

# Finsolnet

## Finsolnet CPI + 4% Portfolio

October 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: South African - Multi Asset - Medium Equity

### MANAGEMENT FEES

Sygnia CPI + 4% Total Expense Ratio: 0.90% as at 30 September 2013

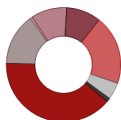
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	7.0%	16.5%
Downside Deviation	5.1%	10.1%
% Positive Months	71.3%	65.6%
% Negative Months	28.7%	34.4%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.2%	-3.4%
Maximum Drawdown	-14.2%	-40.4%

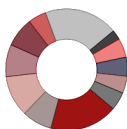
\*Risk statistics are calculated since inception of the strategy

### ASSET ALLOCATION



Domestic Equities - 39.3%	Domestic Bonds - 14.7%
Domestic Property - 0.6%	Domestic Cash Plus - 10.1%
Domestic Money Market - 9.8%	Int Equities - 19.6%
Int Cash - 4.8%	Africa - 1.0%

### MANAGER HOLDINGS



Coronation - 18.1%	Allan Gray - 8.0%	Investec - 11.0%
Sygnia - 8.6%	Mazi Capital - 7.8%	Absa AM - 4.8%
OMIGSA - 19.6%	Taquanta - 2.6%	Tantalum - 5.1%
Stanlib - 5.1%	Cash - 4.5%	Int Cash - 4.8%

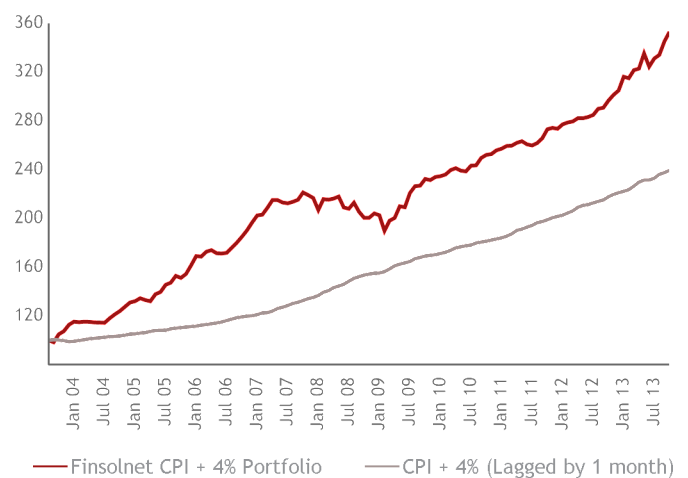
### TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	2.6%
SAB Miller	2.2%
Naspers	2.1%
MTN Group	2.0%
British American Tobacco	1.9%
Anglo American Plc	1.9%
Standard Bank	1.7%
BHP Billiton	1.1%
Old Mutual Plc	1.0%
Mondi Plc	1.0%

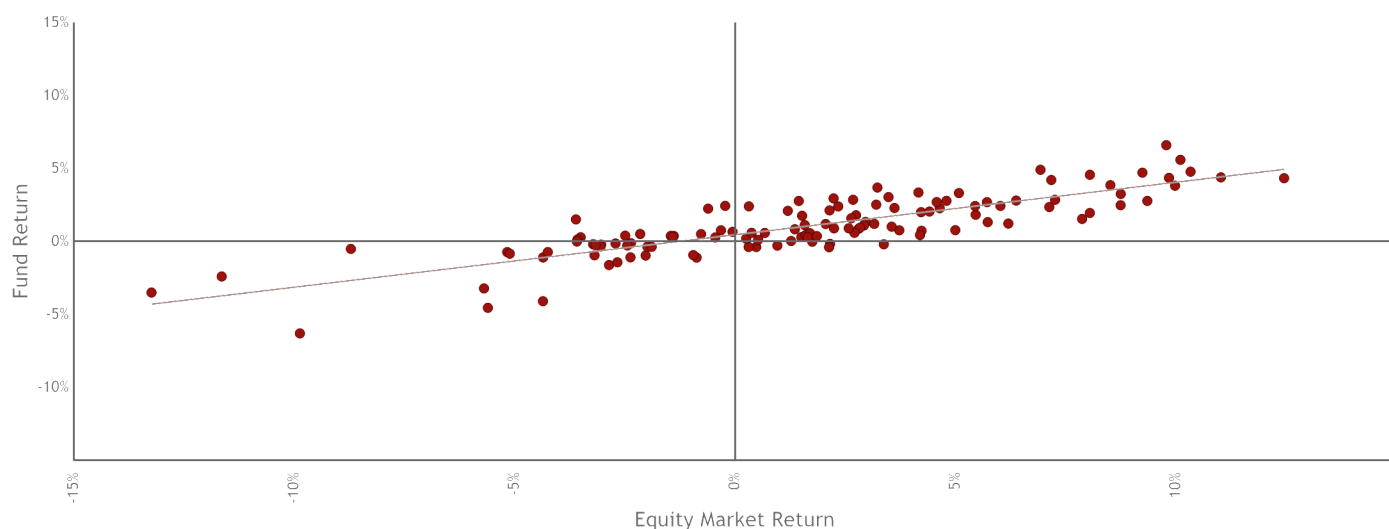
### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	2.3%	0.8%	1.5%
3 month	6.6%	2.8%	3.8%
6 month	9.4%	4.2%	5.2%
Year to date	15.8%	8.3%	7.5%
1 year	19.0%	10.0%	9.1%
2 year	13.7%	9.7%	4.0%
3 year	11.9%	9.7%	2.2%
5 year	12.0%	9.3%	2.7%
10 year	12.9%	9.1%	3.8%
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	11.5%	9.6%	1.9%

### CUMULATIVE PERFORMANCE



## FUND SENSITIVITY TO EQUITY MARKET



## COMMENTARY

October brought another market rally despite a slow start after the US government shut down for the first time in 17 years. Positive economic data from the Eurozone and China, and a growing expectation that the US Federal Reserve will continue the quantitative easing programme for longer, fuelled positive sentiment. The official appointment of the US Fed Vice-Chairwoman Janet Yellen as the successor to Ben Bernanke was also received positively.

The JSE closed above 45 500 for the first time and the S&P500 reached consecutive record highs, as China released upbeat growth figures which showed that the economy grew by 7.8% year-on-year in the third quarter.

The October rally tapered off somewhat at month-end as the US Fed's statement following the meeting of its policy committee was interpreted as less alarmist and, as such, an indication that a policy change could be on the cards sooner than the expected March 2014.

The oil price hovered between US\$102 and US\$110 a barrel as violence in the Middle East fed concerns over oil supplies.

Gold gained ground over the latter half of October to top US\$1 335 an ounce, but slipped again on the back of the US Fed's latest policy outlook.

In South Africa, economic indicators have started to reflect the effects of the costly strike action of past months. The trade deficit widened to the largest gap in seven months in August as strikes curbed commodity exports. Overall, the deficit for the year is 54% larger than it was in the same period last year. The Kagiso PMI fell to an eight-month low in September falling to 49.1 from August's 56.5. On a more positive note, retail sales grew more than expected, CPI inflation decreased to 6.0% year-on-year in September, and unemployment fell to 24.7% in the third quarter on a combination of people dropping out of the workforce and some job creation. The Medium Term Budget Policy Statement brought few surprises. The overall outlook is one of a low growth environment for the next three years with a modestly improving budget deficit and a rising level of public debt. The growth forecast has been revised downward to 2.1% for 2013.

The FTSE/JSE All Share Index returned a stellar 3.6%, driven largely by Financials which rose by 7.5%, followed by the Resources sector at 2.9% and Industrial stocks at 2.6%. The bond market delivered a flat 0.4% while

## 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%	0.3%	2.0%	1.6%	1.2%	11.5%
2013	3.7%	-0.4%	2.1%	0.4%	3.9%	-3.2%	2.0%	0.9%	3.3%	2.3%			15.8%

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