

October 2020

**ASISA Category** SA Multi Asset High Equity

**Portfolio Manager** Sasfin Asset Managers

**Launch Date** 01-Dec-2012

**Benchmark** SA Multi Asset High Equity Category Average

## Portfolio Description

The portfolio is managed as a core-satellite portfolio, combining active management and index investment strategies. The core of the portfolio is invested in passively-managed portfolios, while the satellites are invested in actively-managed, "high-alpha" portfolios. This portfolio is aimed at investors with a long term investment horizon. It has an inflation objective of CPI plus 6% over any rolling 6 year period.

The asset composition of the fund is compliant with Regulation 28 of the pension Funds Act of 1956.

The actual asset allocation of the portfolio may vary from strategic asset allocation due to market movement or tactical asset allocation decisions made from time to time by Sasfin Asset Managers.

## Investment Objective

The Fund aims to provide investment income and capital growth over the long term through investing primarily in local and international equity, fixed interest and cash instruments. The fund is optimized to have the highest probability of meeting the real return target over a 6 year investment period while minimising volatility. The Fund is actively managed by a combination of leading investment managers and value is added through specialist manager expertise and allocation skills.

## Manager Weightings

| Fund Managers                   | Weights        |
|---------------------------------|----------------|
| Dibanisa ALSI Tracker           | 8.80%          |
| Bateleur Equity                 | 7.00%          |
| Sasfin BCI Opportunity Equity   | 8.70%          |
| Fairtree Equity Fund            | 10.80%         |
| Absa Property                   | 6.10%          |
| Coronation Strategic Income     | 4.70%          |
| Sasfin BCI Flexible Income Fund | 15.40%         |
| Futuregrowth Bond               | 11.00%         |
| BCI Income Plus Fund            | 0.80%          |
| BlackRock Worldwide Core        | 24.70%         |
| StateStreet Global Cash         | 2.00%          |
| <b>Total</b>                    | <b>100.00%</b> |

## Risk Profile

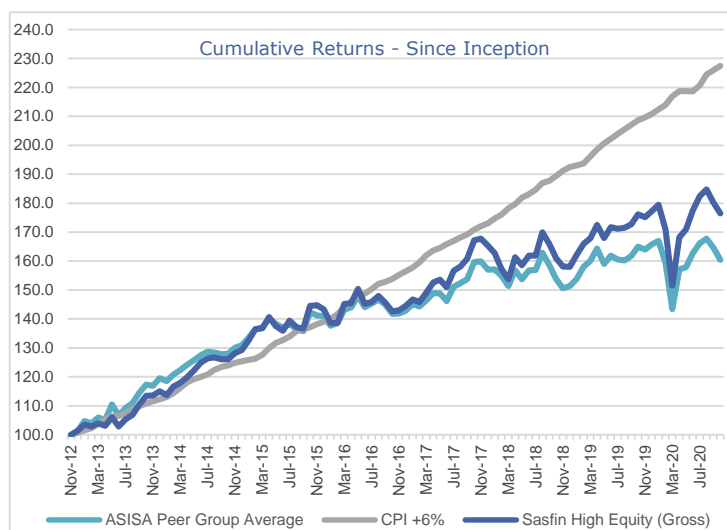


## Minimum Recommended Investment Term

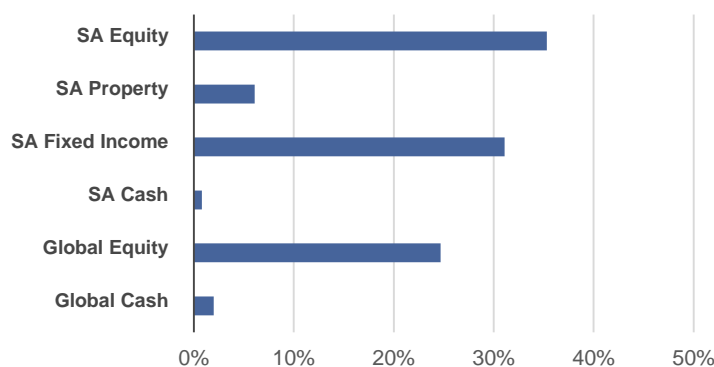


## Performance vs Benchmark

|                                       | 1 Year | 3 Year | 5 Year | Since Inception |
|---------------------------------------|--------|--------|--------|-----------------|
| <b>Portfolio Return (Gross)</b>       | 0.1%   | 1.8%   | 4.1%   | 7.4%            |
| <b>Portfolio Return (Net)</b>         | -0.4%  | 1.2%   | 3.5%   | 6.9%            |
| <b>ASISA Peer Group Average (Net)</b> | -2.8%  | 0.2%   | 2.4%   | 6.2%            |



## Asset Allocation



## Monthly Commentary

A fresh wave of COVID-19 cases spreading across Europe at an alarming rate led German, French, British, Irish, Austrian and Belgium governments to implement economic shutdowns across their respective regions. Socialising will be curtailed significantly as bars and restaurants will be shut. Fearful of the economic fallout that will ensue these nationwide lockdowns, markets sold-off with European markets the hardest hit. The two major European indices, the FTSE 100 Index and the STOXX Europe 50 index declined by 5% and 8% respectively ending the month in negative territory.

The US has also experienced a rise in COVID-19 cases but fear of this new wave is not the only thing that has spooked the markets into action. Talks of additional stimulus being passed by the US congress continue to fail and the 3rd of the November marks the US presidential election which brings its own set of anxiety and fearmongering. The culmination of these fears saw the US benchmark index, the S&P500, end the month down by 3%. Even Big Tech was unable to stop fear and uncertainty growing inside the psyche of market participants. Despite releasing stellar results for the quarter, be it blockbuster e-commerce sales by Amazon, a return to growth in advertising revenue by Alphabet or double-digit growth in cloud revenue from Amazon, Alphabet and Microsoft, Big Tech shares still sold-off as the tech-heavy Nasdaq ended the month 2% lower.

South African equities could not escape the global sell-off as the JSE All Share Index ended the month down 5%. Resources in particular, which have had strong gains over recent months, were down sharply as the JSE Resources Index declined 11% during month. South African Finance Minister Tito Mboweni delivered South's Africa's Medium-Term Budget Policy Statement during the month of October. Creating cause for concern over the South African economy would be the projection of low economic growth over the medium term, South Africa's public debt levels as a percentage of its gross domestic product rising from 58% to over 90% and rising off-balance sheet government liabilities with support continuing to be offered for ailing state owned entities.

## Top 10 Holdings

|                              |       |
|------------------------------|-------|
| Naspers Ltd                  | 4.20% |
| Eskom Ltd                    | 1.80% |
| Investec Ltd                 | 1.60% |
| Nedbank                      | 1.50% |
| First Rand Bank              | 1.50% |
| Prosus                       | 1.40% |
| Anglo American Plc           | 1.40% |
| African Bank Ltd             | 1.30% |
| Impala Platinum Holdings Ltd | 1.20% |
| BHP Group Plc                | 1.20% |

## Fees

**Investment managers** Up to 0.35%

**Platform** Up to 0.11%

Fees are quoted per annum and excluding VAT. The investment manager fees are based on strategic weightings and may vary from time to time. The portfolio may include investment managers with performance fee structures. This may result in higher overall fees, but only when performance targets agreed have been exceeded. Details of performance fees paid to underlying managers over the previous calendar year will be provided to clients on request.

## Contact Details

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## Notes and Disclaimer

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