

FINSOLNET CPI + 6% PORTFOLIO



JUNE 2015

INVESTMENT OBJECTIVE

Inception date of Finsolnet Solution: 22 September 2003
Inception date of Sygnia CPI +6%: 20 December 2012

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

Registered name of the Fund: Sygnia CPI + 6% Portfolio
Fund Category: South Africa - Multi Asset - High Equity

MANAGEMENT FEES

Sygnia CPI + 6% Total Expense Ratio: 0.95% as at 31 March 2015

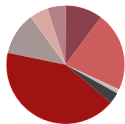
*TER is for Class B fund only. The TER of the Class A fund includes an additional advice fee of 0.65% plus VAT, payable to the financial advisor.

RISK STATISTICS

| | FUND | ALSI |
|---------------------|--------|--------|
| Standard Deviation | 8.6% | 15.6% |
| Downside Deviation | 5.8% | 9.6% |
| % Positive Months | 71.1% | 64.8% |
| % Negative Months | 28.9% | 35.2% |
| Best Month | 7.8% | 12.5% |
| Worst Month | -7.2% | -13.2% |
| Avg Negative Return | -1.5% | -3.1% |
| Maximum Drawdown | -20.8% | -40.4% |

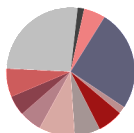
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



| | |
|------------------------------|---------------------------|
| Domestic Equities - 42.1% | Absolute Return - 10.1% |
| Domestic Bonds - 11.7% | Int Equities - 21.7% |
| Domestic Property - 5.0% | Int Fixed Interest - 1.1% |
| Domestic Money Market - 5.1% | Africa - 3.1% |

MANAGER HOLDINGS



| | | |
|-------------------|----------------------|-----------------------|
| 36ONE - 6.4% | Prudential - 5.1% | Visio - 5.4% |
| Bateleur - 6.5% | Steyn Capital - 7.1% | International - 25.5% |
| Coronation - 9.0% | Sygnia - 26.0% | Cash - 1.8% |
| Investec - 5.6% | Taquanta - 1.7% | |

TOP 10 EQUITY HOLDINGS

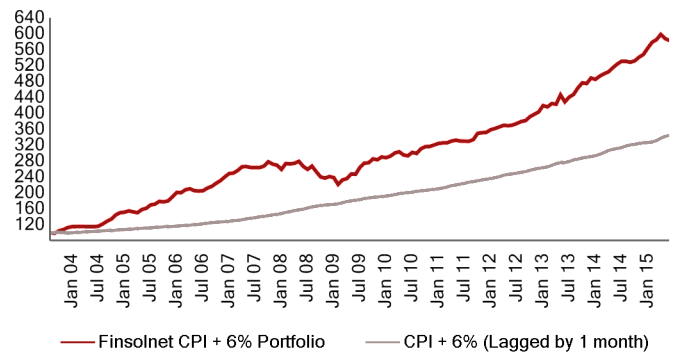
| | VALUE |
|--------------------------|-------|
| Naspers | 4.5% |
| MTN Group | 2.1% |
| Sasol | 2.1% |
| British American Tobacco | 1.8% |
| Steinhoff | 1.7% |
| Old Mutual Plc | 1.4% |
| Growthpoint Properties | 1.4% |
| Firstrand Limited | 1.4% |
| Standard Bank | 1.2% |
| SAB Miller | 1.1% |

PERFORMANCE ANALYSIS

| YEAR | STRATEGY | BENCHMARK | DIFFERENCE |
|-----------------|----------|-----------|------------|
| 1 month | -0.9% | 0.7% | -1.6% |
| 3 month | -0.4% | 4.0% | -4.3% |
| 6 month | 6.4% | 5.8% | 0.6% |
| Year to date | 6.4% | 5.8% | 0.6% |
| 1 year | 11.3% | 10.6% | 0.7% |
| 2 year | 16.5% | 11.6% | 4.9% |
| 3 year | 16.3% | 11.6% | 4.7% |
| 5 year | 14.7% | 11.4% | 3.3% |
| 10 year | 13.7% | 11.9% | 1.8% |
| Since Inception | 16.1% | 11.0% | 5.0% |
| 2005 | 26.4% | 7.8% | 18.6% |
| 2006 | 26.3% | 10.0% | 16.3% |
| 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% |
| 2013 | 21.1% | 11.3% | 9.7% |
| 2014 | 12.1% | 11.8% | 0.3% |

*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

The global stock market roller-coaster continued in June as speculation about the timing of the US Federal Reserve's interest rate increases took second place to the eurozone flirting with the possibility of Greece exiting the euro.

With the eurozone's portion of Greece's €245 billion bail-out deal due to expire on 30th June, the same day Athens had to pay back €1.6 billion in loans to the IMF, a payment it was not able to make without additional aid, time to reach a deal started running short. Unfortunately, Greece and its creditors, the ECB, the IMF and the EC, remained deadlocked over how much austerity the country would accept, with Prime Minister Alexis Tsipras finally calling for a referendum on the issue. This was followed by the closure of banks to prevent capital flight. At the eleventh hour Athens announced that it will seek a new two-year bail-out programme.

Market reaction to the changing news was negative, but far from a panic, in what has been attributed to "headline fatigue". It also helped that the ECB signaled that it would take additional steps if needed to calm the markets.

Outside of Greece the eurozone showed signs of a modest recovery. Most significantly, consumer prices rose for the first time in six months, a victory for the ECB and its QE programme. Despite the US economy showing signs of improvement, the US Fed indicated that no decision has yet been made on raising interest rates this year. China continued to slow down, while its stock market lost over 20% in two weeks, forcing the central bank to cut interest rates and relax banks' reserve requirements, a combination of measures last seen in 2008.

Continued problems at Eskom, further disruptions in the National Assembly and the granting of safe passage to the Sudanese President Omar al-Bashir after the AU summit did little to endear South Africa to foreign investors. The economy continued to show weakness with inflation rising to 4.6% year-on-year in May as the Reserve Bank continued to warn of imminent interest rate increases. Surprisingly both Fitch and S&P's affirmed South Africa's credit ratings, quoting the quick conclusion of the public sector wage negotiations, government's fiscal consolidation and expectations for the budget deficit to narrow and the economy to improve by 2017 as positives. The month ended with the FTSE/JSE All Share Index down 0.8%, the BESA All Bond Index down 0.2%, the FTSE/JSE Listed Property sector down 0.4% and the Rand at 12.17/US dollar.

HISTORICAL PERFORMANCE

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YEAR |
|------|-------|-------|------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|
| 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% | -0.4% | 2.9% | 21.1% |
| 2014 | -0.7% | 1.7% | 1.2% | 1.0% | 2.0% | 1.8% | 1.4% | 0.0% | -0.5% | 0.6% | 1.7% | 1.3% | 12.1% |
| 2015 | 2.9% | 2.6% | 1.1% | 2.3% | -1.7% | -0.9% | | | | | | | 6.4% |

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

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INVESTMENT POLICY

The Sygnia CPI + 6% Fund is a multi-asset class fund managed with a high exposure to equities in order to seek long term returns of at least 6% 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 + 6% per annum and will maintain a total equity exposure of below 75% of the portfolio.