



December 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 utilised basis on the Sygnia Life license.

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)

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%	1.5%	0.5%	2.5%	14.3%

PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Strategic Benchmark (12 Months)
2.5%	14.3%	18.0%	15.2%

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

Confounding the sceptics, 2010 ended on a high note, with the FTSE/JSE All Share Index returning 19.0% for the year, and the BESA All Bond Index 15.0%. The Rand strengthened by 10.6% over the same period. December contributed strongly to this performance with the FTSE/JSE All Share Index adding 6.2%, driven largely by Resources which returned 7.7%.

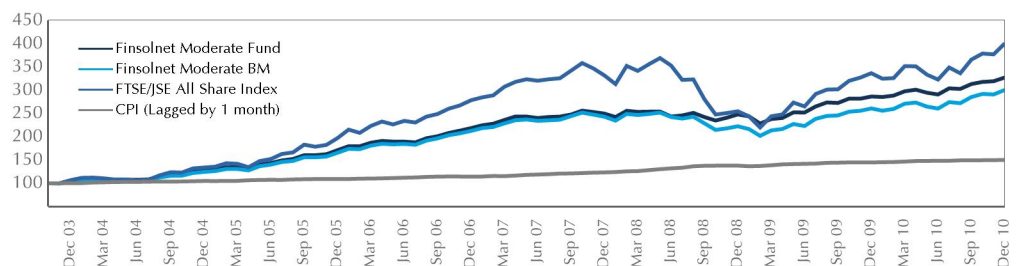
December brought more concerns about the eurozone debt crisis and a shift in the balance of power in the US as President Barack Obama gave in to the Republicans' demands for the retention of tax cuts. Government bond yields spiked on concerns about levels of debt of Western economies. Strikes made headlines in Greece and Spain (against austerity measures), Italy (against the survival in power of the Prime Minister Silvio Berlusconi) and the UK (against the raising of university tuition fees). China increased interest rates in response to record inflation in November. However globally stock markets ended on a high, breaching levels last seen prior to the collapse of Lehman Brothers in September 2008. There is a widespread expectation that the rally will continue into 2011.

South Africa has been invited to join the BRIC group of emerging economies, which includes Brazil, Russia, India and China. Given its small size and weak economic growth South Africa's ascension is more reflective of global politics than economics, with China viewing the country as the gateway for investment into Africa.

The latest domestic data releases paint a picture of an economy which has stabilised and may even be in weak recovery. Consumer spending has improved as evidenced by strong retail and new vehicle sales numbers. It is expected to pick up further in 2011 as interest rate cuts filter through to support demand. The trade account recorded a surprise R8.4 billion surplus in November on stronger than expected exports. On a negative note, unemployment remains a problem, with the number of permanent workers falling by 2.7% in November after a 2.8% rise in October. Credit extension to the private sector slowed to 4.6% year-on-year reflecting concerns about further borrowing in the face of a weak recovery. Consumer inflation quickened to 3.6% year-on-year in November (0.2% month-on-month), while producer inflation slowed to 6.2%.

The National Treasury upped the limit for institutional investments offshore by 5%. Retirement funds can now invest 25% offshore, and unit trusts, asset managers and long-term insurers 35%.

CUMULATIVE RETURNS



FUND SUMMARY

Inception (back dated):	01-Nov-03
Inception (actual):	12-Nov-09
Number of Months	14

	FUND	BMK
Sharpe Ratio	0.81	0.59
Sortino Ratio	1.32	0.94

*BMK = strategic benchmark

RISK ANALYSIS

	FUND	BMK
% Positive Months	68.6%	67.4%
% Negative Months	31.4%	32.6%
Best Month	6.3%	7.1%
Worst Month	-6.3%	-6.7%
Avg Negative Return	-1.3%	-1.9%
Maximum Drawdown	-10.8%	-19.8%
Standard Deviation	8.7%	10.1%
Downside Deviation	5.3%	6.3%

CORRELATIONS

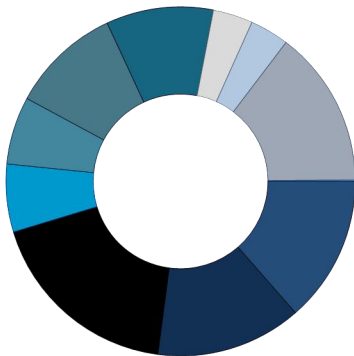
FTSE/JSE All Share Index	0.90	0.96
BESA All Bond Index	0.34	0.24

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.

MANAGER ALLOCATION



- Investec Value Equity - 13.6%
- Kagiso Equity - 13.5%
- Cannon Equity - 18.2%
- Coronation Bonds - 6.3%
- Cadiz Bonds - 6.3%
- Catalyst Property - 10.2%
- Prescient ILBs - 9.9%
- Cadiz Cash - 3.7%
- Prescient Cash - 3.6%
- Allan Gray Life Foreign Portfolio - 14.6%
- Cash - 0.1%

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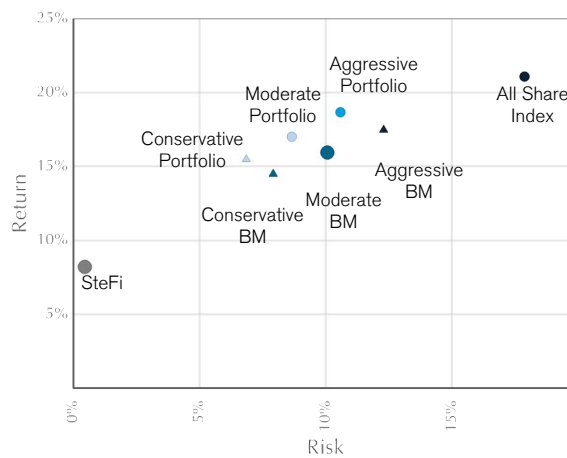
PERFORMANCE ANALYSIS

PERFORMANCE	FUND	BENCHMARK	DIFFERENCE
Calendar Years			
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%
2010	14.3%	15.2%	-1.0%

Periodic Performance

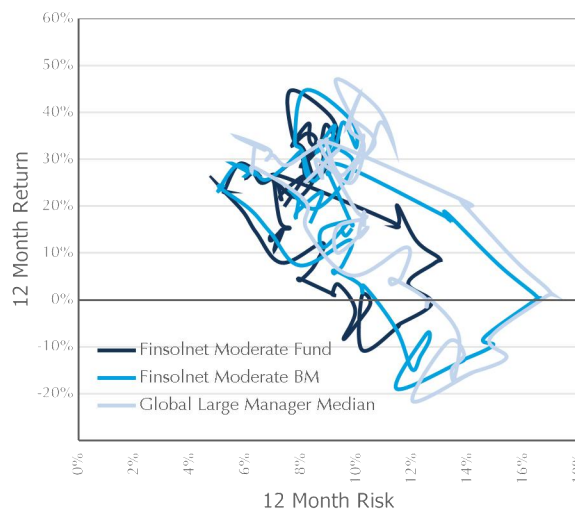
1 month	2.5%	3.3%	-0.8%
3 month	4.5%	5.3%	-0.9%
6 month	12.6%	15.3%	-2.8%
Year to date	14.3%	15.2%	-1.0%
1 year	14.3%	15.2%	-1.0%
2 year	14.9%	16.2%	-1.3%
3 year	9.4%	7.3%	2.1%
5 year	13.8%	12.7%	1.2%
Since Inception (back dated)	18.0%	16.6%	1.4%

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.

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.