

Sasfin Horizon Stable Portfolio

December 2020

Portfolio Category	SA Multi Asset Low Equity	Portfolio Manager	Sasfin Asset Managers
Launch Date	01-Dec-2012	Benchmark	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 3% over any rolling 3 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 3 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	4.10%
Bateleur Equity	3.20%
Sasfin BCI Opportunity Equity	3.80%
Fairtree Equity Fund	5.21%
Absa Property	7.81%
Coronation Strategic Income	6.91%
Sasfin BCI Flexible Income Fund	23.22%
Futuregrowth Bond	16.42%
BCI Income Plus Fund	11.41%
BlackRock Worldwide Core	15.52%
StateStreet Global Cash	2.40%
Total	100.00%

Risk Profile

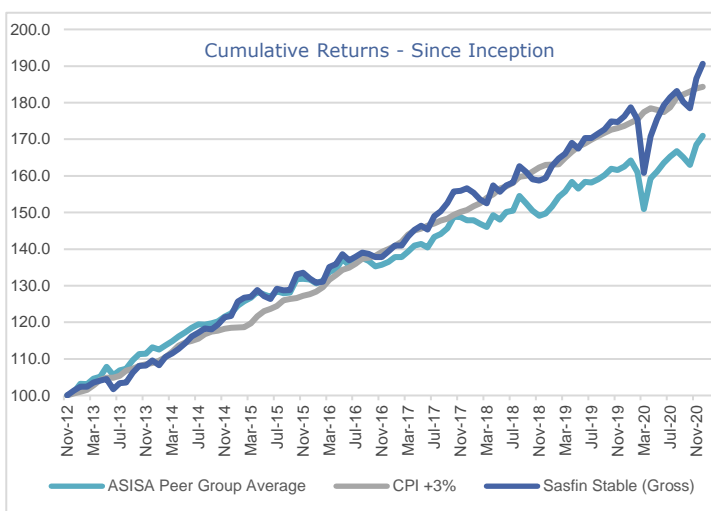
Conservative	Cautious	Moderate	Assertive	Aggressive
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Minimum Recommended Investment Term

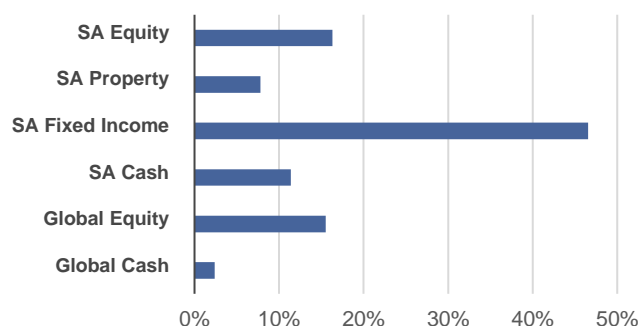
+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years
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Performance vs Benchmark

	1 Year	3 Year	5 Year	Since Inception
Portfolio Return (Gross)	8.1%	6.8%	7.6%	8.3%
Portfolio Return (Net)	7.6%	6.2%	7.0%	7.8%
ASISA Peer Group Average (Net)	5.1%	4.9%	5.3%	6.9%



Asset Allocation



Monthly Commentary

While many are hailing 2020 as one of the worst years in history, the year actually ended on more than one positive note. After lengthy negotiations, a Brexit deal was finally concluded on Christmas Eve. One of the outcomes is that UK nationals will now require a visa if they want to stay in the EU for more than 90 days in a 180-day period. The UK is already in talks with the US, Australia and New Zealand – all countries that do not currently have free trade agreements with the EU.

Pfizer and Moderna have both gone to market with Covid-19 vaccines and vaccination programmes will be rolled out globally this year. However, there has been a bit of a bunfight over who gets what, with more affluent countries such as Canada forking out and buying enough vaccines to vaccinate every Canadian five times over. At the time of writing this, the Georgia run-off elections seemed to be a sure bet for the Democrats. If this happens, it will signal a massive victory for Joe Biden's party, giving his administration greater authority when it comes to tackling the climate crisis, Covid-19 pandemic, appointing federal judges and addressing racial inequalities.

Locally, SA's third quarter GDP beat expectations, falling only 6% year-on-year. Mboweni's call to cut public wages was backed by the Labour Court, putting a significant amount of R38 billion firmly back in government coffers and strengthening South Africa's financial position incrementally. While it may be a drop in the ocean it signals a step in the right direction, which should reassure foreign investors. The positives abound but the news is tempered with the rising cases of Covid infections as we ride the second wave. Infection rates are higher, cases are more contagious, the incubation period is shorter, symptoms are more severe, and the death rate is higher. While we have much to be grateful for in 2021, lockdown restrictions will likely tighten in the next few months.

President Cyril Ramaphosa must balance reducing infection rates and boosting public safety, with trying to bolster a failing economy while supporting businesses that have already taken huge knocks. The FTSE/JSE SWIX Index gained 4.0%, Industrials were down 1.1% and Financials were up 8.3%. The JSE All Bond Index advanced 2.4%, while the rand appreciated by 5.1% relative to the US dollar

Top 10 Holdings

Nepi Rockcastle Plc	2.2%
Eskom Ltd	1.8%
Naspers Ltd	1.8%
African Bank Ltd	1.5%
R2035	1.3%
Hammerson Plc	1.1%
R2037	1.1%
R2030	1.1%
R2040	1.00%
Lighthouse Capital Ltd	1.00%

Fees

Investment managers	Up to 0.36%
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.

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