



October/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%	7.0%	8.0%

PERFORMANCE COMMENTARY

The fourth quarter started with strong positive momentum on mounting speculation that the US Federal Reserve is unlikely to hike interest rates this year amid the impact of global economic weakness on the US. The markets soared as China cut interest rates and the ECB hinted at further quantitative easing, despite the same China having posted its softest GDP growth since the financial crisis, Japan facing the possibility of another recession and the eurozone flirting with deflation once again. On the political front, nationalist parties gained ground across Europe with elections in Portugal, Poland and Spain, upsetting the political status quo with anti-austerity sentiment.

US economic data was a mixed bag, with the US Fed describing economic activity as expanding at a 'moderate' pace. In China, on the other hand, deceleration has been faster than expected with the third quarter GDP growth coming in at 6.9%, clouding its prospects for reaching the official targeted growth rate of about 7% for the year. Eurozone has been holding up relatively well, although the slowdown in China is starting to affect trade numbers and potential growth. The IMF lowered its 2015 global growth forecast to 3.1%.

South Africa's economic data continued to point to weakness, with the business confidence index falling to its lowest in 22 years, the trade balance deficit widening and the unemployment rate increasing to 25.5% in the third quarter. Consumer price inflation stayed stable at 4.6% year-on-year in September.

The Medium Term Budget Policy Statement brought few surprises, with the projected budget deficit being lowered to 3.8% of GDP in 2015 on the back of spending cuts and cost controls. The three main risks to the fiscal outlook are weak economic growth, the public sector wage bill and financial support for state-owned companies beyond what is currently budgeted for. On the negative side, growth forecasts have been cut to 1.5% for 2015 and 1.7% for 2016. Inflation is expected to equal 4.8% this year, rising to 6.2% next year.

The FTSE/JSE SWIX index returned 7.3%, with the financial sector rising by 7.3%, industrials by 8.5% and resources by 5.6%. The bond market saw net inflows and a return of 1.3%, while the listed property sector delivered 2.1%. The rand strengthened by 0.2% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.6%	0.5%	0.1%
3 month	1.8%	1.6%	0.2%
6 month	3.5%	3.2%	0.3%
Year to date	5.8%	5.3%	0.5%
1 year	7.0%	6.4%	0.6%
2 year	6.5%	6.1%	0.4%
3 year	6.4%	5.8%	0.6%
5 year	6.4%	5.7%	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%	0.6%	0.6%	0.6%			5.8%

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

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