

FINSOLNET CPI + 2% PORTFOLIO



MAY 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: 0.78% as at 31 March 2015

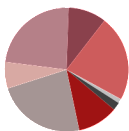
*TER is for Class B fund only. The TER of the Class A fund includes an additional advice fee of 0.65% plus VAT, payable to the financial advisor.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	3.1%	15.6%
Downside Deviation	2.8%	9.7%
% Positive Months	90.8%	65.2%
% Negative Months	9.2%	34.8%
Best Month	4.2%	12.5%
Worst Month	-2.8%	-13.2%
Avg Negative Return	-0.6%	-3.2%
Maximum Drawdown	-2.8%	-40.4%

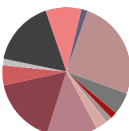
*Risk statistics are calculated since inception of the strategy

ASSET ALLOCATION



Domestic Equities - 10.6%	Absolute Return - 10.0%
Domestic Bonds - 23.4%	Int Equities - 22.4%
Domestic Property - 6.9%	Int Fixed Interest - 1.1%
Domestic Money Market - 23.6%	Africa - 2.1%

MANAGER HOLDINGS



36ONE - 1.6%	Investec - 16.7%	Taquanta - 9.0%
Bateleur - 1.6%	Prudential - 5.0%	Visio - 1.6%
Cadiz - 2.8%	Steyn Capital - 1.6%	International - 25.2%
Coronation - 12.7%	Sygnia - 16.5%	Cash - 5.6%

TOP 10 EQUITY HOLDINGS

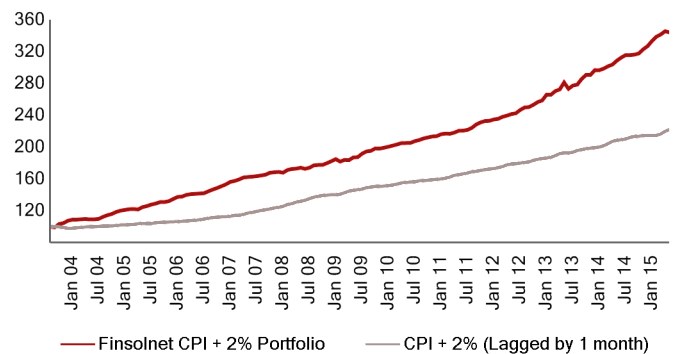
	VALUE
Growthpoint Properties	1.6%
Naspers	1.2%
Redefine Properties	1.0%
New Europe Property Investments	0.8%
Hyprop Investments Limited	0.7%
MTN Group	0.6%
Capital Property Fund Limited	0.5%
British American Tobacco	0.5%
Resilient Property Income Fund	0.5%
Sasol	0.5%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	-0.4%	1.0%	-1.5%
3 month	1.6%	3.4%	-1.8%
6 month	6.6%	3.6%	3.0%
Year to date	5.3%	3.4%	1.9%
1 year	11.5%	6.5%	5.0%
2 year	10.6%	7.3%	3.3%
3 year	12.5%	7.5%	5.0%
5 year	10.9%	7.4%	3.5%
10 year	10.7%	7.9%	2.8%
Since Inception	11.1%	7.0%	4.1%
2005	12.2%	3.8%	8.3%
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%

*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

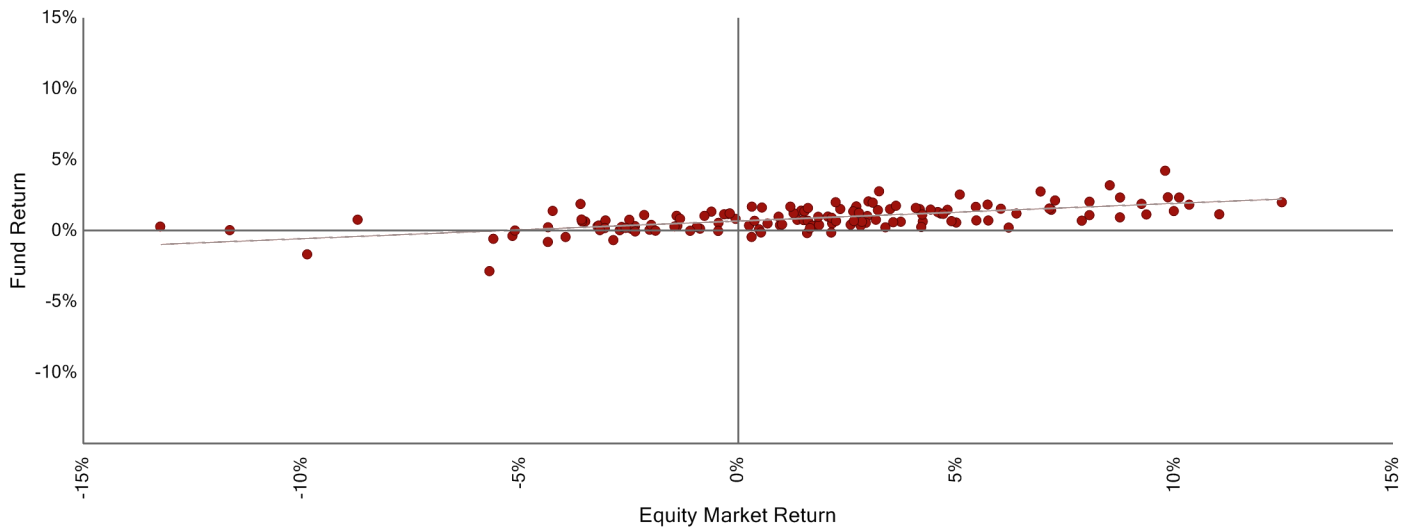
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PLEASE NOTE: The performance figures above are based on the actual performances achieved by the appointed asset managers over the past five years. Past performance should not be used as an indication of future performance. This investment report is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





COMMENTARY

If investors needed a reminder that markets go down as well as up, May brought just that as speculation about the timing of US interest rate increases reflected in the gyrating value of the US dollar, while in the eurozone investors sold off bonds in response to the negative bond yields of April.

Disappointing US economic statistics led to speculation that the first interest rate increase might be pushed out beyond 2015, despite US Federal Reserve Chair Janet Yellen, insisting it will happen this year. The strong turnaround expected in the second quarter, after the sharp downturn in the first, is not materialising. The Chinese economy also continued to run out of steam, with declining manufacturing activity, weaker trade numbers and consumer inflation at only half of the 3% target. China cut interest rates for the third time in six months in a bid to lower companies' borrowing costs and stoke economic growth. The eurozone economy showed resilience, with manufacturing activity strengthening and the consumer price index coming in flat after four months of deflation. The most unexpected event, however, was investors' revolt against negative yields in Europe which led to the sharpest sell-off of government bonds in the past twenty years.

Talks between European policy makers and Greece made little progress, although Greece managed to amass €750 million to pay interest to the IMF. This combined with a sharp strengthening of the US dollar at month-end spurred risk aversion, with emerging markets equities and commodity prices bearing the brunt. The oil price stayed above US\$60 a barrel on the notion that a supply glut was easing due to a tightening in world production, particularly in the US.

South Africa's first quarter economic growth plunged to just 1.3% year-on-year as load shedding, weak consumer demand and drought curbed output. Unemployment rose to 26.4%, the highest figure since 2003. Other economic indicators deteriorated, as did business and consumer confidence. Although the SARB kept interest rates steady as inflation came in at 4.5% year-on-year, there is a growing expectation of an interest rate hike in June.

The FTSE/JSE SWIX Index fell by 4.9%, pulled down by Resources and Financials which returned be -5.2% and -6.8% respectively. The listed property sector delivered a negative 5.9%, while the BESA All Bond Index fell by 0.7%. The rand weakened by 3.1% against the US dollar.

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%								5.3%

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.