

# FINSOLNET

Finsolnet CPI + 2% Portfolio  
July/2012

## 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

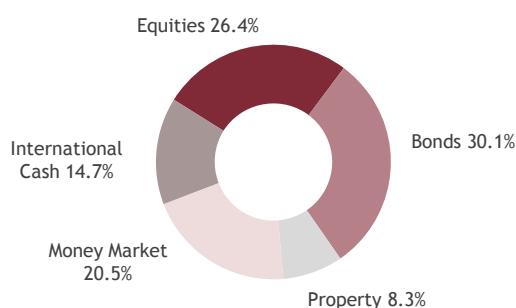
**Fund Category:** Domestic Asset Allocation - Low Equity

## TOTAL EXPENSE RATIO

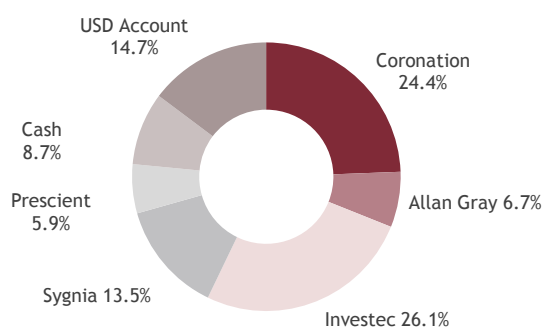
Sygnia CPI + 2% Total Expense Ratio: 0.82%

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

## ASSET ALLOCATION



## MANAGER ALLOCATION



## TOP 10 EQUITY HOLDINGS

Growthpoint	2.2%
Sasol	2.0%
MTN Group	1.3%
Redefine	1.2%
British American Tobacco	1.0%
SAB Miller	1.0%
Standard Bank	0.9%
Capital Property	0.8%
Anglogold Ashanti	0.7%
Gold Fields	0.7%

## PERFORMANCE ANALYSIS

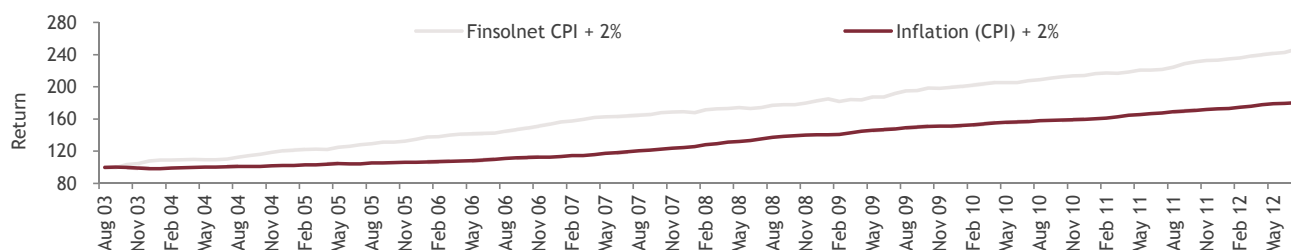
YEAR	FUND	CPI + 2%	DIFF
1 month	1.7%	0.4%	1.3%
3 months	2.9%	1.2%	1.7%
6 months	5.1%	4.0%	1.1%
Year to date	5.8%	4.3%	1.5%
1 year	11.3%	7.5%	3.8%
2 years	9.0%	7.2%	1.8%
3 years	8.7%	6.9%	1.8%
5 Years	8.6%	8.6%	0.0%
Since Inception	10.7%	6.8%	3.8%
2007	10.2%	10.5%	-0.4%
2008	8.0%	12.6%	-4.7%
2009	9.3%	7.8%	1.4%
2010	7.3%	5.6%	1.7%
2011	9.0%	8.1%	0.9%

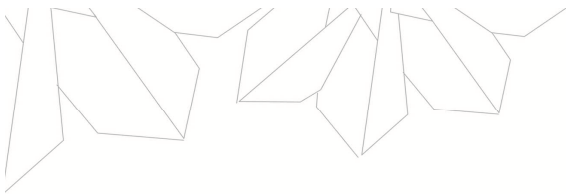
## RISK ANALYSIS

	FUND	ALSI
% Positive Months	91.6%	63.6%
% Negative Months	8.4%	36.4%
Best Month	4.2%	12.5%
Worst Month	-1.7%	-13.2%
Average Negative Month	-0.5%	-3.4%
Max Drawdown	-1.7%	-40.4%
Standard Deviation	2.9%	17.0%
Downside Deviation	1.7%	10.3%

\* Risk statistics are calculated since inception of the fund

## CUMULATIVE PERFORMANCE GRAPH





## FUND SENSITIVITY TO EQUITY MARKET



This scatter plot indicates the sensitivity of the fund returns to those of the equity market. This analysis shows that the fund exhibits little sensitivity to the direction of the equity market.

## COMMENTARY

The dramatic EU summit announcement that European banks would receive aid directly from the region's permanent bail-out fund, the ESM, quickly ran into trouble as a number of EU countries, including Finland, the Netherlands and Germany, seemed to hesitate over the decision. Once again, economic data disappointed with Q2 GDP growth in the US and China slowing down to 1.5% and 7.6% respectively, after 2.0% and 8.1% gains in Q1. Across the Atlantic, the eurozone remained mired in recession.

As markets wobbled, global central banks went on the offensive. The ECB, Denmark and China cut interest rates, while the Bank of England raised the size of its asset-purchase programme by £50 billion to £375 billion.

This did little to ease concerns as Spanish and Italian borrowing costs soared back into the danger zone. Spain, Italy and Greece all announced further austerity measures, while Greece asked its lenders for a three-year extension to its bail-out programme till 2017.

With markets poised to fall sharply, Germany and Finland saved the day by endorsing the decision to use the eurozone's rescue fund to help Spanish banks.

And the ECB's President, Mario Draghi, announced that the central bank "would do whatever it takes to protect the euro", a message echoed by Germany and France. The comments stoked optimism that the ECB and the US Fed will provide further stimulus measures.

According to the South African Reserve Bank's 2012 annual economic report, growth remains "pedestrian", with the manufacturing sector vulnerable because of the European crisis. After nine MPC meetings with no changes, the SARB cut the repo rate by 50 basis points to 5.0%, taking the prime rate to 8.5%. The CPI came in at 5.5% year-on-year in June, while the PPI remained unchanged at 6.6%.

On the political front, credit ratings agencies expressed disappointment over the failure of the ANC Policy Conference in June to clarify its approach to the nationalisation of mines.

The equity market roared ahead, with the FTSE/JSE All Share Index gaining 2.7% despite the Resources sector giving up 2% in performance. The bond market continued to benefit from foreign buying, rising 4.0%, while the Rand weakened by 1.5% against the US dollar.

## HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-0.6%	2.0%	0.7%	0.3%	0.6%	-0.8%	0.8%	1.7%	0.3%	0.0%	1.2%	1.4%	8.0%
2009	1.4%	-1.7%	1.2%	-0.2%	1.8%	0.2%	2.3%	1.5%	0.4%	1.6%	-0.1%	0.6%	9.3%
2010	0.7%	0.7%	0.7%	0.8%	0.0%	0.0%	1.1%	0.7%	0.9%	0.6%	0.6%	0.2%	7.3%
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%						5.8%

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