

# Horizon Stable Portfolio

September 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
2.1%	7.5%	7.1%	9.8%

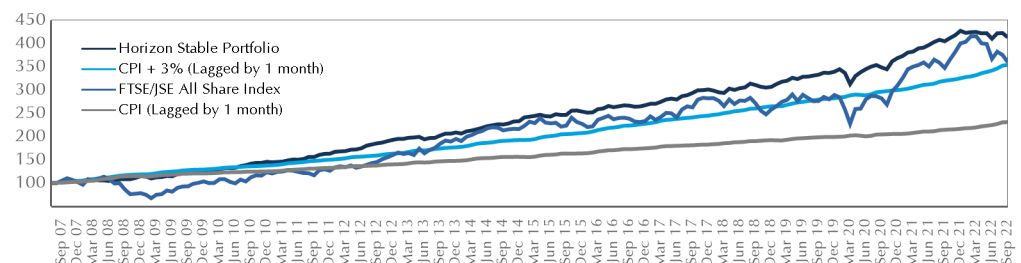
## PERFORMANCE COMMENTARY

Global markets roared through the first half of September, only to give up their gains in the latter half as risks ticked up. Global property values slumped as US mortgage rates jumped to their highest levels since 2008 (>6%). US inflation data surprised to the upside and the Fed decided to hike base rates by another 75 bps. Interest rate differentials fuelled dollar dominance and the GBP fell to its weakest level against the USD since 1985, having lost 20% against the dollar in its worst year since 2008 (worse than after the Brexit vote). In debt markets, the US 2y/30y T-bill yield premium jumped to its highest level since 2000. Brent crude oil fell below \$85 for the first time since January and, surprisingly, survived Vladimir Putin's mobilisation of 300 000 troops to aid his annexation of parts of the Ukraine. The Bank of Canada and the European Central Bank raised their key rates by 75 bps, to 3.25% and 1.25%, respectively.

Fed rate-hike expectations in the futures market suggest a benchmark rate of 4.50% in March 2023 before the Fed cuts rates by 50 bps. Policy makers still find themselves between inflation's rock and recession's hard place, though the soft landing's replacement with a "growth recession" is likely to set the tone for further euphemisms. The current status quo should shift policy-maker focus further to fiscal intervention (e.g. China and Europe) and could underpin a future tailwind narrative for global risky assets. While tensions around Taiwan and Russia and a looming alliance between Xi Jinping and Vladimir Putin are possible geopolitical risks, very bearish net positioning tells a story of depressed sentiment with a great deal of bad news already priced in. A recovering underlying global economy, relatively risk-averse net positioning and anchored long-term inflation expectations should set a promising foundation for conservative upside potential going forward as fundamentals replace fear as the driver of market pricing.

The FTSE/JSE CAPPED SWIX Index fell by 3.8%, Industrials were down 6.5% and Financials decreased by 6.2%. The JSE All Bond Index declined by 2.1%, while the rand depreciated by 5.4% 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>	-0.8%	-1.2%	-0.5%	3.2%	-0.9%	1.2%	0.6%	2.6%	-1.0%	-1.2%	-0.6%	0.5%	<b>1.8%</b>
<b>2019</b>	2.0%	1.6%	0.7%	1.9%	-0.8%	1.5%	0.1%	0.7%	0.6%	1.3%	-0.2%	0.8%	<b>10.6%</b>
<b>2020</b>	1.6%	-2.3%	-7.1%	5.5%	2.5%	2.0%	1.6%	1.0%	-1.5%	-1.1%	4.9%	1.9%	<b>8.6%</b>
<b>2021</b>	1.2%	2.0%	0.5%	1.8%	0.4%	1.4%	1.6%	1.2%	-0.8%	1.7%	1.5%	2.2%	<b>15.9%</b>
<b>2022</b>	-1.0%	0.4%	0.1%	-0.7%	0.0%	-2.8%	2.8%	0.1%	-2.2%				<b>-3.3%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 182

	FUND	LMM
Sharpe Ratio	-0.09	-0.11
Sortino Ratio	-0.11	-0.15

## RISK ANALYSIS

	FUND	LMM
% Positive Months	74.7%	65.4%
% Negative Months	25.3%	34.6%
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

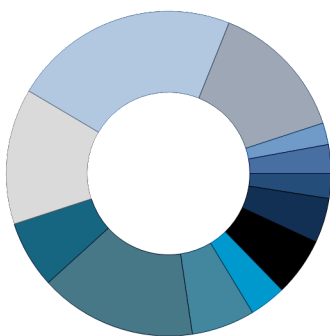
FTSE/JSE All Share Index	0.75	0.93
BESA All Bond Index	0.54	0.24

## 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 - 4.5%
- Fairtree Equity Portfolio - 5.8%
- Bateleur Equity Prescient Fund - 3.6%
- Sygnia Absa Property Equity Fund - 6.3%
- FutureGrowth Yield Enhanced Bond Fund - 15.6%
- Coronation Strategic Income Fund - 6.7%
- BCI Income Plus Fund - 13.5%
- Sasfin BCI Flexible Income Fund - 22.6%
- BlackRock Developed World Index Sub Fund - 13.9%
- Nedbank USD Account - 2.2%
- Cash - 2.9%

## 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

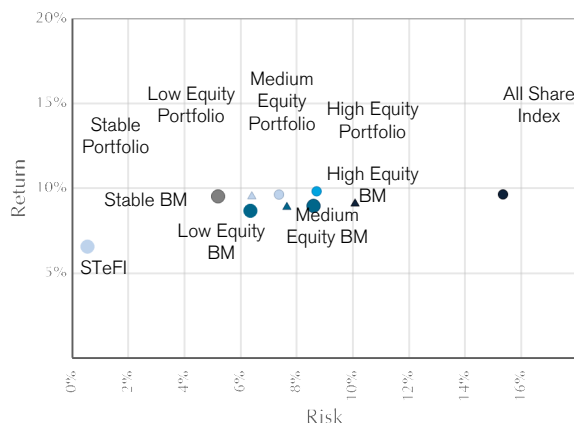
#### Calendar Years

	FUND	CPI + 3%	DIFFERENCE
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

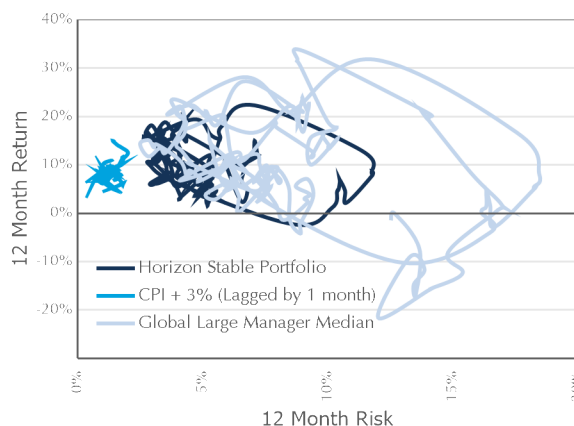
1 month	-2.2%	0.4%	-2.6%
3 month	0.7%	3.5%	-2.8%
6 month	-2.7%	6.6%	-9.3%
Year to date	-3.3%	8.8%	-12.1%
1 year	2.1%	10.6%	-8.6%
2 year	8.9%	9.3%	-0.4%
3 year	7.5%	8.2%	-0.7%
5 year	7.1%	8.0%	-0.9%
10 year	8.3%	8.3%	0.0%
Since Inception (back dated)	9.8%	8.7%	1.1%

## 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:

The above portfolio is available under a policy of insurance issued by Sygnia Life Limited FSP No 2935. The asset mix and underlying asset managers are determined in consultation with Sasfin Asset Managers (Pty) Ltd FSP No 21664. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act 37 of 2002. Whilst reasonable care was taken in ensuring that the information is accurate, Sygnia Life Limited and/or Sasfin Asset Managers do not warrant its accuracy, correctness or completeness and accept no liability in respect of any damages and/or loss suffered as a result of reliance on this information.