

### STRATEGY OBJECTIVE

The objective of this strategy is to target an annual return of CPI plus 4%-5% over a rolling 36-month period and not to lose capital over a rolling 24-month period.

### LAUNCH DATE

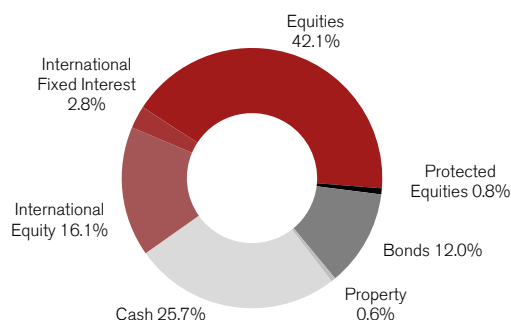
22 September 2003

### TOTAL EXPENSE RATIO

1.89%

\* includes a rebate to FSP of 0.62% (incl. VAT)

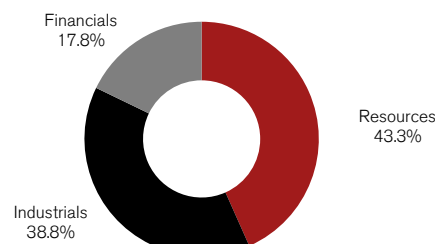
### ASSET ALLOCATION



### TOP 10 EQUITY HOLDINGS

Sasol Ltd	3.2%
SABMiller plc	2.6%
MTN Group Ltd	2.6%
Anglo American plc	2.6%
BHP Billiton plc	2.4%
Standard Bank Group	2.3%
New Gold Issuer Limited	2.1%
Remgro Ltd	2.1%
Impala Platinum Ltd	1.6%
Anglogold Ashanti Ltd	1.5%

### EQUITY SECTORS



### PERFORMANCE ANALYSIS

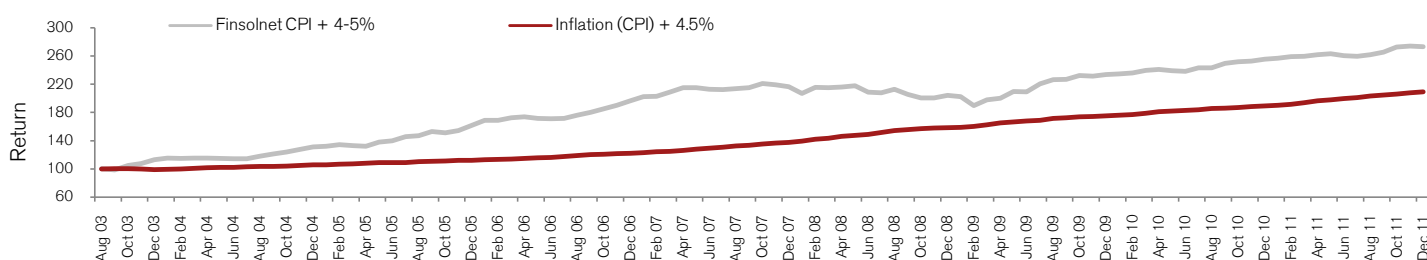
YEAR	FUND	CPI + 4.5%	DIFF
2004	16.2%	6.8%	9.4%
2005	23.2%	6.3%	16.9%
2006	21.8%	8.5%	13.3%
2007	10.2%	13.0%	-2.8%
2008	-5.8%	15.1%	-21.0%
2009	14.6%	10.3%	4.3%
2010	9.4%	8.1%	1.3%

### RISK ANALYSIS

	FUND	ALSI
% Positive Months	68.0%	63.0%
% Negative Months	32.0%	37.0%
Best Month	6.6%	12.5%
Worst Month	-6.3%	-13.2%
Average Negative Month	-1.1%	-3.4%
Max Drawdown	-14.2%	-40.4%
Standard Deviation	7.4%	17.4%
Downside Deviation	5.1%	10.5%

\* Risk statistics are calculated since inception of the fund

### CUMULATIVE PERFORMANCE GRAPH



Portfolio	Allocation	1 Month	3 Months	1 Year	3 Years	5 Years	Since Inception
Allan Gray Balanced Fund - B	24.25%	-0.5%	4.5%	10.5%	10.7%	8.1%	
Coronation Absolute Fund - B	24.25%	-0.5%	4.4%	4.3%	14.3%	7.8%	
Nedgroup Investments Positive Return Fund - A	24.25%	-0.3%	1.0%	2.4%	6.5%		
Investec Cautious Managed Fund - A	24.25%	0.1%	2.2%	11.0%	9.2%	8.0%	
Absa Money Market Fund	3.00%	0.4%	1.3%	5.6%	7.1%	8.4%	
<b>Finsolnet CPI + 4-5%</b>		<b>-0.3%</b>	<b>2.9%</b>	<b>6.9%</b>	<b>10.3%</b>	<b>6.8%</b>	<b>12.8%</b>
CPI + 4.5%		0.6%	2.3%	10.6%	9.7%	11.4%	9.3%
CPI		0.3%	1.2%	6.1%	5.2%	6.9%	4.8%

Unit trusts are medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available from the management company / scheme. Different classes of units apply to this fund and are subject to different fees and charges. Commission and incentives may be paid and if so, would be included in the overall costs. It should also be noted that as a result of the nature of wrap fund portfolios, an investor's underlying portfolio holdings and/or portfolio performance may differ slightly from the information reflected above. Therefore, performance figures presented on the fact sheet are approximate figures and may differ from actual performances of client accounts.



This scatter plot indicates the sensitivity of the fund returns to those of the equity market. This analysis shows that the fund exhibits little sensitivity to the direction of the equity market.

COMMENTARY

2011 ended on a flat note, with investors anticipating a turbulent 2012 after the European Union prioritised austerity over growth. After an inconclusive EU summit which saw Germany winning the day with an agreement for tighter fiscal integration in the euro zone and tougher budget discipline, German Chancellor Angela Merkel and French President Nicolas Sarkozy are to meet in January 2012 to discuss a new fiscal treaty. Those hoping for an expanded role for the ECB were left disappointed.

On the interest rate front, most central banks, apart from the ECB which cut its main interest rate to 1%, kept interest rates steady. Economic activity slowed down across the euro zone and in China. The only source of optimism was the US where the economic picture continued to brighten.

In line with international trends South Africa's growth momentum is moderating with downside risks to the outlook for 2012 and 2013 increasing. Although GDP growth for 2011 is still likely to exceed 3%, it is now forecast to weaken significantly in 2012.

As expected consumer inflation rose to 6.1% year-on-year in November, breaching the 3%-6% target range. With a weaker rand pushing inflation up, CPI is expected to average 5.9% in 2012, peaking at 6.4% in the first quarter of 2012. On a positive note credit extension to the private sector grew at a rate of 6.2% year-on-year in November from 5.5% in October.

The weaker rand has meant that manufacturing remained stronger, with the PMI reaching 51.6 from 50.5 in October, a fourth consecutive monthly increase. Growth in retail sales year-on-year slowed marginally from 7.7% in September to 7.4% in October. Consumption is likely to slow down in 2012 under the weight of rising inflationary pressures, chronic unemployment and household indebtedness.

As far as the equity markets were concerned, 2011 was a disappointment. Asian stocks posted their first decline in three years as sovereign debt crises in Europe, China's monetary tightening and Japan's earthquake hit the region. The MSCI Asia Pacific Index fell by 23.8% in 2011, with Japan's Nikkei Index coming in at a negative 17.3%. Europe did slightly better with the FTSE100 Index delivering -5.6%, and France's CAC40 Index -17.0% and the German DAX -14.7%. In the US, the S&P's 500 Index ended 2011 flat. In comparison, the JSE/FTSE All Share Index ended in the black up 2.6%. However, the rand depreciated by 21.9% relative to the US dollar in response to rising global risk aversion.

The aggregated strategy resulted in a portfolio predominantly invested in local and international equity and cash. Disappointing, below benchmark performance from the majority of the fund managers, combined with a stronger rand, stifled the performance of the fund. In line with negative domestic and international equity markets the fund returned -0.3%, which was well below the benchmark return of 0.6%. However, since the inception of the fund, the strategy has successfully continued to exceed the benchmark.

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007	2.9%	0.3%	2.8%	3.0%	0.0%	-0.9%	-0.3%	0.6%	0.8%	2.8%	-1.0%	-1.1%	<b>10.2%</b>
2008	-4.6%	4.3%	-0.2%	0.4%	0.8%	-4.1%	-0.5%	2.4%	-3.5%	-2.4%	0.0%	1.8%	<b>-5.8%</b>
2009	-0.7%	-6.3%	4.4%	1.1%	4.8%	-0.4%	5.6%	2.5%	0.2%	2.4%	-0.4%	1.1%	<b>14.6%</b>
2010	0.3%	0.6%	1.5%	0.7%	-0.8%	-0.2%	1.9%	0.1%	2.5%	1.0%	0.3%	1.2%	<b>9.4%</b>
2011	0.5%	0.9%	0.1%	0.9%	0.5%	-1.0%	-0.4%	0.8%	1.5%	2.8%	0.4%	-0.3%	<b>6.9%</b>

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