

# Finsolnet

## Finsolnet CPI + 6% Portfolio

March 13

### 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: Domestic - Asset Allocation - High Equity

### MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 1.00%

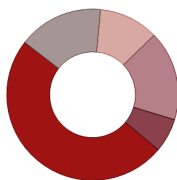
\*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

### RISK STATISTICS

	FUND	ALSI
Standard Deviation	9.0%	16.5%
Downside Deviation	6.1%	10.2%
% Positive Months	70.4%	65.2%
% Negative Months	29.6%	34.8%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.5%	-3.4%
Maximum Drawdown	-20.8%	-40.4%

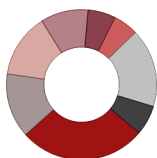
\*Risk statistics are calculated since inception of the fund

### ASSET ALLOCATION



Equities - 49.4%    Bonds - 16.0%    Money Market - 11.2%  
Int Equities - 17.0%    Int Cash - 6.4%

### MANAGER HOLDINGS



Coronation - 27.3%    Allan Gray - 13.9%    Investec - 13.8%  
Sygnia - 10.3%    Mazi Capital - 5.9%    Cash - 5.4%  
OMIGSA - 17.0%    Int Cash - 6.4%

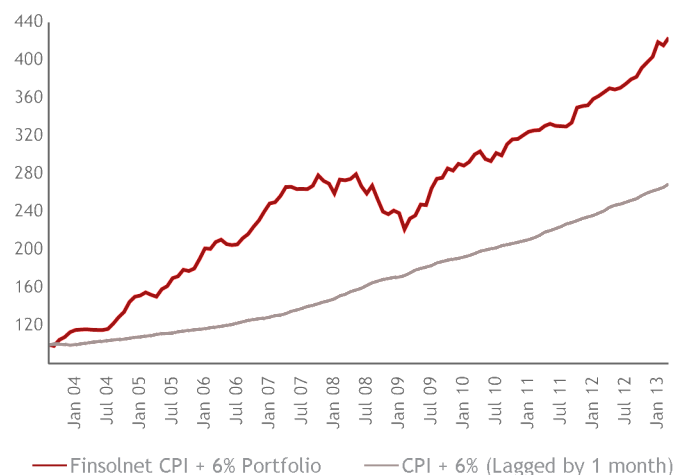
### TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	3.0%
SAB Miller	2.8%
British American Tobacco	2.6%
MTN Group	2.5%
Anglo American Plc	1.9%
Standard Bank	1.7%
Naspers	1.5%
Mondi Plc	1.2%
BHP Billiton	1.2%
Remgro	1.0%

### PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	2.0%	1.4%	0.5%
3 month	5.0%	2.9%	2.1%
6 month	10.8%	6.2%	4.6%
Year to date	5.0%	2.9%	2.1%
1 year	15.7%	11.9%	3.9%
2 year	14.0%	12.0%	2.0%
3 year	12.1%	11.2%	0.9%
5 year	9.2%	12.0%	-2.8%
Since Inception	16.3%	10.9%	5.4%
2007	12.2%	14.5%	-2.3%
2008	-10.5%	16.7%	-27.2%
2009	20.4%	11.8%	8.6%
2010	10.3%	9.6%	0.8%
2011	9.9%	12.1%	-2.3%
2012	14.5%	11.6%	2.9%

### CUMULATIVE PERFORMANCE



## FUND SENSITIVITY TO EQUITY MARKET



## COMMENTARY

Markets took cheer from the continued economic recovery in the US where employment data, retail sales, durable goods orders and factory output continued to pick up despite the recent tax increases and the looming US government spending cuts. The positive news out of the US was offset by disappointing manufacturing and services figures from China which implied moderating growth. Soaring property prices and rising consumer inflation are also increasing the likelihood of monetary policy tightening, at a time when the recovery seems to be slowing down.

The worst news, unsurprisingly, came from the eurozone where the manufacturing sector shows no sign of a recovery, unemployment is at an all time high and inflation is falling. Most indicators now point to the recession having extended into the first quarter of 2013. At mid-month, the banking crisis in Cyprus dampened enthusiasm for risk, while the subsequent bailout terms set a worrying precedent for other struggling eurozone nations. Concerns about Italy, more bleak economic data out of the eurozone and thin trading ahead of the Easter weekend added to the negative tone. However, a seemingly orderly resolution of the crisis lifted the mood by month-end, with the S&P 500 index ending the month at an all time high.

Consumer weakness, continuing labour unrest in the mining sector and an increasingly unsustainable current account deficit contributed to the spectacular fall of the rand. The currency weakened to a four year low after South Africa's trade account deficit reached R24.5 billion in January on a significant rise in imports and a decrease in commodity exports. The rand fell further after Exxaro advised of strikes at five of its mines which supply coal to Eskom; and even further after a surprise upward revision of the Reserve Bank's estimate of the current account deficit in the third quarter of last year, and news that it remained wide in the fourth quarter at 6.5% of GDP. Month-end brought some respite after the announcement that the trade account deficit in February narrowed to R9.52 billion as exports increased while imports dropped.

The Reserve Bank left interest rates unchanged as consumer inflation rose to 5.9% year-on-year in February. South Africa hosted the fifth BRICS summit in Durban which formally agreed to create a development bank to rival Western-backed institutions such as the IMF and the World Bank.

The FTSE/JSE All Share Index rose by 1.2% in March, while the BESA All Bond Index delivered 0.2%. The rand depreciated by 2.2% against the dollar.

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2009	-1.1%	-7.2%	5.1%	1.4%	4.9%	-0.2%	7.1%	3.9%	0.4%	3.6%	-0.8%	2.5%	20.4%
2010	-0.7%	1.4%	2.7%	1.1%	-2.7%	-0.8%	2.9%	-0.8%	3.9%	1.7%	0.1%	1.2%	10.3%
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%	0.7%	2.5%	1.5%	1.4%	14.5%
2013	3.9%	-0.8%	2.0%										5.0%

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