

# Horizon High Equity Portfolio

August 2023

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
14.1%	11.7%	8.6%	10.4%

## PERFORMANCE COMMENTARY

Markets declined in August before recovering slightly. Tensions heightened after Fitch downgraded the US credit rating, driving US real bond yields to their highest level since 2009. European natural gas prices shot up by nearly 40% due to potential disruptions in the global supply of liquefied natural gas from Australia. Concurrently, oil prices reached a nine-month peak, further intensifying overarching inflation concerns.

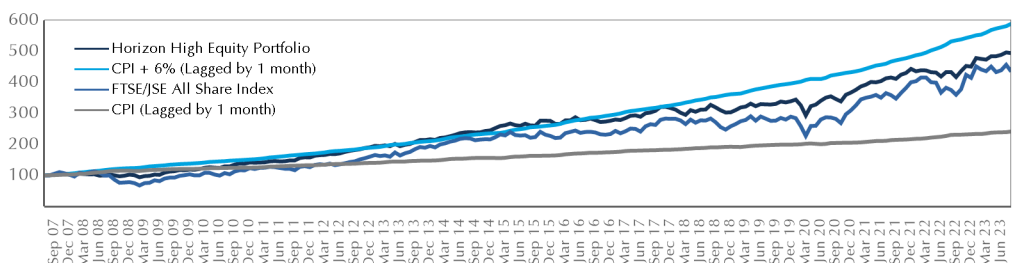
The Chinese economy remains of concern. In response to escalating concerns over deflationary pressures and a sagging property market, Chinese authorities intensified their yuan interventions to prevent swift depreciation, and the People's Bank of China announced cuts to its mortgage rates for the first time since the great financial crisis – but the market believes further stimulus is required. President Xi attended the BRICS summit in Johannesburg, where membership was expanded from five to eleven nations as top oil exporter Saudi Arabia joined the bloc along with Iran, Egypt, Argentina, Ethiopia and the United Arab Emirates in an ambitious push to expand global influence.

In the US, remarkable consumer endurance has maintained inflation above the 2% mark, prompting the US Federal Reserve to again underscore its commitment to curtail it. Trump was booked on felony charges in Georgia and his mug shot went viral along with his popularity, highlighting the US presidential elections on the horizon.

The US remains resilient, and a cyclical manufacturing turnaround is possible. The tailwinds suggest good news over the coming months, but history suggests that the aggressive monetary tightening of the past year will eventually lead to an economic slowdown. While we expect inflation to remain sticky, it will fall along with growth as excess savings from Covid run out and China continues to export deflation. This is bullish for bonds and the dollar. As the global economy is not out of the woods quite yet, we remain cautiously positioned.

The FTSE/JSE CAPPED SWIX Index decreased by 4.8%, Industrials were down 5.1% and Financials dropped by 1.8%. The JSE All Bond Index declined by 0.2%, while the rand depreciated by 6.5% relative to the US dollar.

## CUMULATIVE RETURNS



## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<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%	3.8%	-0.5%	<b>1.6%</b>
<b>2023</b>	6.1%	-0.6%	-0.5%	2.3%	0.0%	0.9%	1.6%	-0.5%					<b>9.6%</b>

## FUND SUMMARY

Inception (back dated):	01-Aug-07	
Number of Months	193	
	<b>FUND</b>	<b>LMM</b>
Sharpe Ratio	0.04	-0.05
Sortino Ratio	0.06	-0.07

## RISK ANALYSIS

	<b>FUND</b>	<b>LMM</b>
% Positive Months	65.3%	65.8%
% Negative Months	34.7%	34.2%
Best Month	10.2%	9.7%
Worst Month	-10.1%	-10.5%
Avg Negative Return	-1.7%	-1.9%
Maximum Drawdown	-14.8%	-23.8%
Standard Deviation	8.7%	9.3%
Downside Deviation	5.9%	6.7%

## CORRELATIONS

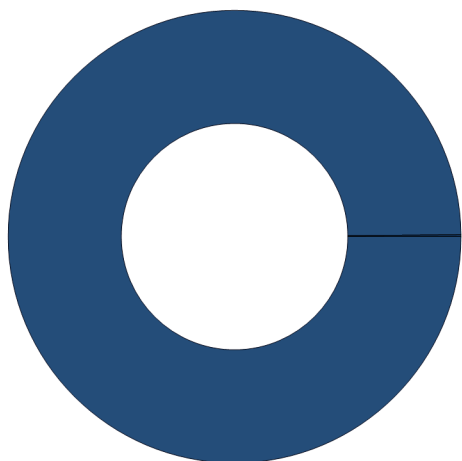
FTSE/JSE All Share Index	0.87	0.92
BESA All Bond Index	0.30	0.25

## MARKET STRESS MONTHS

	<b>FUND</b>	<b>ALSI</b>
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



Horizon Multi Managed Diversified Growth Fund - 99.9%  
Cash - 0.1%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

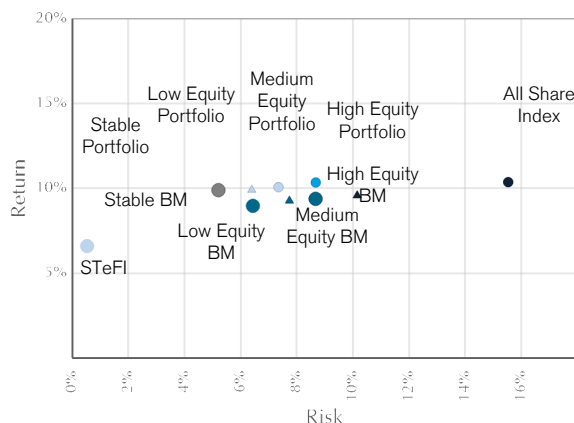
#### Calendar Years

	<b>FUND</b>	<b>CPI + 6%</b>	<b>DIFFERENCE</b>
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%
2022	1.6%	13.4%	-11.8%

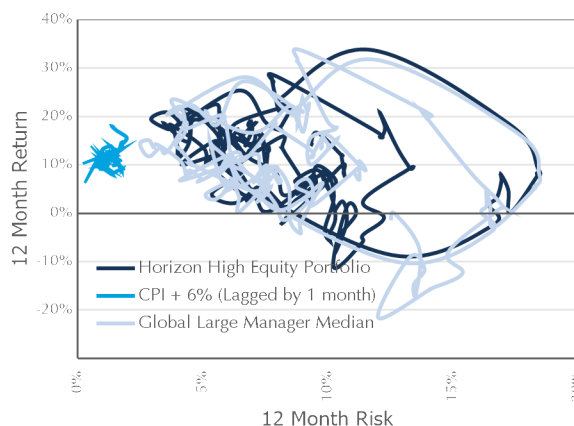
#### Periodic Performance

1 month	-0.5%	1.4%	-1.8%
3 month	2.0%	2.7%	-0.7%
6 month	3.9%	6.3%	-2.4%
Year to date	9.6%	7.6%	2.0%
1 year	14.1%	10.7%	3.3%
2 year	9.0%	12.3%	-3.3%
3 year	11.7%	11.7%	-0.1%
5 year	8.6%	10.9%	-2.3%
10 year	9.4%	11.1%	-1.8%
Since Inception (back dated)	10.4%	11.7%	-1.2%

## RISK/RETURN COMPARISON



## 12 MONTHS RISK/RETURN SNAIL TRAIL



## FAIS Notice and Disclaimer:

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