

# Finsolnet

## Finsolnet CPI + 4% Portfolio

May 13

### INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 4% over a rolling 36-month period and not to lose capital over a rolling 24-month period.

### INVESTMENT VEHICLE

Fund: Sygnia CPI + 4% Portfolio  
Fund Category: Domestic - Asset Allocation - Medium Equity

### MANAGEMENT FEES

Sygnia CPI + 4% Total Expense Ratio: 0.97%

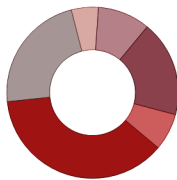
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	7.0%	16.6%
Downside Deviation	5.0%	10.1%
% Positive Months	70.9%	65.0%
% Negative Months	29.1%	35.0%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.3%
Maximum Drawdown	-14.2%	-40.4%

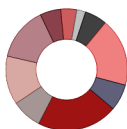
\*Risk statistics are calculated since inception of the fund

### ASSET ALLOCATION



Equities - 37.2%   Bonds - 22.7%   Property - 5.1%  
Money Market - 9.9%   Int Equities - 18.1%   Int Cash - 7.0%

### MANAGER HOLDINGS



Coronation - 21.5%   Allan Gray - 8.0%   Investec - 13.0%  
Sygnia - 14.4%   Mazi Capital - 5.5%   Absa AM - 4.3%  
Prescient - 2.4%   Cash - 5.9%   OMIGSA - 18.1%  
Int Cash - 7.0%

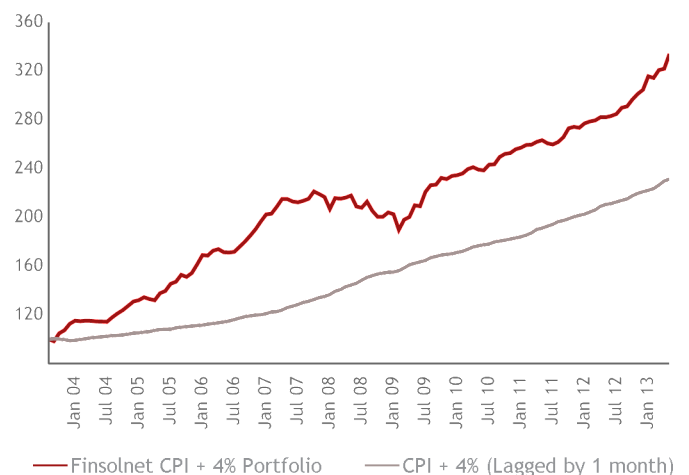
### TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	2.3%
SAB Miller	2.0%
MTN Group	2.0%
British American Tobacco	1.7%
Anglo American Plc	1.5%
Naspers	1.5%
Growthpoint Properties	1.3%
Standard Bank	1.2%
BHP Billiton	1.1%
Compagnie Richemont	0.8%

### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	3.8%	0.7%	3.1%
3 month	6.3%	3.5%	2.8%
6 month	10.9%	5.3%	5.6%
Year to date	9.7%	4.7%	5.0%
1 year	18.4%	9.9%	8.6%
2 year	12.7%	10.0%	2.6%
3 year	11.8%	9.4%	2.4%
5 year	8.9%	9.9%	-0.9%
Since Inception	13.2%	9.0%	4.2%
2007	10.2%	12.5%	-2.3%
2008	-5.8%	14.7%	-20.5%
2009	14.6%	9.8%	4.8%
2010	9.4%	7.6%	1.8%
2011	6.9%	10.1%	-3.2%
2012	11.4%	9.6%	1.8%

### CUMULATIVE PERFORMANCE



— Finsolnet CPI + 4% Portfolio   — CPI + 4% (Lagged by 1 month)

## FUND SENSITIVITY TO EQUITY MARKET



## COMMENTARY

After a downbeat April, markets rebounded in May, fuelled by supportive monetary policies from central banks around the world as the ECB and the central banks of Australia, Korea, India and Poland all cut their interest rates. Commodities and the rand, however, had a torrid time, while first quarter GDP growth figures worldwide provided few positive surprises.

Early concerns about the US, triggered by weaker manufacturing activity figures, soon dissipated as a slew of economic data pointed to growth continuing. The US unemployment rate fell to 7.5%, its lowest level since December 2008. China, however, is visibly slowing down both in terms of manufacturing and services, with inflation at 2.4% year-on-year pointing to little recovery in domestic demand.

The eurozone, on the other hand, seems to be stabilising, lending credence to predictions of some improvement in the latter half the year. The first quarter growth figures were disappointing, with the overall eurozone GDP contracting by 0.2% quarter-on-quarter.

Market pressures pushed the gold price below the psychologically significant US\$1 400 level, triggering a bout of heavy selling before some rebound on the back of buying of physical gold bars across Asia.

The positive mood was a turning point for Portugal, Spain and Italy which all raised money in the bond market as investors, flush with central bank liquidity, snapped up anything offering higher yield.

South African markets rose in unison with global bourses despite the continued sell-off in mining counters on a combination of domestic labour tensions and weaker metal prices. The headline-grabbing act was the rand which plunged to its weakest level in four years against the US dollar on negative sentiment about violent labour unrest in the mining sector, and weak first quarter GDP growth numbers. The seasonally adjusted GDP growth slowed to an annualised 0.9% quarter-on-quarter, the weakest figure since 2009. The Reserve Bank cut its GDP growth forecast for 2013 to 2.4%, and kept interest rates stable. CPI inflation remained unchanged at 5.9% year-on-year in April.

The FTSE/JSE All Share Index delivered a healthy 8.5% return, fuelled by Resources which rose by 12.4% and Industrials by 11.6%. Financial shares lagged with a return of 2.1% on the back of concerns about a credit bubble in unsecured lending, and the overheated Listed Property sector pulled back by 11.1%. The bond market saw a significant outflow of foreign investments, delivering -4.6%, while the rand depreciated by 12.3% on

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2009	-0.7%	-6.3%	4.4%	1.1%	4.8%	-0.4%	5.6%	2.5%	0.2%	2.4%	-0.4%	1.1%	14.6%
2010	0.3%	0.6%	1.5%	0.7%	-0.8%	-0.2%	1.9%	0.1%	2.5%	1.0%	0.3%	1.2%	9.4%
2011	0.5%	0.9%	0.1%	0.9%	0.5%	-1.0%	-0.4%	0.8%	1.5%	2.8%	0.4%	-0.3%	6.9%
2012	1.3%	0.6%	0.3%	0.9%	0.0%	0.4%	0.6%	1.8%	0.4%	1.9%	1.5%	1.1%	11.4%
2013	3.6%	-0.4%	2.1%	0.3%	3.8%								9.7%

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