



# April/13

## 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 be 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)
-0.5%	19.0%	18.2%	18.4%

### PERFORMANCE COMMENTARY

April brought an abrupt end to the bull market in commodities, and in particular gold, as commodity prices fell on rising concerns about slowing growth prospects in the US and China.

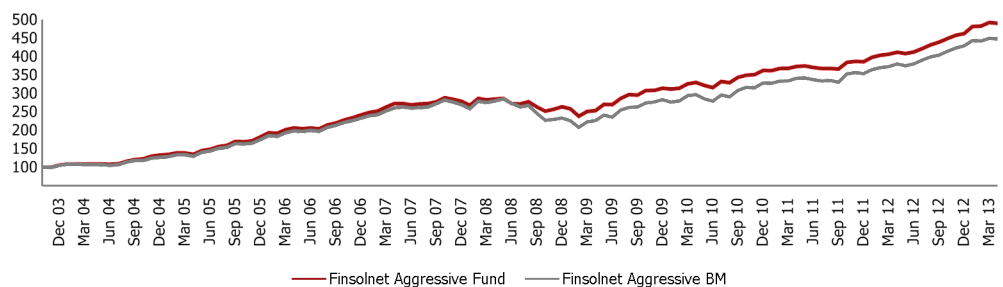
The FTSE/JSE All Share Index declined 2.5%, pulled down by the Resources sector which fell by 8.5%. The Gold Mining sector lost a massive 19.3%, while the Platinum Mining sector fell by 10.2%. The BESA All Bond Index, on the other hand, came in at a strong 4.1% on the resumption of foreign interest, while the Rand strengthened by 2.8% against the US dollar. In Europe, both the Bank of England and the ECB kept interest rates on hold despite mounting evidence that the eurozone is slipping deeper into recession. However, expectations that the ECB will act in May helped to revive markets at month-end.

The magnitude of new stimulus measures announced by Japan's central bank, at three times the US Federal Reserve's stimulus as a share of the economy, caught the market by surprise. The Bank aims to double the amount of money in circulation to boost inflation to 2% within 2 years. If nothing else, the injection of money is expected to reignite the yen "carry trade" as Japan's institutions seek higher yields offshore.

The gold price started to slide mid-month after Cyprus's central bank announced a US\$400 million sale of gold reserves, setting an uncomfortable precedent for other heavily indebted nations such as Italy and Portugal. It deteriorated further after the announcement of a slowdown in China's economic growth to an annualised 7.7% in the first quarter. The gold price sank to a low of US\$1 321.35/oz by 16 April, before rebounding to US\$1 476.75/oz by month-end after the first estimate of US first quarter GDP growth came in at a lower-than-expected annualised rate of 2.5%.

In South Africa labour unrest continued against a backdrop of lacklustre economic data with labour relations expected to remain fraught through 2013. The bus industry is already on strike, while the motor and mining industries are preparing for negotiations. This is not great news for the rand, which has had a turbulent time of late. The currency has fallen by 5.9% against the US dollar since the start of 2013 on the back of massive current account deficit numbers. However, the currency strengthened to R8.97/US dollar at month-end on the positive news that South Africa's trade deficit had narrowed to R7.8 billion in March. Consumer inflation was unchanged at 5.9% year-on-year in March, slightly below expectations.

### CUMULATIVE RETURNS



### HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2009</b>	-2.1%	-7.7%	5.4%	1.0%	6.6%	-0.2%	6.2%	3.7%	-0.5%	4.2%	0.1%	1.9%	<b>19.0%</b>
<b>2010</b>	-0.7%	0.7%	3.8%	1.1%	-2.4%	-1.8%	5.2%	-1.0%	4.4%	1.7%	0.5%	3.2%	<b>15.3%</b>
<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%									<b>6.0%</b>

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## FUND SUMMARY

Inception (back dated):	01-Nov-03	
Inception (actual):	12-Nov-09	
Number of Months	42	
	<b>FUND</b>	<b>LMM</b>
Sharpe Ratio	0.77	0.66
Sortino Ratio	1.21	0.98

## RISK ANALYSIS

	<b>FUND</b>	<b>LMM</b>
% Positive Months	69.3%	69.3%
% Negative Months	30.7%	30.7%
Best Month	7.4%	7.3%
Worst Month	-7.7%	-7.7%
Avg Negative Return	-1.5%	-1.8%
Maximum Drawdown	-17.4%	-23.8%
Standard Deviation	9.5%	9.9%
Downside Deviation	6.0%	6.6%

## CORRELATIONS

	<b>FUND</b>	<b>LMM</b>
FTSE/JSE All Share Index	0.93	0.93
BESA All Bond Index	0.24	0.23

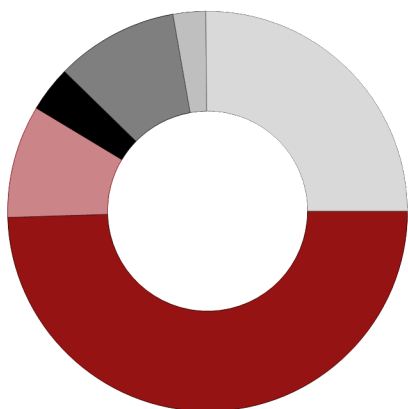
LMM = Global Large Manager Median

## 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



Equities - 49.5%	International - 25.1%
Bonds - 9.1%	
Money Market - 3.7%	
Alternatives - 9.9%	
TAA - 2.6%	

## PERFORMANCE ANALYSIS

PERFORMANCE	<b>FUND</b>	<b>BM</b>	<b>DIFFERENCE</b>
<b>Calendar Years</b>			
2007	15.4%	15.8%	-0.4%
2008	-5.3%	-13.3%	8.0%
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%

### Periodic Performance

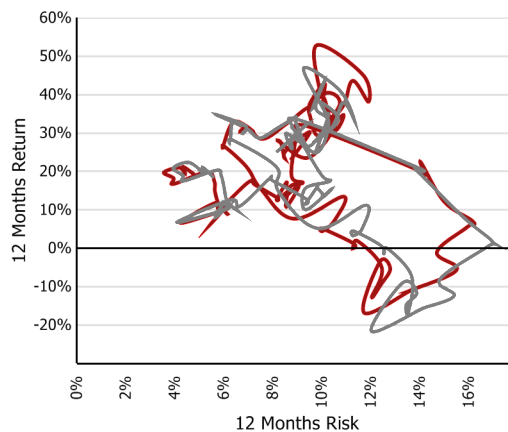
1 month	-0.5%	-0.3%	-0.2%
3 month	1.7%	1.0%	0.7%
6 month	9.2%	8.1%	1.1%
Year to date	6.0%	4.3%	1.6%
1 year	19.0%	17.8%	1.1%
2 year	14.6%	14.6%	0.0%
3 year	14.1%	14.7%	-0.6%
5 year	11.4%	9.9%	1.6%

## 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



— Finsolnet Aggressive Fund  
— Global Large Manager Median

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