



May 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) |
|-------|-----------|-----------------|---------------------------------|
| 0.6% | 15.1% | 17.5% | 18.0% |

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

Commodities were the main theme driving market direction after Goldman Sachs recommended that investors should reduce their holdings. Weakening demand for oil in the US, reduced speculative activity, a drop in the price of silver and a lessening risk of violence in Libya spreading further a field all added to the negative momentum which triggered a massive sell-off of commodities. To add to the anxiety, economic data signalled a slowdown in global recovery as the US, China and Japan. In an unexpected twist, Goldmans reversed its April call by month-end, triggering a rebound rally. The FTSE/JSE All Share Index fell by 0.8%, with the Resources sector returning -2.9%, Financials flat and Industrials up by 1.0%. The BESA All Bond Index delivered 1.4%, while the Rand weakened by 3.7%.

S&P and Fitch cut Greece's rating over growing concerns that a debt restructuring is unavoidable. Greece is due to receive a €12 billion injection from the €110 billion IMF/EU bail-out package in June 2011, with inspectors from the EU, ECB and IMF carrying out an audit of its finances. The arrest of IMF chief Dominique Strauss-Kahn, a front-runner for French presidency next year, on the eve of the EU/IMF meeting to discuss Greece, added to the uncertainty. The EU and the IMF endorsed a €78 billion bailout package for Portugal, but demanded more austerity cuts from Greece. The month ended on a more upbeat note as EU and ECB seem to reach agreement that a second financial aid package for Greece, estimated at €20 billion, cannot be avoided. The UN's global food index advanced in April for the ninth time in 10 months. Food prices are unlikely to come down soon as more adverse weather is damaging fields from North America to Europe to Asia.

According to the IMF, South Africa's recovery from the recession is slower than that of other emerging economies due to constrained private consumption growth, high household debt levels, rampant unemployment and fragile consumer confidence. In addition, weak export demand and the strong Rand has affected South Africa's export competitiveness.

On a positive note, inflation increased by less than expected 4.2% year-on-year last month. The Reserve Bank kept interest rates steady at 5.5%, but warned that the inflation outlook has deteriorated. GDP growth forecast for 2011 has been reduced from 3.7% to 3.6%. Rates look likely to rise by year-end, but the MPC will not aggressively hike while credit demand and overall domestic demand remain sluggish. On the corporate front, the Competition Commission approved the Massmart/WalMart deal, sending the Rand higher.

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.

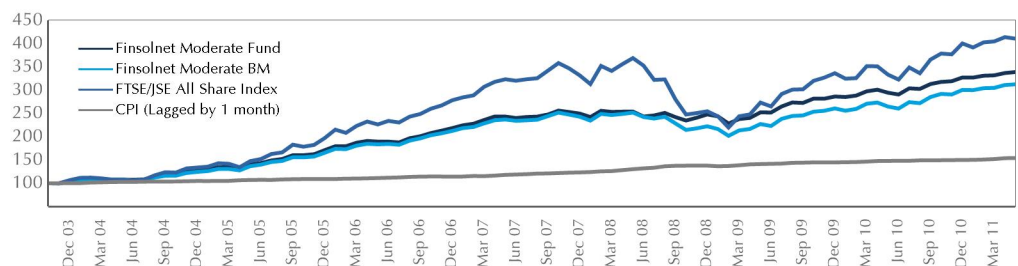
TOTAL EXPENSE RATIO

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% | 0.6% | | | | | | | | 3.6% |

CUMULATIVE RETURNS



FUND SUMMARY

| | |
|-------------------------|-----------|
| Inception (back dated): | 01-Nov-03 |
| Inception (actual): | 12-Nov-09 |
| Number of Months | 19 |

| | FUND | BMK |
|---------------|------|------|
| Sharpe Ratio | 0.78 | 0.57 |
| Sortino Ratio | 1.24 | 0.88 |

*BMK = strategic benchmark

RISK ANALYSIS

| | FUND | BMK |
|---------------------|--------|--------|
| % Positive Months | 69.2% | 68.1% |
| % Negative Months | 30.8% | 31.9% |
| 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 | 8.4% | 9.8% |
| Downside Deviation | 5.3% | 6.3% |

CORRELATIONS

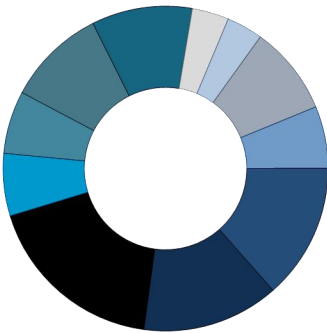
| | | |
|--------------------------|------|------|
| FTSE/JSE All Share Index | 0.90 | 0.96 |
| BESA All Bond Index | 0.34 | 0.24 |

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 - 13.6%
- Cannon Equity - 18.2%
- Coronation Bonds - 6.2%
- Cadiz Bonds - 6.2%
- Catalyst Property - 9.9%
- Prescient ILBs - 10.0%
- Cadiz Cash - 3.7%
- Prescient Cash - 3.6%
- Allan Gray Life Foreign Portfolio - 8.9%
- Catalyst Global Real Estate Portfolio - 6.2%
- Cash - 0.0%

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PERFORMANCE ANALYSIS

PERFORMANCE

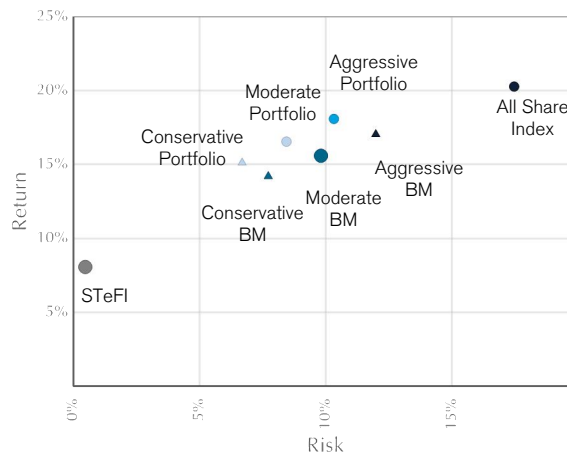
Calendar Years

| | FUND | BENCHMARK | DIFFERENCE |
|------|-------|-----------|------------|
| 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

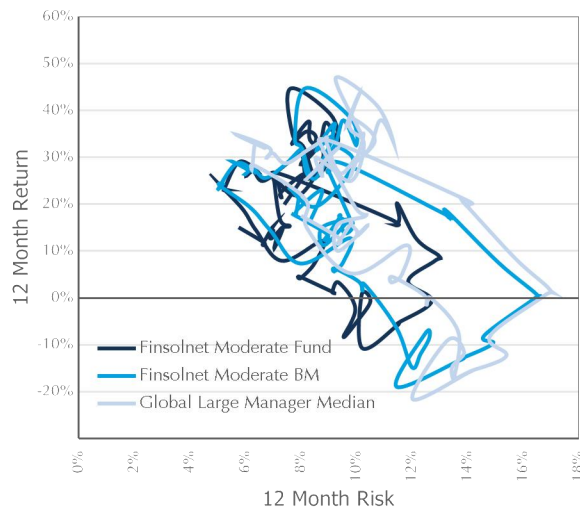
| | FUND | BENCHMARK | DIFFERENCE |
|------------------------------|-------|-----------|------------|
| 1 month | 0.6% | 0.5% | 0.2% |
| 3 month | 2.4% | 2.7% | -0.4% |
| 6 month | 6.2% | 7.5% | -1.3% |
| Year to date | 3.6% | 4.0% | -0.4% |
| 1 year | 15.1% | 18.0% | -3.0% |
| 2 year | 15.9% | 17.3% | -1.4% |
| 3 year | 10.1% | 7.5% | 2.6% |
| 5 year | 12.3% | 11.2% | 1.1% |
| Since Inception (back dated) | 17.5% | 16.2% | 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 available 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 Managers (Pty) Ltd FSP No 21664. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act 37 of 2002, as amended. Sasfin Asset Managers and/or Sasfin Asset Managers shall not be liable for any actions taken by any person based on the correctness of this information.