Finsolnet

Finsolnet CPI + 2% Portfolio

November 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: South African - Multi Asset - Low Equity

MANAGEMENT FEES

Sygnia CPI + 2% Total Expense Ratio: 0.73% as at 30 September 2013

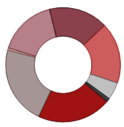
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	3.2%	16.4%
Downside Deviation	3.0%	10.0%
% Positive Months	91.9%	65.0%
% Negative Months	8.1%	35.0%
Best Month	4.2%	12.5%
Worst Month	-2.8%	-13.2%
Avg Negative Return	-0.8%	-3.3%
Maximum Drawdown	-2.8%	-40.4%

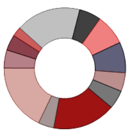
**Risk statistics are calculated since inception of the strategy*

ASSET ALLOCATION



Domestic Equities - 20.9%
Domestic Bonds - 22.2%
Domestic Property - 0.6%
Domestic Cash Plus - 16.4%
Domestic Money Market - 16.7%
Int Equities - 17.3%
Int Cash - 4.9%
Africa - 1.0%

MANAGER HOLDINGS



Coronation - 16.8%
Allan Gray - 4.2%
Investec - 18.0%
Sygnia - 4.8%
Mazi Capital - 4.2%
Absa AM - 2.6%
OMIGSA - 17.3%
Taquanta - 5.8%
Tantalum - 8.2%
Stanlib - 8.2%
Cash - 5.0%
Int Cash - 4.9%

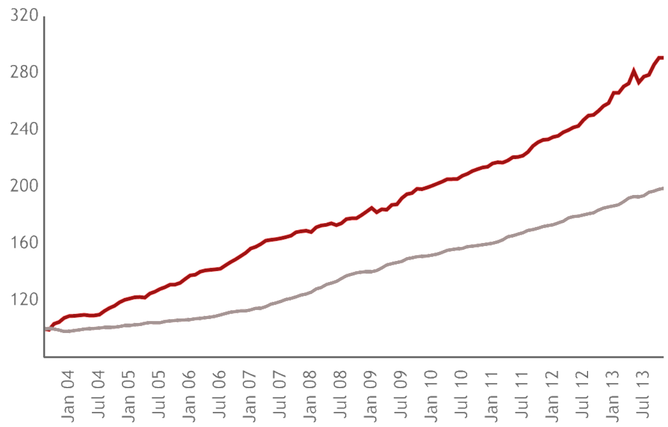
TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	1.4%
British American Tobacco	1.2%
SAB Miller	1.2%
Naspers	1.2%
MTN Group	1.1%
Anglo American Plc	0.9%
Standard Bank	0.9%
Old Mutual Plc	0.6%
BHP Billiton	0.5%
Compagnie Richemont	0.5%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	0.0%	0.4%	-0.4%
3 month	4.3%	1.4%	2.9%
6 month	3.3%	3.0%	0.3%
Year to date	12.3%	7.0%	5.3%
1 year	13.2%	7.5%	5.7%
2 year	11.7%	7.5%	4.2%
3 year	10.8%	7.7%	3.1%
5 year	10.1%	7.3%	2.8%
10 year	10.7%	7.2%	3.5%
Since Inception	11.0%	6.9%	4.0%
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	11.0%	7.6%	3.3%

CUMULATIVE PERFORMANCE



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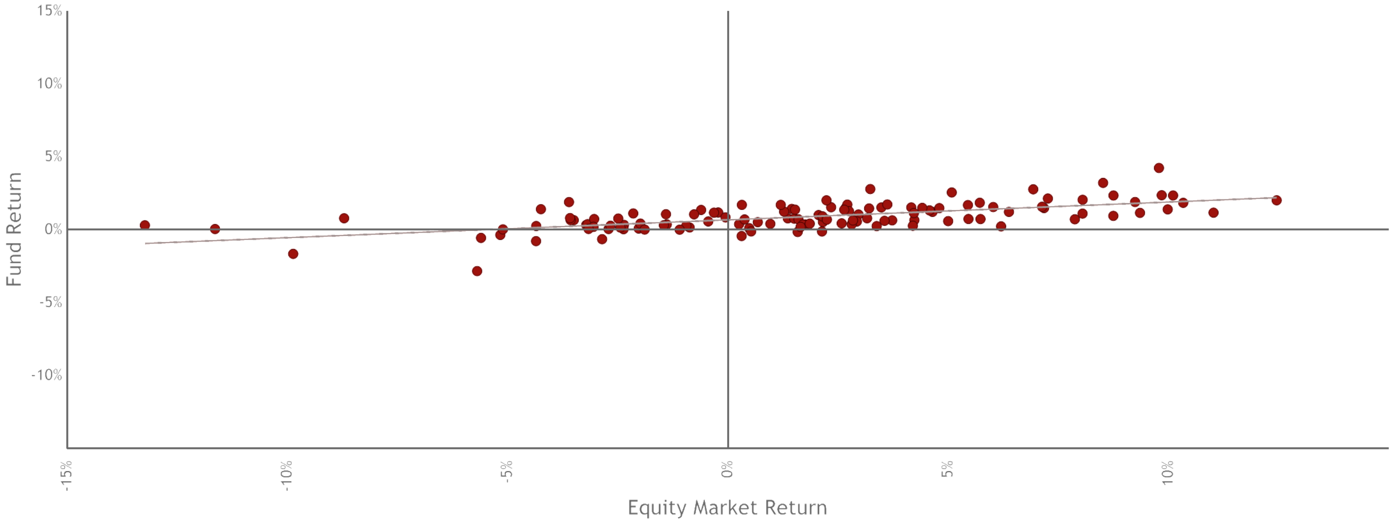
SYGNIA
THE SUM OF ALL THINGS

FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

Global stock markets reached new highs on positive economic data from the US and China, lower interest rates in the euro zone, a growing expectation that the US Federal Reserve will continue the quantitative easing programme for longer and a temporary settlement of hostilities with Iran. Emerging markets, on the other hand, continued to face investments outflows. Domestic factors in South Africa, including some significant accounting revisions and a weak third quarter economic growth number, left the rand vulnerable.

In the US, concerns about the impact of the October government shutdown abated as unemployment increased only marginally to 7.3% and third quarter GDP growth came in at a healthy 2.8% year-on-year. In Europe, the ECB halved interest rates to a new low of 0.25% in response to a sharp drop in inflation, which points to a lack of a meaningful recovery in consumer spending. To compound the problem, euro zone third quarter growth came in at 0.1% quarter-on-quarter, well below the 0.3% in the second quarter. On a positive note, China entered the final quarter of 2013 on a strong footing with all the economic indicators pointing to an acceleration in momentum.

Gold and oil prices fell after Iran agreed to stop producing near-weapons -grade nuclear fuel in exchange for an easing of Western sanctions. The agreement is valid for six months.

The global rally did not manage to offset a slew of domestic factors which pushed the rand lower. South Africa's economic growth slowed by more than expected in the third quarter to 0.7% quarter-on-quarter, dragged down by a contraction in manufacturing after weeks of strikes in the automotive industry. The figure was released after the Reserve Bank already cut its growth forecast for 2013 to 1.9%. The Reserve Bank kept interest rates unchanged as consumer inflation moderated to 5.5% in October.

The FTSE/JSE All Share Index lost 1.1% in November as a weaker gold price pulled the Resources sector down by 2.1%. Gold suffered a sharp sell-off on the back of a complete lack of inflationary pressures in the global economy. Financials lost 3.1% and Industrials gained 0.1%. The bond market reflected foreign selling, with a return of -1.4%. The rand depreciated by 0.9% relative to the US dollar. On the corporate side, Glencore Xstrata, one of the world's largest global diversified natural resources companies, listed on the JSE.

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%	0.2%	1.1%	1.4%	0.8%	11.0%
2013													
	2.8%	0.0%	1.7%	0.8%	3.2%	-2.8%	1.5%	0.4%	2.6%	1.7%	0.0%		12.3%