



February 2011

The Finsolnet Moderate Portfolio is a low to medium risk balanced portfolio that aims to deliver 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.

PERFORMANCE SUMMARY

| Month | 12 Months | Since Inception | Strategic Benchmark (12 Months) |
|-------|-----------|-----------------|---------------------------------|
| 1.2% | 14.8% | 17.7% | 17.2% |

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

After benefiting from a flood of foreign investment into emerging markets last year, the rand was hit by a reversal of the flows as developing economies started to lose their price advantage over US and European markets. Unrest in the Middle East and North Africa, and particularly Libya, added to the increasing risk aversion whilst driving oil prices to a two and a half year high. According to BP's Statistical Review of World Energy the two regions produce 36% of global oil and have 61% of proven oil reserves. As protests continued the IMF warned that "dangerous" imbalances threaten to derail global recovery and provoke civil wars. Perversely the same forces gave the rand a boost by month end as increasing oil prices were perceived as a threat to the US consumer recovery and hence growth, leading to a sharp sell-off of the US dollar. The gold price started the month at below US\$1 330 an ounce, a level soon surpassed as unfolding geopolitical events increased risk aversion. China raised interest rates once again in the ongoing fight against inflation.

On a positive note, strengthening in the global purchasing managers' index surveys signalled that the global economy has strong momentum. In fact, despite geopolitical upheaval, the markets ended upbeat as the Fed downplayed the impact of the Middle East tensions on the US economy.

In South Africa recent economic indicators, such as the purchasing managers' index, retail sales and economic growth at 4.4% annualized for the fourth quarter of 2010, all point to a recovery that is gaining momentum. The CPI came in at 3.7% year-on-year in January, up from 3.5% in December. Producer price inflation quickened to an above expectations 5.5% year-on-year. The Reserve Bank sees inflation as starting to trend up.

Job creation was the key theme of President Jacob Zuma's State of the Nation address, as well as this year's budget, which, on balance was investor and rand-friendly. Growth projections have been revised to 3.4% in 2011, 4.1% in 2012 and 4.4% in 2013. A budget deficit of 5.3% of GDP is projected in 2011, 4.8% in 2012 and 3.8% in 2013.

1 July 2011 has been named as the date for the implementation of the new Regulation 28 of the Pension Funds Act.

The FTSE/JSE All Share Index gained 2.8%, driven by the Resources sector which rose by 5.3%. The BESA All Bond Index delivered a flat 0.1%, while the rand strengthened by 3.0%.

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.

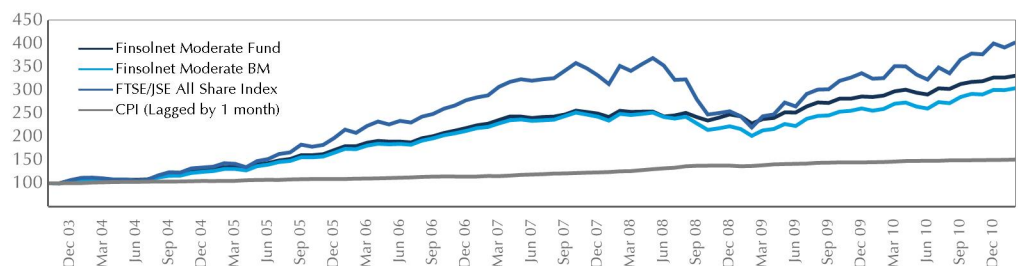
TOTAL EXPENSE RATIO

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% | 1.2% | | | | | | | | | | | 1.2% |

CUMULATIVE RETURNS



FUND SUMMARY

| | |
|-------------------------|-----------|
| Inception (back dated): | 01-Nov-03 |
| Inception (actual): | 12-Nov-09 |
| Number of Months | 16 |

| | FUND | BMK |
|---------------|------|------|
| Sharpe Ratio | 0.79 | 0.58 |
| Sortino Ratio | 1.29 | 0.91 |

*BMK = strategic benchmark

RISK ANALYSIS

| | FUND | BMK |
|---------------------|--------|--------|
| % Positive Months | 68.2% | 67.0% |
| % Negative Months | 31.8% | 33.0% |
| 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

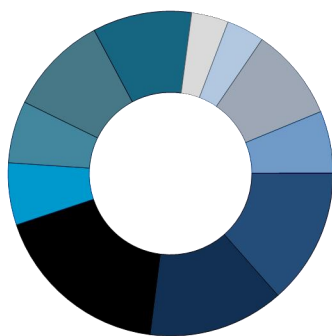
| | | |
|--------------------------|------|------|
| FTSE/JSE All Share Index | 0.90 | 0.96 |
| BESA All Bond Index | 0.34 | 0.24 |

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 - 13.5%
- Cannon Equity - 17.9%
- Coronation Bonds - 6.2%
- Cadziz Bonds - 6.2%
- Catalyst Property - 10.0%
- Prescient ILBs - 9.9%
- Cadziz Cash - 3.7%
- Prescient Cash - 3.8%
- Allan Gray Life Foreign Portfolio - 9.2%
- Catalyst Global Real Estate Portfolio - 6.2%
- Cash - 0.0%

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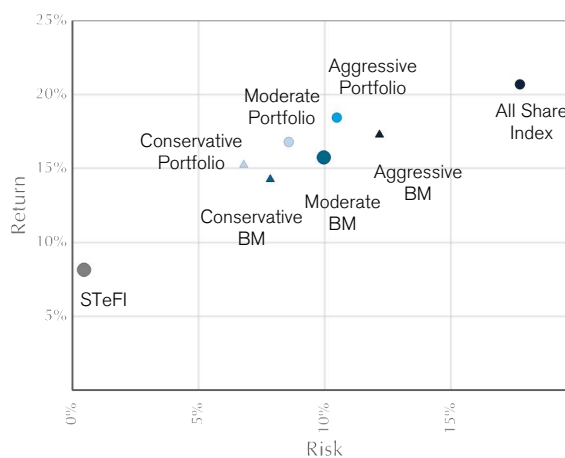
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PERFORMANCE ANALYSIS

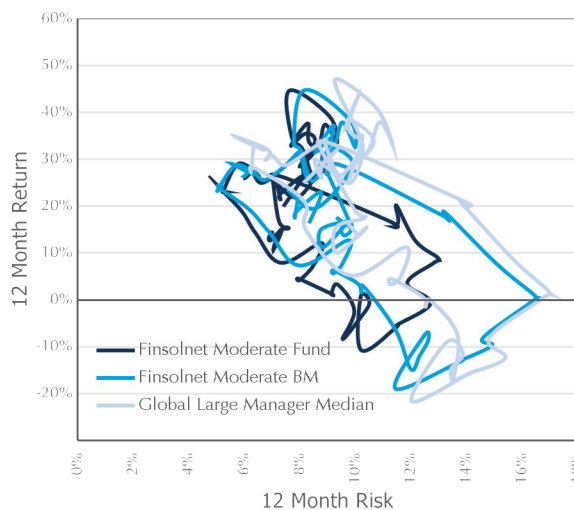
| PERFORMANCE | FUND | BENCHMARK | DIFFERENCE |
|------------------------------|-------|-----------|------------|
| Calendar Years | | | |
| 2005 | 32.6% | 33.0% | -0.4% |
| 2006 | 27.7% | 28.3% | -0.7% |
| 2007 | 14.3% | 14.4% | -0.1% |
| 2008 | -0.7% | -8.5% | 7.8% |
| 2009 | 15.5% | 17.2% | -1.7% |
| 2010 | 14.3% | 15.2% | -1.0% |
| Periodic Performance | | | |
| 1 month | 1.2% | 1.4% | -0.1% |
| 3 month | 3.7% | 4.6% | -0.9% |
| 6 month | 9.4% | 11.8% | -2.5% |
| Year to date | 1.2% | 1.2% | -0.1% |
| 1 year | 14.8% | 17.2% | -2.4% |
| 2 year | 20.4% | 22.8% | -2.3% |
| 3 year | 9.0% | 6.9% | 2.1% |
| 5 year | 13.0% | 11.9% | 1.1% |
| Since Inception (back dated) | 17.7% | 16.4% | 1.3% |

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.