

Finsolnet

Finsolnet CPI + 4% Portfolio

February 15

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 31 December 2014

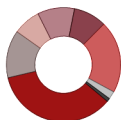
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	6.7%	15.7%
Downside Deviation	5.0%	9.8%
% Positive Months	72.5%	65.9%
% Negative Months	27.5%	34.1%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.2%
Maximum Drawdown	-14.2%	-40.4%

*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 35.2%	Domestic Bonds - 13.5%
Domestic Property - 7.8%	Domestic Money Market - 10.4%
Absolute Return - 9.3%	Int Equities - 20.5%
Int Fixed Interest - 2.2%	Africa - 1.0%

MANAGER HOLDINGS



36ONE - 5.6%	Bateleur - 5.6%	Cadiz - 1.8%
Coronation - 8.5%	Investec - 5.9%	Prudential - 4.7%
Steyn Capital - 4.8%	Sygnia - 25.8%	Taquanta - 2.0%
Visio - 5.6%	International - 23.3%	Cash - 6.5%

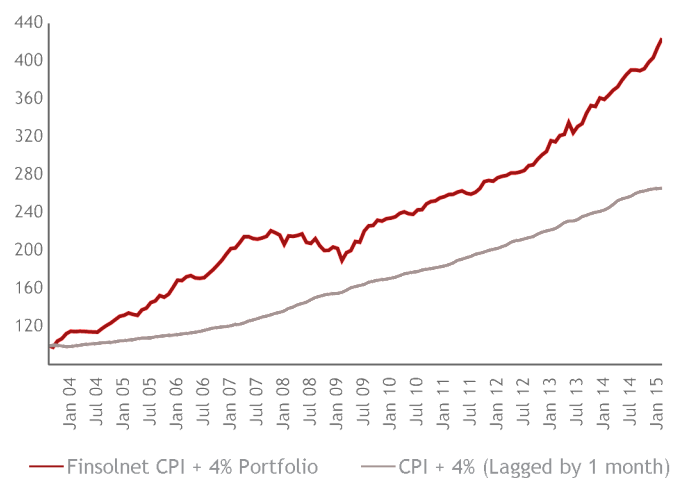
TOP 10 EQUITY HOLDINGS

	VALUE
Naspers	3.6%
Growthpoint Properties	2.0%
British American Tobacco	1.6%
MTN Group	1.6%
Redefine Properties	1.4%
Firststrand Limited	1.4%
Steinhoff	1.3%
Sasol	1.2%
SAB Miller	1.2%
Old Mutual Plc	1.0%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	2.3%	0.2%	2.1%
3 month	6.3%	0.6%	5.7%
6 month	8.5%	2.2%	6.4%
Year to date	5.1%	0.3%	4.8%
1 year	16.4%	8.4%	8.0%
2 year	16.1%	9.1%	6.9%
3 year	15.0%	9.2%	5.8%
5 year	12.4%	9.1%	3.4%
10 year	12.2%	9.7%	2.5%
Since Inception	13.4%	8.9%	4.5%
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%
2013	18.5%	9.3%	9.2%
2014	11.8%	9.8%	2.0%

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	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%	-0.3%	2.5%	18.5%
2014	-0.4%	1.3%	1.4%	1.0%	1.9%	1.6%	1.2%	0.0%	-0.2%	0.5%	1.7%	1.2%	11.8%
2015	2.7%	2.3%											5.1%

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