



August/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
0.0%	6.0%	8.2%

PERFORMANCE COMMENTARY

Volatility in the markets continued through August on the back of disappointing economic growth data releases and geopolitical unrest in the Ukraine, Syria, Iraq and the Gaza Strip. On the economic front, Japan suffered its biggest quarterly contraction since the 2011 tsunami, China continued to slow down and the eurozone stagnated, with Italy falling into a triple-dip recession, France registering zero growth and even the German economy contracted. Inflation in the eurozone fell to 0.4% over the year to July, a five year low, with Portugal, Spain and Italy reporting deflation. Combined with the stubbornly high unemployment rate, and the threat posed by the escalating stand-off with Russia, the pressure on the ECB to leverage monetary policy is growing. Mid-month brought more positivity as investors used earlier market weakness as a buying opportunity and found misplaced reassurances in President Vladimir Putin's statement about the Ukraine.

The annual economic conference in Jackson Hole, Wyoming, devoted its agenda to the labour markets rather than the pursuit of lower inflation. The summit's "thunder" was stolen by ECB President, Mario Draghi, who used the opportunity to hint that the ECB is ready to deploy more quantitative easing. The announcement benefitted flows into emerging markets. The risk-on attitude also helped to keep the rand relatively strong against the US dollar despite weak domestic economic data releases.

Markets ended the month on edge over geopolitical tensions and falling commodity prices.

The South African headlines were dominated by the collapse of African Bank and the chaos that ensued as both equity and fixed interest funds suffered losses. On the economic front SACC's business confidence index fell to a 15-year low as strikes took their toll on manufacturing figures. Inflation moderated to 6.3% for the year to July. And the economy avoided falling into a recession by expanding by an annualised 0.6% in the second quarter. However, the shift towards negative growth is accelerating, with Finance Minister Nhlamhla Nene, warning of a cut in the government's growth projection for 2014 to 1.8% from 2.7% estimated in February.

The FTSE/JSE All Share Index delivered a negative 0.5%, dragged lower primarily by the Resources sector which fell by 5.6%, whilst Financials and Industrials delivered gains of 0.7% and 1.6% respectively. The BEASSA All Bond Index returned 2.8%, the SA Listed Property Index rose by 3.0% and the rand strengthened by 0.4% against the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.0%	0.5%	-0.5%
3 month	1.1%	1.5%	-0.4%
6 month	2.8%	2.9%	-0.1%
Year to date	3.8%	3.8%	0.0%
1 year	6.0%	5.6%	0.4%
2 year	6.1%	5.4%	0.7%
3 year	6.2%	5.5%	0.7%
5 year	6.6%	5.9%	0.7%

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%	0.5%	0.6%	0.5%	0.0%					3.8%

FOR MORE INFORMATION CONTACT:

Sygnia Life RF Limited | 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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