FINSOLNET

Finsolnet CPI + 4% Portfolio

August/2012

STRATEGY OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is to target an annual return of CPI plus 4% over a rolling 36-month period and not to lose capital over a rolling 24-month period.

INVESTMENT VEHICLE

Fund: Sygnia CPI + 4% Portfolio

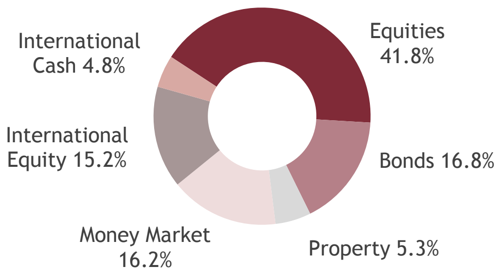
Fund Category: Domestic Asset Allocation - Medium Equity

TOTAL EXPENSE RATIO

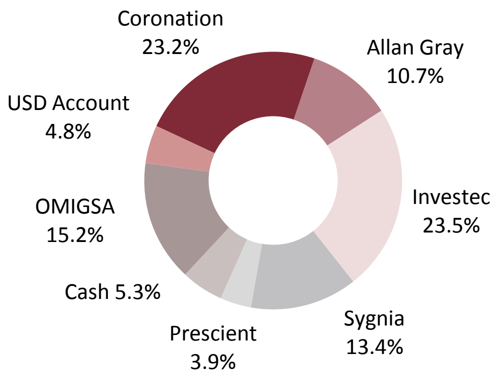
Sygnia CPI + 4% Total Expense Ratio: 0.86%

*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

Sasol	2.6%
MTN Group	2.2%
British American Tobacco	1.6%
SAB Miller	1.6%
Growthpoint	1.4%
Standard Bank	1.4%
Naspers	1.1%
Anglo American Plc	1.0%
Mondi plc	0.9%
Anglogold Ashanti	0.8%

PERFORMANCE ANALYSIS

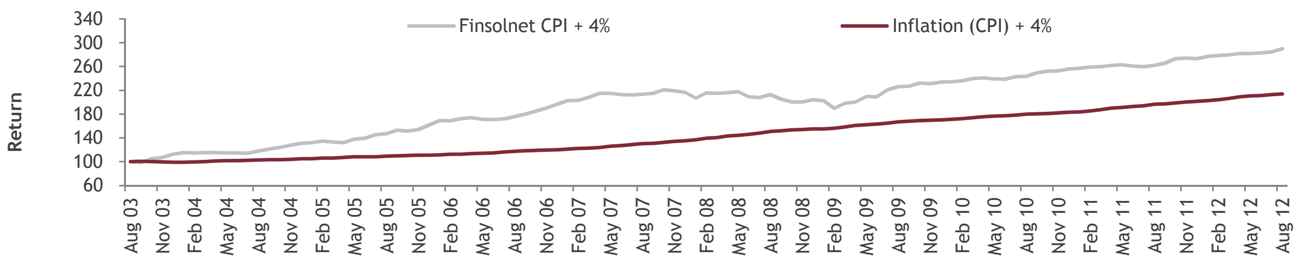
YEAR	FUND	CPI + 4%	DIFF
1 month	1.8%	0.6%	1.2%
3 months	2.8%	1.6%	1.1%
6 months	4.0%	4.7%	-0.6%
Year to date	6.0%	6.1%	-0.1%
1 year	10.8%	8.9%	1.8%
2 years	9.1%	9.1%	0.0%
3 years	8.6%	8.6%	0.0%
5 Years	6.3%	10.4%	-4.1%
Since Inception	12.6%	8.8%	3.7%
2007	10.2%	12.5%	-2.3%
2008	-5.8%	14.7%	-20.5%
2009	14.6%	9.8%	4.8%
2010	9.4%	7.6%	1.8%
2011	6.9%	10.1%	-3.2%

RISK ANALYSIS

	FUND	ALSI
% Positive Months	69.4%	63.9%
% Negative Months	30.6%	36.1%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Average Negative Month	-1.1%	-3.4%
Max Drawdown	-14.2%	-40.4%
Standard Deviation	7.1%	17.0%
Downside Deviation	5.1%	10.3%

* Risk statistics are calculated since inception of the fund

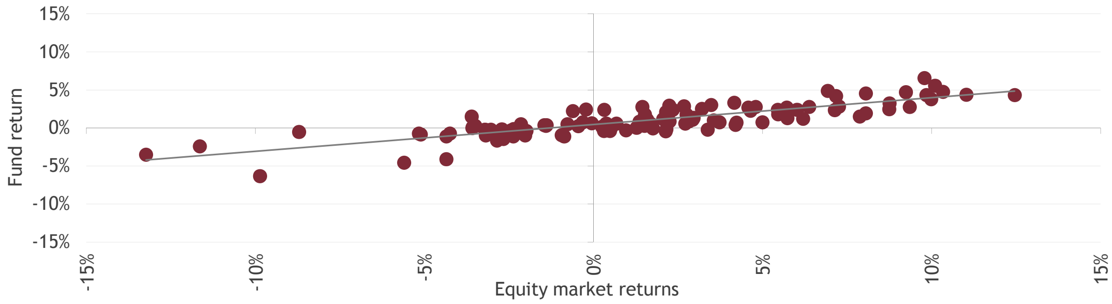
CUMULATIVE PERFORMANCE GRAPH



finsolnet

SYGNIA
THE SUM OF ALL THINGS

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

COMMENTARY

With the European August vacations in full swing, and the Olympics distracting attention from the gloomy economics, market activity was subdued. The vow of the ECB, that it was prepared to take whatever action necessary to defend the euro, was interpreted as an indication that it will buy Spanish and Italian debt to hold down yields. This helped to rally markets on thin volumes.

Economic data in August was downbeat with manufacturing, a key measure of economic growth, slowing down in the US and contracting in China and Europe. The euro zone’s economy shrank by 0.2%, having flat-lined in the first quarter after an upward revision. The UK reported a contraction of 0.5%. In comparison the US GDP increased by 0.4% compared with the previous quarter, while Japan grew by a below expectations 0.3%.

Oil prices rose over US$115 a barrel as US crude stock reserves fell and as North Sea supply cuts were priced in on the back of maintenance over the next two months. Escalating conflicts in Syria and Yemen, sanctions on Iran and the tropical storm Isaac hitting US oil rigs and refineries helped to underpin prices.

Speculation that the US Fed may unveil another round of stimulus measures and that the ECB is set to take action on the euro zone debt crisis kept gold above US$1 650/oz through the month.

In fact, the Fed chairman Ben Barnanke used the annual gathering of central bankers in Jackson Hole, USA, to deliver a forceful argument for new stimulus measures.

The platinum price recovered on supply concerns after a wave of violence in South Africa, caused by clashes between the dominant NUM and the upstart AMCU unions, escalated into a police crackdown. With 44 people dead at Lonmin’s Marikana mine, international investors fretted about a potential spill-over to other mining companies. The rand depreciated sharply and Fitch and S&P rating agencies warned that the events highlighted the social challenges South Africa faces.

The South African economy expanded by an annualised 3.2% in the second quarter. Consumer inflation slowed more than expected to 4.9% year-on-year in July. Other indicators were also positive. Manufacturing output grew by 0.8% year-on-year in June, retail sales accelerated by 8.3% year-on-year and the official unemployment rate fell to 24.9% from 25.2% in the first quarter. The FTSE/JSE All Share Index rallied by 2.7%, driven mainly by the Industrial sector which rose by 6.1%. Resources lost 0.5% and Financials gained 2.1%. The bond market rose by 0.1%, while the rand depreciated by 1.5%.

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-4.6%	4.3%	-0.2%	0.4%	0.8%	-4.1%	-0.5%	2.4%	-3.5%	-2.4%	0.0%	1.8%	**-5.8%**
2009	-0.7%	-6.3%	4.4%	1.1%	4.8%	-0.4%	5.6%	2.5%	0.2%	2.4%	-0.4%	1.1%	**14.6%**
2010	0.3%	0.6%	1.5%	0.7%	-0.8%	-0.2%	1.9%	0.1%	2.5%	1.0%	0.3%	1.2%	**9.4%**
2011	0.5%	0.9%	0.1%	0.9%	0.5%	-1.0%	-0.4%	0.8%	1.5%	2.8%	0.4%	-0.3%	**6.9%**
2012	1.3%	0.6%	0.3%	0.9%	0.0%	0.4%	0.6%	1.8%					**6.0%**

finsolnet

SYGNIA
THE SUM OF ALL THINGS