



November/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%	6.0%	8.1%

PERFORMANCE COMMENTARY

The month started with the JSE soaring above the 50 000 level again on the back of a surprise stimulus injection from the Bank of Japan. The rest of the month was fairly volatile on renewed political risk in the Ukraine, economic slowdown in the eurozone and the uncertainty created by falling oil prices. OPEC's decision not to cut production sent oil prices tumbling further, with the JSE eventually closing below the 50 000 level on the last trading day of the month.

The eurozone continued in an economic slump with inflation rising marginally to 0.4% year-on-year in October with the unemployment rate at 11.5%. The EU downgraded its own growth forecast for the eurozone for 2014 to 0.8%.

In the US, Republicans gained control of the Senate in a mid-term election that served as a public referendum on President Obama's job performance. Whilst the US economy continued to recover, the Chinese economy lost further momentum, forcing the People's Bank of China to cut interest rates.

Japan, the world third-largest economy, slipped into a recession with third-quarter GDP contracting by an annualised 1.6%, after shrinking by 7.3% in the second quarter, prompting Prime Minister Shinzo Abe to call an early election in a bid to extend his term in office and to defer the introduction of a second VAT increase. The Brent crude oil price fell to US\$72 a barrel, a four-year low, as a mounting oil glut created by the US shale boom continued to outweigh concerns about supplies from Libya, Iran and Syria, while the slowdown in China cast doubt on future demand and OPEC decided not to reduce output.

Moody's cut South Africa's credit rating by one notch, citing poor growth prospects and rising debt. This leaves the rating just two notches above junk status. Domestic economic data was mixed, with consumer spending under pressure. Growth remains elusive, with the seasonally adjusted annualised third-quarter GDP increasing by 1.4% quarter-on-quarter, up from a revised 0.5% rise in the second quarter. The consumer price index rose by 5.9% year-on-year in October, unchanged from September. The FTSE/JSE All Share Index rose by 0.5% in November, with Financials returning 3.0% and Industrials 1.9%. The Resources sector dropped by 6.3% on the back of lower gold and oil prices. The risk-on attitude towards emerging markets helped the BEASSA All Bond Index to deliver a 2.4% return, while the rand weakened by a marginal 0.2% against the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.5%	0.0%
3 month	1.6%	1.5%	0.1%
6 month	2.7%	3.0%	-0.3%
Year to date	5.4%	5.4%	0.1%
1 year	6.0%	5.8%	0.2%
2 year	6.1%	5.5%	0.6%
3 year	6.2%	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
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%	0.5%	0.6%	0.5%		5.4%

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