



# August/13

## FINSOLNET AGGRESSIVE FUND

### ABOUT THE PORTFOLIO

The Finsolnet Aggressive Portfolio is a medium to high risk balanced portfolio that aims to deliver superior real returns over the medium to longer term with a strong focus on active management.

The portfolio is managed on a multi-manager basis and includes international exposure. The strategic allocation to various asset classes is set out below. Each manager appointed 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 Amadwala Asset Consulting on behalf of their clients.

The portfolio is offered on a pooled and unitised basis on the Sygnia Life license.

### PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Large Manager Median (12 Months)
1.6%	22.4%	18.5%	20.6%

### PERFORMANCE COMMENTARY

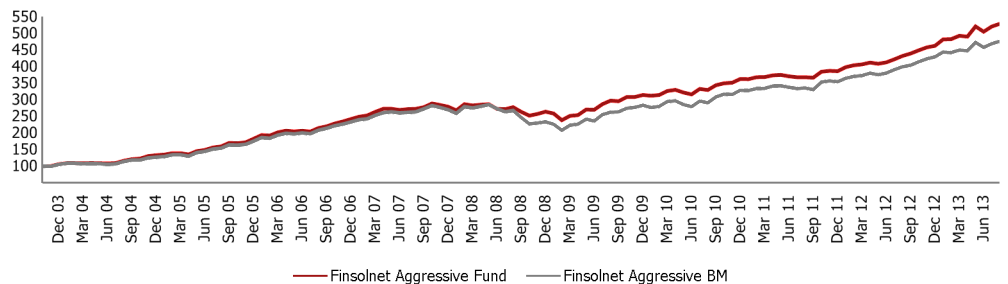
August brought little micro-level excitement as European and US investors enjoyed their summer holidays. At macro-level, however, market behaviour could be split into two halves; the first, a strong rally fuelled by a renewed interest in resource stocks and signs of a timeous economic recovery in the euro zone, and the second, a sharp downturn as the US and its allies prepared for military strikes against Syria in the wake of the alleged chemical attacks by President Bashar al-Assad against civilians. Capital outflows from emerging markets continued unabated, while the South African rand battled the dual forces of negative foreign sentiment and continued labour unrest.

The first indicators of global economic activity, manufacturing PMIs, surprised on the upside with the US, China and the euro zone PMIs rising from their June levels. Positive euro zone data was taken as an indication that the recession may be nearing its end. This was re-inforced after the second quarter GDP in the 17-nation euro area expanded by 0.3% quarter-on-quarter. The US data came in mixed. The US economy is particularly closely watched with any weakness interpreted as supportive of longer term quantitative easing and vice versa.

Market sentiment turned negative in the latter half of the month as the situation in Syria deteriorated, with emerging markets currencies coming under severe pressure. Concerns that any involvement in the conflict could spiral into deeper unrest in the Middle East led the gold price to hit a 15-week high, while oil prices rose to US\$110 a barrel. Month-end brought a minor recovery as the UK Parliament voted against military involvement in Syria, while the US indicated that it was considering a "limited, narrow" military strike.

South Africa's GDP expanded by a seasonally-adjusted annualised 3.0% in the second quarter. The number, although strong in absolute terms, came in below expectations. The one-year anniversary of the Marikana tragedy, strikes in auto manufacturing, construction and aviation services and the stalled gold mining sector negotiations kept labour issues topical, adding pressure to the rand. Inflation came in at 6.3% year-on-year in July, with the Reserve Bank warning that the inflation outlook is deteriorating due largely to the fall of the rand. 10-year bond yields spiked to their highest levels in 19 months on the emerging markets sell-off, pushing the BESSA All Bond Index down by 1.3%. The rand ended the month at R10.24 to the US dollar. The FTSE/JSE All Share Index delivered 2.6%, driven largely by the Resources sector which rose by 7.3%.

### CUMULATIVE RETURNS



### HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2009</b>	-2.1%	-7.7%	5.4%	1.0%	6.6%	-0.2%	6.2%	3.7%	-0.5%	4.2%	0.1%	1.9%	<b>19.0%</b>
<b>2010</b>	-0.7%	0.7%	3.8%	1.1%	-2.4%	-1.8%	5.2%	-1.0%	4.4%	1.7%	0.5%	3.2%	<b>15.3%</b>
<b>2011</b>	-0.2%	1.6%	0.1%	1.4%	0.4%	-1.1%	-0.8%	0.0%	-0.4%	4.9%	0.7%	-0.2%	<b>6.5%</b>
<b>2012</b>	3.1%	1.4%	0.6%	1.3%	-0.9%	1.1%	2.2%	2.4%	1.7%	2.2%	2.0%	1.0%	<b>19.8%</b>
<b>2013</b>	4.2%	0.2%	2.1%	-0.5%	6.3%	-3.1%	3.1%	1.6%					<b>14.4%</b>

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## FUND SUMMARY

Inception (back dated):	01-Nov-03	
Inception (actual):	12-Nov-09	
Number of Months	46	
	<b>FUND</b>	<b>LMM</b>
Sharpe Ratio	0.78	0.66
Sortino Ratio	1.25	1.00

## RISK ANALYSIS

	<b>FUND</b>	<b>LMM</b>
% Positive Months	69.5%	69.5%
% Negative Months	30.5%	30.5%
Best Month	7.4%	7.3%
Worst Month	-7.7%	-7.7%
Avg Negative Return	-1.6%	-1.9%
Maximum Drawdown	-17.4%	-23.8%
Standard Deviation	9.6%	10.0%
Downside Deviation	6.0%	6.6%

## CORRELATIONS

	<b>FUND</b>	<b>LMM</b>
FTSE/JSE All Share Index	0.93	0.93
BESA All Bond Index	0.19	0.19

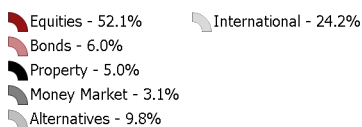
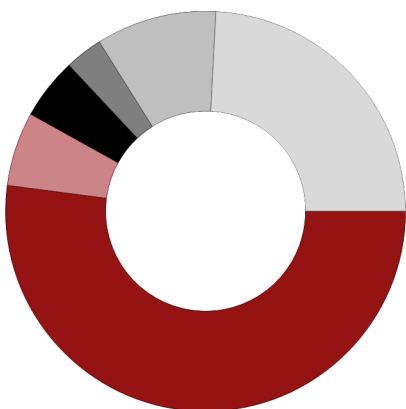
LMM = Global Large Manager Median

## MARKET STRESS MONTHS

	<b>FUND</b>	<b>ALSI</b>
July 2008	-0.4%	-8.7%
September 2008	-5.1%	-13.2%
October 2008	-4.3%	-11.6%
February 2009	-7.7%	-9.9%

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.

## ASSET ALLOCATION



## PERFORMANCE ANALYSIS

### PERFORMANCE

#### Calendar Years

	<b>FUND</b>	<b>BM</b>	<b>DIFFERENCE</b>
2007	15.4%	15.8%	-0.4%
2008	-5.3%	-13.3%	8.0%
2009	19.0%	21.3%	-2.3%
2010	15.3%	15.9%	-0.6%
2011	6.5%	7.8%	-1.3%
2012	19.8%	21.2%	-1.5%

#### Periodic Performance

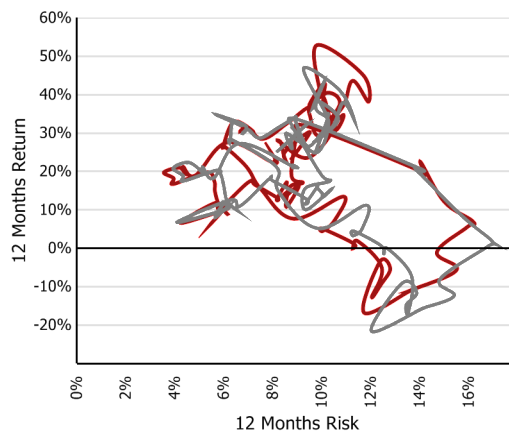
	<b>FUND</b>	<b>BM</b>	<b>DIFFERENCE</b>
1 month	1.6%	1.6%	0.1%
3 month	1.5%	0.7%	0.8%
6 month	9.6%	7.7%	1.9%
Year to date	14.4%	10.9%	3.4%
1 year	22.4%	19.2%	3.2%
2 year	19.9%	19.1%	0.8%
3 year	17.1%	17.8%	-0.7%
5 year	13.7%	12.2%	1.5%

## FUND SENSITIVITY TO EQUITY MARKET



This scatterplot indicates the extent to which fund returns are correlated with those of the equity market.

## 12 MONTHS RISK/RETURN SNAIL TRAIL



— Finsolnet Aggressive Fund  
— Global Large Manager Median

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