



# December/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%	6.0%	8.1%

### PERFORMANCE COMMENTARY

The global economy ended the year on a fragile note, with weakening manufacturing activity in China and the eurozone, a collapsing ruble threatening Russia's financial stability, a fresh political crisis in Greece resurrecting the spectre of the country exiting the euro, and Japan and France facing credit rating downgrades. 2014 was also a terrible year for commodities with prices falling the most since the 2008 global financial crisis on the back of a sinking oil price and a strong US dollar.

The tumbling oil price has translated into lower inflation for most parts of the world. This includes the eurozone where inflation slipped to 0.3% year-on year in November, piling pressure on the ECB to introduce further quantitative easing measures. A lower oil price has also triggered a fully-fledged currency crisis in Russia where the ruble has fallen by 40% relative to the US dollar in 2014.

In Greece, Prime Minister Antonis Samaras called an election after failing to secure a parliamentary victory for his presidential candidate. The victory is expected to go to the leftist anti-austerity Syriza party, a fierce opponent of Greece's bail-out deal with the EU and the IMF. Against this background the US has once again reasserted its position as the engine of the world's growth. Its third quarter GDP growth number was revised up to an annualised 5%, the highest level since 2003, the unemployment rate stayed at 5.8% and inflation fell to a nine-month low of 1.4% relative to a year ago.

Domestically, the rand fell to a six-year low against the US dollar, a victim of global events and weak domestic economic fundamentals, including the impact of electricity cuts. On a positive note South Africa avoided the widely expected credit rating downgrades by Fitch and S&P, although both agencies expressed concerns about growth. The Kagiso manufacturing PMI for November rose to its best level since 2013 at 53.3, retail sales strengthened by 3.4% in October compared to a year ago and consumer inflation slowed to 5.8% year-on-year.

The FTSE/JSE All Share Index fell by 0.2% in December, dragged down by the Resources sector which retreated by 5.2%. The Industrial sector delivered 1.1%, while the Financial sector rose by 0.2%. The BESA All Bond Index returned -1.6% as sentiment towards emerging markets turned bearish, while the rand weakened by 3.7% relative to the US dollar.

### PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.6%	0.5%	0.0%
3 month	1.6%	1.5%	0.1%
6 month	2.7%	3.1%	-0.3%
Year to date	6.0%	5.9%	0.1%
1 year	6.0%	5.9%	0.1%
2 year	6.2%	5.5%	0.6%
3 year	6.3%	5.5%	0.7%
5 year	6.5%	5.9%	0.7%

### HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<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%	0.5%	0.5%	<b>6.3%</b>
<b>2014</b>	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.5%	0.0%	0.5%	0.6%	0.5%	0.6%	<b>6.0%</b>

### FOR MORE INFORMATION CONTACT:

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