

April 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.

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%	0.3%	1.5%									2.9%

PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Strategic Benchmark (12 Months)
1.5%	11.9%	17.6%	13.8%

STRATEGIC BENCHMARK

FTSE/JSE SWIX	45.0%	BESA ALBI	12.5%	Barclays BESA SAGILB	10.0%
FTSE/JSE SAPY Index	10.0%	STeFI Index	7.5%	MSCI in ZAR	9.0%
Barclays Multiverse	3.0%	UBS Global Real Estate	3.0%		

PERFORMANCE COMMENTARY

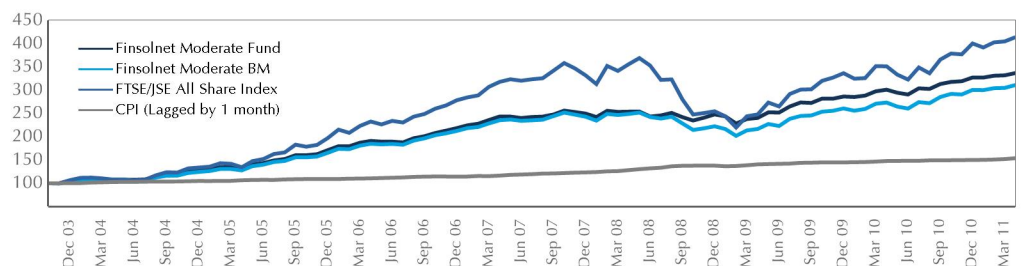
The first week of April saw attention focused on the prospects for global economic recovery, the second on disparate interest rate policies, the third on credit downgrades and the final week on surplus liquidity. Debt woes raised their heads again in Europe as Portugal formally requested a bail-out estimated at €80 billion, Greece faced prospects of a debt repayment restructuring and Ireland saw its credit rating cut once again. However, all concerns were forgotten after the US Federal Reserve promised to maintain low interest rates for longer. April's strength in equity markets came almost entirely at the expense of the US dollar which was already reeling after S&P revised its outlook for the US's sovereign credit rating to negative citing a "material risk" that policymakers may not agree on a plan to trim the huge budget deficit. The oil price rose as conflicts in the Middle East and Africa intensified, with unrests in Yemen and Syria adding to the uncertainty. The gold price hit record highs above US\$1 500 an ounce and silver rallied to its strongest levels since 1980, as the US dollar slid to a three-year low against a basket of major currencies. The ECB raised its benchmark interest rate for the first time since July 2008, by 0.25% to 1.25%, as the eurozone's inflation figure came in at 2.6% in March.

The regulatory environment in South Africa is changing once again with the new Companies Act signed into law and effective from 1 May 2011, and the focus of black empowerment policy shifting from equity deals to enterprise development and procurement with amendments to the BBE Code due to be tabled in July.

On the economic front CPI rose to 4.1% year-on-year in March, up from 3.7% in February. Food and transport prices were the main culprits. Input prices continue to increase due to higher global commodity prices. This was reflected in the PPI which increased by 7.3% year-on-year in March. The Reserve Bank indicated, however, that higher interest rates could threaten a recovery in company borrowing, and worsen the creditworthiness of consumers. This seems to imply that interest rate increases will only come towards the end of the year, despite the acceleration in inflation.

The JSE/All Share Index delivered a healthy 2.2% return, with the Industrial sector contributing 4.3%, Financials 2.9% and Resources remaining flat. The BESA All Bond Index matched that performance with a return of 2.3%, while the Rand appreciated by 2.9% against the US dollar.

CUMULATIVE RETURNS



FUND SUMMARY

Inception (back dated):	01-Nov-03
Inception (actual):	12-Nov-09
Number of Months	18

	FUND	BMK
Sharpe Ratio	0.78	0.58
Sortino Ratio	1.26	0.90

*BMK = strategic benchmark

RISK ANALYSIS

	FUND	BMK
% Positive Months	68.9%	67.8%
% Negative Months	31.1%	32.2%
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	8.5%	9.9%
Downside Deviation	5.3%	6.3%

CORRELATIONS

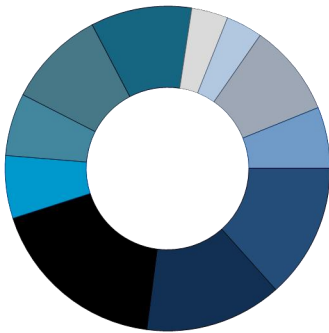
FTSE/JSE All Share Index	0.90	0.96
BESA All Bond Index	0.34	0.25

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 - 13.4%
- Kagiso Equity - 13.6%
- Cannon Equity - 18.0%
- Coronation Bonds - 6.2%
- Cadiz Bonds - 6.2%
- Catalyst Property - 9.8%
- Prescient ILBs - 10.1%
- Cadiz Cash - 3.6%
- Prescient Cash - 3.6%
- Allan Gray Life Foreign Portfolio - 9.2%
- Catalyst Global Real Estate Portfolio - 6.1%
- Cash - 0.0%

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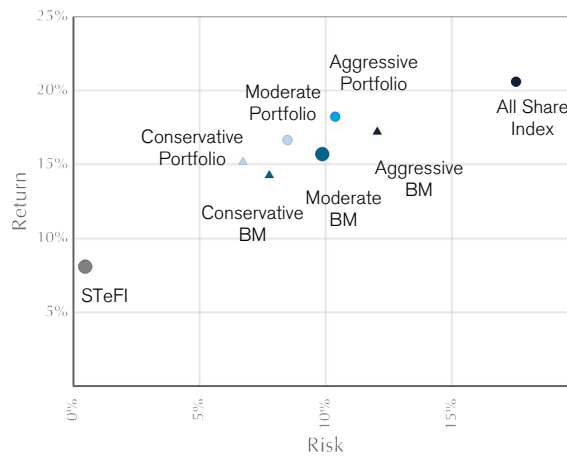
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PERFORMANCE ANALYSIS

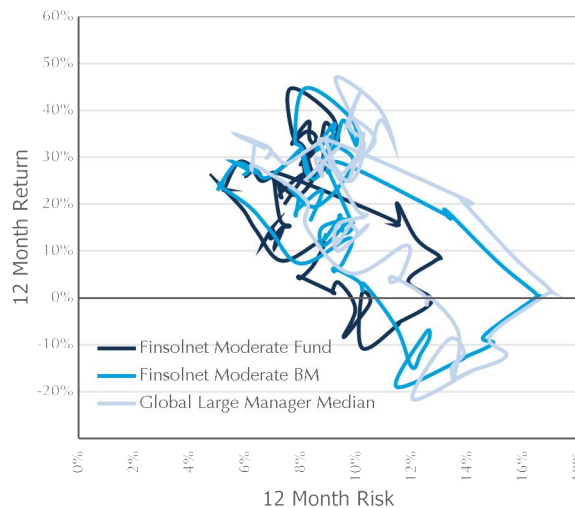
PERFORMANCE	FUND	BENCHMARK	DIFFERENCE
Calendar Years			
2005	32.6%	33.0%	-0.4%
2006	27.7%	28.3%	-0.7%
2007	14.3%	14.4%	-0.1%
2008	-0.7%	-8.5%	7.8%
2009	15.5%	17.2%	-1.7%
2010	14.3%	15.2%	-1.0%
Periodic Performance			
1 month	1.5%	2.0%	-0.5%
3 month	3.0%	3.7%	-0.7%
6 month	6.0%	6.6%	-0.6%
Year to date	2.9%	3.5%	-0.6%
1 year	11.9%	13.8%	-1.9%
2 year	18.4%	19.8%	-1.5%
3 year	9.9%	7.7%	2.2%
5 year	12.0%	11.0%	1.1%
Since Inception (back dated)	17.6%	16.3%	1.2%

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.