



# June/15

## FINSOLNET AGGRESSIVE FUND

### ABOUT THE PORTFOLIO

The Finsolnet Aggressive Portfolio is a medium to high risk balanced portfolio that aims to deliver superior real returns over the medium to longer term with a strong focus on active management.

The portfolio is managed on a multi-manager basis and includes international exposure. The strategic allocation to various asset classes is set out below. Each manager appointed within a particular asset class has been selected on the basis of rigorous quantitative and qualitative analysis.

The underlying managers have been selected, mandated, monitored and reviewed by Amadwala Asset Consulting on behalf of their clients.

The portfolio is offered on a pooled and unitised basis on the Sygnia Life license.

### PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Large Manager Median (12 Months)
-0.7%	13.4%	18.5%	8.0%

### PERFORMANCE COMMENTARY

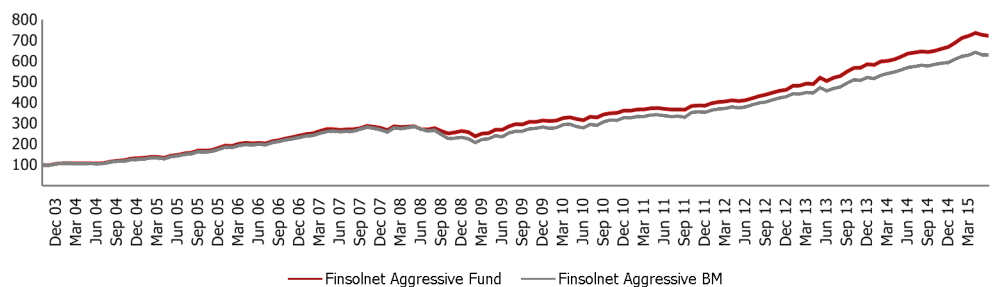
The global stock market roller-coaster continued in June as speculation about the timing of the US Federal Reserve's interest rate increases took second place to the eurozone flirting with the possibility of Greece exiting the euro.

With the eurozone's portion of Greece's €245 billion bail-out deal due to expire on 30th June, the same day Athens had to pay back €1.6 billion in loans to the IMF, a payment it was not able to make without additional aid, time to reach a deal started running short. Unfortunately, Greece and its creditors, the ECB, the IMF and the EC, remained deadlocked over how much austerity the country would accept, with Prime Minister Alexis Tsipras finally calling for a referendum on the issue. This was followed by the closure of banks to prevent capital flight. At the eleventh hour Athens announced that it will seek a new two-year bail-out programme. Market reaction to the changing news was negative, but far from a panic, in what has been attributed to "headline fatigue". It also helped that the ECB signaled that it would take additional steps if needed to calm the markets.

Outside of Greece the eurozone showed signs of a modest recovery. Most significantly, consumer prices rose for the first time in six months, a victory for the ECB and its QE programme. Despite the US economy showing signs of improvement, the US Fed indicated that no decision has yet been made on raising interest rates this year. China continued to slow down, while its stock market lost over 20% in two weeks, forcing the central bank to cut interest rates and relax banks' reserve requirements, a combination of measures last seen in 2008.

Continued problems at Eskom, further disruptions in the National Assembly and the granting of safe passage to the Sudanese President Omar al-Bashir after the AU summit did little to endear South Africa to foreign investors. The economy continued to show weakness with inflation rising to 4.6% year-on-year in May as the Reserve Bank continued to warn of imminent interest rate increases. Surprisingly both Fitch and S&P's affirmed South Africa's credit ratings, quoting the quick conclusion of the public sector wage negotiations, government's fiscal consolidation and expectations for the budget deficit to narrow and the economy to improve by 2017 as positives. The month ended with the FTSE/JSE All Share Index down 0.8%, the BESA All Bond Index down 0.2%, the FTSE/JSE Listed Property sector down 0.4% and the Rand at 12.17/US dollar.

### CUMULATIVE RETURNS



### HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2011</b>	-0.2%	1.6%	0.1%	1.4%	0.4%	-1.1%	-0.8%	0.0%	-0.4%	4.9%	0.7%	-0.2%	<b>6.5%</b>
<b>2012</b>	3.1%	1.4%	0.6%	1.3%	-0.9%	1.1%	2.2%	2.4%	1.7%	2.2%	2.0%	1.0%	<b>19.8%</b>
<b>2013</b>	4.2%	0.2%	2.1%	-0.5%	6.3%	-3.1%	3.1%	1.6%	4.0%	3.2%	0.2%	3.0%	<b>26.7%</b>
<b>2014</b>	-0.6%	2.9%	0.4%	1.2%	2.2%	2.4%	0.8%	0.8%	-0.4%	0.9%	1.5%	1.3%	<b>14.2%</b>
<b>2015</b>	3.0%	3.3%	1.4%	1.9%	-1.3%	-0.7%							<b>7.9%</b>

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## FUND SUMMARY

Inception (back dated):	01-Nov-03	
Inception (actual):	12-Nov-09	
Number of Months	68	
	<b>FUND</b>	<b>LMM</b>
Sharpe Ratio	0.83	0.66
Sortino Ratio	1.29	0.96

## RISK ANALYSIS

	<b>FUND</b>	<b>LMM</b>
% Positive Months	71.4%	70.7%
% Negative Months	28.6%	29.3%
Best Month	7.4%	7.3%
Worst Month	-7.7%	-7.7%
Avg Negative Return	-1.5%	-1.7%
Maximum Drawdown	-17.4%	-23.8%
Standard Deviation	9.0%	9.3%
Downside Deviation	5.8%	6.4%

## CORRELATIONS

	<b>FUND</b>	<b>LMM</b>
FTSE/JSE All Share Index	0.93	0.93
BESA All Bond Index	0.21	0.19

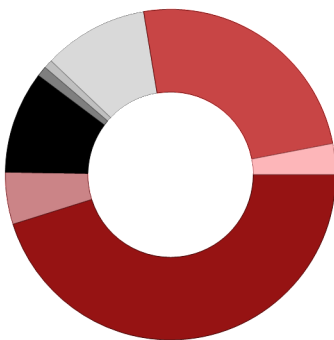
LMM = Global Large Manager Median

## MARKET STRESS MONTHS

	<b>FUND</b>	<b>ALSI</b>
July 2008	-0.4%	-8.7%
September 2008	-5.1%	-13.2%
October 2008	-4.3%	-11.6%
February 2009	-7.7%	-9.9%

Proforma performance numbers for periods prior to inception of the portfolio are based on actual performance of the underlying building blocks used in the portfolio. These risk and return numbers are shown to aid in the understanding of potential future performance and risk characteristics of the product.

## ASSET ALLOCATION



- Domestic Equities - 45.2%
- Domestic Property - 5.1%
- Domestic Bonds - 10.0%
- Domestic Cash Plus - 1.0%
- Domestic Money Market - 0.9%
- Domestic Alternatives - 10.3%
- International - 24.6%
- Africa - 3.0%

## PERFORMANCE ANALYSIS

PERFORMANCE	<b>FUND</b>	<b>BM</b>	<b>DIFFERENCE</b>
<b>Calendar Years</b>			
2009	19.0%	21.3%	-2.3%
2010	15.3%	15.9%	-0.6%
2011	6.5%	7.8%	-1.3%
2012	19.8%	21.2%	-1.5%
2013	26.7%	21.6%	5.2%
2014	14.2%	13.8%	0.4%

### Periodic Performance

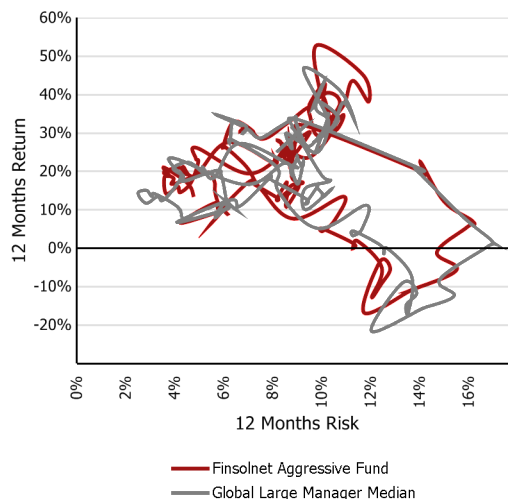
	<b>FUND</b>	<b>BM</b>	<b>DIFFERENCE</b>
1 month	-0.7%	-0.1%	-0.6%
3 month	0.0%	0.1%	-0.1%
6 month	7.9%	6.1%	1.8%
Year to date	7.9%	6.1%	1.8%
1 year	13.4%	10.5%	2.8%
2 year	19.6%	17.4%	2.2%
3 year	20.5%	18.3%	2.2%
5 year	18.0%	17.7%	0.3%

## FUND SENSITIVITY TO EQUITY MARKET



This scatterplot indicates the extent to which fund returns are correlated with those of the equity market.

## 12 MONTHS RISK/RETURN SNAIL TRAIL



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