Plexus CPI Plus 3% Target Fund

Plexus® Asset Management

January 2010

The Plexus CPI Plus 3% Target Fund is offered on a pooled unitized basis on the Sygnia Life license. This low risk balanced fund aims to deliver superior real returns over the medium to longer term, with a focus on active management of the capital loss risk over the shorter term. This portfolio operates on a multi-manager basis and includes international exposure. The underlying managers are selected, mandated, monitored and reviewed by Plexus Asset Management. The portfolio complies with Regulation 28 of the Pension Funds Act, 1956 as amended.

PERFORMANCE SUMMARY

Fund Month	Fund 12 Months	CPI 12 Months	Annualised Standard Deviation
-0.3%	9.3%	6.3%	5.4%

PERFORMANCE COMMENTARY

The first month of 2010 ended with the FTSE/JSE Top 40 Index down 3.8%. The largest losers were commodities, with the Resources sector down 6.4%. Surprisingly financials were up 1.5%, while Industrials fell by 3.0%. The bond market returned 0.3%, while the Rand weakened by 2.9% against the US dollar as investors took flight from commodity currencies.

Although starting on a high note, with a slew of economic data confirming that recovery is underway, January ended with a massive thump, as global risk aversion increased on fears of interest rate increases, notably in the United States and China, uncertainty surrounding President Barrack Obama's plans to reform banks and the rising debt levels in Greece and Portugal. The news that 80% of companies in the US reported fourth quarter earnings numbers ahead of expectations was overshadowed by the political power play in the US and an unanticipated shift in monetary policy by China. China raised its key interest rates and increased the reserve requirements for banks in an effort to stave off inflation. In the US, the Democrats lost Ted Kennedy's Massachusetts seat as Americans voted against a president seen to be aiding Wall Street ahead of Main Street. The implications are that the US health care reform is now on hold. Obama responded by announcing that he intends to prevent banks from engaging in proprietary trading and from investing in, or sponsoring, private equity and hedge funds.

Not all was doom and gloom however. The UK officially exited recession in the fourth quarter of 2009 (just) with a 0.1% growth in GDP, while the US reported an annualised 5.7% GDP growth. This cheered the markets on the last day of trading.

South Africa's economic performance is heavily dependent on the resurgence of global demand. Domestic demand remains sluggish with credit demand by households and companies experiencing the sharpest annual contraction in 43 years. There is also an increasing risk that South Africa's fiscal gap could widen further as government expenditure continues to soar while tax collections are much lower compared to last year. Unsurprisingly, the Reserve Bank left interest rates unchanged at 7.0% on concerns about inflation, shrugging off trade union pressure to ease policy. The actual CPI figures for December came in below expectations at an annualised 6.3%. January ended with a surprise announcement that the trade deficit in 2009 narrowed to R25.8bn from R71.6bn in 2008 on weaker imports.

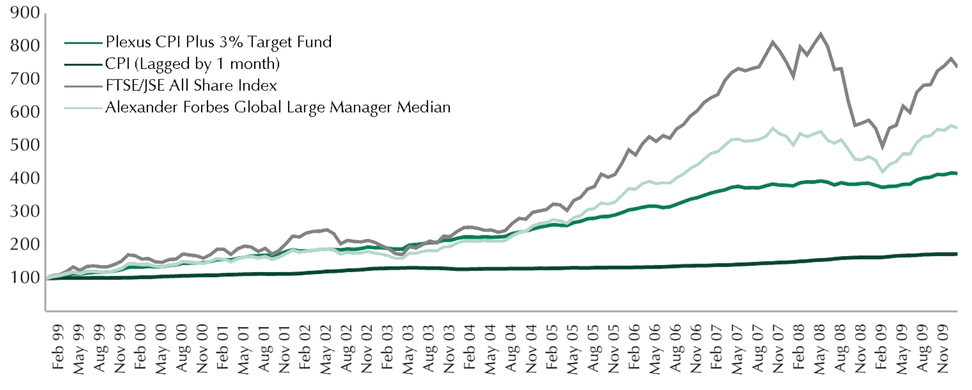
PRODUCT PROFILE

The Plexus CPI Plus 3% Target Fund is targeted at institutional clients seeking a low risk market -linked portfolio with a dual focus on both strong returns and capital preservation. The long-term performance objective of the Fund is to maintain a real growth in assets of at least 3% per annum. A lower volatility of monthly returns can be expected. This mandate is ideally suited as a core investment for both pension and provident funds, as well as a low risk investment option for funds offering their members investment choice options.

ABOUT THE MANAGER

Plexus Asset Management is an independent portfolio management company that specialises in the management of domestic and international multi-manager investment solutions for both individual and corporate clients. The company's investment strategy process is the culmination of years of investment experience, is unique and well defined and is respected in the industry.

CUMULATIVE RETURNS



PRODUCT FEE

Fees will be charged at 1.7% per annum. These fees exclude VAT and any performance fees that may be payable to any managers appointed by Plexus.

TOTAL EXPENSE RATIO: 1.948% per annum (including VAT)

PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2005													
	1.4%	1.7%	-0.8%	-0.2%	3.4%	1.4%	2.8%	0.6%	1.7%	0.3%	1.6%	2.3%	**17.1%**
2006													
	2.8%	1.1%	1.5%	1.2%	-0.1%	-1.3%	0.8%	2.4%	2.4%	2.3%	1.3%	2.1%	**17.6%**
2007													
	2.0%	1.4%	1.2%	2.1%	0.8%	-1.2%	0.2%	-0.1%	1.6%	1.4%	-0.8%	-0.2%	**8.6%**
2008													
	-0.3%	2.4%	0.7%	-0.1%	0.8%	-1.0%	-2.2%	1.8%	-1.1%	-0.1%	0.6%	0.1%	**1.6%**
2009													
	-1.6%	-1.7%	0.9%	0.1%	1.5%	0.1%	3.4%	1.5%	0.6%	2.1%	-0.2%	1.3%	**8.0%**
2010													
	-0.3%												**-0.3%**

Please note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

FUND SUMMARY

INCEPTION (back tested)		01-Jan-99
INCEPTION (actual)		01-Feb-05
Number of Months		60

	FUND	LMM
Sharpe Ratio	0.58	0.52
Sortino Ratio	1.58	0.95
Standard Deviation	5.4%	12.1%
Downside Deviation	1.9%	6.6%

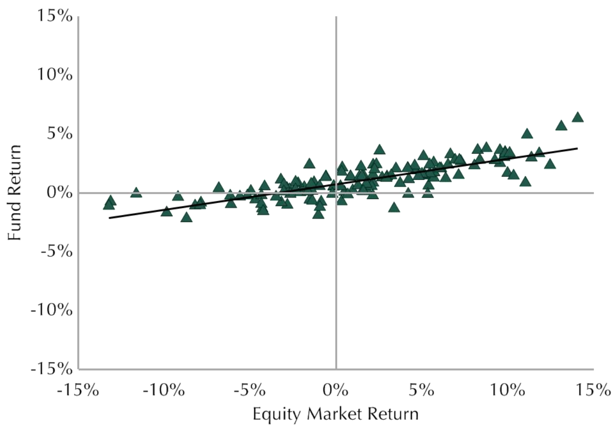
PERFORMANCE

	FUND	CPI	DIFFERENCE		FUND	CPI	DIFFERENCE
2000	13.3%	7.0%	6.2%	1 month	-0.3%	0.3%	-0.6%
2001	23.5%	4.3%	19.2%	3 month	0.7%	0.3%	0.4%
2002	3.4%	13.9%	-10.5%	6 month	4.9%	2.1%	2.8%
2003	14.7%	-1.7%	16.4%	Year to date	-0.3%	0.3%	-0.6%
2004	15.3%	2.3%	13.0%	1 year	9.3%	6.3%	3.0%
2005	17.1%	1.8%	15.3%	2 year	4.8%	7.7%	-2.9%
2006	17.6%	4.4%	13.2%	3 year	5.2%	7.6%	-2.4%
2007	8.6%	7.1%	1.5%	5 year	10.1%	5.9%	4.1%
2008	1.6%	10.1%	-8.4%				
2009	8.0%	5.8%	2.2%				

RISK ANALYSIS

	FUND	LMM
% Positive Months	74.4%	64.7%
% Negative Months	25.6%	35.3%
Best Month	6.3%	10.5%
Worst Month	-2.2%	-7.7%
Avg Negative Return	-0.8%	-2.4%
Maximum Drawdown	-4.9%	-23.8%

FUND SENSITIVITY TO EQUITY MARKET



This scatterplot indicates the extent to which fund returns are correlated with those of the equity market.

This analysis shows that the fund exhibited strong capital preservation characteristics during negative equity markets and participated meanifully when equity markets were positive.

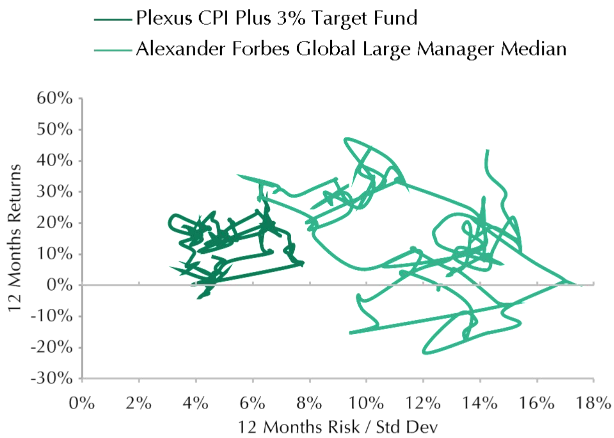
CORRELATIONS

	FUND	LMM
FTSE/JSE All Share Index	0.80	0.94
BESA All Bond Index	0.33	0.19

MARKET STRESS MONTHS

	FUND	ALSI
September 2001	-0.4%	-9.2%
July 2002	-0.7%	-13.1%
July 2008	-2.2%	-8.7%
September 2008	-1.1%	-13.2%
October 2008	-0.1%	-11.6%
February 2009	-1.7%	-9.9%

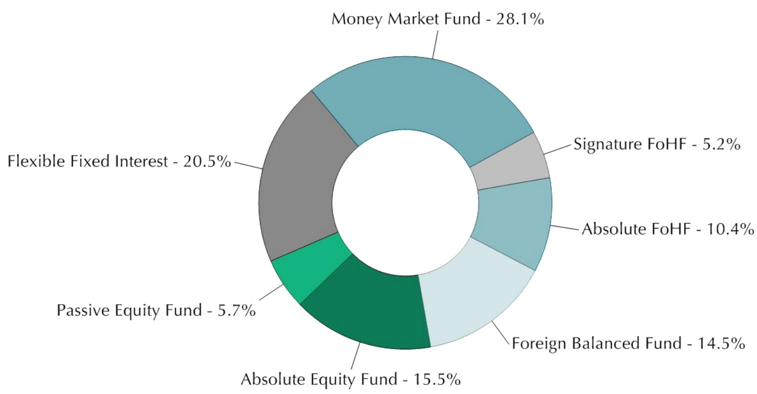
12 MONTHS RISK/RETURN SNAIL TRAIL



The 12 months risk/return snail trail shows that the fund has consistently delivered attractive returns with considerably lower risk than a global balanced portfolio as represented by the median of the Global Large Manager Watch Survery.

LMM = Large Manager Median
The LMM is the return series which tracks the median performance of the Global Balanced Portfolios of the largest 11 managers in South Africa as published by industry surveys.

PORTFOLIO STRUCTURE



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.

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