

Finsolnet

Finsolnet CPI + 2% Portfolio

January 13

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

MANAGEMENT FEES

Sygnia CPI + 2% Total Expense Ratio: 0.79%

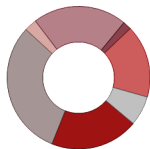
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	2.9%	16.6%
Downside Deviation	1.7%	10.3%
% Positive Months	92.0%	65.5%
% Negative Months	8.0%	34.5%
Best Month	4.2%	12.5%
Worst Month	-1.7%	-13.2%
Avg Negative Return	-0.5%	-3.4%
Maximum Drawdown	-1.7%	-40.4%

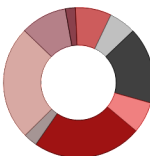
*Risk statistics are calculated since inception of the fund

ASSET ALLOCATION



Equities - 20.0% Bonds - 30.7% Property - 2.8%
 Money Market - 21.3% Commodities - 1.9% Int Equities - 16.5%
 Int Cash - 6.7%

MANAGER HOLDINGS



Coronation - 23.5% Allan Gray - 3.0% Investec - 24.6%
 Sygnia - 10.0% Mazi Capital - 2.2% Prescient - 7.7%
 Cash - 5.8% OMIGSA - 16.5% Int Cash - 6.7%

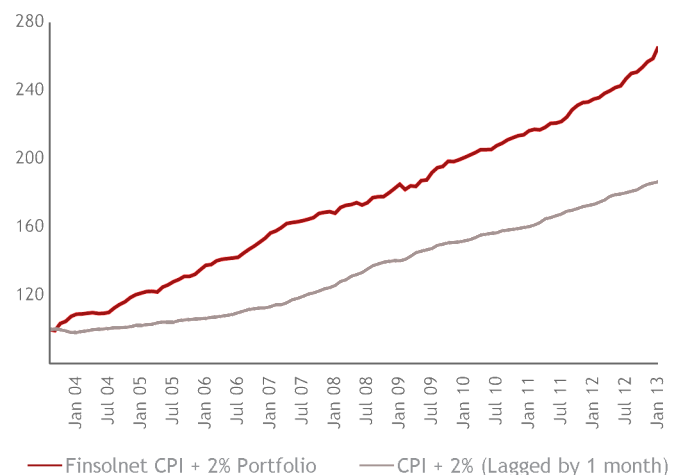
TOP 10 EQUITY HOLDINGS

	VALUE
MTN Group	1.2%
Sasol	1.1%
SAB Miller	0.9%
British American Tobacco	0.8%
Naspers	0.7%
Anglo American Plc	0.7%
Growthpoint Properties	0.7%
Standard Bank	0.6%
BHP Billiton	0.5%
Remgro	0.5%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	2.7%	0.4%	2.3%
3 month	4.8%	1.6%	3.2%
6 month	7.6%	3.6%	4.1%
Year to date	2.7%	0.4%	2.3%
1 year	13.1%	7.7%	5.4%
2 year	10.8%	7.9%	2.9%
3 year	9.8%	7.1%	2.7%
5 year	9.6%	8.2%	1.4%
Since Inception	10.9%	6.8%	4.1%
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%
2012	10.9%	7.6%	3.3%

CUMULATIVE PERFORMANCE



FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

The dramatic fiscal cliff showdown in the final hours of 2012, which averted a raft of income tax increases for US households and deferred planned spending cuts for two months, triggered a market rally in the opening trading hours of 2013. Upbeat economic data from the US and China, and an extension of the US debt ceiling until mid-May, added to the momentum. The FTSE/JSE All Share Index topped the 40 000 level for the first time in its 17-year history, while the S&P 500 Index climbed to yet another five-year high.

Oil hovered around US\$112 a barrel as increasing supply and rising inventories in the US put a lid on prices. The gold price tested the US\$1 700 an ounce level, before easing concerns over the global economy dampened the rally. Platinum hit a three-month high after Amplats, the world's top platinum producer, announced mine closures at a cost of 14 000 jobs.

Most central banks kept their interest rates and monetary policies unchanged. The Bank of Japan, however, announced a US\$116 billion stimulus package and the adoption of a 2% inflation target. China's economy picked up in the final quarter of 2012, with GDP growth coming in at 7.9% for the quarter, and 7.8% for the year. The US economy grew by

South Africa's prospects are looking fragile with the Reserve Bank lowering its growth forecast for 2013 to 2.6% on the back of labour unrests and a deteriorating business environment. Fitch lowered South Africa's sovereign credit rating to BBB with a stable outlook.

Consumer inflation came in at 5.7% in December, its highest level since May 2012, while the Reserve Bank kept the repo rate unchanged at 5%. Other economic statistics were mixed. Retail sales and credit extension to the private sector showed some strength, but the seasonally adjusted Kagiso PMI fell to 47.4 in December, suggesting that the slowdown in demand from Europe remains a challenge.

The rand fell below R9/US\$ as foreign investments flowed out amid concerns over continued labour and social unrest and a widening current account deficit. The FTSE/JSE All Share Index rose by 3.2%, the BESA All Bond Index delivered a flat 0.1%, while the Rand depreciated by 6.7% against the US dollar.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%	1.3%	0.3%	1.1%	1.3%	0.7%	10.9%
2013	2.7%												2.7%

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