



June 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%	0.6%	-0.8%							2.8%

PERFORMANCE SUMMARY

Month	12 Months	Since Inception	Strategic Benchmark (12 Months)
-0.8%	15.7%	17.1%	18.8%

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 EU's failure to contain the Greek debt crisis sent shock waves through the markets. Panic intensified as Prime Minister George Papandreou fought parliamentary opposition against the further austerity measures needed to secure the next bailout instalment. A slew of weak economic data and the looming expiry of the US Federal Reserve's QE2 led to a growing realisation that the slowdown in global recovery is more severe and long-term in nature than expected. Markets seemed to be in freefall and halted only after Papandreou, following a cabinet reshuffle, gained enough parliamentary votes to pass the austerity plan required by the EU. European banks hold 96% of the Greek sovereign debt, with France and Germany leading the pack.

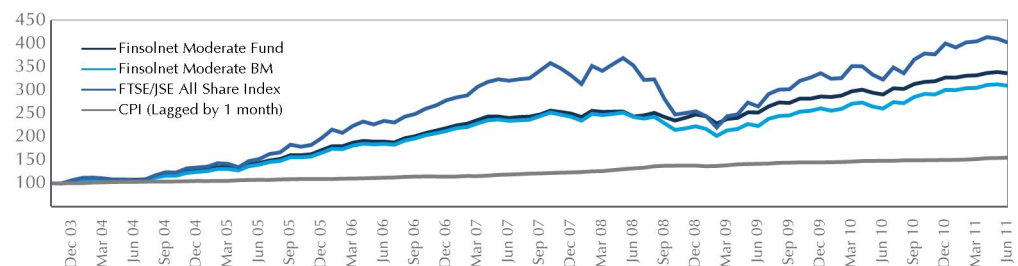
Moody's and Fitch followed S&P in putting the US government on notice that it risked losing its AAA-rating unless politicians end squabbling over the statutory debt limit. Both Fed chairman Ben Bernanke and Treasury Secretary Timothy Geithner warned that a failure to raise the US\$14.3 trillion debt ceiling by 2 August may have catastrophic effects.

The World Bank lowered its growth forecast for the global economy this year to 3.2% from a January estimate of 3.3%, to reflect the effects of Japan's earthquake and political unrest in the Middle East and North Africa. On the international stage Italy's Mario Draghi is set to replace France's Jean-Claude Trichet as the next president of the ECB from 1 November 2011 to 31 October 2019 and France's Christine Lagarde was named the first-ever female chief of the IMF.

The South African Reserve Bank painted a more upbeat picture of the economy in a quarterly report. First quarter GDP growth came in nicely ahead of expectations, up 4.8% (annualised) for the quarter as manufacturing bounced strongly and financial services and retail performed well. Credit growth was up 6.2% year-on-year in April. However, the pick-up in asset backed lending, up to 3.3% year-on-year from 3.1% in March, was more muted. Inflation quickened to 4.6% year-on-year in May (0.5% month-on-month), up from 4.2% in April, on steeper food prices, as well as administered prices such as electricity, petrol, rates and taxes. The Reserve Bank indicated however that it would hold off raising interest rates for as long as possible.

FTSE/JSE All Share Index ended the month 2.0% down, with Resources falling by 3.0%, Industrials by 1.4% and Financials by 2.4%. The bond market benefitted from strong foreign inflows and ended the month 0.2% up.

CUMULATIVE RETURNS



FUND SUMMARY

Inception (back dated):	01-Nov-03
Inception (actual):	12-Nov-09
Number of Months	20

	FUND	BMK
Sharpe Ratio	0.74	0.54
Sortino Ratio	1.21	0.85

*BMK = strategic benchmark

RISK ANALYSIS

	FUND	BMK
% Positive Months	68.5%	67.4%
% Negative Months	31.5%	32.6%
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	5.2%	6.2%

CORRELATIONS

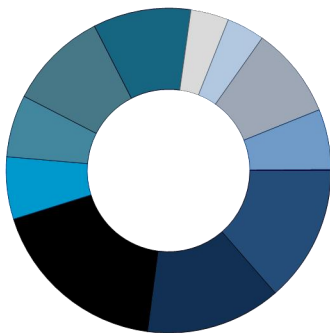
FTSE/JSE All Share Index	0.90	0.96
BESA All Bond Index	0.34	0.25

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 - 13.6%
- Kagiso Equity - 13.5%
- Cannon Equity - 18.1%
- Coronation Bonds - 6.2%
- Cadiz Bonds - 6.2%
- Catalyst Property - 9.9%
- Prescient ILBs - 9.8%
- Cadiz Cash - 3.8%
- Prescient Cash - 3.8%
- Allan Gray Life Foreign Portfolio - 9.1%
- Catalyst Global Real Estate Portfolio - 6.0%
- Cash - 0.1%

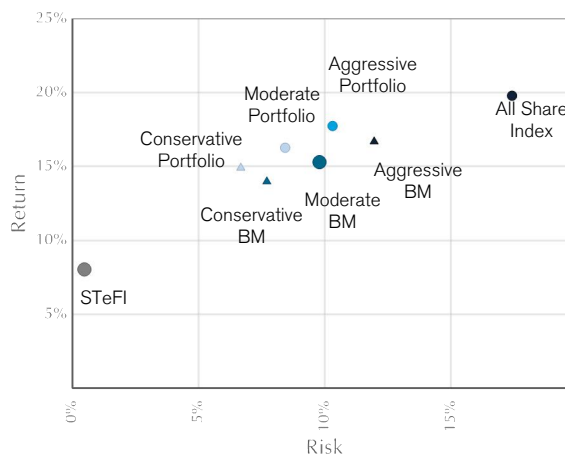
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PERFORMANCE ANALYSIS

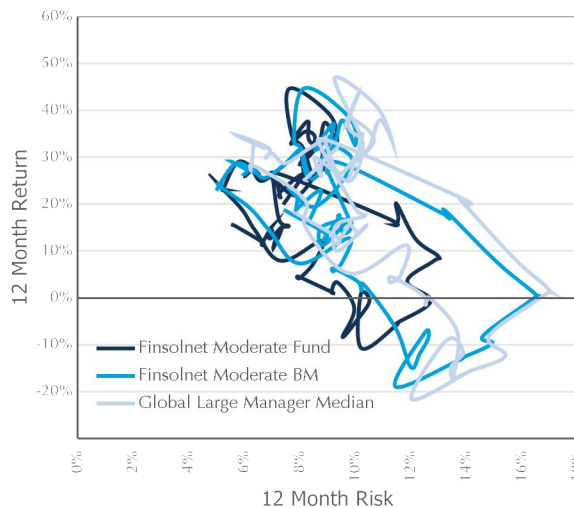
PERFORMANCE	FUND	BENCHMARK	DIFFERENCE
Calendar Years			
2005	32.6%	33.0%	-0.4%
2006	27.7%	28.3%	-0.7%
2007	14.3%	14.4%	-0.1%
2008	-0.7%	-8.5%	7.8%
2009	15.5%	17.2%	-1.7%
2010	14.3%	15.2%	-1.0%
Periodic Performance			
1 month	-0.8%	-1.0%	0.2%
3 month	1.3%	1.5%	-0.1%
6 month	2.8%	3.0%	-0.2%
Year to date	2.8%	3.0%	-0.2%
1 year	15.7%	18.8%	-3.1%
2 year	15.5%	17.8%	-2.3%
3 year	11.4%	8.5%	2.9%
5 year	12.2%	10.9%	1.3%
Since Inception (back dated)	17.1%	15.9%	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 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.