

# Horizon High Equity Portfolio

October 2022

The Horizon High Equity Portfolio is a medium to high 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
2.7%	8.9%	6.4%	10.1%

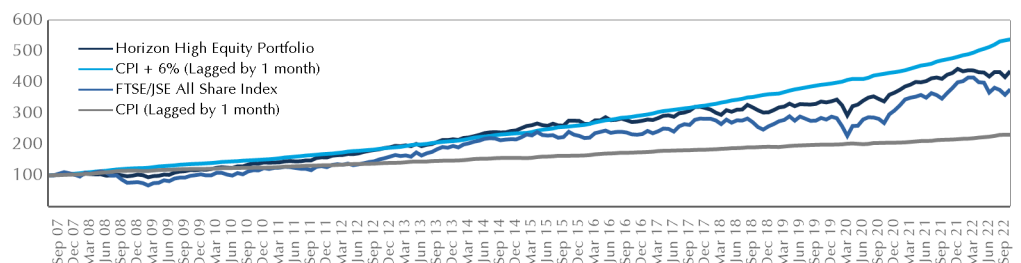
## PERFORMANCE COMMENTARY

Markets bounced back in October despite US core inflation reaching a new peak. Rampant dollar strength continued. Global service sector stability improved, but the IMF reduced its global growth forecast for 2023 from 2.9% to 2.7%, keeping its 2022 estimate unchanged at 3.2%. Apart from the mixed bag of economic data, political turmoil underpinned much of the global macro -narrative through October. The UK's mini-budget U-turn was reflected in volatility, with cumulative mark-to-market losses on derivative positions related to liability-driven investment in pension funds estimated between £125 billion and £150 billion since August. Elsewhere, unilateral US foreign policy measures to contain China's development drew criticism abroad, and China's 20th annual party congress led to market panic as President Xi Jinping moved to stack his leadership ranks with loyalists. The Hang Seng China Enterprises Index, a gauge of Chinese stocks listed in Hong Kong, plunged 7.3% in its worst showing after any Communist Party congress since the inception of the index in 1994. In local markets, the likelihood of South Africa's so-called "grey-listing" by the Financial Action Task Force soured business mood around a mostly encouraging Medium-Term Budget Policy Statement.

Looking forward, overaggressive policy tightening is chief among the risks that could lead to a global recession. To contextualise the ongoing search for a market bottom, we emphasise current strong net-short positioning among investors. Mean reversion is only a matter of time here, and research by Bloomberg has shown that US equities tend to climb an average of 10% in the three months after those stocks trading above their 200-day moving averages dips below 20%. This illustrates that history favours those who hold on through volatility, and factors mounting up in favour of a reversal in dollar strength over the next business cycle may provide a welcome set of catalysts for history to repeat itself. A recovering global underlying economy, risk-averse current investor positioning and anchored long-term inflation should form a base from which a recovery is increasingly feasible. A great deal of bad news is already priced in, and if inflation declines according to plan, equity investors may discover an attractive tactical opportunity. Our key focus remains the art of alpha in a low-growth world, and to this end our long-term global investment themes remain intact.

The FTSE/JSE CAPPED SWIX Index climbed by 5.3%, Industrials were up 1.7% and Financials increased by 13.7%. The JSE All Bond Index rose by 1.1%, while the rand depreciated by 2.3% relative to the US dollar.

## CUMULATIVE RETURNS



## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2018</b>	-1.6%	-3.2%	-2.2%	5.0%	-1.6%	2.2%	0.2%	4.8%	-2.5%	-2.9%	-2.4%	0.2%	<b>-4.4%</b>
<b>2019</b>	2.4%	2.8%	0.9%	2.9%	-2.4%	2.0%	-0.2%	-0.2%	0.6%	2.3%	-0.8%	1.0%	<b>11.7%</b>
<b>2020</b>	1.6%	-5.3%	-10.1%	10.2%	1.6%	3.8%	2.9%	1.2%	-2.4%	-2.2%	6.3%	2.0%	<b>8.3%</b>
<b>2021</b>	2.4%	2.9%	1.5%	2.2%	-0.3%	0.9%	2.2%	0.7%	-1.0%	3.2%	1.3%	3.1%	<b>20.8%</b>
<b>2022</b>	-1.8%	0.8%	-0.1%	-1.3%	-0.3%	-3.0%	3.4%	0.0%	-3.7%	4.6%			<b>-1.6%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 183

	FUND	LMM
Sharpe Ratio	0.01	-0.08
Sortino Ratio	0.01	-0.11

## RISK ANALYSIS

	FUND	LMM
% Positive Months	65.6%	66.1%
% Negative Months	34.4%	33.9%
Best Month	10.2%	9.7%
Worst Month	-10.1%	-10.5%
Avg Negative Return	-1.8%	-2.0%
Maximum Drawdown	-14.8%	-23.8%
Standard Deviation	8.7%	9.3%
Downside Deviation	6.0%	6.9%

## CORRELATIONS

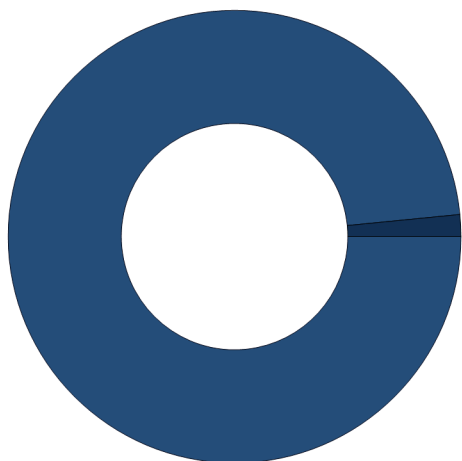
FTSE/JSE All Share Index	0.87	0.93
BESA All Bond Index	0.29	0.24

## MARKET STRESS MONTHS

	FUND	ALSI
September 2008	-2.4%	-13.2%
October 2008	-3.0%	-11.6%
February 2009	-6.5%	-9.9%
March 2020	-10.1%	-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



## PERFORMANCE ANALYSIS

### PERFORMANCE

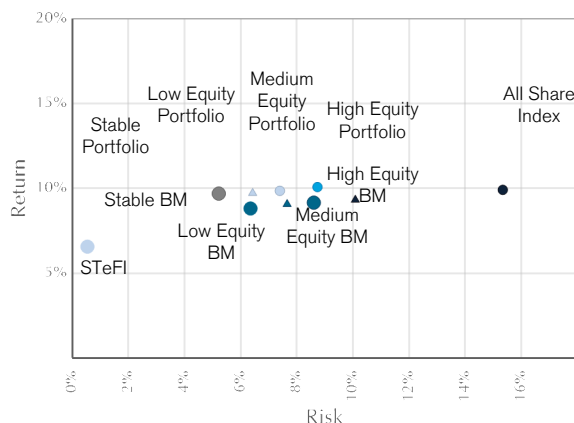
#### Calendar Years

	FUND	CPI + 6%	DIFFERENCE
2016	0.2%	12.6%	-12.4%
2017	14.8%	10.6%	4.2%
2018	-4.4%	11.2%	-15.5%
2019	11.7%	9.6%	2.2%
2020	8.3%	9.2%	-0.9%
2021	20.8%	11.5%	9.3%

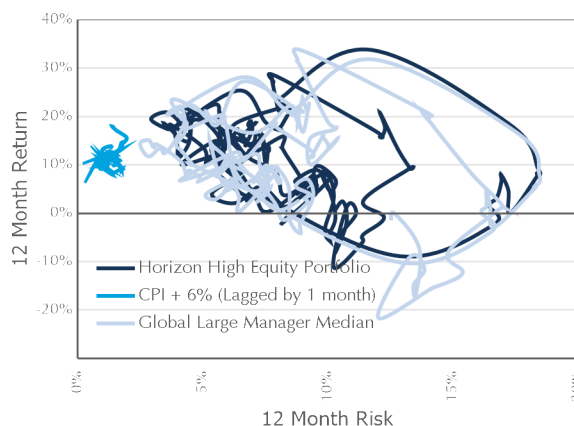
#### Periodic Performance

1 month	4.6%	0.6%	4.1%
3 month	0.7%	3.2%	-2.5%
6 month	0.8%	7.1%	-6.3%
Year to date	-1.6%	11.6%	-13.2%
1 year	2.7%	13.5%	-10.7%
2 year	13.5%	12.2%	1.3%
3 year	8.9%	11.1%	-2.3%
5 year	6.4%	10.9%	-4.5%
10 year	9.0%	11.2%	-2.2%
Since Inception (back dated)	10.1%	11.7%	-1.5%

## RISK/RETURN COMPARISON



## 12 MONTHS RISK/RETURN SNAIL TRAIL



Horizon Multi Managed Diversified Growth Fund - 98.4%

Cash - 1.6%

### FOR MORE INFORMATION CONTACT:

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