



November/12

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%	6.5%	8.6%

PERFORMANCE COMMENTARY

The volatility in the markets continued through November as the eurozone moved deeper into a recession, looming fiscal cliff concerns overshadowed the re-election of US President Barack Obama, and wrangling over Greece highlighted deep divisions over how to handle the eurozone crisis. A once-in-a-decade political transition in China, a military stand-off between Israel and Palestine and a spate of sovereign downgrades added to the market uncertainty. Undoubtedly, the US is well ahead of others on the road to economic recovery, a fact attributable to the ultra-aggressive monetary policies implemented by the Federal Reserve. China has also stabilised, albeit at low levels, but the eurozone remains mired in a recession.

All the attention focused on the US "fiscal cliff" issue, a series of automatic tax increases and spending cuts amounting to US\$607 billion effective on 1 January 2013 which could reduce US growth by around 3% in 2013. Negotiations between the Republicans and Democrats have yielded little to date. The news that the eurozone has slipped back into a recession, with the third quarter GDP contracting by 0.1% quarter-on-quarter, triggered a heavy mid-month sell-off. Greece was granted two more years till 2022 to reduce its deficit, while Spain successfully raised €4.8 billion through a bond auction, giving it more time before having to ask for international aid. Moody's lowered France's sovereign rating from AAA to Aa1 on the back of concerns about France's long-term growth outlook. Month-end brought some upward momentum to the markets on the back of stronger November manufacturing surveys in the US and China, and indications of some progress in the fiscal cliff negotiations.

In South Africa the effects of the mining and transport strikes in September came through in the economic data at the same time as the strikes spread to the farm workers in the Western Cape and the rand flirted with the R9/US\$1 level. The most significant effect has been the lower than expected third quarter GDP growth figure which came in at 1.2% on a seasonally adjusted and annualised basis. Unemployment rose to 25.5% in the third quarter, with the number of unemployed people reaching 4.7 million, the most since 2008. Consumer inflation rose to 5.6% year-on-year and the trade account deficit widened to its worst level in years in October. The FTSE/JSE All Share Index closed the month at a fresh all-time high after weak trade figures pushed the rand lower with the rand-hedge stocks gaining. Overall equities returned 1.6%, the BESA All Bond Index rose by 0.8% and the rand depreciated by 2.6% 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%	2.7%	0.4%
Year to date	5.9%	5.1%	0.8%
1 year	6.5%	5.6%	0.9%
2 year	6.3%	5.7%	0.6%
3 year	6.8%	6.1%	0.7%
5 year	8.7%	7.9%	0.8%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	1.0%	0.9%	1.0%	0.8%	0.9%	1.2%	1.2%	1.1%	1.0%	1.1%	1.1%	1.2%	13.1%
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%		5.9%

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