Finsolnet

Finsolnet CPI + 4% Portfolio

December 12

INVESTMENT 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

MANAGEMENT FEES

Sygnia CPI + 4% Total Expense Ratio: 0.95%

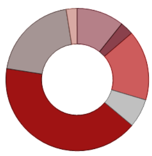
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	7.0%	16.7%
Downside Deviation	5.1%	10.3%
% Positive Months	70.5%	65.2%
% Negative Months	29.5%	34.8%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.4%
Maximum Drawdown	-14.2%	-40.4%

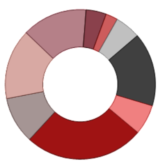
Risk statistics are calculated since inception of the fund

ASSET ALLOCATION



Equities - 41.4%
Bonds - 20.0%
Property - 2.5%
Money Market - 10.7%
Commodities - 3.0%
Int Equities - 15.9%
Int Cash - 6.5%

MANAGER HOLDINGS



Coronation - 25.7%
Allan Gray - 10.1%
Investec - 15.2%
Sygnia - 14.1%
Mazi Capital - 4.4%
Prescient - 2.6%
Cash - 5.5%
OMIGSA - 15.9%
Int Cash - 6.5%

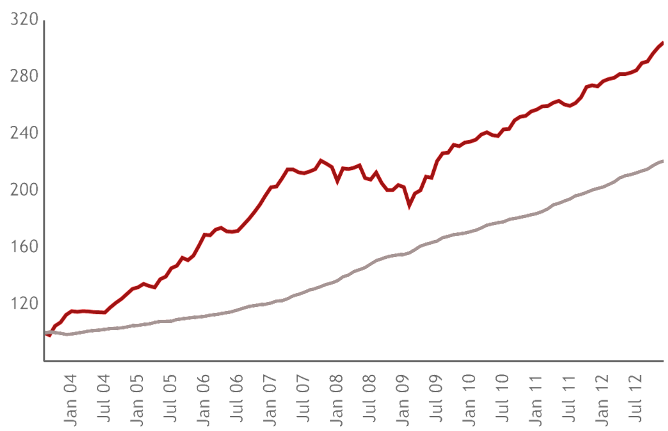
TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	2.5%
MTN Group	2.3%
SAB Miller	1.9%
British American Tobacco	1.6%
Anglo American Plc	1.5%
Standard Bank	1.4%
Naspers	1.3%
Remgro	1.1%
BHP Billiton	1.1%
Mondi Plc	1.0%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	1.1%	0.6%	0.6%
3 month	4.7%	2.7%	2.0%
6 month	7.6%	4.5%	3.1%
Year to date	11.4%	9.6%	1.8%
1 year	11.4%	9.6%	1.8%
2 year	9.1%	9.9%	-0.7%
3 year	9.2%	9.1%	0.1%
5 year	7.0%	10.3%	-3.3%
Since Inception	12.7%	8.9%	3.8%
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%
2012	11.4%	9.6%	1.8%

CUMULATIVE PERFORMANCE



Finsolnet CPI + 4% Portfolio
CPI + 4% (Lagged by 1 month)

finsolnet

SYGNIA
THE SUM OF ALL THINGS

FUND SENSITIVITY TO EQUITY MARKET

COMMENTARY

A spectacular year for equity markets came to an end with a whimper as US politicians raced to resolve the fiscal cliff issue, and the US hit its debt ceiling once again. The US Federal Reserve announced an increase to the quantitative easing programme, while the new government in Japan pledged a relaxation of monetary policy to boost growth. In South Africa the ANC election results, and in particular the election of Cyril Ramaphosa as the deputy president and the political rejection of the concept of nationalisation, brought more investor confidence in the country.

December started on an up note as Greece repurchased an effective €31.8 billion worth of bonds using a €10 billion loan from the EU bailout fund, and the US Fed upped the monthly amount of money it "prints" to US$85 billion. This optimism led to a sharp fall in the gold price which ended the month at US$1 675 an ounce, bringing the total return from gold in 2012 to 6.4%. Brent crude oil ended the year virtually flat at US$109.89 a barrel.

By mid-month, investors became concerned about the weaker than expected European economic data and the lack of progress in the US's fiscal cliff negotiations.

The combined effect of an expiry of tax cuts and large spending cuts has been projected to reduce the US GDP growth by up to 4% in 2013. With no concrete deal in sight, the markets ended the year on a downbeat note. A compromise deal was in fact reached just after midnight on 1 January 2013.

In addition, the US government reached its debt ceiling of US$16.4 trillion by 31 December 2012. The negotiations over the debt ceiling are likely to become part of the fiscal cliff discussions going into the first quarter of 2013.

In South Africa the manufacturing PMI rose to 49.5 in November, but remained below the key 50 level for a third straight month. Consumer inflation came in at 5.6% year-on-year. The outcomes of the ANC conference were positively received by investors, with the rand strengthening against the US dollar. In fact, the stock market hit fresh lifetime highs in December, breaking through the key 39 000 level for the first time in its history.

The year ended with the FTSE/JSE All Share Index delivering a spectacular 26.7% for the year, while the BESA All Bond Index rose by 16%. Broken

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%	0.4%	1.9%	1.5%	1.1%	11.4%