

# FINSOLNET

## LIBOR (USD 3-Months) Plus 4 Targeted Return Strategy

August/2014

### STRATEGY OBJECTIVE

The objective of this strategy is to target an annual return of LIBOR (USD 3 months) plus 4% over a rolling 60-month period and not to lose capital over a rolling 24-month period in USD terms.

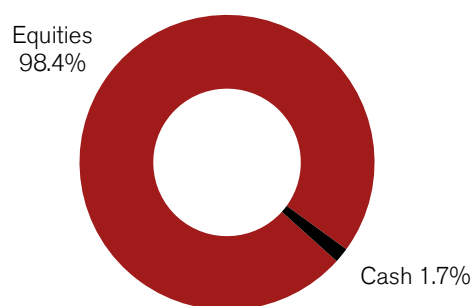
### LAUNCH DATE

31 May 2005

### TOTAL EXPENSE RATIO

2.11%

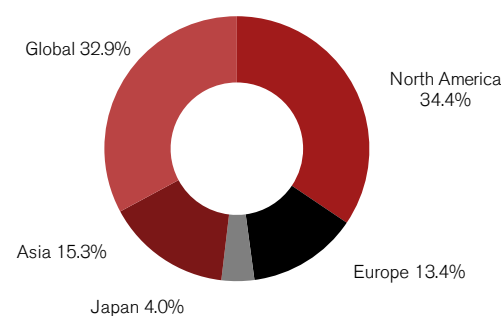
### ASSET ALLOCATION



### TOP 5 EQUITY HOLDINGS

Orbis Global Equity Fund  
 Samsung Electronics  
 Netease.com  
 Weatherford International  
 Motorola Solutions  
 Sberbank of Russia  
 Coronation Global Opportunities Equity Fund  
 Coronation Global Emerging Markets Fund  
 Egerton Capital European Fund  
 Magellan Global Fund  
 Vulcan Value Partners Fund  
 Cantillon GV Fund

### GEOGRAPHIC EXPOSURE



### PERFORMANCE ANALYSIS

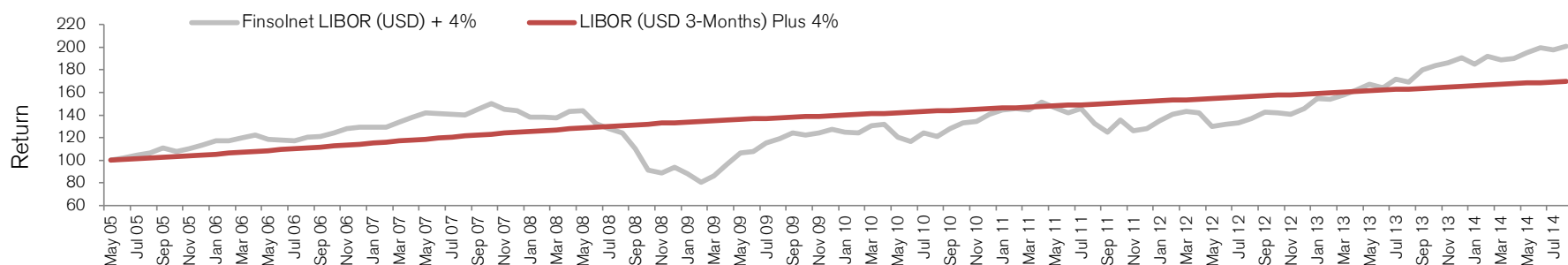
YEAR	FUND (USD)	LIBOR + 4% (USD)	DIFF
2006	14.0%	9.2%	4.8%
2007	11.2%	9.3%	2.0%
2008	-34.6%	6.8%	-41.4%
2009	35.5%	4.7%	30.8%
2010	10.3%	4.3%	6.0%
2011	-8.7%	4.3%	-13.0%
2012	13.4%	4.4%	9.0%
2013	31.2%	4.3%	26.9%

### RISK ANALYSIS

	FUND (USD)	MSCI (USD)
% Positive Months	60.4%	61.3%
% Negative Months	39.6%	38.7%
Best Month	11.5%	11.2%
Worst Month	-17.0%	-19.0%
Average Negative Month	-3.3%	-3.8%
Max Drawdown	-46.7%	-54.0%
Standard Deviation	15.1%	16.5%
Downside Deviation	12.6%	13.8%

\* Risk statistics are calculated since inception of the fund

### CUMULATIVE PERFORMANCE GRAPH

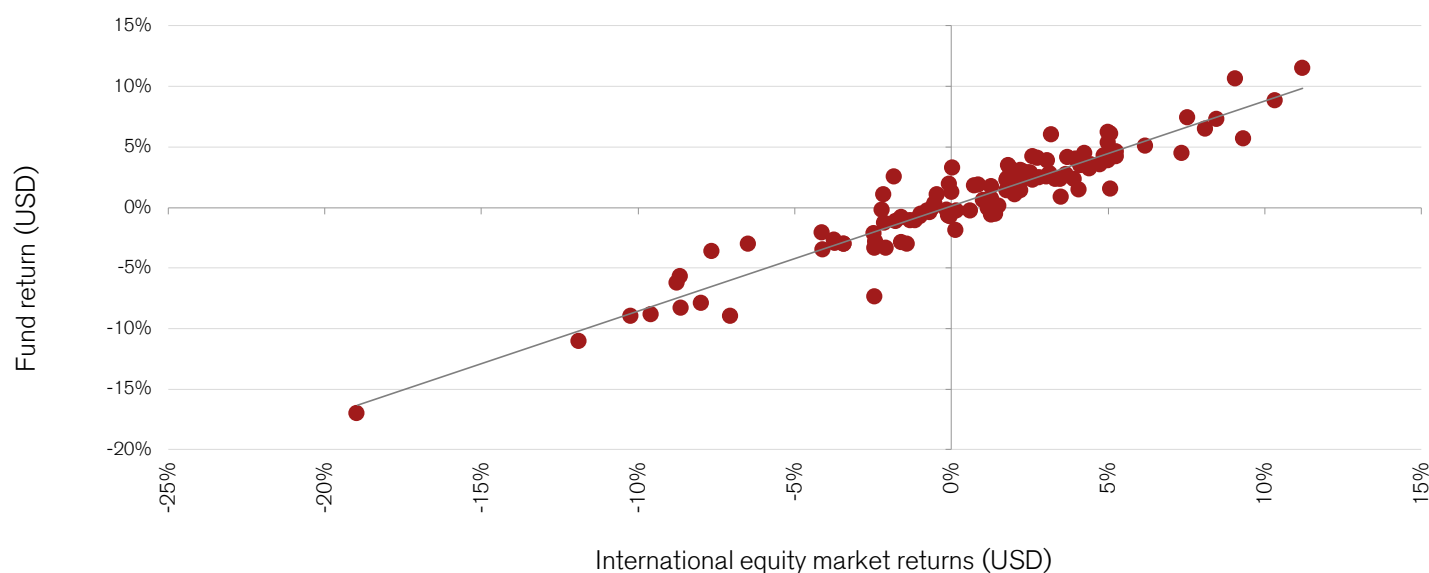


Portfolio	Allocation	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Orbis Global Equity Fund (USD)	50.0%	1.3%	2.2%	19.4%	18.4%	12.3%	
Coronation Global Opportunities Equity Fund	50.0%	1.5%	2.7%	18.0%	15.5%	11.4%	
<b>Finsolnet LIBOR (USD) + 4%</b>		<b>1.4%</b>	<b>2.8%</b>	<b>18.5%</b>	<b>14.9%</b>	<b>11.0%</b>	<b>7.8%</b>
LIBOR + 4% USD		0.4%	1.1%	4.2%	4.3%	4.3%	5.9%
LIBOR USD		0.0%	0.1%	0.2%	0.3%	0.3%	1.9%

Unit trusts are medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available from the management company / scheme. Different classes of units apply to this fund and are subject to different fees and charges. Commission and incentives may be paid and if so, would be included in the overall costs. It should also be noted that as a result of the nature of wrap fund portfolios, an investor's underlying portfolio holdings and/or portfolio performance may differ slightly from the information reflected above. Therefore, performance figures presented on the fact sheet are approximate figures and may differ from actual performances of client accounts.

**Disclaimer - Sygnia Asset Management:** The information and commentary contained in this document is of a general nature and is not intended to address the circumstances of a particular individual or entity. Whilst reasonable care was taken in ensuring that the information is accurate, Sygnia Asset Management does not warrant its accuracy, correctness or completeness and accepts no liability in respect of any damages and/or loss suffered as a result of reliance on the information in this document. No one should act on the information contained in this document without having obtained appropriate and professional investment, legal, tax and such other relevant advice as may be required in each instance. Sygnia Asset Management is a licensed financial services provider (FSP 873): 7th Floor, the Foundry, Cardiff Street, Green Point, 8001. Tel: (021) 446 4940/Fax: (021) 446 4950

## FUND SENSITIVITY TO EQUITY MARKET



This scatter plot indicates the sensitivity of the fund returns to those of the equity market. This analysis shows that the fund exhibits little sensitivity to the direction of the equity market.

## COMMENTARY

Volatility in the markets continued through August on the back of disappointing economic growth data releases and geopolitical unrest in the Ukraine, Syria, Iraq and the Gaza Strip. On the economic front, Japan suffered its biggest quarterly contraction since the 2011 tsunami, China continued to slow down and the eurozone stagnated, with Italy falling into a triple-dip recession, France registering zero growth and even the German economy contracted. Inflation in the eurozone fell to 0.4% over the year to July, a five year low, with Portugal, Spain and Italy reporting deflation. Combined with the stubbornly high unemployment rate, and the threat posed by the escalating stand-off with Russia, the pressure on the ECB to leverage monetary policy is growing. Mid-month brought more positivity as investors used earlier market weakness as a buying opportunity and found misplaced reassurances in President Vladimir Putin's statement about the Ukraine.

The annual economic conference in Jackson Hole, Wyoming, devoted its agenda to the labour markets rather than the pursuit of lower inflation. The summit's "thunder" was stolen by ECB President, Mario Draghi, who used the opportunity to hint that the ECB is ready to deploy more quantitative easing. The announcement benefitted flows into emerging markets. The risk-on attitude also helped to keep the rand relatively strong against the US dollar despite weak domestic economic data releases.

Markets ended the month on edge over geopolitical tensions and falling commodity prices.

The South African headlines were dominated by the collapse of African Bank and the chaos that ensued as both equity and fixed interest funds suffered losses. On the economic front SACCI's business confidence index fell to a 15-year low as strikes took their toll on manufacturing figures. Inflation moderated to 6.3% for the year to July. And the economy avoided falling into a recession by expanding by an annualised 0.6% in the second quarter. However, the shift towards negative growth is accelerating, with Finance Minister Nhlanhla Nene, warning of a cut in the government's growth projection for 2014 to 1.8% from 2.7% estimated in February.

The FTSE/JSE All Share Index delivered a negative 0.5%, dragged lower primarily by the Resources sector which fell by 5.6%, whilst Financials and Industrials delivered gains of 0.7% and 1.6% respectively. The BEASSA All Bond Index returned 2.8%, the SA Listed Property Index rose by 3.0% and the rand strengthened by 0.4% against the US dollar.

## HISTORICAL PERFORMANCE (USD)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	-2.1%	-0.6%	5.1%	1.2%	-8.8%	-3.0%	6.5%	-2.7%	5.7%	4.1%	1.1%	4.5%	<b>10.3%</b>
2011	3.0%	0.8%	-0.8%	4.5%	-3.3%	-2.9%	2.5%	-9.0%	-5.7%	8.8%	-7.4%	1.9%	<b>-8.7%</b>
2012	5.3%	4.3%	1.7%	-1.1%	-8.3%	1.6%	0.7%	2.9%	4.1%	-0.4%	-0.6%	3.3%	<b>13.4%</b>
2013	6.1%	-0.3%	2.6%	2.8%	3.2%	-2.1%	4.6%	-1.3%	6.2%	2.3%	1.4%	2.3%	<b>31.2%</b>
2014	-3.0%	3.8%	-1.9%	0.6%	2.8%	2.2%	-0.83%	1.4%					<b>5.1%</b>

## HISTORICAL PERFORMANCE (RANDS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	0.8%	0.4%	-0.4%	2.5%	-5.4%	-2.9%	1.2%	-1.6%	-0.3%	4.5%	2.6%	-2.5%	<b>-1.3%</b>
2011	11.7%	-2.2%	-3.8%	1.4%	0.3%	-3.5%	1.4%	-4.8%	9.1%	6.9%	-5.4%	1.3%	<b>11.3%</b>
2012	1.7%	0.0%	4.3%	0.3%	0.4%	-2.8%	2.2%	4.4%	3.0%	4.0%	2.0%	-2.5%	<b>18.0%</b>
2013	13.2%	0.5%	5.0%	-0.1%	15.9%	-4.1%	4.4%	2.9%	3.7%	2.7%	2.3%	4.3%	<b>61.7%</b>
2014	4.2%	0.5%	-3.9%	0.4%	3.3%	2.8%	-0.2%	1.0%					<b>8.2%</b>