

Finsolnet

Finsolnet CPI + 6% Portfolio

September 12

INVESTMENT OBJECTIVE

Inception Date: 22 September 2003

The objective of this strategy is 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

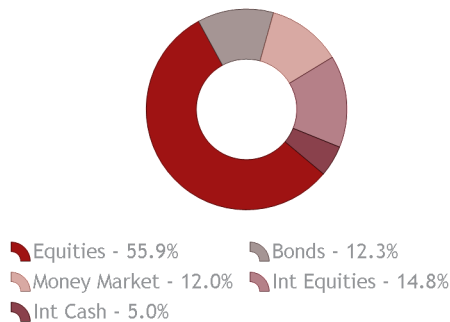
Fund Category: Domestic - Asset Allocation - High Equity

MANAGEMENT FEES

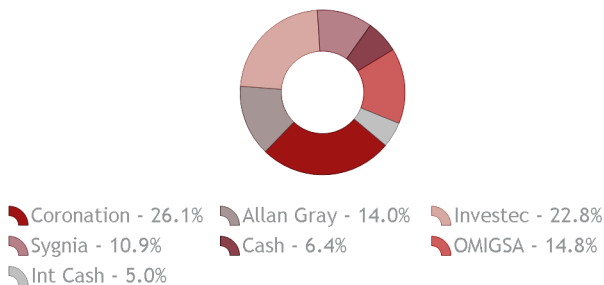
Sygnia CPI + 6% Total Expense Ratio: 1.04%

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

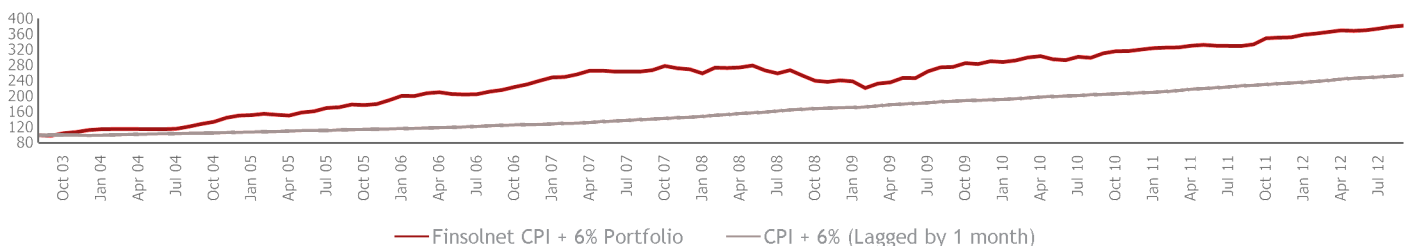
ASSET ALLOCATION



MANAGER HOLDINGS



CUMULATIVE PERFORMANCE



TOP 10 EQUITY HOLDINGS

	VALUE
Sasol	4.3%
MTN Group	2.8%
SAB Miller	2.2%
British American Tobacco	2.1%
Standard Bank	2.0%
Naspers	1.6%
Remgro	1.5%
Anglogold Ashanti	1.4%
Gold Fields	1.4%
Anglo American Plc	1.4%

PERFORMANCE ANALYSIS

YEAR	STRATEGY	BENCHMARK	DIFFERENCE
1 month	0.7%	0.7%	0.0%
3 month	3.1%	2.2%	0.9%
6 month	4.4%	5.3%	-0.9%
Year to date	8.5%	8.2%	0.3%
1 year	14.4%	11.0%	3.4%
2 year	10.9%	11.2%	-0.3%
3 year	11.5%	10.6%	0.9%
5 year	7.4%	12.4%	-5.0%
2006	26.3%	10.0%	16.3%
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 STATISTICS

	FUND	ALSI
Standard Deviation	9.2%	16.9%
Downside Deviation	6.2%	10.3%
% Positive Months	69.7%	64.2%
% Negative Months	30.3%	35.8%
Best Month	7.8%	12.5%
Worst Month	-7.2%	-13.2%
Avg Negative Return	-1.6%	-3.4%
Maximum Drawdown	-20.8%	-40.4%

*Risk statistics are calculated since inception of the fund

FUND SENSITIVITY TO EQUITY MARKET



COMMENTARY

Touted as a key month for the future of the eurozone, September did not disappoint, bringing more monetary relaxation, but few long-term answers. From chaos in the Middle East triggered by an incendiary anti-Islamic video posted on YouTube, and protests in Spain and Greece, to the crippling mining strikes in South Africa, the month lurched from one surprise to the next. Economic data continued to point to a global slowdown. This pushed oil prices to below US\$110 a barrel despite the instability in the Middle East and the Iran oil sanctions. The gold price rose to above US\$1 780 an ounce, ending the quarter 11.5% up, as investors once again viewed the metal as an inflation hedge.

But economic fundamentals were overshadowed by major policy decisions. The ECB announced that it will launch an unlimited bond-buying programme to lower struggling EU countries' borrowing costs. The German Constitutional Court declared the permanent bailout fund, the European Stability Mechanism, as legal, clearing the way to use it to recapitalise troubled banks and governments. And the US Fed embarked on an unlimited third round of quantitative easing until the labour market outlook improves "substantially". However attention soon shifted to Spain which continued to resist asking for a bail-out. Unfortunately, with unemployment at 24.6%, an unstable banking system and the real prospect

buying Spanish bonds to lower its yields. Meanwhile, the Greek government failed to approve an additional €11.5 billion of austerity cuts needed to secure the next instalment of aid. International lenders have delayed their final decision until after the US elections.

At month-end both Spain and France unveiled tough austerity budgets designed to drastically reduce their budget deficits. In particular, Spain's budget was interpreted as a precursor to a request for a bail-out. This steadied market sentiment. The South African economy continued to slow down with the manufacturing PMI falling to 50.2 in August. Consumer inflation ticked up to 5.0% year-on-year, and the current account gap widened to 6.4% of GDP, bringing to the fore South Africa's growing dependence on foreign investment inflows. The wildcat strikes within the mining sector continued to dominate the headlines. What started as a tragic incident at a platinum mine spread to the gold sector through September. The impact, apart from foreign investor perceptions, will be felt in the third quarter economic growth numbers. Moody's credit rating downgrade at month-end was not welcome news. The FTSE/JSE All Share Index rose by 1.6%, bolstered by the Resources sector which delivered 5.7%, while the BESA All Bond Index returned 0.9%. The Rand appreciated by 1.0% relative to 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%	1.3%	0.7%				8.5%

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