March/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%	6.3%	8.5%

PERFORMANCE COMMENTARY

Markets took cheer from the continued economic recovery in the US where employment data, retail sales, durable goods orders and factory output continued to pick up despite the recent tax increases and the looming US government spending cuts. The positive news out of the US was offset by disappointing manufacturing and services figures from China which implied moderating growth. Soaring property prices and rising consumer inflation are also increasing the likelihood of monetary policy tightening, at a time when the recovery seems to be slowing down.

The worst news, unsurprisingly, came from the eurozone where the manufacturing sector shows no sign of a recovery, unemployment is at an all time high and inflation is falling. Most indicators now point to the recession having extended into the first quarter of 2013. At mid-month, the banking crisis in Cyrpus dampened enthusiasm for risk, while the subsequent bailout terms set a worrying precedent for other struggling eurozone nations. Concerns about Italy, more bleak economic data out of the eurozone and thin trading ahead of the Easter weekend added to the negative tone. However, a seemingly orderly resolution of the crisis lifted the mood by month-end, with the S&P 500 index ending the month at an all time high.

Consumer weakness, continuing labour unrest in the mining sector and an increasingly unsustainable current account deficit contributed to the spectacular fall of the rand. The currency weakened to a four year low after South Africa's trade account deficit reached R24.5 billion in January on a significant rise in imports and a decrease in commodity exports. The rand fell further after Exxaro advised of strikes at five of its mines which supply coal to Eskom; and even further after a surprise upward revision of the Reserve Bank's estimate of the current account deficit in the third quarter of last year, and news that it remained wide in the fourth quarter at 6.5% of GDP. Month-end brought some respite after the announcement that the trade account deficit in February narrowed to R9.52 billion as exports increased while imports dropped.

The Reserve Bank left interest rates unchanged as consumer inflation rose to 5.9% year-on-year in February. South Africa hosted the fifth BRICS summit in Durban which formally agreed to create a development bank to rival Western -backed institutions such as the IMF and the World Bank.

The FTSE/JSE All Share Index rose by 1.2% in March, while the BESA All Bond Index delivered 0.2%. The rand depreciated by 2.2% against the dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.4%	0.1%
3 month	1.5%	1.2%	0.2%
6 month	3.0%	2.6%	0.5%
Year to date	1.5%	1.2%	0.2%
1 year	6.3%	5.4%	0.9%
2 year	6.2%	5.5%	0.7%
3 year	6.5%	5.9%	0.7%
5 year	8.3%	7.5%	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%	0.5%										**1.5%**

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

finsolnet