

FINSOLNET CPI + 2% PORTFOLIO



DECEMBER 2015

INVESTMENT OBJECTIVE

Inception date of Finsolnet Solution: 22 September 2003
Inception date of Sygnia CPI +2%: 20 December 2012

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

Registered name of the Fund: Sygnia CPI + 2% Portfolio
Fund Category: South Africa - Multi Asset - Low Equity

MANAGEMENT FEES

Sygnia CPI + 2% Total Expense Ratio: 0.76% as at 31 December 2015

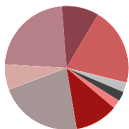
*TER is for Class B fund only. The TER of the Class A fund includes an additional advice fee of 0.65% plus VAT, payable to the financial advisor.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	3.2%	15.6%
Downside Deviation	2.6%	9.4%
% Positive Months	89.9%	64.2%
% Negative Months	10.1%	35.8%
Best Month	4.2%	12.5%
Worst Month	-2.8%	-13.2%
Avg Negative Return	-0.6%	-3.1%
Maximum Drawdown	-2.8%	-40.4%

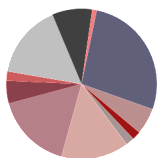
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 11.3%	International Equities - 20.3%
Domestic Bonds - 21.9%	Int Fixed Interest - 2.6%
Domestic Property - 6.6%	International Property - 2.5%
Domestic Money Market - 22.9%	Africa - 2.2%
Absolute Return - 9.7%	

MANAGER HOLDINGS



36ONE - 1.8%	Prudential - 4.9%	Visio - 1.0%
Bateleur - 1.8%	Steyn Capital - 2.0%	International - 27.2%
Coronation - 14.6%	Sygnia - 16.0%	Cash - 5.7%
Investec - 16.5%	Taquanta - 8.6%	

TOP 10 EQUITY HOLDINGS

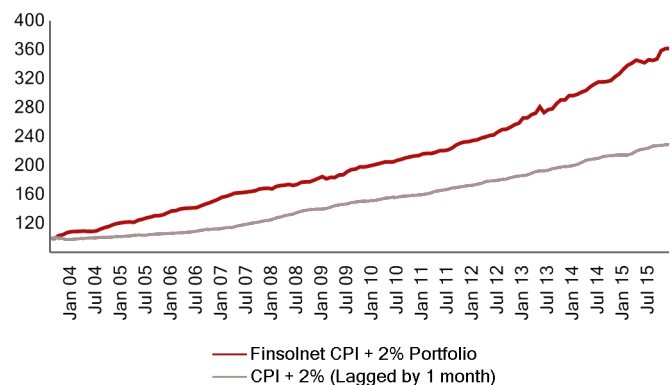
	VALUE
Naspers	1.6%
Growthpoint Properties	1.0%
New Europe Property Investments	0.7%
Redefine Properties	0.7%
British American Tobacco	0.7%
Resilient Property Income Fund	0.5%
SAB Miller	0.4%
Hyprop Investments Limited	0.4%
Steinhoff	0.4%
Old Mutual Plc	0.4%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	0.1%	0.2%	-0.2%
3 month	4.2%	0.8%	3.4%
6 month	5.8%	2.8%	3.0%
Year to date	10.7%	6.8%	4.0%
1 year	10.7%	6.8%	4.0%
2 year	10.4%	7.3%	3.1%
3 year	11.8%	7.3%	4.5%
5 year	11.1%	7.5%	3.6%
10 year	10.4%	8.0%	2.4%
Since Inception	11.0%	7.0%	4.0%
2006	13.6%	6.0%	7.6%
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%
2013	14.7%	7.3%	7.4%
2014	10.1%	7.8%	2.3%
2015	10.7%	6.8%	4.0%

*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

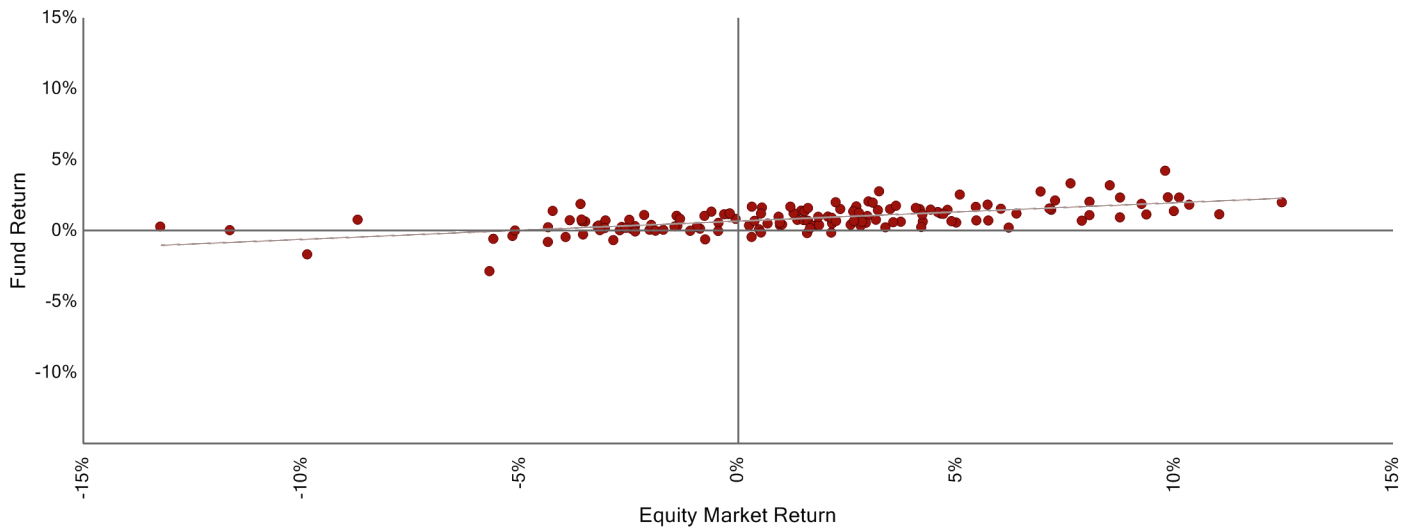
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PLEASE NOTE: The performance figures above are based on the actual performances achieved by the appointed asset managers over the past five years. Past performance should not be used as an indication of future performance. This investment report is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





COMMENTARY

December was a conspicuous end to what has been the most difficult year for stock markets since the global financial crisis. Apart from the US Federal Reserve increasing interest rates, oil prices fell to below US\$37 a barrel, other commodities followed, the ECB and Japan disappointed with insignificant quantitative easing measures after stoking expectations, US high-yield bond funds faced record outflows and, closer to home, credit rating agencies downgraded South Africa, while President Jacob Zuma unilaterally plunged the country into an economic and financial crisis.

The snapshots of 2015 are:

1. The S&P 500 lost 0.7% as the strong US dollar punished corporate earnings.
2. The Stoxx Europe 600 index ended the year up 6.4% despite the eurozone flirting with deflation through the year.
3. China's Shanghai Index rose by 8.6% even though it lost more than 40% of its value mid-year.
4. The MSCI Emerging Markets Index fell by 14.9% in US dollar terms, bearing the brunt of China's slowdown and the sell-off in commodities. Foreign investors have withdrawn a net US\$500 billion from emerging markets in 2015, the first annual outflow in decades.

5. The MSCI All World Index fell by 0.9% in US dollar terms.

6. South Africa's FTSE/JSE All Share Index ended the year up 5.1%, with the rand plunging by 35.0% against the US dollar and the All Bond Index down by 3.9%.

7. The gold price fell for the third successive year, down 10.3%, on an upward tilting US interest rate cycle.

8. After plunging from more than US\$100 a barrel to nearly US\$50 a barrel in 2014, the price of US crude fell over 30% in 2015 to below US\$37 a barrel. Brent, the global benchmark, fell 35% to \$37.28 a barrel.

2016 is going to be a difficult year. US interest rates are expected to increase, bringing more volatility to emerging markets. No recovery is expected from China, and hence none in commodity prices. South Africa's potential demotion to junk credit status, a crunch review of France in April and the risks posed by Britain's Brexit vote on its EU membership are top of the 2016 list for credit rating agencies.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
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%	1.8%	0.0%	2.1%	14.7%
2014	0.0%	0.7%	1.0%	0.7%	1.6%	1.3%	1.0%	0.0%	0.2%	0.4%	1.6%	1.2%	10.1%
2015	2.0%	1.6%	0.8%	1.2%	-0.4%	-0.6%	1.2%	-0.3%	0.6%	3.3%	0.7%	0.1%	10.7%

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 + 2% Fund is a multi-asset class fund managed with a low exposure to equities in order to seek a low volatility of returns while still seeking to achieve long term returns of at least 2% per annum above inflation. 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 + 2% per annum and will maintain a total equity exposure of below 40% of the portfolio.