



# September/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

September brought another market rally, supported by positive manufacturing PMI data from China, Japan and the eurozone, a delay in US military action against Syria and no cuts to monetary stimulus by the US Federal Reserve. However the month ended with a massive sell-off driven by the threat of a US government shut-down and a crisis in Italian politics.

As the likelihood of any immediate US military action waned, investors re-focused their attentions on the US Fed's meeting and the likelihood of tapering of the US\$85 billion-a-month bond-buying programme. Mixed economic data from the US kept everyone guessing until the last minute. The final decision to postpone the wind-down and wait for more evidence of solid economic growth caught markets by surprise. Stock prices spiked and the gold price rose on the news. Markets rose even further after Janet Yellen became the most likely successor to Ben Bernanke in February 2014. Yellen is seen to be more concerned with unemployment than inflation, and hence less likely to advocate interest rate hikes and the withdrawal of stimulus measures.

By month-end, however, the attention shifted to the US's debt ceiling. The US will reach its current borrowing limit of US\$16.7 trillion on 17 October. Republicans are demanding a delay in the implementation of Obamacare from the Democrats in exchange for lifting the debt ceiling. Given the tight deadline for any negotiation, a temporary government shutdown became a certainty, bringing with it a global sell-off in stocks and a jump in the gold price. The destabilisation of the Italian government did not help matters.

In South Africa the anticipated prolonged strike action fizzled out sooner than expected as employers capitulated, handing out above-inflation wage increases to avoid protracted work disruptions. On the economic front, the Kagiso manufacturing PMI rose to 56.6, its highest level since August 2007. However, other indicators were weaker, with headline inflation rising by 6.4% in the year to August. The Reserve Bank left its key lending rate unchanged, but revised its 2014 inflation outlook up to an average of 5.8%. The effects of a weaker rand came through in the current account deficit which widened to 6.5% of GDP in the second quarter from 5.8% in the first quarter. The FTSE/JSE All Share Index rose by 5.1%, the bond market delivered 3.9% as foreign buying turned positive and the Rand strengthened by 2.4% against the US dollar.

### PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.3%	0.3%
6 month	3.1%	2.6%	0.5%
Year to date	4.6%	3.8%	0.8%
1 year	6.2%	5.2%	1.0%
2 year	6.3%	5.4%	0.9%
3 year	6.3%	5.6%	0.7%
5 year	7.6%	6.8%	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%				<b>4.6%</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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