

# Horizon Stable Portfolio

November 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
11.5%	10.7%	9.9%	10.2%

## PERFORMANCE COMMENTARY

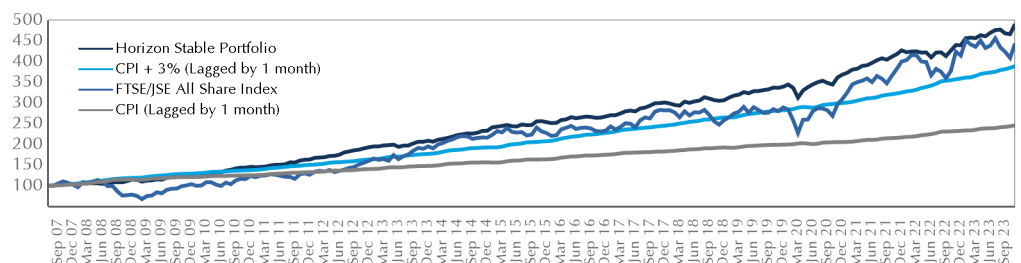
Markets bounced strongly in November, with the Nasdaq up more than 10%, fuelled by signs of easing inflation and a potentially softening US labour market. Markets are finally seeing the end of the Federal Reserve's aggressive monetary tightening after it had raised rates by a cumulative 5.25 percentage points since March 2022, pushing mortgage rates to their highest level in two decades. Similarly, global growth was expected to slow to 2.1% in 2023, its lowest level since the 2008–09 financial crisis, but the most anticipated US recession of all time did not arrive, and 2023 growth is expected to be 2.9%. The markets are experiencing a Goldilocks period of slowing (but non-recessionary) growth and falling inflation. However, the risk of a global recession in 2024 has increased, as central banks around the world have raised interest rates to combat inflation.

We expect the high-interest rate Table Mountain scenario to continue until the second half of 2024, tempered by slower growth and falling inflation. Inflation will fall on the back of reduced supply-bottlenecks, China's export of deflation, and strong, improved labour productivity. Growth will be supported by a robust consumer and a continuation of manufacturing green shoots. The US will thus avoid a recession. Global growth is predicted to reach 3.2% in 2024, but challenges like China's property slump and high rates keep our focus on developed markets. Key risks for 2024 include:

Risk of recession: High debt and rising interest rates could spark a recession, impacting stock markets and corporate earnings.  
Geopolitical tensions: Escalating conflicts among major nations could lead to trade wars or military disputes, affecting the global economy and increasing inflation.  
Political changes: The 2024 elections, particularly in the US and South Africa and Taiwan's 13 January election, may bring significant market impacts as a result of shifts in political dynamics.  
Extreme weather threats: Climate change is leading to severe weather events, with significant disruptions to global supply chains possible.  
Technological risks: Advancements in large language models offer benefits but also pose risks, especially in spreading misinformation.

The FTSE/JSE CAPPED SWIX Index increased by 8.3%, Industrials were up by 10.5% and Financials jumped by 8.7%. The JSE All Bond Index improved by 4.7%, while the rand depreciated by 1.1% 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%	0.3%	-1.9%	-0.4%	5.2%		<b>11.6%</b>

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 196

	FUND	LMM
Sharpe Ratio	-0.01	-0.05
Sortino Ratio	-0.02	-0.07

## RISK ANALYSIS

	FUND	LMM
% Positive Months	74.0%	65.3%
% Negative Months	26.0%	34.7%
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	5.3%	9.4%
Downside Deviation	4.0%	6.6%

## CORRELATIONS

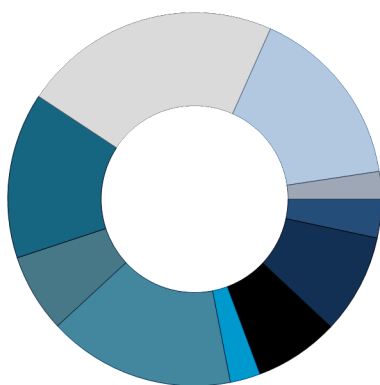
FTSE/JSE All Share Index	0.76	0.92
BESA All Bond Index	0.56	0.27

## 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 - 3.3%
- Fairtree Equity Portfolio - 8.6%
- Bateleur Equity Prescient Fund - 7.3%
- Sygnia Absa Property Equity Fund - 2.6%
- FutureGrowth Yield Enhanced Bond Fund - 16.2%
- Coronation Strategic Income Fund - 6.8%
- BCI Income Plus Fund - 14.4%
- Sasfin BCI Flexible Income Fund - 22.4%
- BlackRock Developed World Index Sub Fund - 15.9%
- Nedbank USD Account - 2.4%

## FOR MORE INFORMATION CONTACT:

Sasfin Asset Managers FSP Number 21664  
 Sasfin Place | 29 Scott Street | Waverley | 2090  
 Tel | +27 (0)11 809 7592/ 7525  
 Fax | +27 (0) 86 720 1258  
 Email | sasfinassetmanagers@sasfin.com

## PERFORMANCE ANALYSIS

### PERFORMANCE

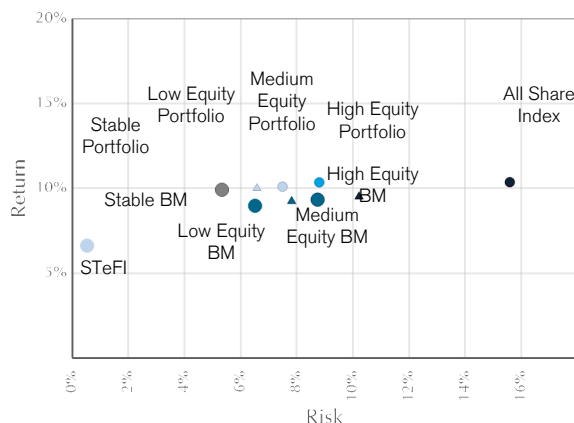
#### Calendar Years

	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

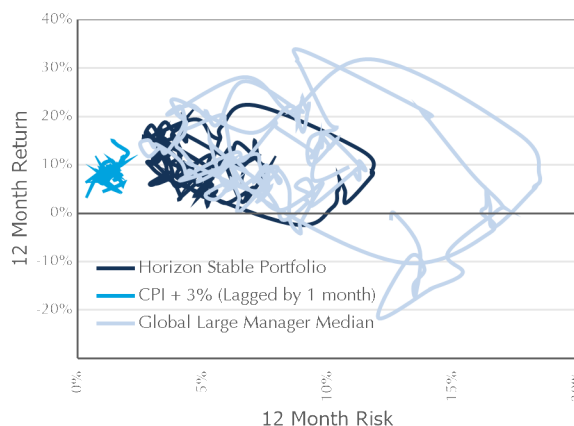
1 month	5.2%	1.1%	4.1%
3 month	2.8%	2.5%	0.3%
6 month	6.4%	4.6%	1.8%
Year to date	11.6%	8.4%	3.3%
1 year	11.5%	8.9%	2.6%
2 year	8.4%	9.8%	-1.4%
3 year	10.7%	9.2%	1.5%
5 year	9.9%	8.1%	1.9%
10 year	9.0%	8.2%	0.8%
Since Inception (back dated)	10.2%	8.7%	1.6%

## 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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