

FINSOLNET

Finsolnet CPI + 6% Portfolio
July/2012

STRATEGY OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy 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

Fund: Sygnia CPI + 6% Portfolio

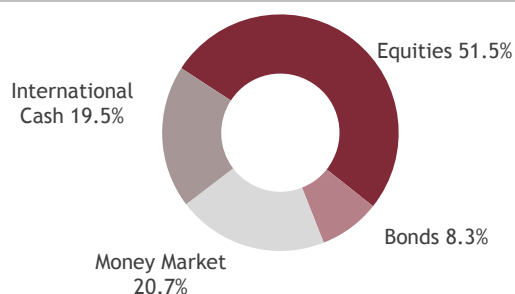
Fund Category: Domestic Asset Allocation - High Equity

TOTAL EXPENSE RATIO

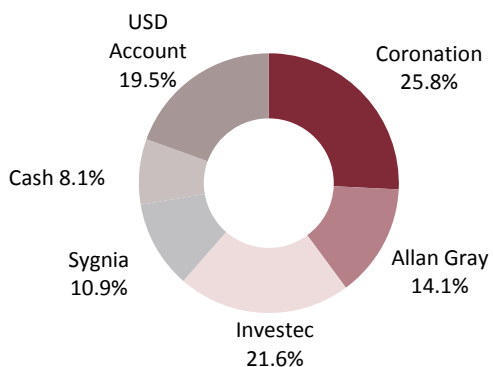
Sygnia CPI + 6% Total Expense Ratio: 0.89%

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

ASSET ALLOCATION



MANAGER ALLOCATION



TOP 10 EQUITY HOLDINGS

Sasol	3.7%
MTN Group	2.8%
British American Tobacco	2.1%
SAB Miller	2.1%
Standard Bank	1.9%
Gold Fields	1.6%
Anglogold Ashanti	1.5%
Steinhoff	1.4%
Naspers-N	1.4%
Anglo American Plc	1.3%

PERFORMANCE ANALYSIS

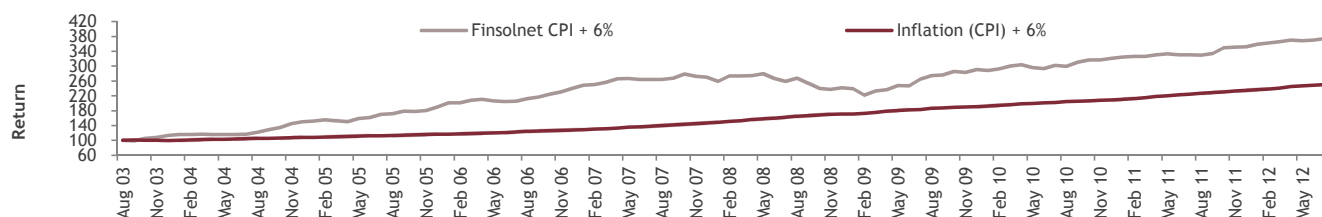
YEAR	FUND	CPI + 6%	DIFF
1 month	1.1%	0.7%	0.4%
3 months	1.2%	2.2%	-0.9%
6 months	4.4%	5.9%	-1.5%
Year to date	6.4%	6.6%	-0.2%
1 year	13.5%	11.5%	2.0%
2 years	11.4%	11.2%	0.1%
3 years	12.3%	10.9%	1.4%
5 Years	7.2%	12.6%	-5.3%
Since Inception	16.0%	10.8%	5.1%
2007	12.2%	14.5%	-2.3%
2008	-10.5%	16.7%	-27.2%
2009	20.4%	11.8%	8.6%
2010	10.3%	9.6%	0.8%
2011	9.9%	12.1%	-2.3%

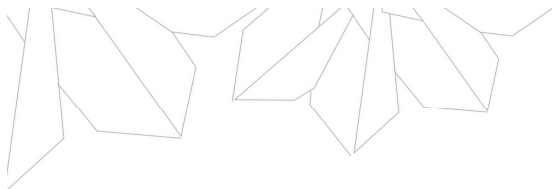
RISK ANALYSIS

	FUND	ALSI
% Positive Months	69.2%	63.6%
% Negative Months	30.8%	36.4%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Average Negative Month	-1.6%	-3.4%
Max Drawdown	-20.8%	-40.4%
Standard Deviation	9.3%	17.0%
Downside Deviation	6.2%	10.3%

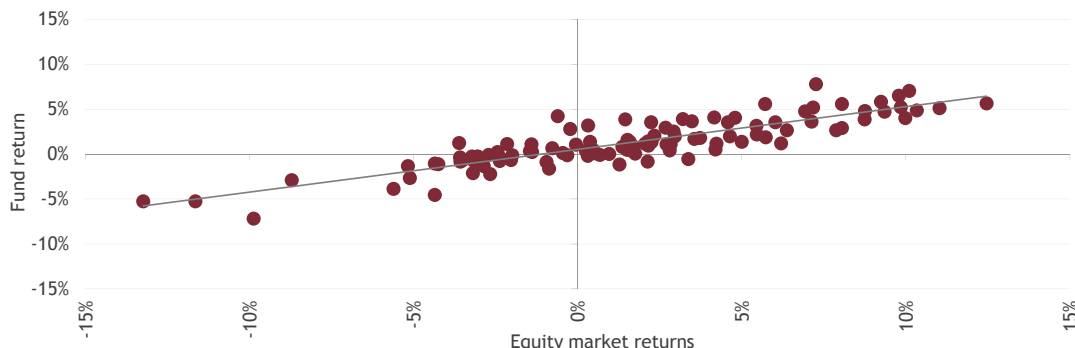
* Risk statistics are calculated since inception of the fund

CUMULATIVE PERFORMANCE GRAPH





FUND SENSITIVITY TO EQUITY MARKET



This scatter plot indicates the sensitivity of the fund returns to those of the equity market. This analysis shows that the fund

COMMENTARY

The dramatic EU summit announcement that European banks would receive aid directly from the region's permanent bail-out fund, the ESM, quickly ran into trouble as a number of EU countries, including Finland, the Netherlands and Germany, seemed to hesitate over the decision. Once again, economic data disappointed with Q2 GDP growth in the US and China slowing down to 1.5% and 7.6% respectively, after 2.0% and 8.1% gains in Q1. Across the Atlantic, the eurozone remained mired in recession.

As markets wobbled, global central banks went on the offensive. The ECB, Denmark and China cut interest rates, while the Bank of England raised the size of its asset-purchase programme by £50 billion to £375 billion.

This did little to ease concerns as Spanish and Italian borrowing costs soared back into the danger zone. Spain, Italy and Greece all announced further austerity measures, while Greece asked its lenders for a three-year extension to its bail-out programme till 2017.

With markets poised to fall sharply, Germany and Finland saved the day by endorsing the decision to use the eurozone's rescue fund to help Spanish banks.

And the ECB's President, Mario Draghi, announced that the central bank "would do whatever it takes to protect the euro", a message echoed by Germany and France. The comments stoked optimism that the ECB and the US Fed will provide further stimulus measures.

According to the South African Reserve Bank's 2012 annual economic report, growth remains "pedestrian", with the manufacturing sector vulnerable because of the European crisis. After nine MPC meetings with no changes, the SARB cut the repo rate by 50 basis points to 5.0%, taking the prime rate to 8.5%. The CPI came in at 5.5% year-on-year in June, while the PPI remained unchanged at 6.6%.

On the political front, credit ratings agencies expressed disappointment over the failure of the ANC Policy Conference in June to clarify its approach to the nationalisation of mines.

The equity market roared ahead, with the FTSE/JSE All Share Index gaining 2.7% despite the Resources sector giving up 2% in performance. The bond market continued to benefit from foreign buying, rising 4.0%, while the Rand weakened by 1.5% against the US dollar.

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	-3.9%	5.7%	-0.3%	0.5%	1.8%	-4.5%	-2.9%	3.2%	-5.3%	-5.2%	-1.1%	1.6%	-10.5%
2009	-1.1%	-7.2%	5.1%	1.4%	4.9%	-0.2%	7.1%	3.9%	0.4%	3.6%	-0.8%	2.5%	20.4%
2010	-0.7%	1.4%	2.7%	1.1%	-2.7%	-0.8%	2.9%	-0.8%	3.9%	1.7%	0.1%	1.2%	10.3%
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%						6.4%

Disclaimer: Sygnia Collective Investments (RF) Proprietary Limited ("the Company") is a member of the Association for Savings & 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 supervised by the Financial Services Board. 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. 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. Unit trusts are traded at ruling prices and the Fund may borrow up to 10% of the market value of the portfolio 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 a guide to the future.