

Finsolnet

Finsolnet CPI + 4% Portfolio

February 13

INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

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

Fund: Sygnia CPI + 4% Portfolio
Fund Category: Domestic - Asset Allocation - Medium Equity

MANAGEMENT FEES

Sygnia CPI + 4% Total Expense Ratio: 0.94%

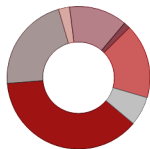
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

	FUND	ALSI
Standard Deviation	7.0%	16.6%
Downside Deviation	5.0%	10.2%
% Positive Months	70.2%	64.9%
% Negative Months	29.8%	35.1%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.4%
Maximum Drawdown	-14.2%	-40.4%

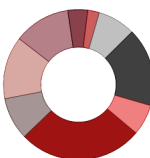
*Risk statistics are calculated since inception of the fund

ASSET ALLOCATION



Equities - 37.6%	Bonds - 21.8%	Property - 2.5%
Money Market - 13.2%	Commodities - 1.5%	Int Equities - 16.9%
Int Cash - 6.6%		

MANAGER HOLDINGS



Coronation - 26.7%	Allan Gray - 9.1%	Investec - 13.5%
Sygnia - 12.2%	Mazi Capital - 4.3%	Prescient - 2.5%
Cash - 8.1%	OMIGSA - 16.9%	Int Cash - 6.6%

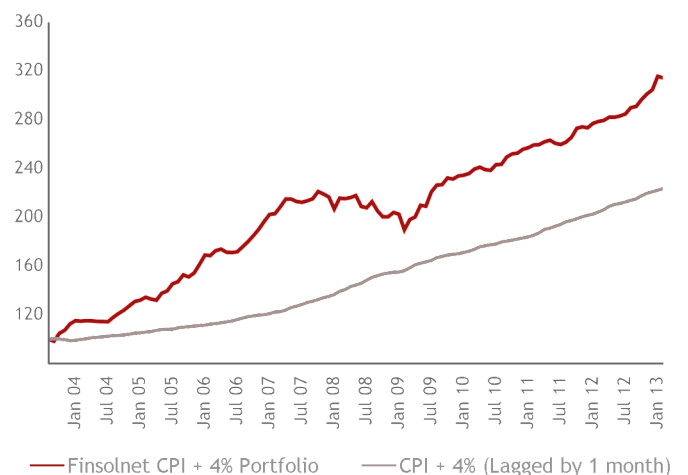
TOP 10 EQUITY HOLDINGS

	VALUE
MTN Group	2.2%
Sasol	2.1%
SAB Miller	2.1%
British American Tobacco	1.7%
Anglo American Plc	1.4%
Naspers	1.4%
Standard Bank	1.3%
Mondi Plc	1.2%
Remgro	1.1%
BHP Billiton	1.0%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	-0.4%	0.6%	-1.0%
3 month	4.4%	1.7%	2.6%
6 month	8.4%	4.5%	3.9%
Year to date	3.2%	1.2%	2.0%
1 year	12.8%	9.4%	3.4%
2 year	10.1%	9.8%	0.3%
3 year	10.0%	9.1%	0.9%
5 year	7.8%	9.9%	-2.1%
Since Inception	12.8%	8.8%	4.0%
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	11.4%	9.6%	1.8%

CUMULATIVE PERFORMANCE



— Finsolnet CPI + 4% Portfolio — CPI + 4% (Lagged by 1 month)

FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

February started with the resources sector surging on the back of stronger economic data from China and the US. But the rally came to an abrupt halt mid-month, with commodities leading the sell-off, as investors took risk off the table on concerns about the continuation of the US Fed's QE3 programme and the stability of the euro zone after Italian elections resulted in a hung parliament and a corruption scandal rocked Spain. The slump in the markets forced the US Fed Chairman, Ben Bernanke, to reiterate that asset purchases will continue until the labour market outlook improves. This combined with better-than-expected US housing and consumer confidence data, and the news of a successful Italian debt auction, helped to stabilise the markets.

Gold had a ferocious month, falling below US\$1 600, as its inability to break through the US\$1 700 price ceiling eroded investors' interest. The world's major industrial nations pledging to avoid devaluing their exchange rates in the pursuit of stronger economic growth, but stopped short of naming Japan as a culprit. Moody's cut the UK credit rating from triple A to Aa1, citing the continued weakness in the country's growth outlook and the high debt burden.

In the US the Democrats and the Republicans failed to reach an agreement on the US\$1.2 trillion of spending cuts over nine years that are due to take effect on 1 March.

In South Africa, the fourth quarter GDP growth quickened to 2.1% quarter-on-quarter, bringing economic growth to 2.5% for 2012. CPI inflation came in below expectations at 5.4% year-on-year in January. The Kagiso manufacturing PMI inched up to 49.1, but remained below the 50 level for a fifth consecutive month. The Adcorp Employment Index fell by an annualised 3.2% on employers cutting seasonal jobs.

The Budget concentrated on expenditure cuts (R10.4 billion over three years) as sluggish economic growth and a R16.3 billion shortfall in tax revenue resulted in a budget deficit for 2012-13 of 5.2% of GDP. Economic growth forecasts have been lowered to 2.7% for 2013, while inflation is expected to average 5.5% a year over the next three years. Much reliance has been placed on massive infrastructure investments to drive growth.

The FTSE/JSE All Share Index ended the month 1.9% down, pulled down by the Resources sector which fell by 6.4%. Financials dropped by 1%, while Industrials rose by 0.1%. The BESA All Bond Index delivered a 0.7% return.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2009	-0.7%	-6.3%	4.4%	1.1%	4.8%	-0.4%	5.6%	2.5%	0.2%	2.4%	-0.4%	1.1%	14.6%
2010	0.3%	0.6%	1.5%	0.7%	-0.8%	-0.2%	1.9%	0.1%	2.5%	1.0%	0.3%	1.2%	9.4%
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%	0.4%	1.9%	1.5%	1.1%	11.4%
2013	3.6%	-0.4%											3.2%

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