

# Horizon Stable Portfolio

June 2022

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
3.4%	7.7%	8.0%	9.9%

## PERFORMANCE COMMENTARY

While the US walks the tightrope between inflation and recession, Chinese leaders ushered in yet another era of expansionary rhetoric during June. US inflation surprised to the upside. However, a recession in the US is unlikely. Core inflation continued to fall from 6.2% to 6% YoY, alongside falling inflation breadth measures. While US house prices may cool, they are unlikely to crash as tepid homebuilding over the last decade has pushed the average age of the US residential capital stock to the highest level since 1948. The Fed can afford to raise rates faster and harder than its peers, due to the US consumer's relatively strong footing. While this is partly due to the generous money showers during Covid and appreciating asset prices, average US household net worth has grown 30% since the depths of Covid – compared to only 12% for the EU and UK.

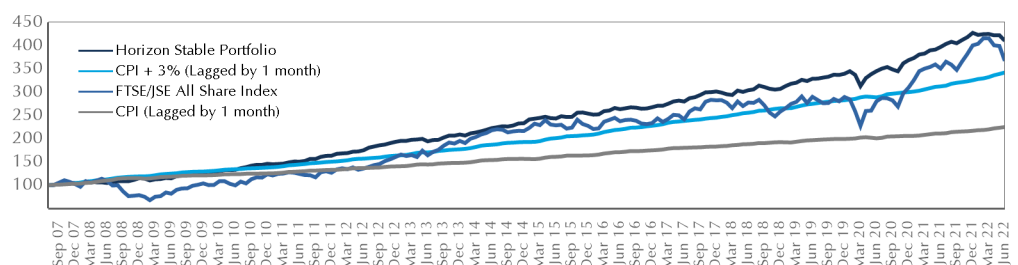
China remains in stark contrast to the US, particularly when it comes to monetary positioning. Beijing recently issued its second batch of gaming licenses after a seven-month freeze and an encouraging month of economic data provided further stock support.

Locally, corruption dominated newspaper headlines in June, from President Cyril Ramaphosa's game farm robbery to the pending extradition of the Gupatas, and the suspension of a key PIC executive. The final instalment of Acting Chief Justice Raymond Zondo's reports concluded a four-year, R10-billion investigation and was accompanied by a slew of recommendations to prosecute scores of high-ranking political officials. Ramaphosa has said he will take four months to review the report, so immediate changes are unlikely.

June's shifts in economic conditions, particularly around the US inflation vs recession narrative have driven volatility in global financial markets. Generally, we expect volatility to remain heightened and we continue to find value in more defensive plays such as value and healthcare. We continue to underweight SA equity in favour of emerging markets and remain neutral developed market equity. The risk remains with surging energy prices. For now, supply exists as Russia sells indirectly to China and India, while Iraq is the loser with its traditional customers not buying its medium and heavy crude.

The FTSE/JSE SWIX Index fell by 7.4%, Industrials were up 1.6% and Financials dropped 13.6%. The JSE All Bond Index decreased by 3.1%, while the rand depreciated by 5.1% relative to the US dollar.

## CUMULATIVE RETURNS



## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	1.5%	2.2%	15.9%
2022	-1.0%	0.4%	0.1%	-0.7%	0.0%	-2.8%							-4.0%

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 179

	FUND	LMM
Sharpe Ratio	-0.07	-0.09
Sortino Ratio	-0.09	-0.12

## RISK ANALYSIS

	FUND	LMM
% Positive Months	74.9%	65.9%
% Negative Months	25.1%	34.1%
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	5.2%	9.3%
Downside Deviation	4.1%	6.9%

## CORRELATIONS

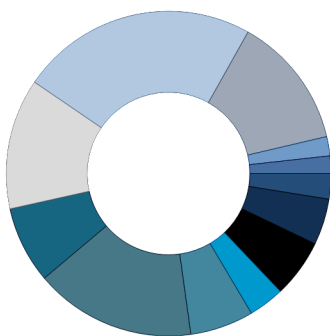
FTSE/JSE All Share Index	0.75	0.93
BESA All Bond Index	0.53	0.23

## 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 - 2.5%
- Sasfin BCI Opportunity Equity Fund - 4.6%
- Fairtree Equity Portfolio - 5.8%
- Bateleur Equity Prescient Fund - 3.6%
- Sygnia Absa Property Equity Fund - 6.3%
- FutureGrowth Yield Enhanced Bond Fund - 16.0%
- Coronation Strategic Income Fund - 7.7%
- BCI Income Plus Fund - 13.0%
- Sasfin BCI Flexible Income Fund - 23.6%
- BlackRock Developed World Index Sub Fund - 13.2%
- Nedbank USD Account - 1.9%
- Cash - 1.7%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

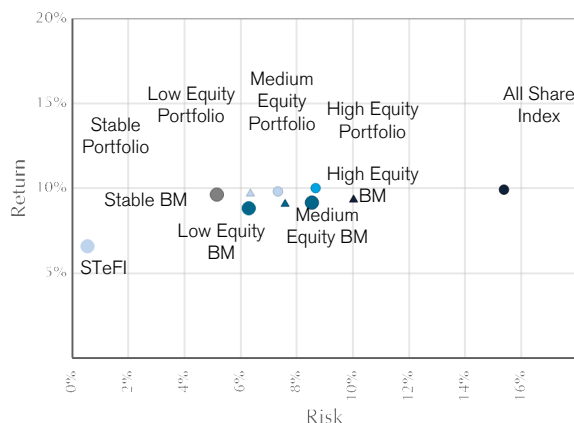
#### Calendar Years

	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

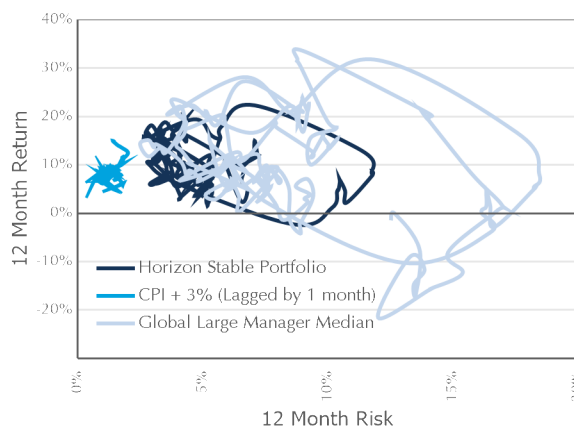
1 month	-2.8%	0.9%	-3.7%
3 month	-3.4%	3.0%	-6.4%
6 month	-4.0%	5.1%	-9.1%
Year to date	-4.0%	5.1%	-9.1%
1 year	3.4%	9.5%	-6.2%
2 year	9.0%	8.8%	0.2%
3 year	7.7%	7.6%	0.1%
5 year	8.0%	7.5%	0.4%
10 year	8.9%	8.1%	0.8%
Since Inception (back dated)	9.9%	8.6%	1.3%

## 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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