



February/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
0.5%	6.2%	8.3%

PERFORMANCE COMMENTARY

February opened weaker as anxiety mounted over the strength of the US and China economic recoveries. In China both the manufacturing and services PMIs edged down. China's economy grew by 7.7% in 2013, the same rate as in 2012. The US economic data releases were mixed. Although the official unemployment rate fell to 6.6%, other statistics showed weakness largely attributed to the effects of a particularly harsh winter. In Europe fears of deflation returned as consumer prices rose by a mere 0.7% year-on-year in January, well below the ECB's 2% target.

Gold continued to battle to reconcile faltering US economic data against the backdrop of continued tapering by the US Fed. The recent spike in the gold price has been largely driven by geopolitical concerns, particularly in the Ukraine, as well as expectations of a slowdown in the US recovery. Markets were given a boost after the new US Fed chair pledged to keep interest rates low and to taper the pace of bond purchases if the economy keeps improving. However the US Fed emphasised that the speed of the tapering has not been predetermined. The market rally continued, propelled by positive news flow, including better than expected export numbers from China and a smooth suspension of the US's debt limit until March 2015.

In South Africa the rand retreated to R10.70 to the US dollar as negativity about emerging markets subsided and despite the continuation of strike action in the platinum sector and a shocking trade balance figure. On the economic front the Kagiso PMI remained unchanged at 49.9 in January, its weakest level since April 2013, and consumer inflation rose by an above-expectations 5.8% year-on-year. The unemployment figure for the fourth quarter of 2013 came in at 24.1%, down from 24.5% at the end of September.

South Africa's GDP growth jumped to an annualised 3.8% in the fourth quarter of last year, bringing 2013 GDP growth to 1.9%. The Minister of Finance, Pravin Gordhan, delivered an unexciting budget. The budget deficit is set to remain at 4% of GDP in 2014, before narrowing to 3.6% and 2.8% in the following two years. GDP growth forecasts have been lowered to 2.7% for 2014, 3.2% in 2015 and 3.5% in 2016. And inflation is set to average 6.2% this year, declining to 5.9% next year and 5.5% in 2016. The FTSE/JSE All Share Index rose by 4.9% with the Resources sector delivering 4.4%, the Financial sector 8.4% and the Industrials 5.1%. The BESA All Bond Index recovered by 2.4%, while the rand strengthened by 3.3% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.3%	0.2%
6 month	3.1%	2.6%	0.5%
Year to date	0.9%	0.8%	0.1%
1 year	6.2%	5.2%	1.0%
2 year	6.3%	5.3%	1.0%
3 year	6.2%	5.5%	0.8%
5 year	7.0%	6.3%	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%											0.9%

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