

Finsolnet

Finsolnet CPI + 4% Portfolio

October 12

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: 0.90%

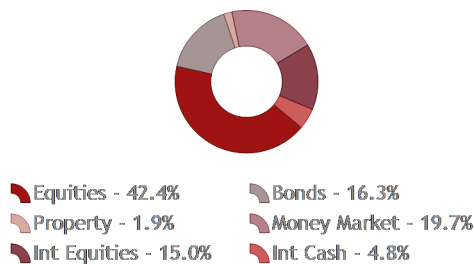
*TER is for Class B fund only. The TER of the Class A fund includes an additional advisor fee of 0.65% plus VAT.

RISK STATISTICS

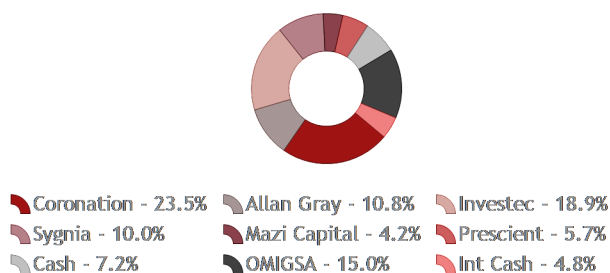
	FUND	ALSI
Standard Deviation	7.1%	16.8%
Downside Deviation	5.1%	10.3%
% Positive Months	70.0%	64.5%
% Negative Months	30.0%	35.5%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Avg Negative Return	-1.1%	-3.4%
Maximum Drawdown	-14.2%	-40.4%

*Risk statistics are calculated since inception of the fund

ASSET ALLOCATION



MANAGER HOLDINGS



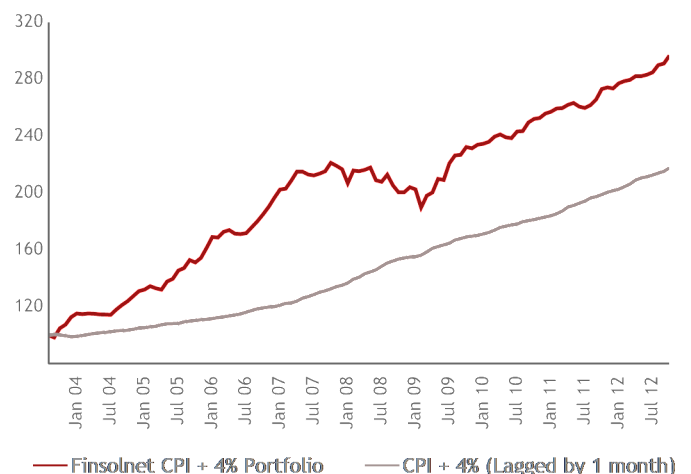
TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	2.9%
MTN Group	2.1%
SAB Miller	1.8%
Standard Bank	1.4%
Naspers	1.3%
Anglo American Plc	1.3%
British American Tobacco	1.3%
Remgro	1.2%
Mondi Plc	1.1%
BHP Billiton	1.1%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	1.9%	1.2%	0.8%
3 month	4.2%	2.4%	1.8%
6 month	5.1%	4.1%	1.0%
Year to date	8.5%	8.0%	0.5%
1 year	8.6%	9.5%	-0.8%
2 year	8.5%	9.6%	-1.1%
3 year	8.5%	8.8%	-0.3%
5 year	6.0%	10.4%	-4.4%
2006	21.8%	8.0%	13.8%
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%

CUMULATIVE PERFORMANCE



FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

October brought turmoil to South Africa in the strongest challenge yet to the ANC-led government, as a series of strikes in the mining and transport sectors triggered sovereign rating downgrades. Hard-charging markets, spurred by the expectations that Greece will not be kicked out of the euro and that the ECB and the US Fed will use their balance sheets to provide support, were rattled by Spain's resistance to ask for aid and an apparent back-peddling by Germany, Finland and the Netherlands over the recapitalisation of Spanish banks. In the US, the policy debates between President Barack Obama and the Republican-nominee, Mitt Romney, took centre stage as the polls indicated that the two are running neck and neck.

Third quarter US earnings reports were muted. Month-end brought havoc to the US as Hurricane Sandy swept through the East Coast, leading to a two-day close of the New York Stock Exchange. Third quarter GDP growth figures were a mixed bag. China came in at 7.4% year-on-year, with most analysts predicting that the economy has bottomed out. The US economy grew at an annual rate of 2.0%, largely as a consequence of stronger than expected consumer spending. The UK exited the recession with a strong 1% year-on-year rebound. EU figures are still outstanding, but the manufacturing activity PMI's point to most economies are stabilising, albeit at very weak levels.

The South African rand plunged to its weakest levels against the US dollar in three years as strikes, sovereign downgrades (Moody's followed S&P in downgrading South Africa's credit rating) and political tensions battered investor confidence. Despite this, the equity market roared ahead with a string of record highs reached on foreign buying. The main theme of the MTPBS presented by the Finance Minister Pravin Gordhan was to restrain government spending over the next three years. The GDP growth for 2012 was revised downward to 2.5%, while consumer price inflation is forecast to remain below 6% over the next three years. Both current account and budget deficits were revised upward.

The gold price failed to break through a key US\$1 800 an ounce level as stronger US economic data tempered expectations of the scope of the Fed's latest stimulus programme. Oil prices, on the other hand, oscillated around the US\$110 a barrel level, with tensions in the Middle East outweighing concerns about sluggish global demand.

The FTSE/JSE All Share Index delivered a healthy 4.2% return, with the Resources sector rebounding by 6.3%. The BESSA All Bond Index reflected foreign investors' concerns about South Africa with a return of -0.6%. The rand depreciated by 4.4%.

HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2008	-4.6%	4.3%	-0.2%	0.4%	0.8%	-4.1%	-0.5%	2.4%	-3.5%	-2.4%	0.0%	1.8%	-5.8%
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%			8.5%

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.