



July/15

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%	6.2%	8.1%

PERFORMANCE COMMENTARY

July brought two crises as Greece veered close to exiting the euro and the Chinese government was forced to prop up its tumbling stock market. The rand hit a 14-year low as the US Fed signaled an imminent interest rate increase, while commodity prices continued to fall on poor growth fundamentals in China.

After defaulting on a 30 June payment to the IMF, the Greek government called for a public referendum on the austerity measures demanded by the EC, ECB and the IMF. After winning a "no" vote, Greek Prime Minister Alexis Tsipras did an amazing turn-around, and asked for a three-year €86 billion bail-out from the eurozone while pledging to implement most of the tax changes, pension reforms and budgetary cuts demanded by creditors. Stock markets around the world rallied on the news.

In China the stock market lost a third of its value from mid-June as the central bank's move to drain liquidity from the overheated market was interpreted as foreshadowing monetary tightening. This led to a sharp sell-off which triggered a series of extreme measures from the Chinese government desperate to restore stability. Over 40% of Chinese listed firms simply suspended trading in their shares. China's Shanghai Composite index ended July down 13.4%.

China's growth remained at 7.0% in the second quarter amid signs that the slowdown is continuing. In Europe, the ECB kept its main interest rate unchanged at 0.05% as inflation eased to 0.2% year-on-year in June, highlighting the region's vulnerability to deflation pressures. The US continued its modest recovery, while the US Fed signalled that it is committed to an interest rate increase in 2015. The US Fed revised its 2015 GDP growth forecast to 1.55%.

In South Africa the resources sector took a hit on concerns about China. On the economic front manufacturing activity remained under pressure, retail sales disappointed and consumer and business confidence indices tested multi-year lows. Consumer price inflation increased to 4.7% year-on-year. The Reserve Bank increased interest rates by 25 basis points to 6% on concerns over inflation and downgraded its growth projection for this year to 2%. The FTSE/JSE SWIX index returned -0.2%, dragged down by the resources sector which fell by 7.7%. Financial and industrial shares delivered 3.5% and 1.4% respectively. The BESA All Bond index rose by 1.0%, while the listed property sector rebounded by 5.1%. The rand depreciated by 3.9% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.6%	0.5%	0.0%
3 month	1.7%	1.6%	0.1%
6 month	3.4%	3.1%	0.3%
Year to date	4.0%	3.7%	0.3%
1 year	6.2%	6.3%	-0.1%
2 year	6.4%	5.9%	0.5%
3 year	6.3%	5.7%	0.6%
5 year	6.4%	5.8%	0.6%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	0.6%	6.0%
2015	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%						4.0%

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