



November/15

FINSOLNET CONSERVATIVE FUND

ABOUT THE PORTFOLIO

The Finsolnet Conservative Portfolio is a low 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 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)
0.7%	15.5%	15.6%	10.1%

PERFORMANCE COMMENTARY

November brought a spew of disheartening news, including new frontiers for terror with an attack on Paris and a shut-down of Brussels, numerical confirmation of slowing global economic growth and a further collapse in commodity prices. Despite all of that, the most meaningful consideration for investors remained the rising certainty that the US Federal Reserve will increase interest rates in December. The expectations of an imminent US interest rate hike strengthened the US dollar, a negative for commodities and the rand which hovered between R14.15/US\$ and R14.50/US\$ through November.

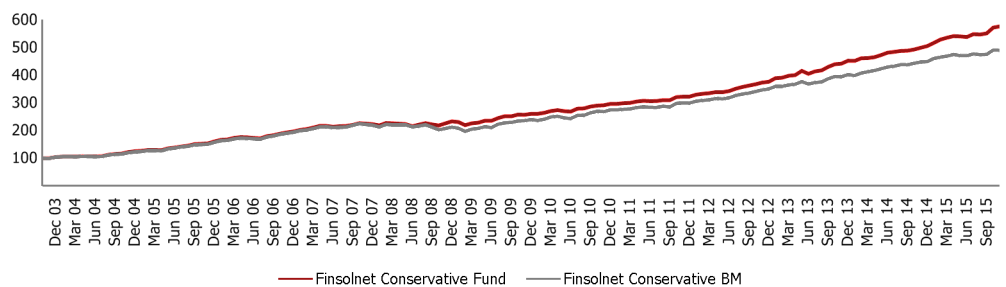
Heedless of global woes the US economy continued to grow at a moderate pace, supporting the argument for a hike. October was the best month for job creation this year, with the official unemployment rate dropping to 5.0%, which is regarded as "full employment". The third quarter GDP growth number was revised upwards to an annualised 2.1%. While the US Fed is poised for tightening, the ECB is readying for more stimulus in response to a visible slowdown in the eurozone, where the third quarter GDP number came in at 0.3% quarter-on-quarter as exports weakened. The European Commission forecasts that the GDP in the 19-nation eurozone will grow by 1.6% this year and 1.8% in 2016.

China's economic data continued to disappoint as the country seems to be readying to cut its official five-year economic growth target to 6.5%.

There was no shortage of bad news in South Africa which is waiting for credit rating updates due in the first week of December. The economy continued to battle drought and low commodity prices, while the rand collapsed to new lows against the US dollar. Consumer inflation came in at a surprisingly benign 4.7% year-on-year in October, lagging in reflecting the effect of the weak rand. The Reserve Bank increased the repo rate by 0.25% for the second time this year to 6.25%, taking the prime lending rate to 9.75%. South Africa's economy avoided a technical recession by growing at a seasonally adjusted and annualised 0.7% in the third quarter, after contracting by 1.3% in the second quarter.

The FTSE/JSE SWIX index fell by 2.7%, pulled down by the sharp 22.5% drop in resources shares. Financials returned -4.0%, while the industrials fell by 1.0%. The JSE All Bond Composite index dropped by 1.0%, while the rand finished the month 4.5% down relative to the US dollar at R14.43/US\$.

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2011	0.0%	0.8%	0.4%	1.6%	0.9%	-0.3%	0.1%	1.1%	-0.1%	3.7%	0.5%	0.1%	8.9%
2012	2.1%	0.9%	0.7%	1.2%	-0.1%	1.2%	2.5%	1.8%	1.4%	1.4%	1.6%	0.8%	16.6%
2013	3.4%	0.5%	1.8%	0.6%	3.8%	-2.6%	2.2%	0.9%	3.0%	2.2%	0.5%	2.4%	20.2%
2014	-0.1%	2.1%	0.2%	0.7%	1.6%	1.8%	0.6%	0.7%	0.2%	0.8%	1.3%	1.2%	11.7%
2015	2.3%	2.3%	1.3%	1.1%	-0.2%	-0.4%	2.0%	-0.3%	0.8%	3.8%	0.7%		14.1%

Disclaimer Sygnia Life 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 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 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	73	
	FUND	LMM
Sharpe Ratio	0.81	0.63
Sortino Ratio	1.31	0.95

RISK ANALYSIS

	FUND	LMM
% Positive Months	75.9%	69.7%
% Negative Months	24.1%	30.3%
Best Month	5.2%	7.3%
Worst Month	-4.8%	-7.7%
Avg Negative Return	-0.9%	-1.7%
Maximum Drawdown	-5.9%	-23.8%
Standard Deviation	5.9%	9.3%
Downside Deviation	3.6%	6.2%

CORRELATIONS

	FUND	LMM
FTSE/JSE All Share Index	0.80	0.93
BESA All Bond Index	0.40	0.20

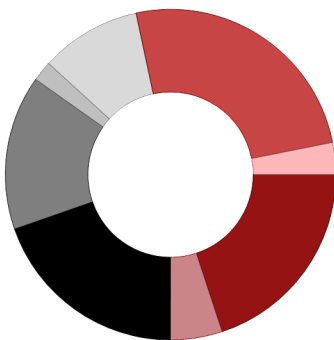
LMM = Global Large Manager Median

MARKET STRESS MONTHS

	FUND	ALSI
July 2008	2.7%	-8.7%
September 2008	-2.0%	-13.2%
October 2008	-1.7%	-11.6%
February 2009	-4.8%	-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 - 19.9%
- Domestic Property - 5.1%
- Domestic Bonds - 19.6%
- Domestic Cash Plus - 15.1%
- Domestic Money Market - 2.0%
- Domestic Alternatives - 9.9%
- International - 25.2%
- Africa - 3.1%

PERFORMANCE ANALYSIS

PERFORMANCE	FUND	BM	DIFFERENCE
Calendar Years			
2009	11.7%	12.8%	-1.1%
2010	13.8%	14.7%	-0.9%
2011	8.9%	9.0%	-0.1%
2012	16.6%	17.1%	-0.5%
2013	20.2%	14.7%	5.5%
2014	11.7%	11.7%	0.0%

Periodic Performance

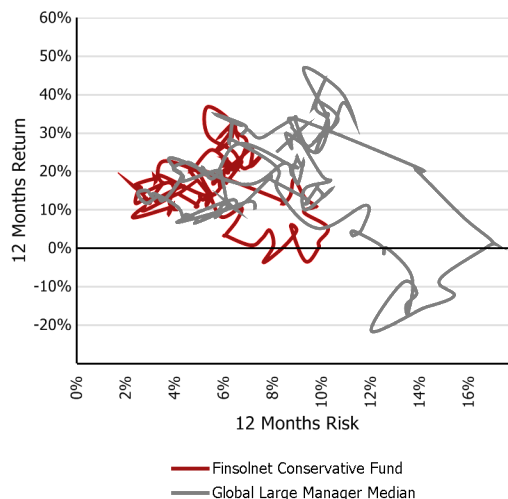
	FUND	BM	DIFFERENCE
1 month	0.7%	-0.1%	0.9%
3 month	5.4%	3.5%	1.9%
6 month	6.7%	4.2%	2.5%
Year to date	14.1%	9.2%	4.9%
1 year	15.5%	9.5%	6.0%
2 year	14.2%	11.5%	2.7%
3 year	15.6%	12.3%	3.3%
5 year	14.6%	12.9%	1.8%

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 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

