April/14

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%	6.4%	8.3%

PERFORMANCE COMMENTARY

The second quarter started on a more upbeat note after the Chinese manufacturing activity index rebounded from an eight-month low. Market sentiment improved further after the US Federal Reserve chair, Janet Yellen, emphasised that unemployment remained a big challenge and that the US Fed would maintain its monetary stimulus and keep interest rates low until the jobless rate improved.

The eurozone saw little change, but a lot of noise. Inflation slowed to 0.5% year-on-year in March, the weakest pace in more than four years. A prolonged period of low inflation is the biggest risk facing the currency bloc, a fact motivating more assurances from the ECB that more quantitative easing would be deployed if necessary. Volatility returned to the markets as the conflict between Russia and the Ukraine flared up, leading the US to impose more sanctions against Russia. However, the Ukraine was soon forgotten on more positive economic data releases, including flash HSBC/Markit PMIs for April for China and the eurozone which came in above expectations. In the US, the Nasdaq recovered from the sharp sell-off earlier in the month after both Apple and Facebook published exceptional first quarter earnings results. The US Fed cut quantitative easing by a further US$10 billion to US$45 billion a month, but indicated that the US recovery is picking up after an unusually cold winter.

In South Africa the strike in the platinum sector continued with Amplats, Impala and Lonmin all indicating that they may need to declare a force majeure event. Economic indicators all pointed to a weaker first quarter GDP growth number, with the manufacturing activity and retail sales indicators coming in lower-than-expected. Consumer inflation breached the 6% year-on-year level, while producer inflation also surprised on the upside, accelerating to 8.2%. Both figures increase the likelihood of an interest rate hike sooner rather than later. The IMF downgraded its 2014 GDP growth forecast for South Africa to 2.3% from a previous level of 2.8%, warning that strikes and policy uncertainty are weighing on growth.

On a positive note, the rand strengthened relative to the US dollar on the prospects of a longer time horizon for interest rate increases in the US. The FTSE/JSE All Share Index delivered a healthy 2.7%, driven up by the Resources and Financials sectors which both rose by 3.8%. The Industrial sector edged up by 1.3%, weighted down by a further sell-off of Naspers shares. The bond market returned a disappointing 0.3% on net foreign outflows while the rand strengthened by 0.2% relative to the US dollar.

PERFORMANCE

PERIOD	**FUND**	**BM**	**DIFFERENCE**
1 month	0.6%	0.5%	0.1%
3 month	1.6%	1.3%	0.2%
6 month	3.1%	2.7%	0.5%
Year to date	2.1%	1.8%	0.3%
1 year	6.4%	5.3%	1.1%
2 year	6.3%	5.3%	1.0%
3 year	6.3%	5.4%	0.8%
5 year	6.9%	6.1%	0.8%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	0.5%	**6.3%**
2014	0.5%	0.5%	0.5%	0.6%									**2.1%**

FOR MORE INFORMATION CONTACT:

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