

March 2022

**ASISA Category** SA Multi Asset High Equity

**Portfolio Manager** Johan Gouws

**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
Bateleur Equity	9.23%
Sasfin BCI Opportunity Equity	5.96%
Sasfin BCI AI Equity Fund	0.88%
Top 40	9.24%
Fairtree Prescient Equity	13.34%
Absa Property	8.26%
Coronation Strategic Income	1.23%
Sasfin BCI Flexible Income Fund	12.64%
BCI Income Plus Fund	0.09%
Managed Cash	2.98%
USD Cash	1.05%
Sygnia Itrix S&P Global 1200 ESG ETF	7.02%
Vanguard World	17.34%
Domestic Bonds	10.73%
<b>Total</b>	<b>100.0%</b>

## Risk Profile

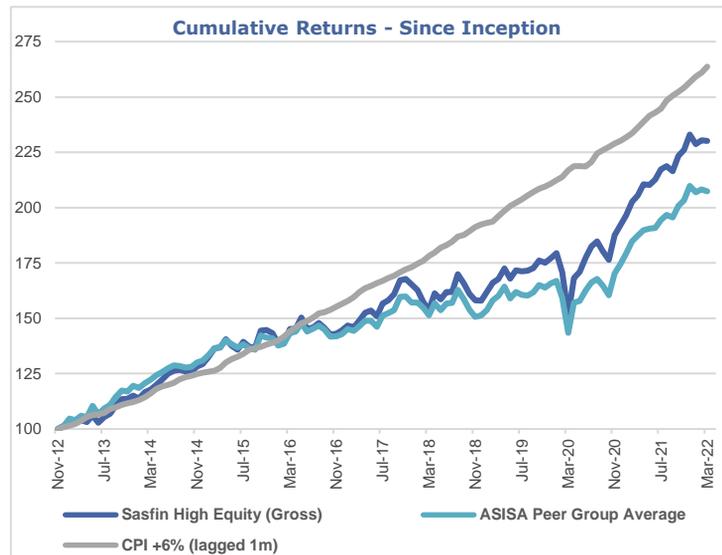


## Minimum Recommended Investment Term

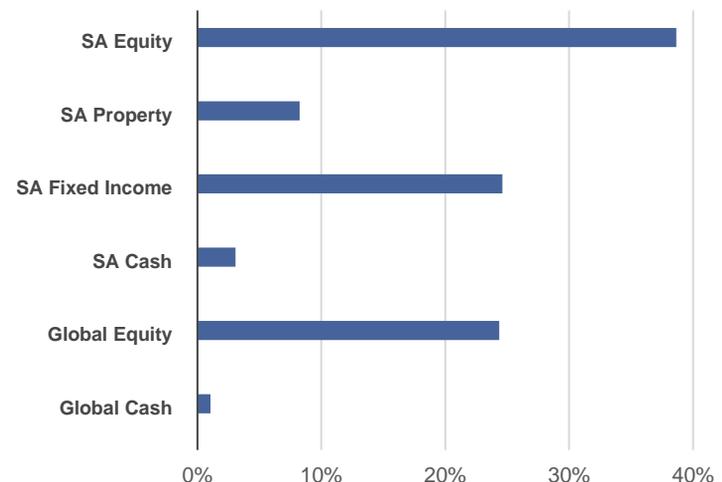


## Performance vs. Benchmark

	1 Year	3 Year	5 Year	Since Inception
<b>Portfolio Return (Gross)</b>	11.9%	11.1%	9.1%	9.3%
<b>Portfolio Return (Net)</b>	11.6%	10.6%	8.5%	8.8%
<b>ASISA Peer Group Average (Net)</b>	10.7%	9.0%	7.2%	8.1%



## Asset Allocation



## Monthly Commentary

Central banks, surging prices and global investor enthusiasm for China were all part of the global landscape, against the horrific backdrop of the Russia-Ukraine war. President Putin's invasion quickly ousted Covid as public enemy number one, forcing analysts worldwide to hastily recalibrate their global macro-economic stance.

In the US, the Federal Open Market Committee (FOMC) raised rates by 25 bps to 0.5%, in the first hike since 2018 and ramped up its projections of rate hikes to seven overall in 2022 with an additional three to four in 2023.

Financial markets responded to the Russian-Ukraine war atrocities with a dramatic sell-off across risk assets and sanctions from the West. This is important because Russia is the world's third largest exporter of oil. Europe buys around 60% of Russia's oil exports, and as Western powers put more pressure on the Russian energy economy in recent weeks, oil reached its highest level since 2008 (\$140 per barrel) in March.

Meanwhile in China, stocks entered their deepest bear market since 2008 as concerns about the country's ties with Russia, a surge in Covid cases and continued regulatory pressure on the technology sector sent shares on a downward spiral. China's state council has pledged to keep Chinese capital markets stable, support overseas stock listings, work with the US, address the fragile property development sector and end Big Tech regulations. The economy registered strong, above-expectation growth in the first two months of 2022.

Locally, the silver lining is that inflation pressures are muted. The Reserve Bank's monetary policy committee (MPC) hiked the repo rate by a further 25bps to 4.25%. While the SARB will continue to raise rates, they are unlikely to do so too quickly. The strong rand is currently outperforming other emerging market (EM) currencies significantly on the back of higher commodity prices, and will likely help cushion the blow of rising oil prices. The FTSE/JSE SWIX Index climbed 1.4%, Industrials were down 4.9% and Financials soared 12.2%. The JSE All Bond Index increased 0.5%, while the rand appreciated by 5.4% relative to the US dollar.

## Notes and Disclaimer

- While every effort is taken to ensure the accuracy of the information contained herein, Sasfin shall not be liable for any errors or omissions and disclaims any responsibility for any action which may be taken based on such information.
- While historical data and reasonable market related assumptions have been used in the construction of some of the data, these are general indicators only for the purpose of ongoing targeting and assessment and are not guaranteed.
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## Top 10 Holdings

Prosus	2.00%
Anglo American Plc	1.90%
Lighthouse Capital Ltd	1.70%
Nepi Rockcastle Plc	1.60%
Naspers Ltd	1.50%
BHP Group Plc	1.40%
Impala Platinum Holdings Ltd	1.30%
Compagnie Financiere Richmond SA	1.10%
Gold Fields Ltd	1.00%
Hammerson Plc	1.00%

## Fees

<b>Platform</b>	Up to 0.09%
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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.

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