



# October/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
0.6%	6.3%	8.4%

### PERFORMANCE COMMENTARY

October brought another market rally despite a slow start after the US government shut down for the first time in 17 years. Positive economic data from the Eurozone and China, and a growing expectation that the US Federal Reserve will continue the quantitative easing programme for longer, fuelled positive sentiment. The official appointment of the US Fed Vice-Chairwoman Janet Yellen as the successor to Ben Bernanke was also received positively.

The JSE closed above 45 500 for the first time and the S&P500 reached consecutive record highs, as China released upbeat growth figures which showed that the economy grew by 7.8% year-on-year in the third quarter.

The October rally tapered off somewhat at month-end as the US Fed's statement following the meeting of its policy committee was interpreted as less alarmist and, as such, an indication that a policy change could be on the cards sooner than the expected March 2014.

The oil price hovered between US\$102 and US\$110 a barrel as violence in the Middle East fed concerns over oil supplies. Gold gained ground over the latter half of October to top US\$1 335 an ounce, but slipped again on the back of the US Fed's latest policy outlook.

In South Africa, economic indicators have started to reflect the effects of the costly strike action of past months. The trade deficit widened to the largest gap in seven months in August as strikes curbed commodity exports. Overall, the deficit for the year is 54% larger than it was in the same period last year. The Kagiso PMI fell to an eight-month low in September falling to 49.1 from August's 56.5. On a more positive note, retail sales grew more than expected, CPI inflation decreased to 6.0% year-on-year in September, and unemployment fell to 24.7% in the third quarter on a combination of people dropping out of the workforce and some job creation. The Medium Term Budget Policy Statement brought few surprises. The overall outlook is one of a low growth environment for the next three years with a modestly improving budget deficit and a rising level of public debt. The growth forecast has been revised downward to 2.1% for 2013. The FTSE/JSE All Share Index returned a stellar 3.6%, driven largely by Financials which rose by 7.5%, followed by the Resources sector at 2.9% and Industrial stocks at 2.6%. The bond market delivered a flat 0.4% while the rand weakened by 4.2% relative to the US dollar.

### PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.6%	0.4%	0.1%
3 month	1.6%	1.3%	0.3%
6 month	3.2%	2.6%	0.6%
Year to date	5.2%	4.3%	0.9%
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	7.5%	6.7%	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%	0.5%	0.6%			<b>5.2%</b>

### FOR MORE INFORMATION CONTACT:

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