

Finsolnet

Finsolnet CPI + 6% Portfolio

October 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: South African - Multi Asset - High Equity

MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 0.99% as at 30 September 2013

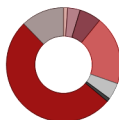
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	9.1%	16.5%
Downside Deviation	6.1%	10.1%
% Positive Months	70.5%	65.6%
% Negative Months	29.5%	34.4%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.6%	-3.4%
Maximum Drawdown	-20.8%	-40.4%

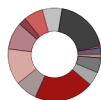
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 51.6%	Domestic Bonds - 12.3%
Domestic Property - 1.1%	Domestic Cash Plus - 3.5%
Domestic Money Market - 6.2%	Int Equities - 19.5%
Int Cash - 4.8%	Africa - 1.0%

MANAGER HOLDINGS



Coronation - 20.7%	Investec - 7.6%	Sygnia - 12.5%
Mazi Capital - 9.5%	Absa AM - 2.6%	36ONE - 6.8%
Bateleur - 6.9%	OMIGSA - 19.5%	Taquanta - 0.5%
Tantalum - 2.2%	Stanlib - 1.3%	Cash - 5.2%
Int Cash - 4.8%		

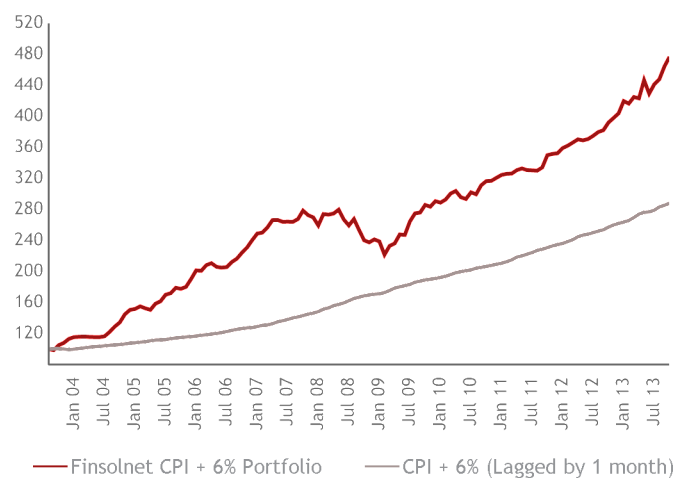
TOP 10 EQUITY HOLDINGS

	VALUE
Naspers	3.8%
MTN Group	3.4%
Sasol	2.8%
SAB Miller	2.6%
Anglo American Plc	2.5%
British American Tobacco	2.2%
BHP Billiton	1.6%
Standard Bank	1.5%
Firststrand	1.2%
Compagnie Richemont	1.2%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	2.7%	0.9%	1.7%
3 month	8.0%	3.2%	4.8%
6 month	12.6%	5.1%	7.5%
Year to date	18.0%	9.9%	8.1%
1 year	21.6%	12.0%	9.7%
2 year	16.7%	11.7%	5.0%
3 year	14.6%	11.7%	2.9%
5 year	14.7%	11.3%	3.4%
10 year	16.3%	11.1%	5.2%
Since Inception	16.6%	11.0%	5.6%
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	14.6%	11.6%	3.0%

CUMULATIVE PERFORMANCE



FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

October brought another market rally despite a slow start after the US government shut down for the first time in 17 years. Positive economic data from the Eurozone and China, and a growing expectation that the US Federal Reserve will continue the quantitative easing programme for longer, fuelled positive sentiment. The official appointment of the US Fed Vice-Chairwoman Janet Yellen as the successor to Ben Bernanke was also received positively.

The JSE closed above 45 500 for the first time and the S&P500 reached consecutive record highs, as China released upbeat growth figures which showed that the economy grew by 7.8% year-on-year in the third quarter.

The October rally tapered off somewhat at month-end as the US Fed's statement following the meeting of its policy committee was interpreted as less alarmist and, as such, an indication that a policy change could be on the cards sooner than the expected March 2014.

The oil price hovered between US\$102 and US\$110 a barrel as violence in the Middle East fed concerns over oil supplies.

Gold gained ground over the latter half of October to top US\$1 335 an ounce, but slipped again on the back of the US Fed's latest policy outlook.

In South Africa, economic indicators have started to reflect the effects of the costly strike action of past months. The trade deficit widened to the largest gap in seven months in August as strikes curbed commodity exports. Overall, the deficit for the year is 54% larger than it was in the same period last year. The Kagiso PMI fell to an eight-month low in September falling to 49.1 from August's 56.5. On a more positive note, retail sales grew more than expected, CPI inflation decreased to 6.0% year-on-year in September, and unemployment fell to 24.7% in the third quarter on a combination of people dropping out of the workforce and some job creation. The Medium Term Budget Policy Statement brought few surprises. The overall outlook is one of a low growth environment for the next three years with a modestly improving budget deficit and a rising level of public debt. The growth forecast has been revised downward to 2.1% for 2013.

The FTSE/JSE All Share Index returned a stellar 3.6%, driven largely by Financials which rose by 7.5%, followed by the Resources sector at 2.9% and Industrial stocks at 2.6%. The bond market delivered a flat 0.4% while

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%	0.6%	2.6%	1.5%	1.5%	14.6%
2013	3.9%	-0.8%	2.0%	-0.4%	5.6%	-3.9%	2.8%	1.5%	3.7%	2.7%			18.0%

DISCLAIMER: Sygnia Collective Investments (RF) Proprietary Limited ("the Company") is a member of the Association for Savings & Investment SA (ASISA). Sygnia Asset Management (Proprietary) Limited, an authorised financial services provider, is the appointed investment manager of the Company. The Company is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board. Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio divided by the number of units in issue. Forward pricing is used and Fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the manager by 14:00 each business day to receive that day's price. A schedule of fees, charges and maximum commissions is available on request from the Company. Commission and incentives may be paid and if so, would be included in the overall costs. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. Unit trusts are traded at ruling prices and the Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future.