

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
8.0%	9.8%	8.8%	10.3%

Markets shot out of the starting blocks in 2023, with many equity markets posting double-digit returns for January. The International Monetary Fund lifted its global GDP forecast from 2.7% to 2.9% for 2023 following resilient US spending and China's reopening. US inflation continued to cool, bringing the Fed one step nearer to a downshift. European Central Bank officials suggested a possible softening of their monetary policy stance after the rate hike due in February, and followers of the Bank of Japan are on high alert for a new policy path with Governor Kuroda's departure around the corner.

The World Economic Forum's 53rd annual meeting was held at Davos 2023, where world leaders discussed the globe's most pressing challenges. Gloom and doom turned to cautious optimism as the year ahead began to look better than initially feared. Inflation and debt distress were among the key risks under discussion, accompanied by a diplomatic criticism of deglobalisation. China declared itself open for business, and AI (somewhat inspired by ChatGPT) replaced cloud spending as the new tech buzzword. Renewable energy advocates met with Big Oil executives to chart new investment pathways for sustainable energy after a banner year for fossil fuels.

Cautious optimism continues to underpin our outlook. Our baseline scenario sees most of the developed world in recession at some point in 2023. These forecast recessions are likely to be soft and, encouragingly, the headwinds across developed countries are unlikely to be synchronised, meaning the impact on our well-diversified balanced portfolios should be mild.

Emerging markets will likely continue reducing their reliance on the US in favour of greater integration with China, which is making a concerted effort to position itself as a key global partner and superpower. Emerging market GDP has already shown increasing sensitivity to China versus other developed markets. This trend is likely to continue as China, and EMs collectively, are expected to outperform in our base case.

Vast central bank indebtedness and stubborn inflation will likely cause headaches, which may see some divergence between rate policy and other monetary tools (slowdown in rate hikes but with sustained quantitative tightening), as well as a divergence between monetary and fiscal policy. We are certainly not out of the woods yet, and in the short term we are reducing our risk exposure after January's bull run. The FTSE/JSE CAPPED SWIX Index fell by 2.8%, Industrials were down 0.1% and Financials decreased by 5.1%. The JSE All Bond Index rose by 0.6%, while the rand depreciated by 0.1% relative to the US dollar.

Legend:

- Horizon Stable Portfolio
- CPI + 3% (Lagged by 1 month)
- FTSE/JSE All Share Index
- CPI (Lagged by 1 month)

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## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 186

	FUND	LMM
Sharpe Ratio	0.00	-0.03
Sortino Ratio	-0.01	-0.04

## RISK ANALYSIS

	FUND	LMM
% Positive Months	74.7%	66.1%
% Negative Months	25.3%	33.9%
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	5.3%	9.4%
Downside Deviation	4.1%	6.8%

## CORRELATIONS

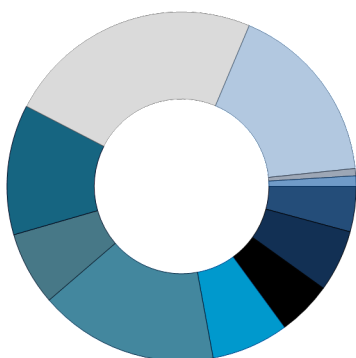
FTSE/JSE All Share Index	0.76	0.93
BESA All Bond Index	0.55	0.25

## 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 - 4.2%
Fairtree Equity Portfolio - 5.7%
Bateleur Equity Prescient Fund - 5.0%
Sygnia Absa Property Equity Fund - 7.1%
FutureGrowth Yield Enhanced Bond Fund - 16.6%
Coronation Strategic Income Fund - 6.8%
BCI Income Plus Fund - 12.1%
Sasfin BCI Flexible Income Fund - 23.7%
BlackRock Developed World Index Sub Fund - 17.0%
Nedbank USD Account - 0.7%
Cash - 1.0%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

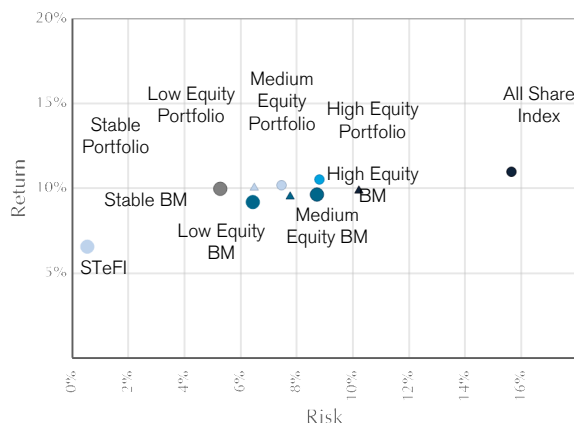
#### Calendar Years

	FUND	CPI + 3%	DIFFERENCE
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%
2022	2.9%	10.4%	-7.5%

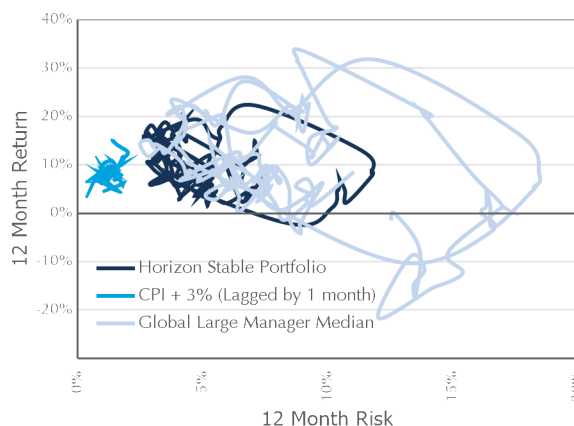
#### Periodic Performance

1 month	3.9%	0.6%	3.3%
3 month	6.9%	1.8%	5.2%
6 month	8.2%	4.3%	3.9%
Year to date	3.9%	0.6%	3.3%
1 year	8.0%	10.2%	-2.2%
2 year	10.6%	9.5%	1.1%
3 year	9.8%	8.4%	1.4%
5 year	8.8%	7.9%	0.9%
10 year	8.9%	8.2%	0.7%
Since Inception (back dated)	10.3%	8.6%	1.6%

## RISK/RETURN COMPARISON



## 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.