

FINSOLNET

LIBOR (USD 3-Months) Plus 4 Targeted Return Strategy

December/2010

STRATEGY OBJECTIVE

The objective of this strategy is to target an annual return of LIBOR (USD 3 months) plus 4% over a rolling 60-month period and not to lose capital over a rolling 24-month period in USD terms

LAUNCH DATE

31 May 2005

TOTAL EXPENSE RATIO

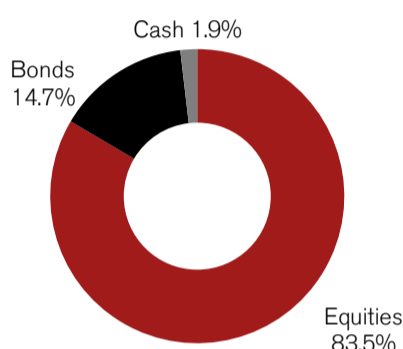
2.22%

* includes a rebate to FSP of 0.20% (incl. VAT)

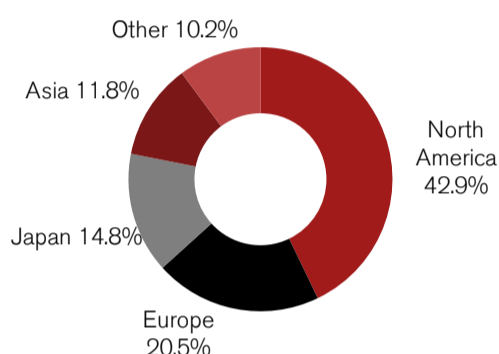
TOP 5 EQUITY HOLDINGS

Allan Gray Orbis Global Equity	
Wellpoint	4.9%
Samsung Electronics	4.7%
CVS Caremark	3.6%
Netease.com	2.8%
NRG Energy	2.7%
Investec Global Strategic Managed A Inc	
Nestle Sa	0.7%
Basf Se Npv	0.6%
Herbalife Ltd	0.5%
Altria Group Inc Usd	0.5%
Telefonica Sa	0.5%

ASSET ALLOCATION



GEOGRAPHIC EXPOSURE



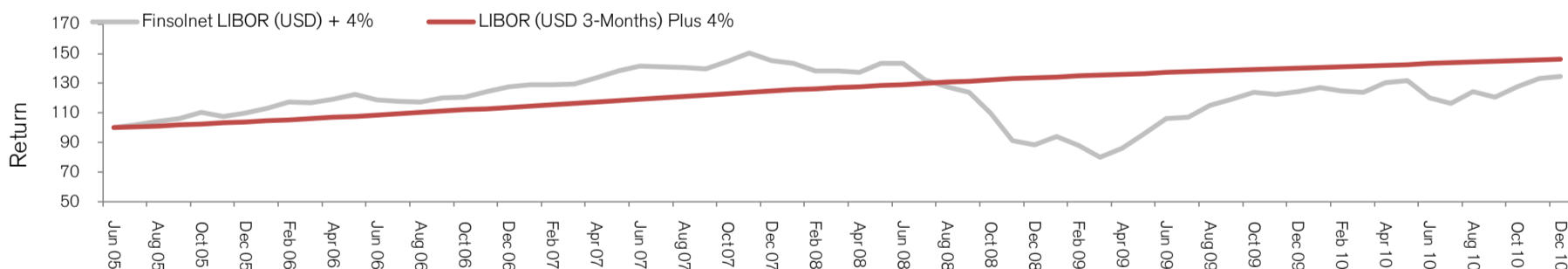
PERFORMANCE ANALYSIS

YEAR	FUND (USD)	LIBOR + 4% (USD)	DIFF
2005 (June - Dec)	13.3%	4.7%	8.6%
2006	14.0%	9.2%	4.8%
2007	11.2%	9.3%	2.0%
2008	-34.6%	6.8%	-41.4%
2009	35.5%	4.7%	30.8%
2010	10.3%	4.3%	6.0%

RISK ANALYSIS

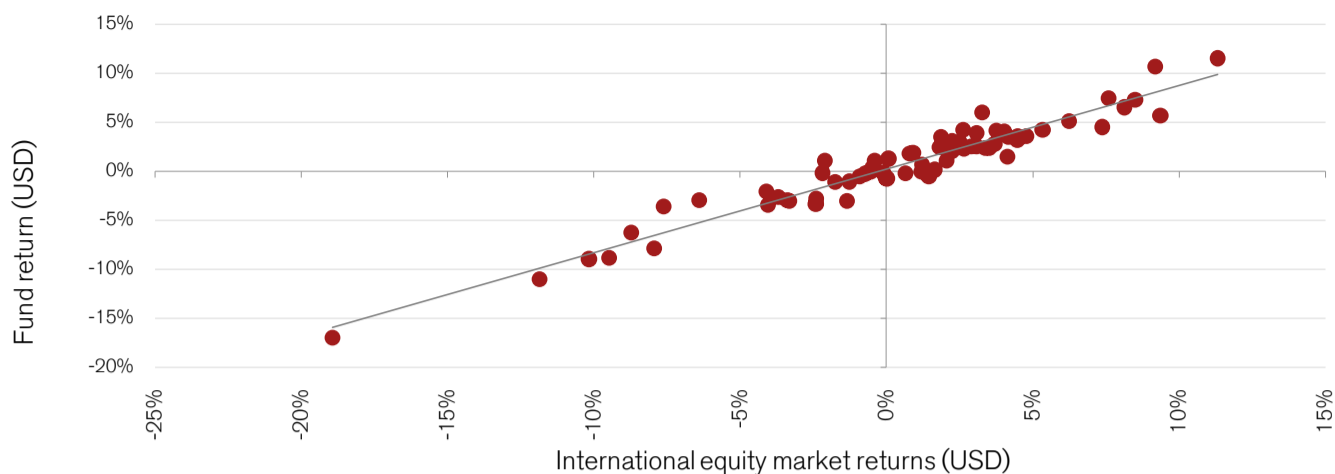
	FUND (USD)	MSCI (USD)
% Positive Months	58.2%	59.7%
% Negative Months	41.8%	40.3%
Best Month	11.5%	11.3%
Worst Month	-17.0%	-18.9%
Average Negative Month	-3.4%	-4.3%
Max Drawdown	-46.7%	-53.7%
Standard Deviation	16.4%	18.5%
Downside Deviation	14.0%	15.6%

PERFORMANCE GRAPH



Portfolio	Allocation	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Allan Gray Orbis Global Equity	50.0%	7.3%	8.8%	5.9%	-1.4%	5.0%	
Investec Global Strategic Managed A Inc	50.0%	4.7%	6.9%	13.9%	-0.7%	4.4%	
Finsolnet LIBOR (USD) + 4%		4.5%	9.9%	10.3%	-0.7%	4.4%	6.3%
LIBOR + 4% USD		0.4%	1.1%	4.3%	5.3%	6.8%	6.7%
LIBOR USD		0.0%	0.1%	0.3%	1.3%	2.8%	2.7%

Unit trusts are 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. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available from the management company / scheme. Different classes of units apply to this fund and are subject to different fees and charges. Commission and incentives may be paid and if so, would be included in the overall costs. It should also be noted that as a result of the nature of wrap fund portfolios, an investor's underlying portfolio holdings and/or portfolio performance may differ slightly from the information reflected above. Therefore, performance figures presented on the fact sheet are approximate figures and may differ from actual performances of client accounts.



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

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 aggregated strategy results in a portfolio predominantly invested in international equity (83.5%) and international bonds (14.7%). In line with rallying global equity markets the overall strategy delivered a return of 4.5%, well above its benchmark of 0.4%. Allan Gray Orbis Global Equity Fund and Investec Global Strategic Managed Fund both contributed to the outperformance.

The Investec Global Strategic Managed Fund follows a globally diversified, actively managed strategy with exposure to cash, fixed income securities, convertible securities and equities. The Fund has significantly outperformed its benchmark over the past year, benefitting from the global equity rally.

Allan Gray Orbis Global Equity Fund, with its exposure limited to equities, delivered a disappointing return on a one year basis on the back of poor stockpicking, a very negative view of the global economic recovery and a highly conservative positioning.

Rand strength over the past year has resulted in lower returns from the point of view of a South African investor and December was no exception with the rand reaching a 3 year high against the dollar.

HISTORICAL PERFORMANCE (USD)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	3.6%	-0.2%	2.0%	2.5%	-3.1%	-0.8%	-0.3%	2.2%	0.6%	2.7%	2.9%	1.1%	14.0%
2007	-0.1%	0.3%	3.4%	3.2%	2.5%	-0.3%	-0.2%	-0.7%	3.5%	3.8%	-3.5%	-1.1%	11.2%
2008	-3.6%	0.0%	-0.5%	4.2%	0.1%	-7.9%	-3.4%	-3.1%	-11.1%	-17.0%	-3.0%	6.0%	-34.6%
2009	-6.3%	-9.0%	7.4%	11.5%	10.6%	1.1%	7.3%	3.5%	4.0%	-1.1%	1.5%	2.4%	35.5%
2010	-2.1%	-0.6%	5.1%	1.2%	-8.8%	-3.0%	6.5%	-2.7%	5.7%	4.1%	1.1%	4.5%	10.3%

HISTORICAL PERFORMANCE (RANDS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	-0.1%	0.8%	1.5%	0.6%	8.1%	5.9%	-3.6%	6.4%	8.3%	-2.0%	-0.2%	-1.6%	25.8%
2007	3.8%	0.2%	4.0%	-0.3%	3.8%	-1.4%	0.6%	0.1%	-0.5%	-1.2%	0.2%	-0.7%	8.6%
2008	6.0%	3.5%	3.7%	-2.8%	0.9%	-5.2%	-9.6%	1.8%	-4.7%	-1.6%	-0.2%	0.5%	-8.5%
2009	0.2%	-10.0%	2.1%	-1.7%	3.9%	-1.6%	8.1%	3.4%	0.6%	2.8%	-3.8%	2.3%	5.3%
2010	0.8%	0.4%	-0.4%	2.5%	-5.4%	-2.9%	1.2%	-1.6%	-0.3%	4.5%	2.6%	-2.5%	-1.3%