

# Horizon Stable Portfolio

July 2023

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
12.9%	10.8%	9.3%	10.2%

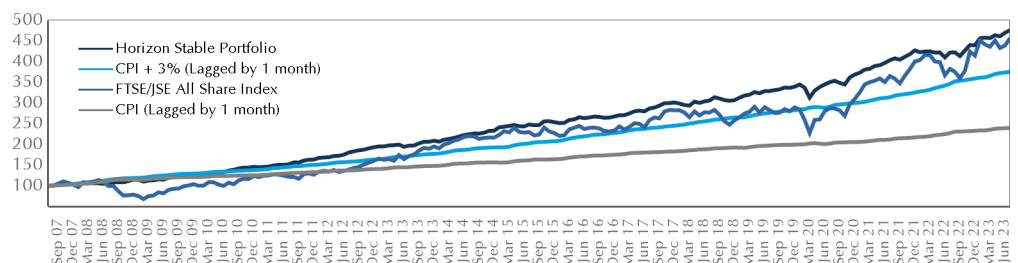
## PERFORMANCE COMMENTARY

Global markets rallied on more good news about inflation and the prospects of a soft landing. The International Monetary Fund's July World Economic Outlook was slightly more upbeat than April, with global growth revised up to 3% for 2023 and 2024. Inflation is coming down and should continue to do so (though not in a straight line). This is positive for markets, as it suggests that central banks may not need to raise interest rates as aggressively as expected. Copper confirmed the stronger economic growth prospects by rising to a two-month high, and the US dollar index weakened to below the key 100 level as investors priced in faster rate cuts next year. The United Nations warned of soaring global public debt, which reached a record \$92 trillion – the consequence of vicious public debt growth through Covid is that 3.3 billion people now live in countries where interest payments exceed spending on healthcare or education. The rate hikes over the last year will take effect eventually, and investor outlook on the market is at its most divided in twenty years.

The outlook for markets is uncertain. China's reduced demand for capital investment relative to available domestic savings has pushed domestic interest rates to low levels and reduced pricing power, making China a source of global deflationary pressure. This has been good for global inflation, as the price of imported Chinese goods has fallen. The good news on inflation is a positive sign, and markets may rally further in the coming months before the lagged impacts of tightening take effect. However, the short-term resilience we anticipated in the US is likely coming to an end. The stock of excess household savings built up during the pandemic should be exhausted in the next few months, and consumer credit growth peaked eight months ago. Thirty-day delinquency rates for credit cards and home equity lines of credit are also rising. The outlook has never been so divided, but inflation appears to be under control and growth remains resilient. The developed world economy will slow towards the end of the year. The biggest risk is that as inflation and growth slow enough for rate cuts to begin, renewed geopolitical risks will push up energy and food prices and force rate hikes, crushing the globe into a deep recession.

The FTSE/JSE CAPPED SWIX Index increased by 4.1%, Industrials were up 2.8% and Financials rose by 7.9%. The JSE All Bond Index climbed by 2.3%, while the rand appreciated by 5.9% 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>	2.0%	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%	3.3%	3.1%	-0.1%	<b>2.9%</b>
<b>2023</b>	3.9%	0.3%	-0.2%	1.5%	-0.5%	1.8%	1.4%						<b>8.3%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 192

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

## RISK ANALYSIS

	FUND	LMM
% Positive Months	74.5%	66.1%
% Negative Months	25.5%	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	5.2%	9.3%
Downside Deviation	4.0%	6.7%

## CORRELATIONS

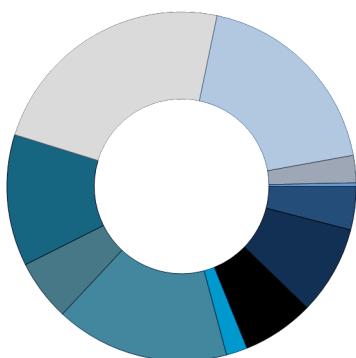
FTSE/JSE All Share Index	0.76	0.92
BESA All Bond Index	0.54	0.25

## 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 - 8.2%
Bateleur Equity Prescient Fund - 6.7%
Sygnia Absa Property Equity Fund - 1.9%
FutureGrowth Yield Enhanced Bond Fund - 16.1%
Coronation Strategic Income Fund - 5.7%
BCI Income Plus Fund - 12.2%
Sasfin BCI Flexible Income Fund - 23.5%
BlackRock Developed World Index Sub Fund - 18.9%
Nedbank USD Account - 2.5%
Cash - 0.3%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

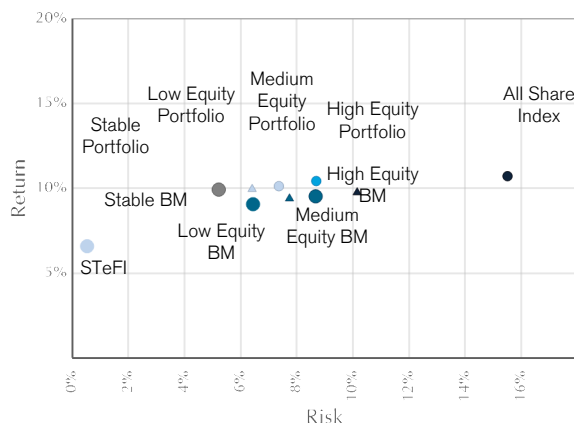
#### Calendar Years

	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%

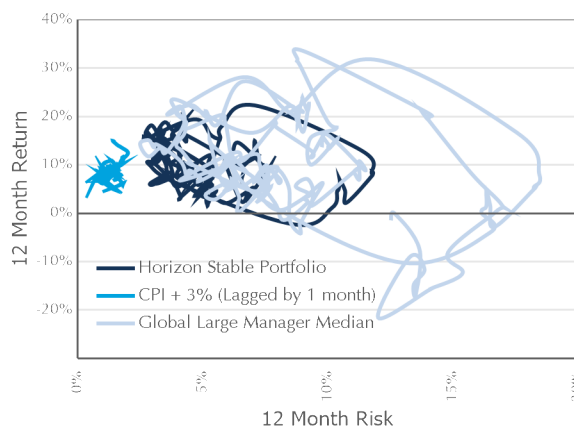
#### Periodic Performance

1 month	1.4%	0.4%	0.9%
3 month	2.7%	1.5%	1.2%
6 month	4.3%	3.9%	0.4%
Year to date	8.3%	4.5%	3.8%
1 year	12.9%	8.4%	4.5%
2 year	8.7%	9.4%	-0.7%
3 year	10.8%	8.9%	1.9%
5 year	9.3%	7.9%	1.4%
10 year	9.2%	8.2%	1.1%
Since Inception (back dated)	10.2%	8.6%	1.6%

## RISK/RETURN COMPARISON



## 12 MONTHS RISK/RETURN SNAIL TRAIL



## FAIS Notice and Disclaimer:

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