



# August/13

## FINSOLNET MONEY MARKET FUND

### ABOUT THE PORTFOLIO

The Finsolnet Money Market Portfolio is a low risk portfolio that aims to deliver returns in excess of the STeFI consistently over time. The portfolio aims to exploit multiple sources of low risk excess returns within the money market arena.

The portfolio is managed on a multi-manager basis. The underlying managers have been selected, mandated, monitored and reviewed by Amadwala 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 unitised basis on the Sygnia Life license.

### PERFORMANCE SUMMARY

Month	12 Months	Since Inception
0.5%	6.2%	8.4%

### PERFORMANCE COMMENTARY

August brought little micro-level excitement as European and US investors enjoyed their summer holidays. At macro-level, however, market behaviour could be split into two halves; the first, a strong rally fuelled by a renewed interest in resource stocks and signs of a timeous economic recovery in the euro zone, and the second, a sharp downturn as the US and its allies prepared for military strikes against Syria in the wake of the alleged chemical attacks by President Bashar al-Assad against civilians. Capital outflows from emerging markets continued unabated, while the South African rand battled the dual forces of negative foreign sentiment and continued labour unrest.

The first indicators of global economic activity, manufacturing PMIs, surprised on the upside with the US, China and the euro zone PMIs rising from their June levels. Positive euro zone data was taken as an indication that the recession may be nearing its end. This was re-inforced after the second quarter GDP in the 17-nation euro area expanded by 0.3% quarter-on-quarter. The US data came in mixed. The US economy is particularly closely watched with any weakness interpreted as supportive of longer term quantitative easing and vice versa.

Market sentiment turned negative in the latter half of the month as the situation in Syria deteriorated, with emerging markets currencies coming under severe pressure. Concerns that any involvement in the conflict could spiral into deeper unrest in the Middle East led the gold price to hit a 15-week high, while oil prices rose to US\$110 a barrel. Month-end brought a minor recovery as the UK Parliament voted against military involvement in Syria, while the US indicated that it was considering a "limited, narrow" military strike.

South Africa's GDP expanded by a seasonally-adjusted annualised 3.0% in the second quarter. The number, although strong in absolute terms, came in below expectations. The one-year anniversary of the Marikana tragedy, strikes in auto manufacturing, construction and aviation services and the stalled gold mining sector negotiations kept labour issues topical, adding pressure to the rand. Inflation came in at 6.3% year-on-year in July, with the Reserve Bank warning that the inflation outlook is deteriorating due largely to the fall of the rand. 10-year bond yields spiked to their highest levels in 19 months on the emerging markets sell-off, pushing the BESSA All Bond Index down by 1.3%. The rand ended the month at R10.24 to the US dollar. The FTSE/JSE All Share Index delivered 2.6%, driven largely by the Resources sector which rose by 7.3%.

### PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.3%	0.2%
6 month	3.0%	2.6%	0.5%
Year to date	4.1%	3.4%	0.7%
1 year	6.2%	5.2%	1.0%
2 year	6.3%	5.4%	0.8%
3 year	6.3%	5.6%	0.7%
5 year	7.7%	6.9%	0.8%

### HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2009</b>	0.9%	1.0%	1.0%	0.8%	0.8%	0.7%	0.7%	0.8%	0.6%	0.6%	0.7%	0.7%	<b>9.6%</b>
<b>2010</b>	0.7%	0.6%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.5%	<b>7.7%</b>
<b>2011</b>	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	<b>6.1%</b>
<b>2012</b>	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	<b>6.4%</b>
<b>2013</b>	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%					<b>4.1%</b>

### FOR MORE INFORMATION CONTACT:

Sygnia Asset Management | 7th Floor | The Foundry | Cardiff Street | Green Point | 8001  
Tel | +27 21 446 4940 Fax | +27 21 446 4950 E-mail | info@sygnia.co.za

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