



May/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%	6.4%	8.2%

PERFORMANCE COMMENTARY

The markets started the month muted as concerns increased amid softer Chinese manufacturing data and growing tensions in the Ukraine. However, focus shifted to the EU after the ECB indicated that it might ease monetary policy at the next policy meeting. The most likely scenario is an interest rate cut from 0.25% to 0.1%, supplemented by a potential cut of the deposit rate to below zero, a move designed to spur more lending.

The expectations of further liquidity triggered a flow of money into emerging markets and overshadowed the US Federal Reserve's taper of its own monthly bond-buying programme by another US\$10 billion to US\$45 billion a month.

The easing of monetary policy in the eurozone took on more urgency after the first quarter growth figures disappointed, with the eurozone economy expanding by a mere 0.2% quarter-on-quarter. A preliminary inflation reading of 0.7% in April came in well below expectations. The excitement about increased liquidity meant that weak economic data releases from the US and China were largely ignored.

The South African economy shrank by 0.6% over the first three months of 2014 on a massive decline in output from the platinum sector. On a year-on-year basis, the economy grew by 1.6% in the first quarter.

Consumer inflation increased by 6.1% year-on-year in April. The Reserve Bank kept the repo rate unchanged, but downgraded its growth forecasts for 2014 from 2.7% to 2.1%. Other economic data was equally troubling, with the Kagiso manufacturing PMI contracting to 49.4 in April and the unemployment rate rose to 25.5% in the first quarter. South Africa recorded a R13.0 billion trade deficit in April after a R11.4 billion deficit in March. Strikes in the platinum belt continued. The costliest strike in South Africa's history is estimated to have deducted 0.8% from GDP in 2014.

However net foreign buying meant that the FTSE/JSE All Share Index rose above the 50 000 level a number of times, but failed to hold onto the gains by month end. Foreign buying kept the rand surprisingly strong relative to the US dollar. The FTSE/JSE All Share Index rose by 1.6%, the BESA All Bond Index by 1.2% and the rand weakened by 0.6%. The Industrials sector was a large driver of returns at 5.1%, while the Resources lost 4.3% and Financials gained 1.9%.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.5%	0.1%
3 month	1.7%	1.4%	0.3%
6 month	3.2%	2.7%	0.4%
Year to date	2.6%	2.3%	0.3%
1 year	6.4%	5.4%	1.0%
2 year	6.3%	5.3%	1.0%
3 year	6.3%	5.4%	0.8%
5 year	6.8%	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%	0.5%								2.6%

FOR MORE INFORMATION CONTACT:

Sygnia Life 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

Disclaimer - Sygnia Life Limited: The information and commentary contained in this document is of a general nature and is not intended to address the circumstances of a particular individual or entity. Whilst reasonable care was taken in ensuring that the information is accurate, Sygnia Life Limited does not warrant its accuracy, correctness or completeness and accepts no liability in respect of any damages and/or loss suffered as a result of reliance on the information in this document. No one should act on the information contained in this document without having obtained appropriate and professional investment, legal, tax and such other relevant advice as may be required in each instance. Sygnia Life Limited is a licensed financial services provider (FSP 2935): 7th Floor, the Foundry, Cardiff Street, Green Point, 8001 Tel: (021) 446 4940/Fax: (021) 446 4950

