January/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

The dramatic fiscal cliff showdown in the final hours of 2012, which averted a raft of income tax increases for US households and deferred planned spending cuts for two months, triggered a market rally in the opening trading hours of 2013. Upbeat economic data from the US and China, and an extension of the US debt ceiling until mid-May, added to the momentum. The FTSE/JSE All Share Index topped the 40 000 level for the first time in its 17-year history, while the S&P 500 Index climbed to yet another five-year high.

Oil hovered around US$112 a barrel as increasing supply and rising inventories in the US put a lid on prices. Gold price tested the US$1 700 an ounce level, before easing concerns over the global economy dampened the rally. Platinum hit a three-month high after Amplats, the world's top platinum producer, announced mine closures at a cost of 14 000 jobs.

Most central banks kept their interest rates and monetary policies unchanged. The Bank of Japan, however, announced a US$116 billion stimulus package and an adoption of a 2% inflation target. China's economy picked up in the final quarter of 2012, with the GDP growth coming in at 7.9% for the quarter, and 7.8% for the year. The US economy grew by 2.2% in 2012, after a disappointing 0.1% contraction in the fourth quarter of the year.

South Africa's prospects are looking fragile with the Reserve Bank lowering its growth forecast for 2013 to 2.6% on the back of labour unrests and a deteriorating business environment. Fitch lowered South Africa's sovereign credit rating to BBB with a stable outlook. Consumer inflation came in at 5.7% in December, its highest level since May 2012, while the Reserve Bank kept the repo rate unchanged at 5%. Other economic statistics were mixed. Retail sales and credit extension to the private sector showed some strength, but the seasonally adjusted Kagiso PMI fell to 47.4 in December, suggesting that the slowdown in demand from Europe remains a challenge.

The rand fell below R9/US$ as foreign investments flowed out amid concerns over continued labour and social unrest and a widening current account deficit. The FTSE/JSE All Share Index rose by 3.2%, the BESA All Bond Index delivered a flat 0.1%, while the Rand depreciated by 6.7% against the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.3%	0.2%
6 month	3.1%	2.6%	0.4%
Year to date	0.5%	0.4%	0.1%
1 year	6.4%	5.5%	0.9%
2 year	6.3%	5.6%	0.7%
3 year	6.7%	6.0%	0.7%
5 year	8.5%	7.7%	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%**

FOR MORE INFORMATION CONTACT:

Sygnia Asset Managmement | 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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