May/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

If investors needed a reminder that markets go down as well as up, May brought just that as speculation about the timing of US interest rate increases reflected in the gyrating value of the US dollar, while in the eurozone investors sold off bonds in response to the negative bond yields of April.

Disappointing US economic statistics led to speculation that the first interest rate increase might be pushed out beyond 2015, despite US Federal Reserve Chair Janet Yellen, insisting it will happen this year. The strong turnaround expected in the second quarter, after the sharp downturn in the first, is not materialising. The Chinese economy also continued to run out of steam, with declining manufacturing activity, weaker trade numbers and consumer inflation at only half of the 3% target. China cut interest rates for the third time in six months in a bid to lower companies' borrowing costs and stoke economic growth. The eurozone economy showed resilience, with manufacturing activity strengthening and the consumer price index coming in flat after four months of deflation. The most unexpected event, however, was investors' revolt against negative yields in Europe which led to the sharpest sell-off of government bonds in the past twenty years.

Talks between European policy makers and Greece made little progress, although Greece managed to amass €750 million to pay interest to the IMF. This combined with a sharp strengthening of the US dollar at month-end spurred risk aversion, with emerging markets equities and commodity prices bearing the brunt. The oil price stayed above US$60 a barrel on the notion that a supply glut was easing due to a tightening in world production, particularly in the US.

South Africa's first quarter economic growth plunged to just 1.3% year-on-year as load shedding, weak consumer demand and drought curbed output. Unemployment rose to 26.4%, the highest figure since 2003. Other economic indicators deteriorated, as did business and consumer confidence. Although the SARB kept interest rates steady as inflation came in at 4.5% year-on-year, there is a growing expectation of an interest rate hike in June.

The FTSE/JSE SWIX Index fell by 4.9%, pulled down by Resources and Financials which returned be -5.2% and -6.8% respectively. The listed property sector delivered a negative 5.9%, while the BESA All Bond Index fell be 0.7%. The rand weakened by 3.1% against 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%	0.2%
Year to date	2.8%	2.6%	0.2%
1 year	6.2%	6.2%	0.0%
2 year	6.3%	5.8%	0.5%
3 year	6.3%	5.6%	0.7%
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%								**2.8%**

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