



November/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%	6.3%	8.3%

PERFORMANCE COMMENTARY

Global stock markets reached new highs on positive economic data from the US and China, lower interest rates in the euro zone, a growing expectation that the US Federal Reserve will continue the quantitative easing programme for longer and a temporary settlement of hostilities with Iran. Emerging markets, on the other hand, continued to face investments outflows. Domestic factors in South Africa, including some significant accounting revisions and a weak third quarter economic growth number, left the rand vulnerable.

In the US, concerns about the impact of the October government shutdown abated as unemployment increased only marginally to 7.3% and third quarter GDP growth came in at a healthy 2.8% year-on-year. In Europe, the ECB halved interest rates to a new low of 0.25% in response to a sharp drop in inflation, which points to a lack of a meaningful recovery in consumer spending. To compound the problem, euro zone third quarter growth came in at 0.1% quarter-on-quarter, well below the 0.3% in the second quarter. On a positive note, China entered the final quarter of 2013 on a strong footing with all the economic indicators pointing to an acceleration in momentum. Gold and oil prices fell after Iran agreed to stop producing near-weapons-grade nuclear fuel in exchange for an easing of Western sanctions. The agreement is valid for six months.

The global rally did not manage to offset a slew of domestic factors which pushed the rand lower. South Africa's economic growth slowed by more than expected in the third quarter to 0.7% quarter-on-quarter, dragged down by a contraction in manufacturing after weeks of strikes in the automotive industry. The figure was released after the Reserve Bank already cut its growth forecast for 2013 to 1.9%. The Reserve Bank kept interest rates unchanged as consumer inflation moderated to 5.5% in October.

The FTSE/JSE All Share Index lost 1.1% in November as a weaker gold price pulled the Resources sector down by 2.1%. Gold suffered a sharp sell-off on the back of a complete lack of inflationary pressures in the global economy. Financials lost 3.1% and Industrials gained 0.1%. The bond market reflected foreign selling, with a return of -1.4%. The rand depreciated by 0.9% relative to the US dollar. On the corporate side, Glencore Xstrata, one of the world's largest global diversified natural resources companies, listed on the JSE. Due to its global market capitalisation of R732 billion, it became the third largest listed company on the exchange.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.6%	1.3%	0.3%
6 month	3.1%	2.6%	0.6%
Year to date	5.7%	4.7%	1.0%
1 year	6.3%	5.2%	1.1%
2 year	6.4%	5.4%	1.0%
3 year	6.3%	5.5%	0.8%
5 year	7.4%	6.6%	0.8%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009	0.9%	1.0%	1.0%	0.8%	0.8%	0.7%	0.7%	0.8%	0.6%	0.6%	0.7%	0.7%	9.6%
2010	0.7%	0.6%	0.8%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	0.5%	7.7%
2011	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	6.1%
2012	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	6.4%
2013	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%		5.7%

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