



# July/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 be 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

A temperate July followed a ferocious June as bargain hunters returned to the market and risk aversion lessened. Political upheaval in Portugal and Egypt introduced some turbulence, but a number of positive economic surprises from the US, Japan and the euro zone stabilised the mood. By mid-month, political issues faded as the US earnings reporting season kicked-off with more than 70% of reporting companies exceeding profit forecasts. China continued to slow down with second quarter GDP growth coming in at 7.5%. This finally forced the government to drip feed the economy with some easy reforms. But at the same time the government clamped down on excess production capacity in its continuing effort to shift the economy towards a more sustainable demand-driven growth path. China committed to ensuring that economic growth does not fall below 7% in 2013.

Gold had a volatile month, pushed down by prospects of an end to quantitative easing in the US, boosted again after the US Fed indicated that the timeline has not as yet been set, and pulled down by better than expected US economic data at month end.

The ECB and the Bank of England pledged to keep interest rates low, counterbalancing the news that the IMF has cut its global growth forecasts for 2013 and 2014 to 3.1% and 3.8%, respectively. Markets have become more difficult to read in recent months. Until recently, any economic weakness has been viewed as positive for the continuation of quantitative easing, and hence positive for equities. Now that the end of quantitative easing is looming, investors are looking for a stronger US economy, hence the irrational volatility.

In South Africa the feared gold mining wage negotiations were put on hold after NUM, Solidarity and UASA declared an official wage dispute. Prospects for peaceful negotiation are negligible as mining companies are offering a 5% wage increase against the 100% demanded by workers. On the economic front, the Kagiso manufacturing PMI stayed above the 50 mark for the third month in a row. Other positive surprises included stronger retail sales and growth in private sector credit demand numbers, a lower June trade account deficit and slower headline consumer inflation (5.5% year-on-year in June). The Reserve Bank kept interest rates unchanged while cutting its outlook for GDP growth to 2% this year and 3.3% in 2014. The FTSE/JSE All Share Index rose by 4.4%, driven mostly by the Resources sector which returned 9.1%. Bonds dropped by 0.7% as foreign buyers continued to shun emerging markets and the rand strengthened marginally by 0.2% to the US dollar.

### 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%	2.5%	0.5%
Year to date	3.6%	3.0%	0.6%
1 year	6.2%	5.2%	1.0%
2 year	6.3%	5.5%	0.8%
3 year	6.4%	5.7%	0.7%
5 year	7.8%	7.1%	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%						<b>3.6%</b>

### FOR MORE INFORMATION CONTACT:

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