

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 0.42%
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.

1 Year	3 Year	5 Year	Since Inception
13.3%	10.5%	9.3%	10.5%

We remain cautiously optimistic for equity returns, though aware that these are likely to be lower than the past few years due to higher valuations and normalising monetary and fiscal policies. An overaggressive Fed, a deadlier Covid than Omicron and rising geopolitical tensions are, in the current environment (apart from shocks we cannot foresee), most likely to alter our base case for the year ahead. A new, deadlier Covid strain remains a high impact but low probability risk. The Omicron variant is more contagious but significantly less lethal than previous ones, and any future variant is likely to emanate from and be milder than Omicron.

Another risk is that the Fed is forced to tighten too quickly. Fed officials and private sector economists alike are calling for aggressive counteraction to rapidly rising inflation. Fortunately, the global manufacturing PMI report suggests that, while supply chain constraints remain, there is evidence that they have peaked. The PBOC saw a release of strong economic data in January, China's GDP for the fourth quarter exceeded expectations and December exports rose to new highs, indicating recovering growth. The PBOC also prioritised growth by lowering the seven-day and one-year base rate by 10 bps.

The final known risk is geopolitics. High-level negotiations between Russia and the West resulted in a “dead end” in January. Russia supplies more than half of Europe’s energy needs, and a report from the International Energy Agency (IEA) accused Russia of under-supplying gas, which in turn contributed to dramatic price increases. The FTSE/JSE SWIX Index climbed 2.3%, Industrials were down 1.9% and Financials soared 3.4%. The JSE All Bond Index increased 0.8%, while the rand appreciated by 3.1% relative to the US dollar.

The chart displays the performance of four investment strategies over a 14-year period from September 2007 to December 2021. The Y-axis represents the value of the investment, ranging from 100 to 450. The X-axis shows the time period in months, labeled from Sep 07 to Dec 21. The four strategies are: Horizon Stable Portfolio (dark blue line), CPI + 3% (Lagged by 1 month) (light blue line), FTSE/JSE All Share Index (medium blue line), and CPI (Lagged by 1 month) (brown line). The Horizon Stable Portfolio consistently outperforms the other three strategies, ending at approximately 420. The CPI + 3% (Lagged by 1 month) strategy follows, ending at approximately 320. The FTSE/JSE All Share Index ends at approximately 300, and the CPI (Lagged by 1 month) strategy ends at approximately 220.

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FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 174

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

RISK ANALYSIS

	FUND	LMM
% Positive Months	75.3%	66.7%
% Negative Months	24.7%	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%	9.3%
Downside Deviation	4.1%	7.0%

CORRELATIONS

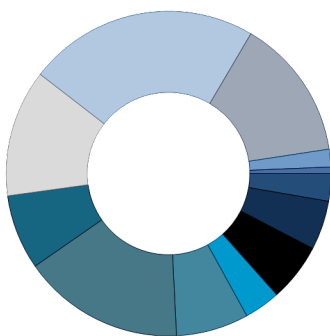
FTSE/JSE All Share Index	0.74	0.93
BESA All Bond Index	0.52	0.21

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 - 2.7%
- Sasfin BCI Opportunity Equity Fund - 4.9%
- Fairtree Equity Portfolio - 5.8%
- Bateleur Equity Prescient Fund - 3.6%
- Sygnia Absa Property Equity Fund - 7.2%
- FutureGrowth Yield Enhanced Bond Fund - 16.1%
- Coronation Strategic Income Fund - 7.5%
- BCI Income Plus Fund - 12.7%
- Sasfin BCI Flexible Income Fund - 23.0%
- BlackRock Developed World Index Sub Fund - 14.1%
- Nedbank USD Account - 1.8%
- Cash - 0.6%

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PERFORMANCE ANALYSIS

PERFORMANCE

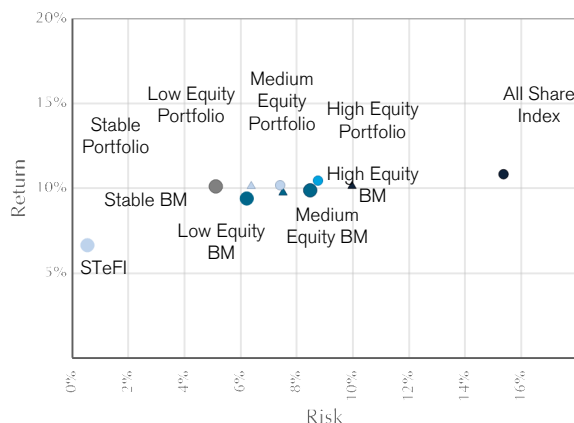
Calendar Years

	FUND	CPI + 3%	DIFFERENCE
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%
2021	15.9%	8.5%	7.4%

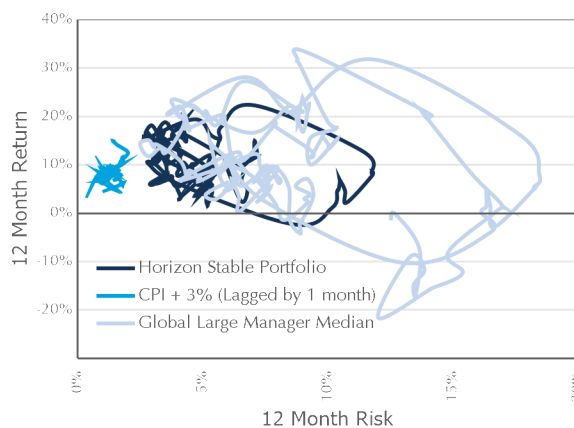
Periodic Performance

1 month	-1.0%	0.8%	-1.8%
3 month	2.7%	2.0%	0.7%
6 month	4.8%	4.5%	0.3%
Year to date	-1.0%	0.8%	-1.8%
1 year	13.3%	8.9%	4.4%
2 year	10.7%	7.5%	3.3%
3 year	10.5%	7.3%	3.2%
5 year	9.3%	7.4%	1.9%
10 year	9.7%	8.1%	1.6%
Since Inception (back dated)	10.5%	8.5%	1.9%

RISK/RETURN COMPARISON



12 MONTHS RISK/RETURN SNAIL TRAIL



FAIS Notice and Disclaimer:

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