Finsolnet Moderate Fund

September 2010

The Finsolnet Moderate Portfolio is a low to medium risk balanced portfolio that aims to 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 strategic 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 Sasfin 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	Strategic Benchmark (12 Months)
3.5%	14.9%	17.9%	16.1%

STRATEGIC BENCHMARK

FTSE/JSE SWIX	45.0%	BESA ALBI	12.5%	Barclays BESA SAGILB	10.0%
STeFI Index	7.5%	FTSE/JSE SAPY Index	10.0%	MSCI in ZAR	15.0%

PERFORMANCE COMMENTARY

Stock markets globally enjoyed their biggest September rally since 1939. Sentiment has been underpinned by strong company earnings, a spate of big corporate deals, poor returns from bonds with interest rates at record lows, and hopes that the US Federal Reserve will step in if growth in the US stalls. The Rand hit a three year high breaching the key R7.00/US$ level on strong foreign inflows and Wal-Mart's interest in Massmart. However, lingering doubts and a weaker US dollar pushed the gold price above US$1 300 per ounce. Finally, the US government declared the BP leak in the Gulf of Mexico as plugged.

The FTSE/JSE All Share Index returned 8.7%, with Resources contributing 7.8%, Financials 8.5% and Industrials 10.4%. The bond market delivered a 0.8% return, while the Rand firmed by 5.6% relative to the US dollar.

September started off with a bevy of positive economic data pointing to a recovery. Resources shares retreated as Julia Gillard held onto power as Australia's first female prime minister. The government remains committed to introducing a 30% tax on mining companies' profits. Concern about Greece, Ireland and Portugal flared up again. The Wall Street Journal reported that the European bank stress tests published in July understated some institutions' sovereign debt holdings. In a surprise move Japan intervened in the currency markets for the first time since 2004 when the yen reached a 15-year high relative to the US dollar. Attitudes towards China's currency manipulation worsened significantly. Austerity fatigue is surfacing across Eastern and Southern Europe, with strikes in France, Spain and Greece raising concerns that electorates may start to rebel.

The ambiguity between short-term relief-driven glee and more fundamental concerns was best captured by the gold price which continued on its upward trajectory.

In South Africa politics took centre stage again with the NGC meeting of the ANC. Nationalisation of mines topped the agenda. To the disappointment of the ANC Youth League, the NGC merely agreed to investigate the options without making it party policy. Economic indicators continued to point to a sluggish recovery. The Reserve Bank cut 50 basis points off the key repo rate to 6% per annum, the lowest level since 1974, and revised down its forecast for inflation and economic growth. Consumer inflation slowed to 3.5% year-on-year in August from 3.7% in July, while the producer price index increased marginally to 7.8% year-on -year.

ABOUT SYGNIA

Sygnia is a financial services group specialising in the design and management of customised multi-manager product solutions for institutional clients in South Africa and globally. Sygnia Life is a registered life assurance company within the group.

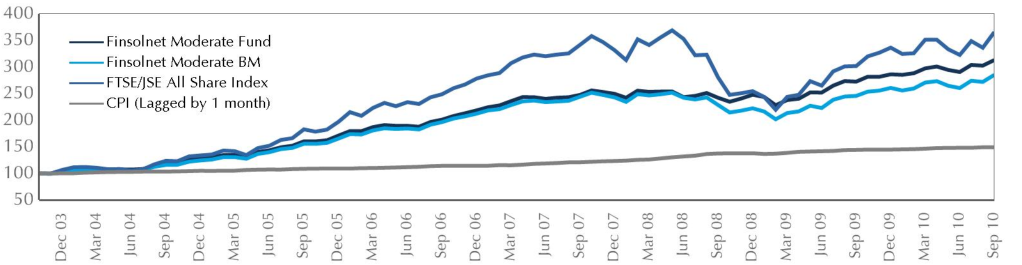
ABOUT SASFIN

Sasfin is a premier South African banking group, providing business banking, wealth management, capital, specialised services and treasury services. Sasfin Asset Consulting, a division of Sasfin, provides a comprehensive, independent and highly professional financial advisory service to institutional clients.

TOTAL EXPENSE RATIO

1.100% per annum (excluding VAT)

CUMULATIVE RETURNS



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	5.0%	-0.1%	4.3%	2.0%	-0.7%	0.0%	-0.9%	4.8%	2.2%	3.4%	2.5%	2.5%	**27.7%**
2007	2.8%	1.5%	3.5%	3.2%	-0.1%	-1.3%	0.9%	0.4%	1.8%	3.4%	-1.2%	-1.3%	**14.3%**
2008	-3.0%	5.5%	-0.9%	0.2%	0.1%	-4.2%	1.0%	2.2%	-3.6%	-3.1%	2.6%	3.0%	**-0.7%**
2009	-1.7%	-6.3%	4.2%	1.0%	5.0%	-0.1%	5.2%	3.2%	-0.4%	3.4%	-0.1%	1.7%	**15.5%**
2010	-0.3%	1.0%	3.2%	1.2%	-2.1%	-1.3%	4.5%	-0.4%	3.5%				**9.4%**

FUND SUMMARY

Inception (back dated):		01-Nov-03
Inception (actual):		12-Nov-09
Number of Months		11

	FUND	BMK
Sharpe Ratio	0.80	0.57
Sortino Ratio	1.32	0.90

*BMK = strategic benchmark

RISK ANALYSIS

	FUND	BMK
% Positive Months	67.5%	67.5%
% Negative Months	32.5%	32.5%
Best Month	6.3%	7.1%
Worst Month	-6.3%	-6.7%
Avg Negative Return	-1.3%	-2.0%
Maximum Drawdown	-10.8%	-19.8%
Standard Deviation	8.8%	10.2%
Downside Deviation	5.3%	6.4%

CORRELATIONS

FTSE/JSE All Share Index	0.90	0.96
BESA All Bond Index	0.33	0.23

MARKET STRESS MONTHS

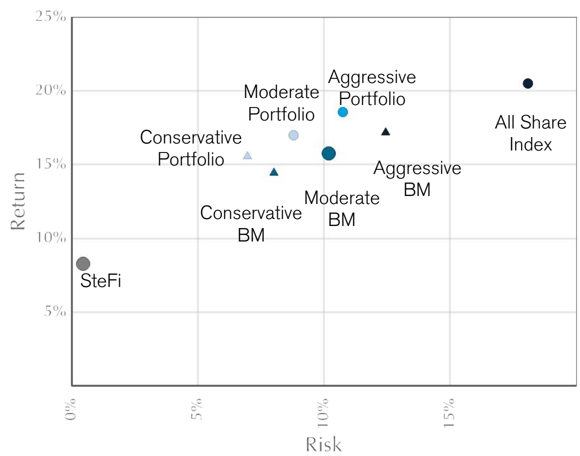
	FUND	ALSI
July 2008	1.0%	-8.7%
September 2008	-3.6%	-13.2%
October 2008	-3.1%	-11.6%
February 2009	-6.3%	-9.9%

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.

PERFORMANCE ANALYSIS

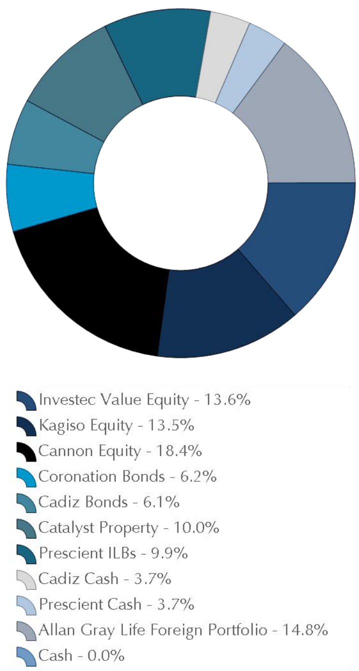
PERFORMANCE	FUND	BENCHMARK	DIFFERENCE
Calendar Years			
2004	22.7%	19.1%	3.6%
2005	32.6%	33.0%	-0.4%
2006	27.7%	28.3%	-0.7%
2007	14.3%	14.4%	-0.1%
2008	-0.7%	-8.5%	7.8%
2009	15.5%	17.2%	-1.7%
Periodic Performance			
1 month	3.5%	4.9%	-1.4%
3 month	7.7%	9.5%	-1.8%
6 month	5.2%	5.3%	-0.1%
Year to date	9.4%	9.4%	0.0%
1 year	14.9%	16.1%	-1.2%
2 year	13.7%	11.7%	2.0%
3 year	8.1%	5.3%	2.8%
5 year	14.3%	12.9%	1.5%
Since Inception (back dated)	17.9%	16.4%	1.6%

RISK/RETURN COMPARISON

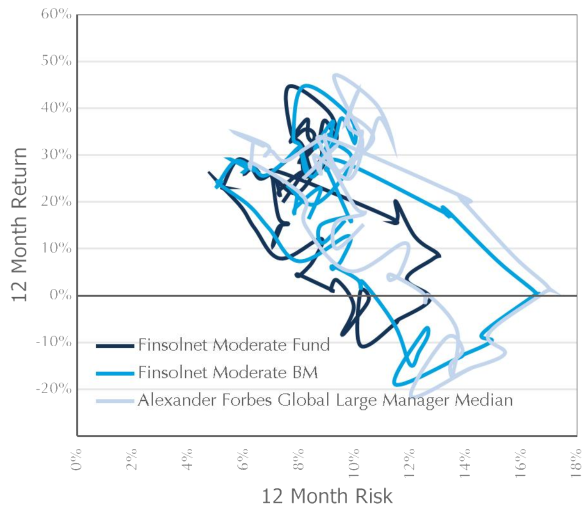


This chart compares how each portfolio in the range has performed against its benchmark and other relevant comparators in risk and return space.

MANAGER ALLOCATION



12 MONTHS RISK/RETURN SNAIL TRAIL



Returns for periods exceeding one year are annualised. All returns are in Rands. As from 28th October 2008 the portfolio's foreign investment exposure might exceed the restrictive limit of 20%, or as amended from time to time, as a result of the inward listed British American Tobacco ("BAT") shares received as part of a corporate de-merger. The South African Reserve Bank has allowed some institutional investors a grace period of 2 years to rebalance their portfolios to adhere to the foreign investment limit. The grace period for BAT expires on 27 October 2010. Records of foreign investment exposure for BAT are available upon request.

FAIS Notice and Disclaimer:

The above portfolio is under a policy of insurance issued by Sygnia Life FSP No 2935. The asset mix and underlying asset managers are determined in consultation with Sasfin Asset Consulting (SAC) a division of Sasfin Financial Advisory Services (Pty) Ltd FSP No 5711. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act 37 of 2002, as amended. SAC shall not be liable for any actions taken by any person based on the correctness of this information. Note that SAC is the asset consultant and not the investment manager. Sasfin Asset Consulting, a division of Sasfin Financial Advisory Services FSP No 5711.

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