

Horizon Low Equity Portfolio

June 2023

The Horizon Low Equity 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 0.35%
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 |
|--------|--------|--------|-----------------|
| 14.1% | 10.6% | 8.6% | 10.2% |

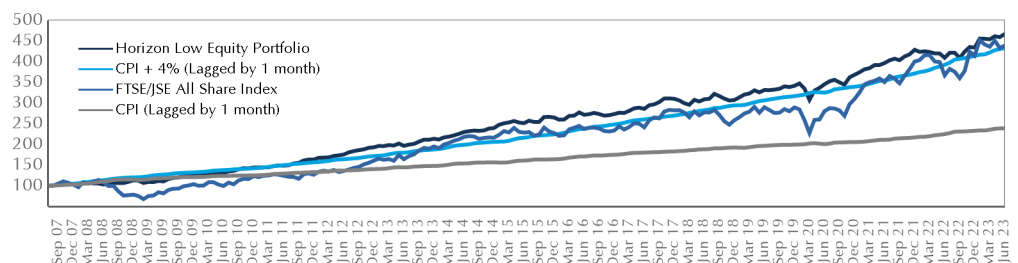
PERFORMANCE COMMENTARY

Markets performed well in June, buoyed by the raising of the US debt ceiling, falling energy prices and resilient economic growth – but this resilience will lead to higher inflation for longer and a longer pause in interest rate hikes by the Federal Reserve (the Fed). It is therefore important to focus on what global policymakers do, rather than on what they say. The Fed maintained a hawkish tone but did not raise rates in June. On the other side of the world, China's official policy of prioritising economic growth was reflected in yet another rate cut and further fiscal stimulus, causing the market to rally briefly. However, the market is not yet convinced there is sufficient stimulus to promote robust reflation. While global energy prices have fallen, the current Ukrainian counteroffensive unfortunately aggravates geopolitical risk. If significant territorial shifts occur and Russia loses major ground, Russia may intensify its military pressure and further cut commodity exports. The Wagner group's push towards Moscow increases this risk.

Investor sentiment has surged to its highest level since late 2021, as evidenced by the CNN risk appetite indicator, which is sitting in extreme-greed territory. This suggests that equities are due for a correction, but a deep correction is not expected. The short-term outlook is dominated by two risks: China's policy support and the Fed's rhetoric on inflation. Further negative news on either of these fronts could be a catalyst for a pullback in equity markets. That said, there are reasons to believe that should a US recession occur, it will be a shallow one. First, there are no major imbalances or debt build-ups in corporates or individuals. Second, high cash balances have put a floor under household wealth. Third, the US regional banking system remains contained. And fourth, inflation is continuing to fall. BCA estimate that with inflation below 4%, real earnings will turn positive and a US earnings rebound in 2H is likely. In China, small steps are already being made to increase policy support. Absent a major escalation in geopolitical risk in the Ukraine or elsewhere, earnings should continue to grow this year, supporting equities. However, the lagged impacts of higher interest rates could take their toll next year.

The FTSE/JSE CAPPED SWIX Index increased by 3.8%, Industrials were up 3.7% and Financials climbed by 11.4%. The JSE All Bond Index improved by 4.6%, while the rand appreciated by 4.7% relative to the US dollar.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|-------|-------|-------|-------|-------|-------|------|------|-------|-------|-------|-------|--------------|
| 2019 | 2.1% | 2.1% | 0.8% | 2.4% | -1.5% | 1.7% | 0.0% | 0.4% | 0.6% | 1.7% | -0.4% | 0.9% | 11.2% |
| 2020 | 1.7% | -3.6% | -8.2% | 7.3% | 2.0% | 2.6% | 2.1% | 1.0% | -1.7% | -1.6% | 5.1% | 1.7% | 7.8% |
| 2021 | 1.7% | 1.9% | 0.7% | 2.0% | 0.1% | 1.2% | 1.7% | 0.9% | -0.8% | 2.2% | 1.3% | 2.6% | 16.4% |
| 2022 | -1.2% | 0.3% | -0.4% | -0.8% | -0.1% | -2.5% | 2.9% | 0.1% | -3.0% | 3.8% | 2.6% | -0.3% | 1.2% |
| 2023 | 5.0% | -0.1% | -0.3% | 1.6% | -0.4% | 1.7% | | | | | | | 7.6% |

FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 191

| | FUND | LMM |
|---------------|-------|-------|
| Sharpe Ratio | -0.01 | -0.04 |
| Sortino Ratio | -0.02 | -0.06 |

RISK ANALYSIS

| | FUND | LMM |
|---------------------|--------|--------|
| % Positive Months | 67.5% | 66.0% |
| % Negative Months | 32.5% | 34.0% |
| Best Month | 7.3% | 9.7% |
| Worst Month | -8.2% | -10.5% |
| Avg Negative Return | -1.1% | -2.0% |
| Maximum Drawdown | -11.4% | -23.8% |
| Standard Deviation | 6.4% | 9.3% |
| Downside Deviation | 4.6% | 6.7% |

CORRELATIONS

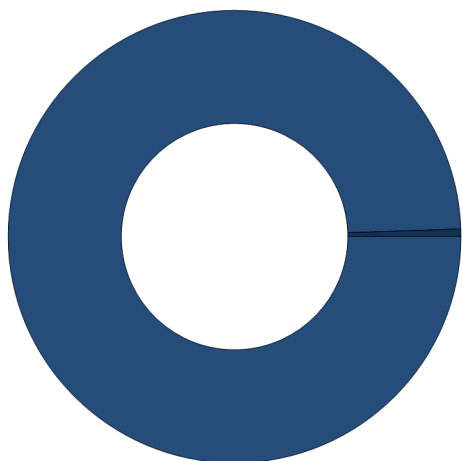
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|--------------------------|------|------|
| FTSE/JSE All Share Index | 0.79 | 0.93 |
| BESA All Bond Index | 0.39 | 0.25 |

MARKET STRESS MONTHS

| | FUND | ALSI |
|----------------|-------|--------|
| September 2008 | -0.2% | -13.2% |
| October 2008 | -0.1% | -11.6% |
| February 2009 | -5.0% | -9.9% |
| March 2020 | -8.2% | -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 Preservation Fund - 99.5%
 Cash - 0.5%

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PERFORMANCE ANALYSIS

PERFORMANCE

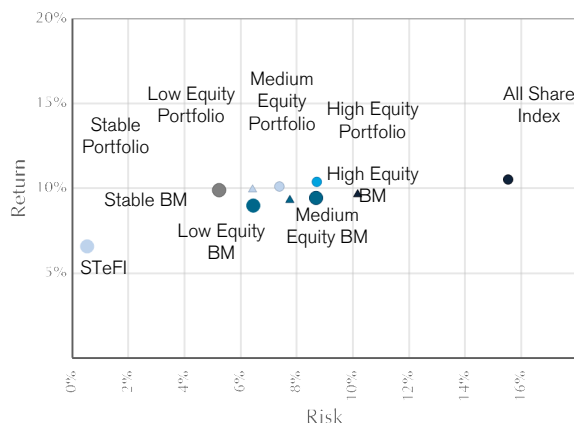
Calendar Years

| | FUND | CPI + 4% | DIFFERENCE |
|------|-------|----------|------------|
| 2017 | 13.5% | 8.6% | 4.9% |
| 2018 | -0.9% | 9.2% | -10.1% |
| 2019 | 11.2% | 7.6% | 3.6% |
| 2020 | 7.8% | 7.2% | 0.6% |
| 2021 | 16.4% | 9.5% | 6.9% |
| 2022 | 1.2% | 11.4% | -10.2% |

Periodic Performance

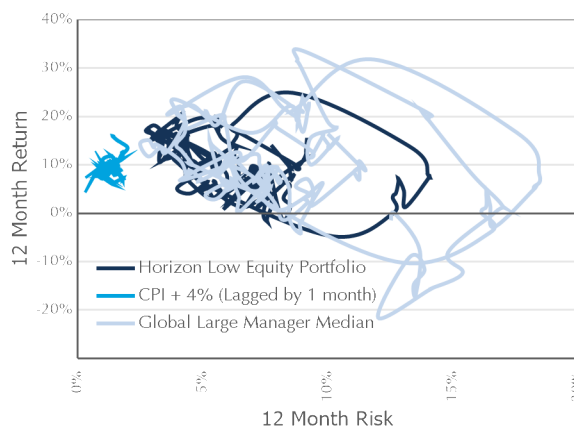
| | | | |
|------------------------------|-------|-------|-------|
| 1 month | 1.7% | 0.5% | 1.2% |
| 3 month | 2.9% | 2.5% | 0.4% |
| 6 month | 7.6% | 4.6% | 3.1% |
| Year to date | 7.6% | 4.6% | 3.1% |
| 1 year | 14.1% | 10.3% | 3.8% |
| 2 year | 8.5% | 10.4% | -1.9% |
| 3 year | 10.6% | 10.0% | 0.6% |
| 5 year | 8.6% | 8.9% | -0.3% |
| 10 year | 9.0% | 9.2% | -0.1% |
| Since Inception (back dated) | 10.2% | 9.6% | 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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