February/13

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 be 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%	8.5%

PERFORMANCE COMMENTARY

February started with the resources sector surging on the back of stronger economic data from China and the US. But the rally came to an abrubt halt mid-month, with commodities leading the sell-off, as investors took risk off the table on concerns about the continuation of the US Fed's QE3 programme and the stability of the euro zone after Italian elections resulted in a hung parliament and a corruption scandal rocked Spain. The slump in the markets forced the US Fed Chairman, Ben Bernanke, to reiterate that asset purchases will continue until the labour market outlook improves. This combined with better-than-expected US housing and consumer confidence data, and the news of a successful Italian debt auction, helped to stabilise the markets.

Gold had a ferocious month, falling below US$1 600, as its inability to break through the US$1 700 price ceiling eroded investors' interest. The world's major industrial nations pledging to avoid devaluing their exchange rates in the pursuit of stronger economic growth, but stopped short of naming Japan as a culprit. Moody's cut the UK credit rating from triple A to Aa1, citing the continued weakness in the country's growth outlook and the high debt burden. In the US the Democrats and the Republicans failed to reach an agreement on the US$1.2 trillion of spending cuts over nine years that are due to take effect on 1 March.

In South Africa, the fourth quarter GDP growth quickened to 2.1% quarter-on-quarter, bringing economic growth to 2.5% in 2012. The CPI inflation came in below expectations at 5.4% year-on-year in January. The Kagiso manufacturing PMI inched up to 49.1, but remained below the 50 level for a fifth consecutive month. The Adcorp Employment Index fell by an annualised 3.2% on employers cutting seasonal jobs.

The Budget concentrated on expenditure cuts (R10.4 billion over three years) as sluggish economic growth and a R16.3 billion shortfall in tax revenue resulted in a budget deficit for 2012-13 of 5.2% of GDP. Economic growth forecasts have been lowered to 2.7% for 2013, while inflation is expected to average 5.5% a year over the next three years. Much reliance has been placed on massive infrastructure investments to drive growth.

The FTSE/JSE All Share Index ended the month 1.9% down, pulled down by the Resources sector which fell by 6.4%. Financial dropped by 1%, while Industrials rose by 0.1%. The BESA All Bond Index delivered a 0.7% return.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.3%	0.3%
6 month	3.0%	2.6%	0.5%
Year to date	1.0%	0.8%	0.2%
1 year	6.4%	5.4%	1.0%
2 year	6.2%	5.6%	0.6%
3 year	6.7%	5.9%	0.7%
5 year	8.4%	7.6%	0.8%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2009													
	0.9%	1.0%	1.0%	0.8%	0.8%	0.7%	0.7%	0.8%	0.6%	0.6%	0.7%	0.7%	**9.6%**
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%											**1.0%**

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