

FINSOLNET CPI + 4% PORTFOLIO



AUGUST 2015

INVESTMENT OBJECTIVE

Inception date of Finsolnet Solution: 22 September 2003
Inception date of Sygnia CPI +4%: 20 December 2012

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

Registered name of the Fund: Sygnia CPI + 4% Portfolio
Fund Category: South Africa - Multi Asset - Medium Equity

MANAGEMENT FEES

Sygnia CPI + 4% Total Expense Ratio: 0.95% as at 30 June 2015

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

RISK STATISTICS

	FUND	ALSI
Standard Deviation	6.7%	15.6%
Downside Deviation	4.8%	9.5%
% Positive Months	71.5%	64.6%
% Negative Months	28.5%	35.4%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.1%
Maximum Drawdown	-14.2%	-40.4%

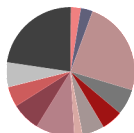
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 32.5%	Absolute Return - 10.1%
Domestic Bonds - 17.2%	Int Equities - 19.8%
Domestic Property - 4.2%	Int Fixed Interest - 1.2%
Domestic Money Market - 11.4%	Africa - 3.4%

MANAGER HOLDINGS



36ONE - 5.3%	Investec - 7.2%	Taquanta - 2.5%
Bateleur - 5.6%	Prudential - 5.1%	Visio - 3.0%
Cadiz - 2.0%	Steyn Capital - 6.2%	International - 24.0%
Coronation - 9.8%	Sygnia - 22.8%	Cash - 6.5%

TOP 10 EQUITY HOLDINGS

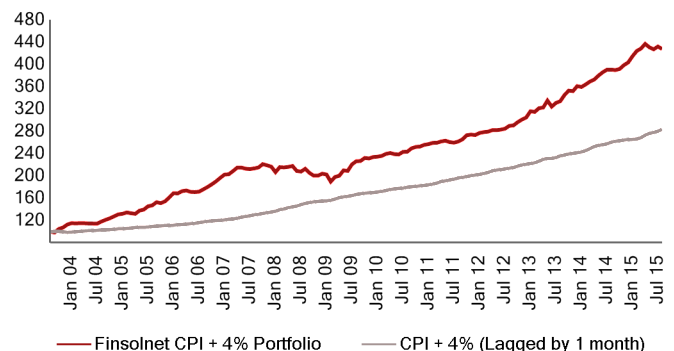
	VALUE
Naspers	3.1%
British American Tobacco	1.5%
Steinhoff	1.4%
MTN Group	1.3%
Sasol	1.3%
Growthpoint Properties	1.1%
Old Mutual Plc	1.1%
Firststrand Limited	1.0%
Standard Bank	0.9%
SAB Miller	0.8%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	-1.1%	1.3%	-2.4%
3 month	-0.7%	2.7%	-3.4%
6 month	0.8%	6.7%	-5.8%
Year to date	6.0%	7.0%	-1.1%
1 year	9.5%	9.0%	0.5%
2 year	13.2%	9.7%	3.5%
3 year	13.9%	9.9%	4.0%
5 year	11.9%	9.6%	2.4%
10 year	11.3%	10.0%	1.2%
Since Inception	12.9%	9.1%	3.8%
2005	23.2%	5.8%	17.4%
2006	21.8%	8.0%	13.8%
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	11.5%	9.6%	1.9%
2013	18.5%	9.3%	9.2%
2014	11.8%	9.8%	2.0%

*The performance reflected before 20 December 2012 is not indicative of the performance of the Sygnia CPI Fund, but of the Finsolnet Solution.

CUMULATIVE PERFORMANCE



SYGNIA COLLECTIVE INVESTMENTS Registration No. 2009/003063/07

Directors (*non-executive): Prof. H. Bhorat* | N. Giles | S. Mkhwanazi* | M. Wierzycka

CAPE TOWN 7th Floor The Foundry Cardiff Street Green Point 8001 T +21 446 4940 F 0866 786 130

JOHANNESBURG Unit 40 6th Floor Katherine and West Building West Street Sandton 2196 T +10 595 0550 F 0862 065 173

www.sygnia.co.za | info@sygnia.co.za | A MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA

PLEASE NOTE: The performance figures above are based on the actual performances achieved by the appointed asset managers over the past five years. Past performance should not be used as an indication of future performance. This investment report is specifically composed for the Finsolnet Solution and the Sygnia CPI Minimum Disclosure Document is available on request.





COMMENTARY

Global markets tumbled on the prospects of imminent interest rate increases in the US and the continuing structural slowdown in China. Emerging markets, and in particular commodity producers like South Africa, bore the brunt of the sell-off which culminated in a market crash on the 24th and 25th of August. However, the two-day plunge was followed by a sharp recovery which recovered most of the losses as China flooded the market with liquidity and the US appeared to remain on a sound economic footing.

The crash originated in waning confidence in the Chinese government's ability to manage the economy, particularly after the People's Bank of China orchestrated a 2% devaluation of the yuan, a move designed to make Chinese exports more competitive. This was followed by particularly weak economic data releases which eventually triggered panic and a sharp sell-off of stocks globally.

Two days later the PBOC finally stepped in, cutting interest rates and reducing bank-reserve requirements. Positive economic data from the US, including a better than expected second quarter GDP growth figure, helped to improved sentiment. Markets surged, recovering much of the earlier losses, emerging markets' currencies strengthened and the oil price, which fell below US\$40 a barrel, recovered.

The tail-end of the month brought another rout of negativity as the US Fed reinforced its commitment to raising interest rates before the end of the year. Stock markets' wildest week in years has rattled confidence and has highlighted just how incredibly nervous investors have become. On the other hand, the quick recovery points to the fact that most investors believe that equities remain their best investment option. Unfortunately, as the factors that led to the correction remain in play, we expect current market conditions and volatility levels to prevail for the rest of 2015.

South Africa continued to face turbulence, with the rand, which closed at R13.27 relative to the US\$ for the month, posing a high risk to inflation and interest rates. Inflation rose to 5.0% in July. Load-shedding has taken its toll on growth with second quarter GDP contracting by an annualised 1.3% compared with 1.3% growth in the first quarter. The World Bank cut its 2015 growth forecast for South Africa to 2.0% for both this year and next.

The FTSE/JSE SWIX Index closed 3.1% down, with Resources at -0.2%, Financials at -4.0% and Industrials at -4.6%. The listed property sector returned 0.2%, while the BESA All Bond Index rose by 0.1%.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%	0.3%	2.0%	1.6%	1.2%	11.5%
2013	3.7%	-0.4%	2.1%	0.4%	3.9%	-3.2%	2.0%	0.9%	3.3%	2.3%	-0.3%	2.5%	18.5%
2014	-0.4%	1.3%	1.4%	1.0%	1.9%	1.6%	1.2%	0.0%	-0.2%	0.5%	1.7%	1.2%	11.8%
2015	2.7%	2.3%	1.0%	2.0%	-1.4%	-0.8%	1.2%	-1.1%					6.0%

The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. Sygnia Collective Investments (RF) Proprietary Limited ("the Company") is a member of the Association for Savings and 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 registered under the Collective Investment Schemes Control Act, 2002 (Act No 45 of 2002). The Company does not provide any guarantee with respect to the capital or return of the portfolio. Nothing in this document will be considered to state or imply that the collective investment scheme or portfolio is suitable for a particular type of investor. All figures used are merely for illustrative purposes only.

UNIT PRICES

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.

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending 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 an indicator of future performance.

FEES

The annual management fee comprises applicable basic fees paid to underlying managers, Sygnia's annual service fee and advice fees payable to financial advisors (where applicable). Any balance remaining after payment of these amounts is rebated back to the Fund.

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.

Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor. The payment of these fees is facilitated by the LISP and not directly by Sygnia.

Performance based fees are calculated in terms of the supplemental deed for certain of our asset managers where they outperform the Fund's stated benchmark. This performance fee will be paid by the Fund to the underlying investment manager and only when the Fund's performance exceeds that of the benchmark.

TER

The TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER includes the annual management fees (both basic and performance fees), VAT and other expenses. The TER does not include transaction costs. Since unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's. Instead, when investing, the investment objective of the Fund should be consistent with the investor's objective and the performance of the Fund should be compared to that objective. TERs should then be used to evaluate whether the Fund's performance offers value for money. Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.

PERFORMANCE

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 an indicator of future performance.

INVESTMENT POLICY

The Sygnia CPI + 4% Fund is a multi-asset class fund managed with a medium exposure to equities in order to seek long term returns of at least 4% per annum above inflation while still seeking to moderate the short term volatility of returns. The fund will have exposure to both domestic and foreign assets, which will include equities, fixed interest and money market assets and the fund will comprise a number of underlying portfolios managed by a range of different managers selected by Sygnia. The fund has a benchmark of CPI + 4% per annum and will maintain a total equity exposure of between 40% and 60% of the portfolio.