

# Finsolnet

## Finsolnet CPI + 2% Portfolio

February 15

### INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 2% over a rolling 24-month period and not to lose capital over a rolling 12-month period.

### INVESTMENT VEHICLE

Fund: Sygnia CPI + 2% Portfolio

Fund Category: South African - Multi Asset - Low Equity

### MANAGEMENT FEES

Sygnia CPI + 2% Total Expense Ratio: 0.72% as at 31 December 2014

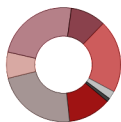
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	3.1%	15.7%
Downside Deviation	2.9%	9.8%
% Positive Months	91.3%	65.9%
% Negative Months	8.7%	34.1%
Best Month	4.2%	12.5%
Worst Month	-2.8%	-13.2%
Avg Negative Return	-0.6%	-3.2%
Maximum Drawdown	-2.8%	-40.4%

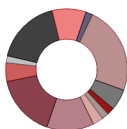
\*Risk statistics are calculated since inception of the strategy

### ASSET ALLOCATION



Domestic Equities - 12.2%	Domestic Bonds - 22.8%
Domestic Property - 7.4%	Domestic Money Market - 23.6%
Absolute Return - 10.0%	Int Equities - 20.7%
Int Fixed Interest - 2.3%	Africa - 1.0%

### MANAGER HOLDINGS



36ONE - 1.9%	Bateleur - 1.9%	Cadiz - 2.8%
Coronation - 12.6%	Investec - 16.6%	Prudential - 5.0%
Steyn Capital - 1.8%	Sygnia - 17.5%	Taquanta - 9.0%
Visio - 1.8%	International - 23.5%	Cash - 5.6%

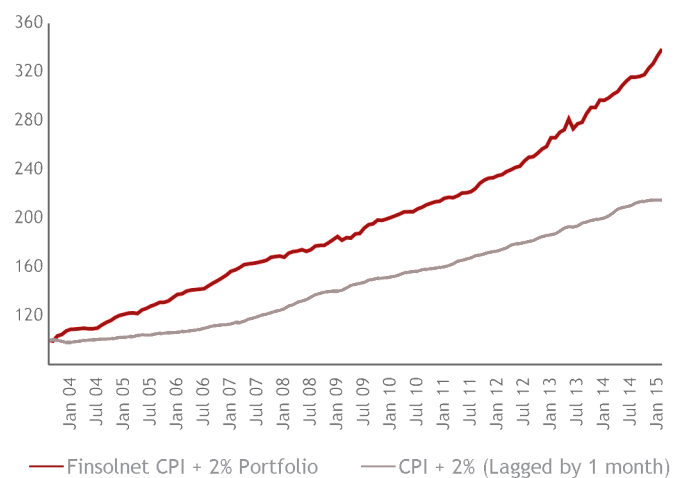
### TOP 10 EQUITY HOLDINGS

	VALUE
Growthpoint Properties	1.8%
Naspers	1.4%
Redefine Properties	1.2%
Hyprop Investments Limited	0.8%
New Europe Property Investments	0.8%
Capital Property Fund Limited	0.6%
British American Tobacco	0.6%
MTN Group	0.6%
Resilient Property Income Fund	0.6%
Firststrand Limited	0.5%

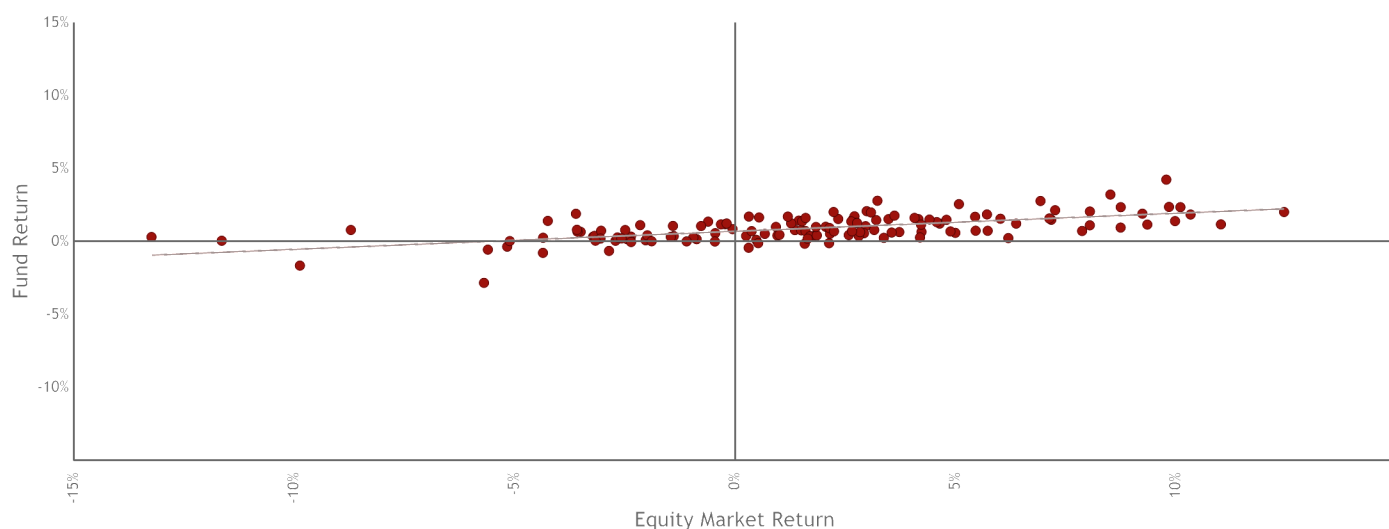
### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	1.6%	0.0%	1.6%
3 month	4.9%	0.1%	4.8%
6 month	7.3%	1.2%	6.1%
Year to date	3.6%	0.0%	3.7%
1 year	13.4%	6.4%	7.0%
2 year	12.9%	7.1%	5.7%
3 year	12.8%	7.2%	5.7%
5 year	10.9%	7.1%	3.8%
10 year	10.7%	7.6%	3.1%
Since Inception	11.2%	6.9%	4.3%
2009	9.3%	7.8%	1.4%
2010	7.3%	5.6%	1.7%
2011	9.0%	8.1%	0.9%
2012	11.0%	7.6%	3.3%
2013	14.7%	7.3%	7.4%
2014	10.1%	7.8%	2.3%

### CUMULATIVE PERFORMANCE



## FUND SENSITIVITY TO EQUITY MARKET



## COMMENTARY

Statesmanship was the game in town as German Chancellor Angela Merkel and French President Francois Hollande brokered a ceasefire between Russia and the Ukraine, and averted an imminent Greek tragedy. Stock markets reacted well to what may well be only temporary Band-Aid resolutions.

The US released a disappointing Q4 2014 GDP growth figure of an annualised 2.6%, bringing overall 2014 growth to 2.4%. Any slowdown is expected to be temporary given the enormous tail-wind provided by lower oil prices. China started 2015 on a weak note with the official manufacturing PMI contracting and inflation slowing to 0.8% year-on-year. The eurozone surprised with Q4 growth of 0.3% after Germany expanded at double the expected rate. The numbers were less rosy for the rest of the eurozone. Annual inflation in January hit a negative 0.6%.

The markets remained volatile as Greece tried to negotiate its way out of complying with austerity measures imposed in exchange for its €240 billion bail-out in 2010. Agreement was finally reached on a four month delay, heading off an imminent default.

The oil price rallied to above US\$60 a barrel on supply disruptions in Libya and Iraq. The gold price fell to US\$1 200 an ounce on news that Greece had secured a rescue deal.

South Africa's data releases pointed to a subdued economy. Q4 2014 GDP growth came in at an annualised 4.1%, bringing overall 2014 growth to a meager 1.5%. 2015 is not looking much different, with tax increases, electricity rate hikes and rolling blackouts on the horizon. The CPI slowed to 4.4% year-on-year in January. The 2015/16 budget was rated as conservative enough to avoid credit rating downgrades. Inflation is forecast to average 4.5% in 2015 and growth 2.0%.

The FTSE/JSE All Share Index returned 4.1%, driven by the Resources sector which delivered a massive 8.7%. The FTSE/JSE SA Listed Property Index rose by 3.2%. The BESA All Bond Index fell by 2.8% on foreign selling, while the Rand remained largely flat for the month against the US dollar.

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2011	1.1%	0.4%	-0.1%	0.7%	1.1%	0.1%	0.4%	1.2%	1.9%	1.2%	0.7%	0.1%	9.0%
2012	0.7%	0.3%	1.1%	0.6%	0.8%	0.4%	1.7%	1.3%	0.2%	1.1%	1.4%	0.8%	11.0%
2013	2.8%	0.0%	1.7%	0.8%	3.2%	-2.8%	1.5%	0.4%	2.6%	1.8%	0.0%	2.1%	14.7%
2014	0.0%	0.7%	1.0%	0.7%	1.6%	1.3%	1.0%	0.0%	0.2%	0.4%	1.6%	1.2%	10.1%
2015	2.0%	1.6%											3.6%

**DISCLAIMER:** Sygnia Collective Investments (RF) Proprietary Limited ("the Company") is a member of the Association for Savings & Investment SA (ASISA). Sygnia Asset Management (Proprietary) Limited, an authorised financial services provider, is the appointed investment manager of the Company. The Company is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board. Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Forward pricing is used and Fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the manager by 14:00 each business day to receive that day's price. A schedule of fees, charges and maximum commissions is available on request from the Company. Commission and incentives may be paid and if so, would be included in the overall costs. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. Unit trusts are traded at ruling prices and the Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Collective Investment Schemes in Securities (unit trusts) are generally 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.