

# Finsolnet

## Finsolnet CPI + 6% Portfolio

June 13

### INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 6% over a rolling 60-month period and not to lose capital over a rolling 36-month period.

### INVESTMENT VEHICLE

Fund: Sygnia CPI + 6% Portfolio  
Fund Category: South African - Multi Asset - High Equity

### MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 1.02%

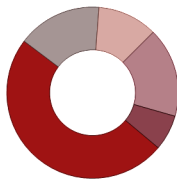
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	9.2%	16.7%
Downside Deviation	6.1%	10.1%
% Positive Months	69.5%	64.4%
% Negative Months	30.5%	35.6%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.6%	-3.4%
Maximum Drawdown	-20.8%	-40.4%

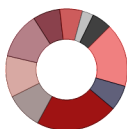
\*Risk statistics are calculated since inception of the fund

### ASSET ALLOCATION



Equities - 49.2%    Bonds - 15.9%    Money Market - 11.3%  
Int Equities - 16.9%    Int Cash - 6.7%

### MANAGER HOLDINGS



Coronation - 21.8%    Allan Gray - 9.7%    Investec - 11.0%  
Sygnia - 12.3%    Mazi Capital - 7.2%    Absa AM - 6.0%  
Prescient - 3.0%    Cash - 5.3%    OMIGSA - 16.9%  
Int Cash - 6.7%

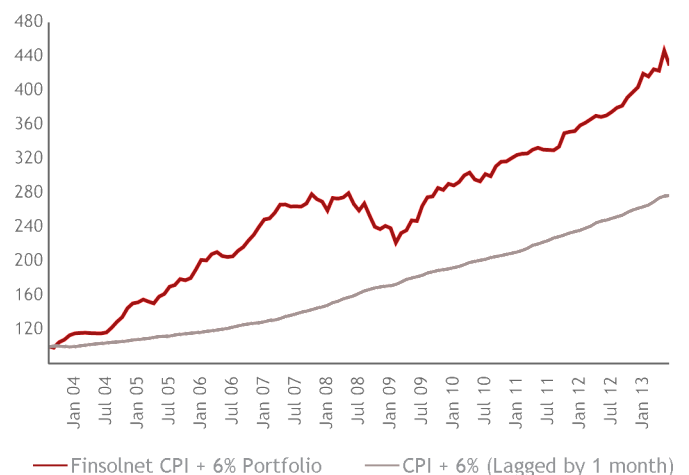
### TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	3.0%
MTN Group	2.8%
SAB Miller	2.6%
British American Tobacco	2.3%
Naspers	2.1%
Anglo American Plc	1.9%
Standard Bank	1.7%
BHP Billiton	1.2%
Compagnie Richemont	1.1%
Old Mutual Plc	1.0%

### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	-3.9%	0.2%	-4.1%
3 month	1.0%	2.7%	-1.7%
6 month	6.3%	5.7%	0.6%
Year to date	6.3%	5.7%	0.6%
1 year	15.8%	11.6%	4.2%
2 year	13.9%	11.6%	2.3%
3 year	13.5%	11.2%	2.3%
5 year	10.0%	11.7%	-1.7%
Since Inception	16.0%	10.9%	5.1%
2007	12.2%	14.5%	-2.3%
2008	-10.5%	16.7%	-27.2%
2009	20.4%	11.8%	8.6%
2010	10.3%	9.6%	0.8%
2011	9.9%	12.1%	-2.3%
2012	14.6%	11.6%	3.0%

### CUMULATIVE PERFORMANCE



— Finsolnet CPI + 6% Portfolio    — CPI + 6% (Lagged by 1 month)

## FUND SENSITIVITY TO EQUITY MARKET



## COMMENTARY

June got off to a poor start after a raucous May as lackluster economic data from the US and China triggered a bout of negative sentiment. Emerging markets, in particular, continued to face strong outflows. Markets also reacted badly to the news that the World Bank has cut its growth forecasts for this year to 2.2%, down from 2.4% forecast in January and to 3.1% for 2014. Unrest in Turkey and Brazil further exacerbated the concerns. But nothing prepared investors for the sell-off that followed the US Federal Reserve's comments on curbing of quantitative easing. A cash squeeze in China did little to help. Bond yields soared, the gold price plunged and stocks fell as investors indiscriminately pulled money out of all asset classes. This left the two central banks with little choice but to backtrack as quickly as possible to stabilise the situation.

On the economic front, China continued to slow down. However, subsequent data releases from the US, Japan and Germany were more optimistic, helping the markets to recover somewhat from the shock sell-off.

Gold ended the month at US\$1 234 an ounce, a staggering 31.6% down since its peak in August 2011, when an ounce was worth US\$1 895.

The gold price fell by 11.0% in June as investors continued to pull money from gold-backed ETFs and emerging markets, bringing the year-to-date drop to 26.3%.

On the economic front, manufacturing activity remained subdued, while the current account deficit improved on the back of the weaker rand boosting exports. Domestic consumer prices increased at a slower pace than expected with the CPI easing to 5.6% year-on-year from 5.9% a month before. The markets remained volatile with commodity stocks bearing the brunt of the global sell-off. In addition South African miners continued to struggle with domestic labour issues. The government-initiated draft pact between mining companies and labour unions to bring order to the sector is still to be tested.

The FTSE/JSE All Share Index ended the month 5.7% down, with the Resources sector dropping by 13.5%, Financials by 4.2% and Industrials by 3.1%. The BESA All Bond Index fell by 1.5% as foreigners continued to sell bonds, while the rand strengthened marginally by 2.1% on US dollar weakness.

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2009	-1.1%	-7.2%	5.1%	1.4%	4.9%	-0.2%	7.1%	3.9%	0.4%	3.6%	-0.8%	2.5%	20.4%
2010	-0.7%	1.4%	2.7%	1.1%	-2.7%	-0.8%	2.9%	-0.8%	3.9%	1.7%	0.1%	1.2%	10.3%
2011	1.2%	0.4%	0.1%	1.3%	0.7%	-0.6%	-0.1%	-0.1%	1.3%	4.7%	0.5%	0.2%	9.9%
2012	1.9%	0.9%	1.1%	1.1%	-0.3%	0.5%	1.1%	1.3%	0.6%	2.6%	1.5%	1.5%	14.6%
2013	3.9%	-0.8%	2.0%	-0.4%	5.6%	-3.9%							6.3%

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