to temporarily slow down the energy transition. While the current energy price surge is painful for many, the effective tax on the overall economy remains manageable, particularly as central banks are likely to look through energy price spikes. Inflation remains key to the global outlook.

South Africa dropped down to 84th place out of 190 countries, in the World Bank's Ease of Doing Business index. This is mostly driven by Eskom's load shedding and Transnet's transport delays. The end of the month saw a low voter turnout with only 48% of the electorate estimated to have voted compared with a 57% turnout in 2016. The FTSE/JSE SWIX Index climbed 2.8%, Industrials were up 6.8% and Financials fell 3.8%. The JSE All Bond Index decreased 0.5%, while the rand depreciated by 1.0% relative to the US dollar.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	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%	1.4%	1.6%	1.2%	-0.8%	1.7%			11.7%

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 171

	FUND	LMM
Sharpe Ratio	0.02	-0.03
Sortino Ratio	0.03	-0.04

RISK ANALYSIS

	FUND	LMM
% Positive Months	75.4%	66.7%
% Negative Months	24.6%	33.3%
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

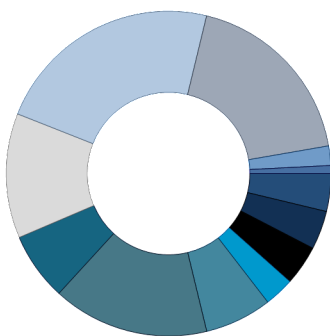
FTSE/JSE All Share Index	0.74	0.93
BESA All Bond Index	0.52	0.20

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 - 3.8%
Sasfin BCI Opportunity Equity Fund - 3.8%
Fairtree Equity Portfolio - 4.0%
Bateleur Equity Prescient Fund - 3.0%
Sygnia Absa Property Equity Fund - 6.7%
FutureGrowth Yield Enhanced Bond Fund - 15.6%
Coronation Strategic Income Fund - 6.8%
BCI Income Plus Fund - 12.4%
Sasfin BCI Flexible Income Fund - 22.8%
BlackRock Developed World Index Sub Fund - 18.5%
Nedbank USD Account - 1.9%
Cash - 0.8%

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

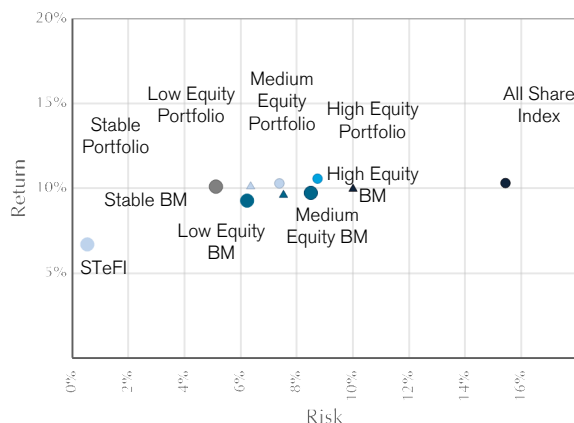
Calendar Years

	FUND	CPI + 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%

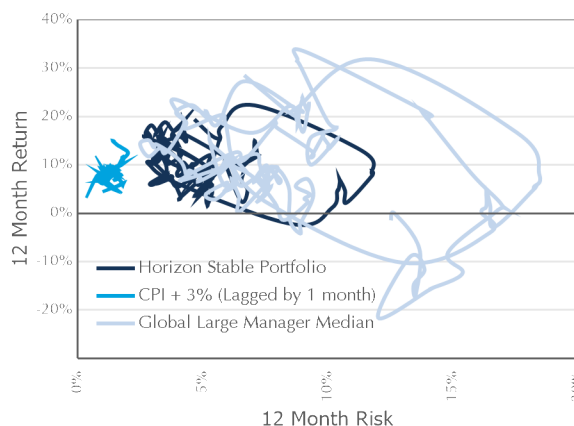
Periodic Performance

	FUND	CPI + 3%	DIFFERENCE
1 month	1.7%	0.5%	1.2%
3 month	2.1%	2.4%	-0.4%
6 month	5.7%	4.2%	1.5%
Year to date	11.7%	7.2%	4.5%
1 year	19.4%	8.0%	11.5%
2 year	10.5%	7.0%	3.5%
3 year	10.3%	7.0%	3.2%
5 year	9.3%	7.4%	1.9%
10 year	9.8%	8.0%	1.8%
Since Inception (back dated)	10.4%	8.5%	1.9%

RISK/RETURN COMPARISON



12 MONTHS RISK/RETURN SNAIL TRAIL



FAIS Notice and Disclaimer:

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