

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
9.3%	10.9%	9.0%	10.1%

True to form, the market sold in May as seasonal midyear volatility ticked up, with many factors contributing to the weak month. In addition to idiosyncratic geopolitical events, economic data surprises turned negative, US debt ceiling talks seasawed and European inflation expectations surged. It was not all negative, however, and US corporate earnings continued to surprise to the upside. In fact, positive-earnings surprises of this magnitude are unprecedented when entering a recession. Russian crude oil flows to Asia hit a record high even after output cuts were promised, causing oil prices to fall further. Chinese economics showed a strong consumer. In general, a weaker dollar and falling commodity prices have kicked off a broad-based disinflationary process among emerging markets, allowing more monetary stimulus – but not in South Africa. On top of load shedding troubles, South Africa got caught up in a secret arms deal scandal with Russia, jeopardising US trade relations.

Leading economic indicators point to a recession in the US. As the Fed's tightening campaign and US bank failures restrict the flow of bank credit through the economy, demand and demand-driven inflation will subside. Elevated goods inflation will face further tailwinds as sticky supply chain bottlenecks clear out. Lower inflation will make the Fed's job easier once the economy slows and unemployment rises in the second half of the year. The Fed is unlikely to panic and raise rates further (which would force the economy into a deep recession), but inflation is not going away in the short term. We thus remain positioned for a higher-for-longer scenario in terms of inflation and interest rates and, as a necessary by-product, volatility. A prolonged pause is likely to see a downgrade to earnings, but a global recession remains unlikely. The average duration of manufacturing cycles is 18 months, which suggests the US manufacturing downturn is nearing its end. The outlook in the rest of the world continues to improve. We remain bearish on the dollar – not because the US may lose its dominant reserve status, but because the Fed will accept higher US inflation, and recovering European and Chinese economies should lead to stronger rest of world growth.

The FTSE/JSE CAPPED SWIX Index decreased by 5.8%, Industrials were down 3.1% and Financials dropped by 7.9%. The JSE All Bond Index declined by 4.8%, while the rand depreciated by 8.4% relative to the US dollar.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	2.8%	0.1%	-2.2%	3.3%	3.1%	-0.1%	2.9%
2023	3.9%	0.3%	-0.2%	1.5%	-0.5%								5.0%

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 190

	FUND	LMM
Sharpe Ratio	-0.03	-0.05
Sortino Ratio	-0.04	-0.07

RISK ANALYSIS

	FUND	LMM
% Positive Months	74.2%	65.8%
% Negative Months	25.8%	34.2%
Best Month	5.5%	9.7%
Worst Month	-7.1%	-10.5%
Avg Negative Return	-1.0%	-1.9%
Maximum Drawdown	-9.3%	-23.8%
Standard Deviation	5.2%	9.3%
Downside Deviation	4.0%	6.7%

CORRELATIONS

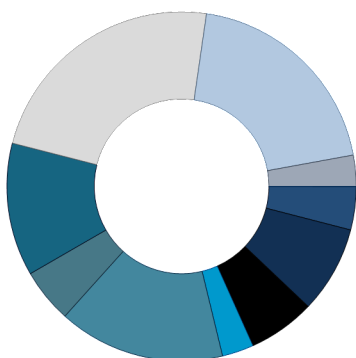
FTSE/JSE All Share Index	0.76	0.93
BESA All Bond Index	0.54	0.25

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 - 4.0%
- Fairtree Equity Portfolio - 8.1%
- Bateleur Equity Prescient Fund - 6.2%
- Sygnia Absa Property Equity Fund - 2.9%
- FutureGrowth Yield Enhanced Bond Fund - 15.4%
- Coronation Strategic Income Fund - 5.0%
- BCI Income Plus Fund - 12.3%
- Sasfin BCI Flexible Income Fund - 23.3%
- BlackRock Developed World Index Sub Fund - 19.8%
- Nedbank USD Account - 2.9%
- Cash - 0.0%

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PERFORMANCE ANALYSIS

PERFORMANCE

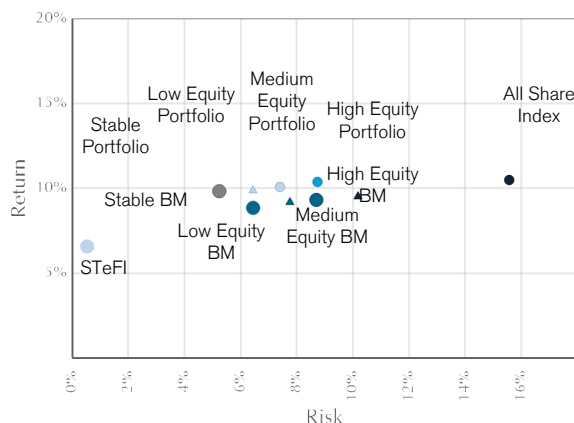
Calendar Years

	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%

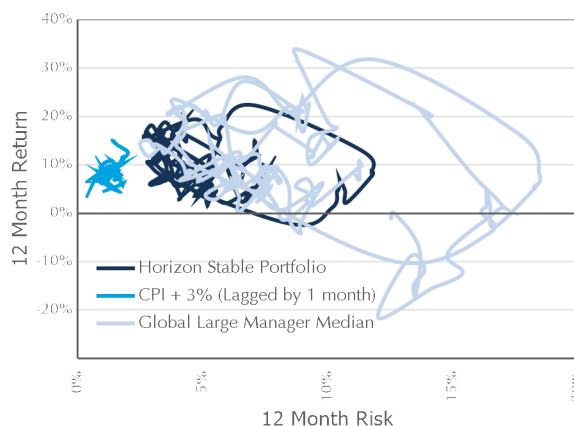
Periodic Performance

1 month	-0.5%	0.6%	-1.1%
3 month	0.7%	2.8%	-2.1%
6 month	4.8%	4.2%	0.7%
Year to date	5.0%	3.6%	1.3%
1 year	9.3%	9.8%	-0.5%
2 year	8.6%	9.4%	-0.8%
3 year	10.9%	8.7%	2.2%
5 year	9.0%	7.9%	1.1%
10 year	8.7%	8.1%	0.6%
Since Inception (back dated)	10.1%	8.7%	1.5%

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.