

# Sasfin Horizon Low Equity Portfolio

September 2020

<b>ASISA Category</b>	SA Multi Asset Low Equity	<b>Portfolio Manager</b>	Sasfin Asset Managers
<b>Launch Date</b>	27-Sep-2012	<b>Benchmark</b>	SA Multi Asset Low 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 4% over any 4 year rolling 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 4 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	4.11%
Sasfin BCI Opportunity Equity	5.05%
Sygnia ALSI Tracker	5.12%
Fairtree Prescient Equity	6.10%
Absa Property	5.82%
Coronation Strategic Income	6.73%
Futuregrowth Yield Enhanced Bond	15.47%
Sasfin BCI Flexible Income Fund	22.44%
BCI Income Plus Fund	5.78%
Managed Cash	1.00%
BlackRock Developed World Index	17.91%
Nedbank USD Account	4.46%
<b>Total</b>	<b>100.0%</b>

## Risk Profile

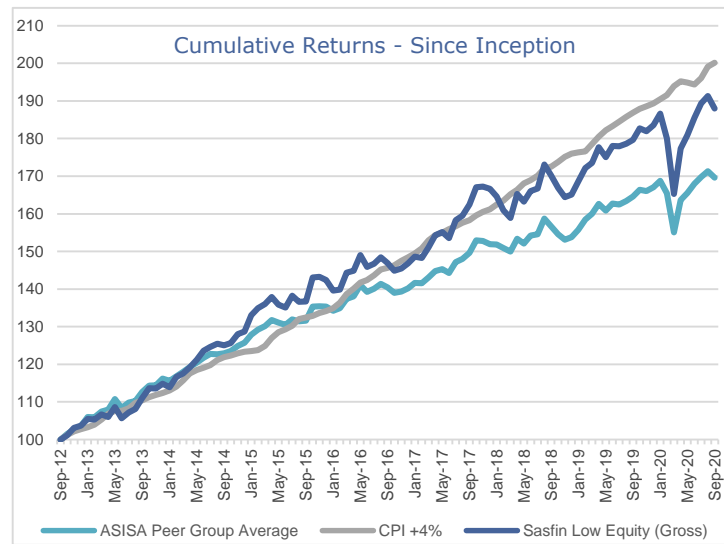


## Minimum Recommended Investment Term

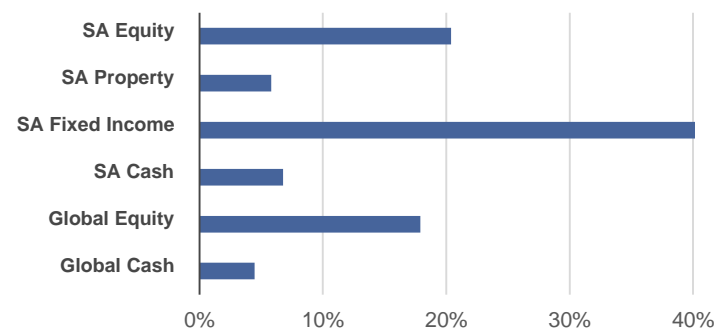


## Performance vs Benchmark

	1 Year	3 Year	5 Year	Since Inception
<b>Portfolio Return (Gross)</b>	4.6%	5.0%	6.6%	8.1%
<b>Portfolio Return (Net)</b>	4.0%	4.3%	5.8%	7.4%
<b>ASISA Peer Group Average (Net)</b>	3.0%	4.3%	5.2%	6.8%



## Asset Allocation



## Monthly Commentary

A little more than nine months ago, we began to hear whisperings of a deadly virus that had emerged in Wuhan, the capital city of the Hubei province located in central China. As the third quarter of 2020 comes to an end, the number of confirmed deaths linked to COVID-19 has now passed the one million mark. Currently, travel between countries remains muted, economies have been left on their knees and many industries remain severely depressed. However, global equity markets have recovered strongly.

The third quarter saw the MSCI All Country World Index - a broad measure of global equity markets - completed its recovery from the depths of March, following a return of 8% for the quarter as its performance year-to-date returned to positive territory. While the strong performance for the quarter was broad-based, for the first time since March, "Big Tech" stocks endured a sizable correction during September. The tech-heavy Nasdaq Index declined by as much as 12% during the month before recovering somewhat, bringing its total increase since its March low to 63%.

Heading into the final quarter of 2020, investors will be wondering whether stocks can continue their upward trend. Perhaps the biggest determining factor lies at the doorstep of governments and central banks. The recovery in stocks this year was largely driven by monetary and fiscal stimulus, the likes of which has never been seen. A continued rise in equity markets may come under pressure over the next quarter as political uncertainty comes to the fore. The 3rd of November will see Americans return to the voting booths to elect the next US president, while the Brexit process continues down its uncertain path.

The rise in political uncertainty and the accommodative policies of governments and central banks has led investors to allocate an increased amount of their capital into the safe-haven asset of gold. Despite a pull-back in the price of gold in the third quarter which saw it fall below the \$2,000/ozt level to end the quarter at \$1,888/ozt, gold has been the best performing major asset class this year having increased by 24%.

The rise in the gold price to record levels led to strong performance by the South African gold miners with the JSE Gold Mining index up 80% year-to-date. Gold miners such as Gold Fields (+23%), Harmony (+24%) and Sibanye StillWater (+23%) as well as platinum counterparts Impala Platinum (+25%) and Northam Platinum (+47%) were significant contributors to performance of the JSE All Share Index. The index, however, ended the quarter flat as the strong performance of the precious metal counters was offset by a decline in technology stocks Naspers (-6%) and Prosus (-4%) and rand-hedge British American Tobacco (-12%).

## Notes and Disclaimer

- Performance returns are calculated net of fees.
- 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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- The Fact Sheet does not constitute any form of advice or recommendation and Investors must consult their advisors and independently assess and confirm all material information before making any decision or taking any action.

## Top 10 Holdings

Naspers Ltd	2.46%
R2035	2.08%
NEPI Rockcastle PLC	1.85%
Hammerson REIT	1.44%
R2037	1.43%
Lighthouse Capital Ltd	1.32%
R2032	1.09%
Resilient REIT Ltd	1.01%
BHP Group PLC	1.01%
Impala Platinum	0.98%

## Fees

<b>Investment managers</b>	Up to 0.41%
<b>Platform</b>	Up to 0.28%

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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