



January 2011

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
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%
2011	-0.1%												-0.1%

PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Strategic Benchmark (12 Months)
-0.1%	14.6%	17.8%	17.3%

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%

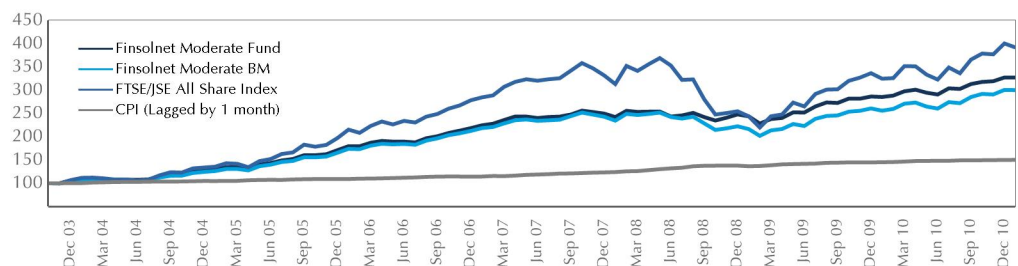
PERFORMANCE COMMENTARY

January saw a sell-off of bonds and equities across emerging markets. The FTSE/JSE All Share Index fell by 2.2%, with the Resources sector returning -0.5%, Financials -1.2% and Industrials -4.1%. The BESA All Bond Index delivered -2.1%, while the Rand weakened by a massive 8.4%.

Although January started on a positive note, China's exceptionally strong growth in the fourth quarter of 2010 and its upward trending inflation soon soured the party as investors anticipated further government intervention to slow down the Chinese economy. Commodity prices slumped in response, pulling down emerging markets globally. European sovereign debt worries hovered in the background. The rand weakened by 8.4% against the US dollar as foreign investors sold South African bonds and stocks. The sell-off was attributed to a stronger US economy which grew by an annualized 3.2% in the fourth quarter of 2010, political unrest in Tunisia and Egypt, the end of the Reserve Bank's interest rate cutting cycle and its intervention in the currency markets, and finally the uncertain business environment following the government's tacit approval of Imperial Crown Mining's acquisition of ArcelorMittal's iron ore mining rights. However, US markets ended the month in positive territory as economic momentum trumped geopolitical risks. The US growth rate compares favourably to the UK's 0.5% contraction in the fourth quarter, but pales into insignificance when weighed against China's 9.8% over 2010. Interest rates remained on hold across the developed world. The oil price approached US\$100 a barrel amid concerns that unrest in Egypt could spread to other regional producers.

In South Africa the inflation outlook and hence interest rates seem to have bottomed. For the first time in a year, the Reserve Bank raised its inflation forecast from an average of 4.3% to 4.6% in 2011 due to a sharp surge in spot and forecast oil and food prices, reports of increasing clothing prices thanks to last year's poor cotton harvest and rising Chinese labour costs. Actual CPI headline inflation came in at a benign 3.5% for the year to December, down from 3.6% in November. Producer price inflation slowed to 5.8%. The Reserve Bank kept interest rates steady at 5.5% while announcing that it will continue to accumulate foreign exchange reserves "as and when possible" to weaken the rand. Economic growth projections for 2011 range from 3.0% to 3.4%. Buoyed by positive economic prospects, Fitch upgraded its outlook on the country from negative to stable.

CUMULATIVE RETURNS



FUND SUMMARY

Inception (back dated):	01-Nov-03
Inception (actual):	12-Nov-09
Number of Months	15

	FUND	BMK
Sharpe Ratio	0.79	0.57
Sortino Ratio	1.29	0.91

*BMK = strategic benchmark

RISK ANALYSIS

	FUND	BMK
% Positive Months	67.8%	66.7%
% Negative Months	32.2%	33.3%
Best Month	6.3%	7.1%
Worst Month	-6.3%	-6.7%
Avg Negative Return	-1.3%	-1.8%
Maximum Drawdown	-10.8%	-19.8%
Standard Deviation	8.6%	10.0%
Downside Deviation	5.3%	6.3%

CORRELATIONS

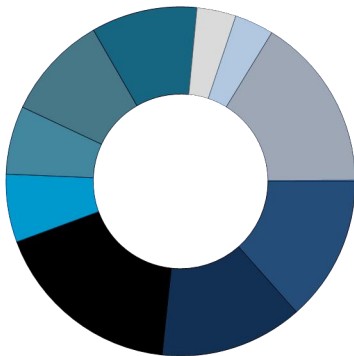
FTSE/JSE All Share Index	0.90	0.96
BESA All Bond Index	0.34	0.24

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 - 13.5%
- Kagiso Equity - 13.2%
- Cannon Equity - 17.7%
- Coronation Bonds - 6.3%
- Cadiz Bonds - 6.3%
- Catalyst Property - 9.7%
- Prescient ILBs - 9.8%
- Cadiz Cash - 3.6%
- Prescient Cash - 3.6%
- Allan Gray Life Foreign Portfolio - 16.1%
- Cash - 0.1%

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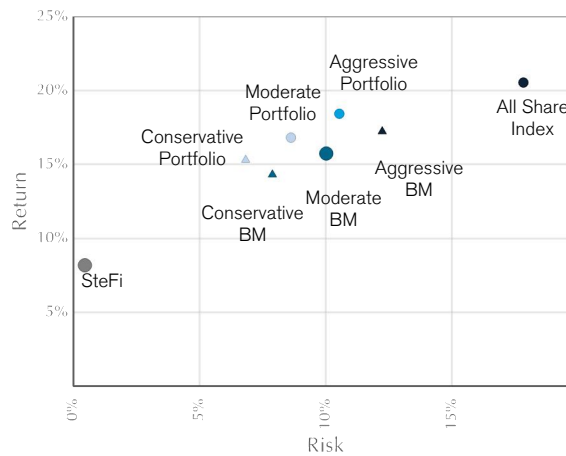
PERFORMANCE ANALYSIS

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

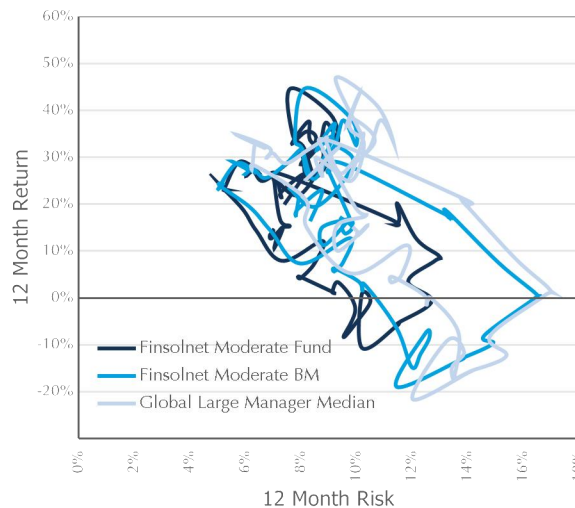
1 month	-0.1%	-0.1%	0.1%
3 month	2.9%	2.8%	0.1%
6 month	7.6%	9.4%	-1.8%
Year to date	-0.1%	-0.1%	0.1%
1 year	14.6%	17.3%	-2.7%
2 year	15.8%	17.7%	-1.9%
3 year	10.5%	8.6%	2.0%
5 year	12.7%	11.5%	1.2%
Since Inception (back dated)	17.8%	16.4%	1.4%

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.