



March/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%	6.3%	8.3%

PERFORMANCE COMMENTARY

The first quarter of 2014 ended on a flat note after a month of volatility brought about by concerns about Chinese growth, a shortened timeline for US interest rate increases and Russia's aggressive annexation of Crimea. Concerns about the impact of the recent bout of cold weather on the US economy also lingered. On the political front, in the worst confrontation since the end of the Cold War, Russia annexed Crimea. Geopolitical risk played havoc with market sentiment.

Market sentiment took another beating after the US Fed decided to trim bond purchases by a further US\$10 billion to US\$55 billion a month. The US Fed also signalled that the first interest rate hike could come as soon as six months after the end of quantitative easing. Concerns about a shortened timeline were further exacerbated by positive US economic data through the month. However, markets gained ground on the last day of the month after the US Fed's chair, Janet Yellen, defended the extraordinary measures taken to support the US economy, a move taken as an indication that interest rates will stay low for longer despite previous announcements, and after China indicated that it was ready to support the cooling economy.

Eurozone inflation fell to 0.5% year-on-year in March, its lowest since November 2009, adding to speculation that the ECB will cut interest rates in April. In addition, geopolitical tensions appeared to ease as Russia began pulling back some troops from Ukraine's eastern border. Gold price fell below US\$1 300/oz level as an improving US economic outlook bolstered appetite for risk.

South Africa had a turbulent month with Eskom imposing rolling blackouts for the first time since 2008, the continuation of strikes in the platinum sector, the release of the perception-damaging Nkandla report and a record rainfall in Gauteng which is likely to cause further damage to the economy.

The consumer inflation figure came in at a higher than expected 5.9% year-on-year. The Reserve Bank kept the repo rate on hold at 5.5%, but it indicated that interest rates will be increased in the future. This helped the rand to strengthen to R10.55 to the US dollar. The GDP growth forecast has been cut to 2.6% for 2014. The FTSE/JSE All Share Index rose by 1.8%, with the Financial sector rebounding by 6.4%, Industrials by 1.1% and Resources flat at 0.1%. The BESA All Bond Index rose by 1.8%, while the rand strengthened by 2.1% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.5%	0.1%
3 month	1.5%	1.3%	0.2%
6 month	3.1%	2.6%	0.5%
Year to date	1.5%	1.3%	0.2%
1 year	6.3%	5.3%	1.0%
2 year	6.3%	5.3%	1.0%
3 year	6.2%	5.4%	0.8%
5 year	6.9%	6.2%	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%										1.5%

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