

Horizon Medium Equity Portfolio

July 2022

The Horizon Medium Equity Portfolio is a medium 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
5.3%	8.9%	7.5%	10.1%

PERFORMANCE COMMENTARY

Markets bounced in July despite dramatic political events including the resignations of both the British and Italian prime ministers, Boris Johnson and Mario Draghi. Inflation surged around the globe and growth forecasts plummeted.

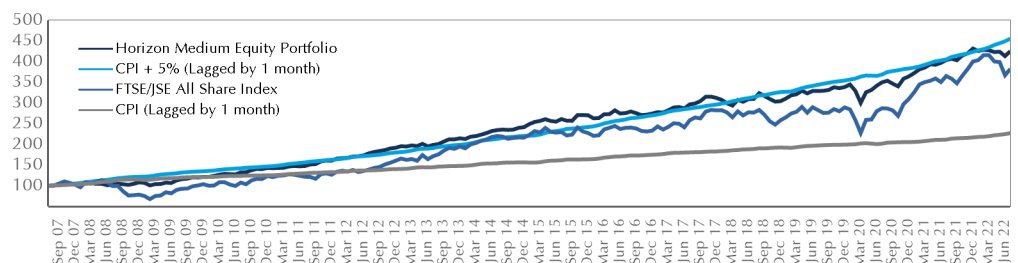
The US economy officially entered a recession with a 0.9% contraction in the second quarter of the year. At the same time, the Employment Cost Index rose 1.3% signaling that employers are trying to attract and retain employees with higher perks. The S&P 500 fell while the dollar strengthened to parity with the euro for the first time since 2002 and to its strongest against the pound since 1984. Long-term inflation expectations from US consumers declined in July to only 2.8% over the next five to ten years. The US is likely to see more volatility in 2023 although a move to 2% inflation will require a higher unemployment rate.

The People's Republic of China started July by putting out fires around everything from a Covid flare-up in Shanghai to a bond default flare-up in its property sector. Roaring Chinese economic stimulus is still very much ongoing. Aggregate financing was significantly above expectation, surging to CNY5.2 trillion from CNY2.8 trillion in May. The Chinese Ministry of Finance has increased allowances by 40%, enabling local governments specifically to issue \$220 billion of special government bonds in the second half of 2022. These special bonds will accelerate infrastructure funding and this is the first time that bond issuance will be fast-tracked this way.

Russia's current account surplus widened to a record \$70 billion in the second quarter due to skyrocketing energy prices. According to the International Energy Agency, Russia's oil shipments have declined by only 5% since January despite sanctions. Russian natural gas flows to the EU slowed in recent weeks, supposedly because of routine maintenance issues. Although Nord Stream 1 has resumed shipments to Europe, it is only operating at 40% capacity.

Former president Thabo Mbeki warns of a potential Arab Spring revolution in South Africa on the back of a lack of service delivery. Inflation rose to a 13-year high of 7.4% on the back of higher energy prices but is unlikely to remain high, because demand in South Africa is low as a result of weak growth. The SARB raised the repo rate ahead of expectations, from 4.75% to 5.50%. The FTSE/JSE CAPPED SWIX Index climbed by 2.8%, Industrials were up 5.9% and Financials increased by 4.1%. The JSE All Bond Index rose by 2.4%, while the rand depreciated by 1.7% relative to the US dollar.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-1.5%	-2.7%	-1.8%	4.6%	-1.4%	2.1%	0.2%	4.5%	-2.1%	-2.3%	-2.0%	0.4%	-2.5%
2019	2.1%	2.5%	0.8%	2.6%	-1.9%	1.8%	0.0%	0.2%	0.6%	2.0%	-0.7%	0.8%	11.2%
2020	1.8%	-4.4%	-8.9%	8.5%	1.7%	3.1%	2.4%	1.1%	-2.1%	-1.8%	5.4%	1.6%	7.6%
2021	2.2%	2.4%	1.1%	2.0%	-0.2%	1.1%	1.8%	0.7%	-0.9%	2.8%	1.3%	2.8%	18.5%
2022	-1.4%	0.6%	-0.3%	-1.0%	0.2%	-2.5%	2.9%						-1.5%

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 180

	FUND	LMM
Sharpe Ratio	-0.01	-0.07
Sortino Ratio	-0.01	-0.09

RISK ANALYSIS

	FUND	LMM
% Positive Months	68.3%	66.1%
% Negative Months	31.7%	33.9%
Best Month	8.5%	9.7%
Worst Month	-8.9%	-10.5%
Avg Negative Return	-1.5%	-2.0%
Maximum Drawdown	-12.9%	-23.8%
Standard Deviation	7.3%	9.3%
Downside Deviation	5.2%	6.9%

CORRELATIONS

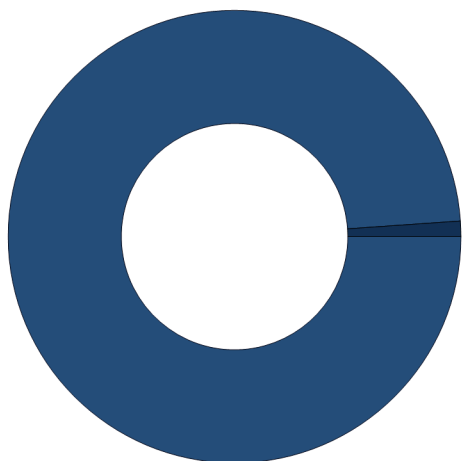
FTSE/JSE All Share Index	0.83	0.93
BESA All Bond Index	0.31	0.23

MARKET STRESS MONTHS

	FUND	ALSI
September 2008	-1.2%	-13.2%
October 2008	-1.5%	-11.6%
February 2009	-5.7%	-9.9%
March 2020	-8.9%	-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 Accumulation Fund - 98.9%
Cash - 1.1%

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PERFORMANCE ANALYSIS

PERFORMANCE

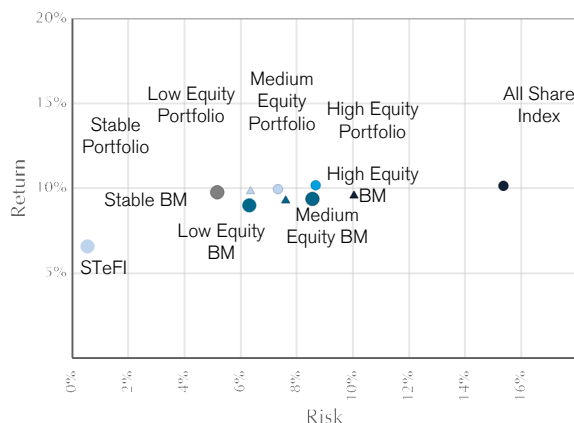
Calendar Years

	FUND	CPI + 5%	DIFFERENCE
2016	1.6%	11.6%	-10.0%
2017	13.7%	9.6%	4.1%
2018	-2.5%	10.2%	-12.7%
2019	11.2%	8.6%	2.7%
2020	7.6%	8.2%	-0.6%
2021	18.5%	10.5%	8.0%

Periodic Performance

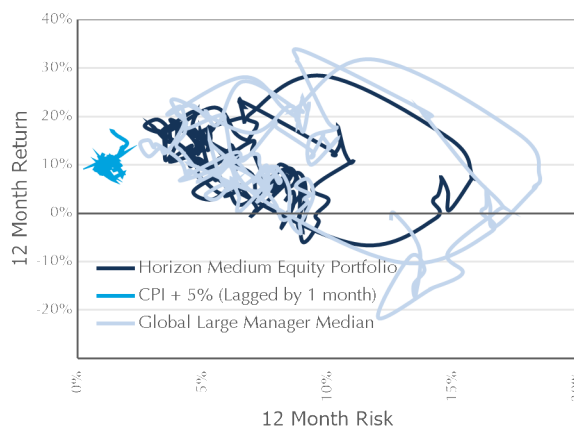
1 month	2.9%	1.4%	1.5%
3 month	0.5%	3.5%	-3.0%
6 month	-0.1%	6.6%	-6.7%
Year to date	-1.5%	7.6%	-9.1%
1 year	5.3%	12.4%	-7.1%
2 year	10.2%	11.1%	-0.9%
3 year	8.9%	9.8%	-0.9%
5 year	7.5%	9.7%	-2.2%
10 year	9.1%	10.2%	-1.1%
Since Inception (back dated)	10.1%	10.6%	-0.5%

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



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