

Finsolnet

Finsolnet CPI + 6% Portfolio

March 15

INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 6% over a rolling 60-month period and not to lose capital over a rolling 36-month period.

INVESTMENT VEHICLE

Fund: Sygnia CPI + 6% Portfolio
Fund Category: South African - Multi Asset - High Equity

MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 0.84% as at 31 December 2014

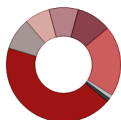
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	8.6%	15.6%
Downside Deviation	5.9%	9.7%
% Positive Months	71.9%	65.5%
% Negative Months	28.1%	34.5%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.5%	-3.1%
Maximum Drawdown	-20.8%	-40.4%

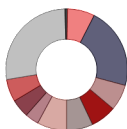
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 43.6%	Domestic Bonds - 9.1%
Domestic Property - 7.2%	Domestic Money Market - 8.3%
Absolute Return - 9.8%	Int Equities - 20.0%
Int Fixed Interest - 1.2%	Africa - 1.0%

MANAGER HOLDINGS



36ONE - 6.9%	Bateleur - 7.0%	Coronation - 7.9%
Investec - 3.6%	Prudential - 4.9%	Steyn Capital - 6.0%
Sygnia - 27.2%	Taquanta - 0.7%	Visio - 7.2%
International - 21.7%	Cash - 6.9%	

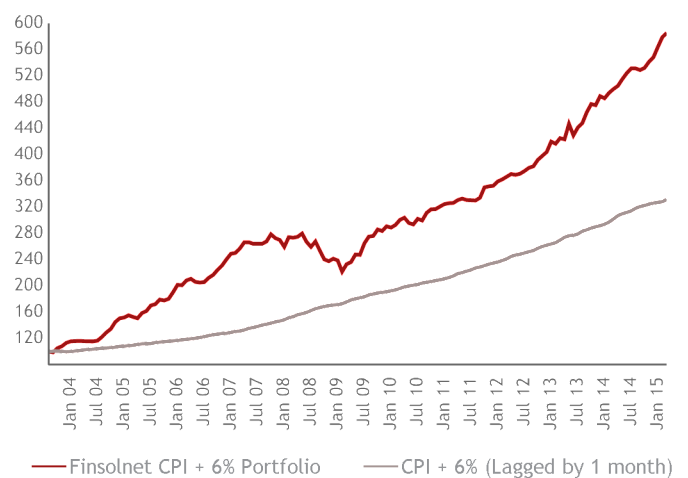
TOP 10 EQUITY HOLDINGS

	VALUE
Naspers	4.9%
MTN Group	1.9%
Steinhoff	1.9%
British American Tobacco	1.8%
Growthpoint Properties	1.8%
Firststrand Limited	1.7%
Sasol	1.6%
SAB Miller	1.4%
Old Mutual Plc	1.4%
Redefine Properties	1.3%

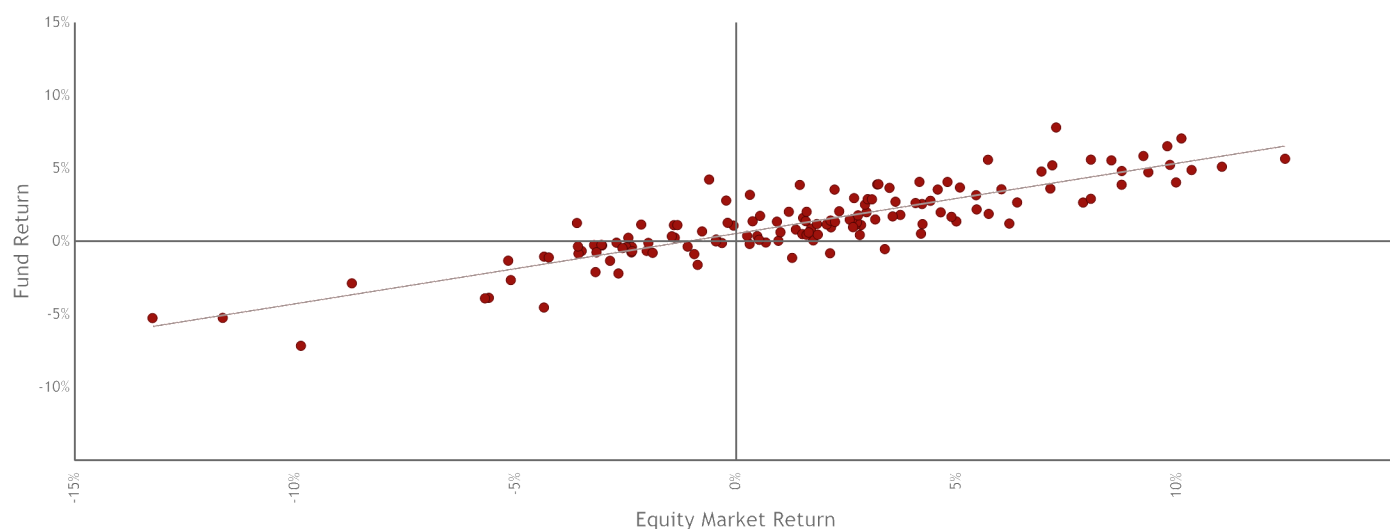
PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	1.1%	1.1%	0.0%
3 month	6.8%	1.7%	5.0%
6 month	10.7%	3.4%	7.3%
Year to date	6.8%	1.7%	5.0%
1 year	17.1%	9.9%	7.2%
2 year	17.4%	10.9%	6.4%
3 year	16.9%	11.2%	5.7%
5 year	14.3%	11.1%	3.2%
10 year	14.4%	11.7%	2.7%
Since Inception	16.5%	10.9%	5.6%
2009	20.4%	11.8%	8.6%
2010	10.3%	9.6%	0.8%
2011	9.9%	12.1%	-2.3%
2012	14.6%	11.6%	3.0%
2013	21.1%	11.3%	9.7%
2014	12.1%	11.8%	0.3%

CUMULATIVE PERFORMANCE



FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

Risk aversion re-appeared in March on a combination of economic and geopolitical factors, and ongoing concerns about the timing of US interest rate increases, triggering a sharp sell-off of emerging markets. Banks around the world, including Thailand, South Korea, Russia, Serbia, Sweden, India and China, took advantage of lower inflation numbers to ease monetary policy in the hope of stimulating growth.

In the US, the job market continued to recover, but other economic yardsticks were anaemic. However, opinions remain divided as to whether the economy is really slowing down or whether the data merely reflects bad weather-related conditions.

The ECB kicked off its €60 billion-a-month bond buying programme on 12 March. Yields on Italian, Spanish and Portuguese government debt fell to record lows and European stock markets rallied in response.

China joined the wave of global easing by cutting short term interest rates for the second time in three months. In a shock announcement, China set its economic growth target at 7%, the lowest in more than 15 years.

The first half of the month saw significant volatility in markets as the disappointing US and Chinese economic data and the lack of progress on Greece translated into rising risk aversion and a sell-off of resource stocks.

The second half of the month benefitted from the US Federal Reserve's announcement that it planned to raise interest rates more slowly because of the unusually fragile condition of the US economy.

On the domestic front, consumer inflation slowed to 3.9% year-on-year, its lowest in four years. The Reserve Bank kept interest rates on hold at 5.75% while raising its inflation forecast for 2015 to 4.8% on the back of higher food, electricity and petrol prices.

In yet another reprieve both S&P and Fitch confirmed that South Africa's credit rating is unlikely to be downgraded in June.

The FTSE/JSE All Share Index returned -1.3% in March, pulled down by the Resources sector which fell by 8.5%. Financials returned 2.3% and Industrials -0.5%. The bond market fell by 0.5%, while the listed property sector rose by 2.6%. The rand weakened to a 13-year low of R12.18/US\$ on a combination of domestic economic factors, global risk aversion and the strength of the US dollar.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2011	1.2%	0.4%	0.1%	1.3%	0.7%	-0.6%	-0.1%	-0.1%	1.3%	4.7%	0.5%	0.2%	9.9%
2012	1.9%	0.9%	1.1%	1.1%	-0.3%	0.5%	1.1%	1.3%	0.6%	2.6%	1.5%	1.5%	14.6%
2013	3.9%	-0.8%	2.0%	-0.4%	5.6%	-3.9%	2.8%	1.5%	3.7%	2.7%	-0.4%	2.9%	21.1%
2014	-0.7%	1.7%	1.2%	1.0%	2.0%	1.8%	1.4%	0.0%	-0.5%	0.6%	1.7%	1.3%	12.1%
2015	2.9%	2.6%	1.1%										6.8%

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