

# Horizon Low Equity Portfolio

October 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
8.3%	10.1%	8.1%	9.8%

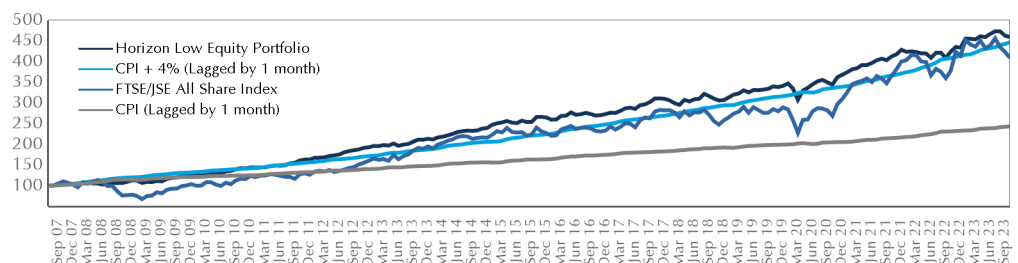
## PERFORMANCE COMMENTARY

The Hamas attack and Israel's response to it have taken a heavy human toll, and more lives will be lost if the war spreads. The war introduces a new geopolitical risk for global investors, on top of the ongoing Russian-Ukraine war, and increases the probability of higher oil prices driving markets into recession. The US 10-year bond yield, a key benchmark for global interest rates, soared over 5% to its highest level since 2007, pushing the US dollar to one-year highs. This is a sign of growing investor angst as geopolitical risks rise and central banks are forced to maintain tight monetary policy due to higher-for-longer inflation. The International Monetary Fund has lifted its global inflation forecast for 2024, with inflation remaining above central bank targets until 2025. The sharp rise in bond yields and the overall tightening in financial conditions since August is equivalent to approximately 0.75% of Fed rate hikes, allowing the Fed to not hike rates. Global growth has stabilised, with the US remaining resilient, Chinese activity surprising to the upside and tentative signs of a European manufacturing recovery. Thus, while bond yields are showing more value, we are in a higher-for-longer world, which includes higher normalised bond yields. Bond proxies such as Healthcare, Utilities and Staples have been hurt alongside bond prices, but gold rallied close to record highs of USD2 000 an ounce as a geopolitical safe haven and bitcoin surged in the month, rising above USD35 000 on speculation of the first US spot bitcoin ETF being approved in the coming weeks.

Brenthurst political polls show the ANC's support dropping from 47% to 41% over the past year against a backdrop of an infrastructure and service delivery crisis. The Medium Term Budget Policy Statement was announced, with Finance Minister Enoch Godongwana declaring "Our public finances are significantly weaker." South Africa's debt-to-GDP has risen 47.2% over the last 15 years, compared to the average emerging market increase of 22.7%. With higher interest rates, this has driven the share of government expenses on interest payments to unsustainable levels.

Our base case remains a soft landing. While the latest data point to stronger US households and business, geopolitical risks remain high, so we prefer to remain conservatively positioned. The FTSE/JSE CAPPED SWIX Index decreased by 2.9%, Industrials were down by 4.6% and Financials dropped by 2.2%. The JSE All Bond Index increased by 1.7%, while the rand appreciated by 0.5% 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%	1.4%	0.0%	-2.2%	-0.7%			5.9%

## FUND SUMMARY

Inception (back dated): 01-Aug-07

Number of Months 195

	FUND	LMM
Sharpe Ratio	-0.06	-0.09
Sortino Ratio	-0.08	-0.13

## RISK ANALYSIS

	FUND	LMM
% Positive Months	66.7%	65.1%
% Negative Months	33.3%	34.9%
Best Month	7.3%	9.7%
Worst Month	-8.2%	-10.5%
Avg Negative Return	-1.1%	-1.9%
Maximum Drawdown	-11.4%	-23.8%
Standard Deviation	6.4%	9.3%
Downside Deviation	4.6%	6.6%

## CORRELATIONS

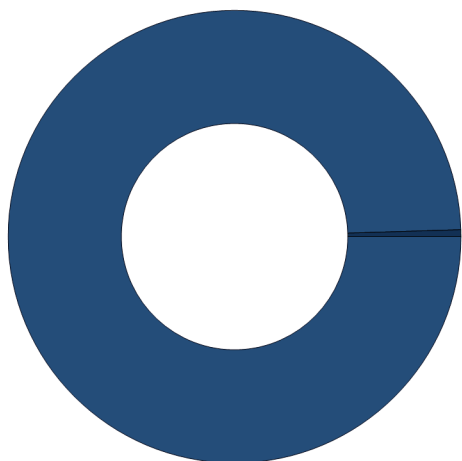
FTSE/JSE All Share Index	0.79	0.92
BESA All Bond Index	0.40	0.26

## 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%

## FOR MORE INFORMATION CONTACT:

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## PERFORMANCE ANALYSIS

### PERFORMANCE

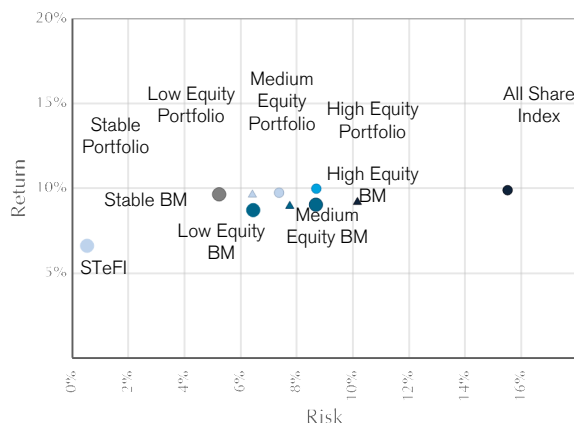
#### Calendar Years

	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

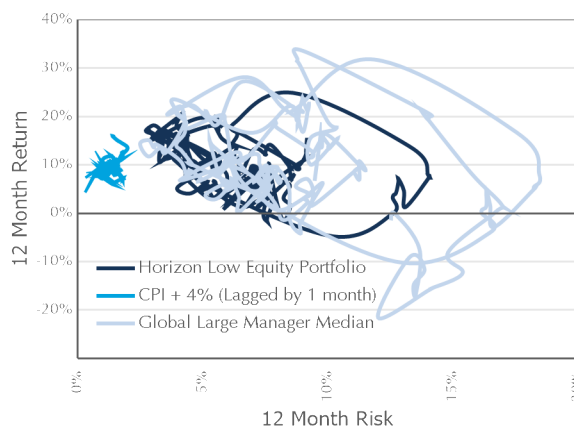
1 month	-0.7%	0.9%	-1.7%
3 month	-2.9%	2.8%	-5.7%
6 month	-0.4%	4.5%	-4.9%
Year to date	5.9%	8.0%	-2.1%
1 year	8.3%	9.4%	-1.1%
2 year	5.5%	10.4%	-4.9%
3 year	10.1%	9.9%	0.1%
5 year	8.1%	9.0%	-0.8%
10 year	8.1%	9.2%	-1.1%
Since Inception (back dated)	9.8%	9.7%	0.2%

## 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



## FAIS Notice and Disclaimer:

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