



November/14

FINSOLNET MODERATE FUND

ABOUT THE PORTFOLIO

The Finsolnet Moderate Portfolio is a low to medium risk balanced portfolio that aims to deliver superior real returns over the medium to longer term with a strong focus on active management of capital loss risk over the shorter term.

The portfolio is managed on a multi-manager basis and includes international exposure. The strategic allocation to various asset classes is set out below. Each manager appointed within a particular asset class has been selected on the basis of rigorous quantitative and qualitative analysis.

The underlying managers have been selected, mandated, monitored and reviewed by Amadwala Asset Consulting on behalf of their clients.

The portfolio complies with Regulation 28 of the Pension Funds Act, 1956 as amended.

The portfolio is offered on a pooled and unitised basis on the Sygnia Life license.

PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Large Manager Median (12 Months)
1.5%	15.0%	17.3%	14.1%

PERFORMANCE COMMENTARY

The month started with the JSE soaring above the 50 000 level again on the back of a surprise stimulus injection from the Bank of Japan. The rest of the month was fairly volatile on renewed political risk in the Ukraine, economic slowdown in the eurozone and the uncertainty created by falling oil prices. OPEC's decision not to cut production sent oil prices tumbling further, with the JSE eventually closing below the 50 000 level on the last trading day of the month.

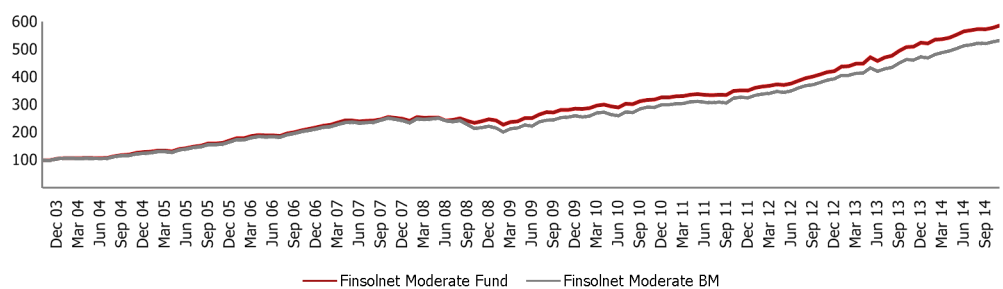
The eurozone continued in an economic slump with inflation rising marginally to 0.4% year-on-year in October with the unemployment rate at 11.5%. The EU downgraded its own growth forecast for the eurozone for 2014 to 0.8%.

In the US, Republicans gained control of the Senate in a mid-term election that served as a public referendum on President Obama's job performance. Whilst the US economy continued to recover, the Chinese economy lost further momentum, forcing the People's Bank of China to cut interest rates.

Japan, the world third-largest economy, slipped into a recession with third-quarter GDP contracting by an annualised 1.6%, after shrinking by 7.3% in the second quarter, prompting Prime Minister Shinzo Abe to call an early election in a bid to extend his term in office and to defer the introduction of a second VAT increase. The Brent crude oil price fell to US\$72 a barrel, a four-year low, as a mounting oil glut created by the US shale boom continued to outweigh concerns about supplies from Libya, Iran and Syria, while the slowdown in China cast doubt on future demand and OPEC decided not to reduce output.

Moody's cut South Africa's credit rating by one notch, citing poor growth prospects and rising debt. This leaves the rating just two notches above junk status. Domestic economic data was mixed, with consumer spending under pressure. Growth remains elusive, with the seasonally adjusted annualised third-quarter GDP increasing by 1.4% quarter-on-quarter, up from a revised 0.5% rise in the second quarter. The consumer price index rose by 5.9% year-on-year in October, unchanged from September. The FTSE/JSE All Share Index rose by 0.5% in November, with Financials returning 3.0% and Industrials 1.9%. The Resources sector dropped by 6.3% on the back of lower gold and oil prices. The risk-on attitude towards emerging markets helped the BEASSA All Bond Index to deliver a 2.4% return, while the rand weakened by a marginal 0.2% against the US dollar.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	-0.3%	1.0%	3.2%	1.2%	-2.1%	-1.3%	4.5%	-0.4%	3.5%	1.5%	0.5%	2.5%	14.3%
2011	-0.1%	1.2%	0.3%	1.5%	0.6%	-0.8%	-0.4%	0.5%	-0.2%	4.3%	0.6%	-0.2%	7.5%
2012	2.9%	1.2%	0.8%	1.3%	-0.6%	1.4%	2.6%	2.4%	1.5%	1.9%	2.1%	0.9%	20.0%
2013	3.9%	0.3%	2.0%	0.1%	5.1%	-2.8%	2.7%	1.3%	3.7%	2.8%	0.3%	2.8%	24.4%
2014	-0.5%	2.6%	0.3%	1.0%	2.0%	2.2%	0.7%	0.8%	-0.2%	0.9%	1.5%		11.9%

Disclaimer Sygnia Life RF Limited: The information and commentary contained in this document is of a general nature and is not intended to address the circumstances of a particular individual or entity. Whilst reasonable care was taken in ensuring that the information is accurate, Sygnia Life RF Limited does not warrant its accuracy, correctness or completeness and accepts no liability in respect of any damages and/or loss suffered as a result of reliance on the information in this document. No one should act on the information contained in this document without having obtained appropriate and professional investment, legal, tax and such other relevant advice as may be required in each instance. Sygnia Life RF Limited is a licensed financial services provider (FSP 2935): 7th Floor, the Foundry, Cardiff Street, Green Point, 8001 Tel: (021) 446 4940/Fax: (021) 446 4950



FUND SUMMARY

Inception (back dated):	01-Nov-03	
Inception (actual):	12-Nov-09	
Number of Months	61	
	FUND	LMM
Sharpe Ratio	0.84	0.68
Sortino Ratio	1.30	1.00

RISK ANALYSIS

	FUND	LMM
% Positive Months	72.9%	70.7%
% Negative Months	27.1%	29.3%
Best Month	6.3%	7.3%
Worst Month	-6.3%	-7.7%
Avg Negative Return	-1.2%	-1.7%
Maximum Drawdown	-10.8%	-23.8%
Standard Deviation	7.6%	9.5%
Downside Deviation	4.9%	6.5%

CORRELATIONS

	FUND	LMM
FTSE/JSE All Share Index	0.90	0.93
BESA All Bond Index	0.28	0.20

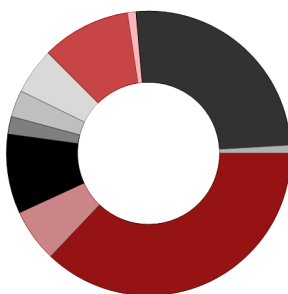
LMM = Global Large Manager Median

MARKET STRESS MONTHS

	FUND	ALSI
July 2008	1.0%	-8.7%
September 2008	-3.6%	-13.2%
October 2008	-3.1%	-11.6%
February 2009	-6.3%	-9.9%

Proforma performance numbers for periods prior to inception of the portfolio are based on actual performance of the underlying building blocks used in the portfolio. These risk and return numbers are shown to aid in the understanding of potential future performance and risk characteristics of the product.

ASSET ALLOCATION



- Domestic Equities - 37.1 %
- Domestic Property - 6.1 %
- Domestic Bonds - 9.0 %
- Domestics ILB - 2.0 %
- Domestic Cash Plus - 3.1 %
- Domestic Money Market - 5.3 %
- Domestic Alternatives - 10.1 %
- Commodities - 1.0 %
- International - 25.5 %
- Africa - 0.9 %

PERFORMANCE ANALYSIS

PERFORMANCE	FUND	BM	DIFFERENCE
Calendar Years			
2008	-0.7%	-8.5%	7.8%
2009	15.5%	17.2%	-1.7%
2010	14.3%	15.2%	-1.0%
2011	7.5%	8.3%	-0.7%
2012	20.0%	21.1%	-1.2%
2013	24.4%	20.2%	4.2%

Periodic Performance

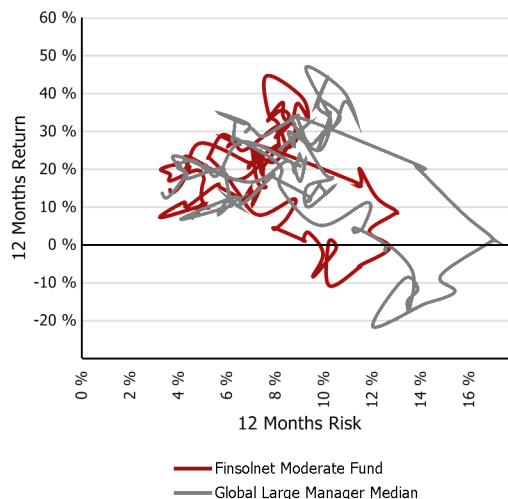
	FUND	BM	DIFFERENCE
1 month	1.5%	1.0%	0.5%
3 month	2.2%	1.9%	0.4%
6 month	6.0%	5.8%	0.2%
Year to date	11.9%	12.6%	-0.7%
1 year	15.0%	15.3%	-0.3%
2 year	18.5%	17.0%	1.5%
3 year	18.6%	17.7%	0.9%
5 year	15.8%	15.8%	0.0%

FUND SENSITIVITY TO EQUITY MARKET



This scatterplot indicates the extent to which fund returns are correlated with those of the equity market.

12 MONTHS RISK/RETURN SNAIL TRAIL



FOR MORE INFORMATION CONTACT:

Sygnia Life RF Limited

7th Floor | The Foundry | Cardiff Street | Green Point | 8001

Tel | +27 21 446 4940 Fax | +27 21 446 4950

Unit 40 | 6th Floor | Katherine & West Building | West Street | Sandton | 2196

Tel | +27 10 595-0550 Fax | +27 86 206-5173 E-mail | info@sygnia.co.za

