

Finsolnet Money Market Fund

January 2011

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 Sasfin 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	1 Year	3 Year	5 Year
0.5%	7.6%	10.0%	9.6%

PERFORMANCE COMMENTARY

January saw a sell-off of bonds and equities across emerging markets. The FTSE/JSE All Share Index fell by 2.2%, with the Resources sector returning -0.5%, Financials -1.2% and Industrials -4.1%. The BESA All Bond Index delivered -2.1%, while the rand weakened by a massive 8.4%.

Although January started on a positive note, China's exceptionally strong growth in the fourth quarter of 2010 and its upward trending inflation soon soured the party as investors anticipated further government intervention to slow down the Chinese economy. Commodity prices slumped in response, pulling down emerging markets globally. European sovereign debt worries hovered in the background. The rand weakened by 8.4% against the US dollar as foreign investors sold South African bonds and stocks. The sell-off was attributed to a stronger US economy which grew by an annualized 3.2% in the fourth quarter of 2010, political unrest in Tunisia and Egypt, the end of the Reserve Bank's interest rate cutting cycle and its intervention in the currency markets, and finally the uncertain business environment following the government's tacit approval of Imperial Crown Mining's acquisition of ArcelorMittal's iron ore mining rights. However, US markets ended the month in positive territory as economic momentum trumped geopolitical risks. The US growth rate compares favourably to the UK's 0.5% contraction in the fourth quarter, but pales into insignificance when weighed against China's 9.8% over 2010. Interest rates remained on hold across the developed world. The oil price approached US\$100 a barrel amid concerns that unrest in Egypt could spread to other regional producers.

In South Africa the inflation outlook and hence interest rates seem to have bottomed. For the first time in a year, the Reserve Bank raised its inflation forecast from an average of 4.3% to 4.6% in 2011 due to a sharp surge in spot and forecast oil and food prices, reports of increasing clothing prices thanks to last year's poor cotton harvest and rising Chinese labour costs. Actual CPI headline inflation came in at a benign 3.5% for the year to December, down from 3.6% in November. Producer price inflation slowed to 5.8%. The Reserve Bank kept interest rates steady at 5.5% while announcing that it will continue to accumulate foreign exchange reserves "as and when possible" to weaken the rand. Economic growth projections for 2011 range from 3.0% to 3.4%. Buoyed by positive economic prospects, Fitch upgraded its outlook on the country from negative to stable.

ABOUT SYGNIA

Sygnia is a financial services group specialising in the design and management of customised multi-manager product solutions for institutional clients in South Africa and globally. Sygnia Life is a registered life assurance company within the group.

ABOUT SASFIN

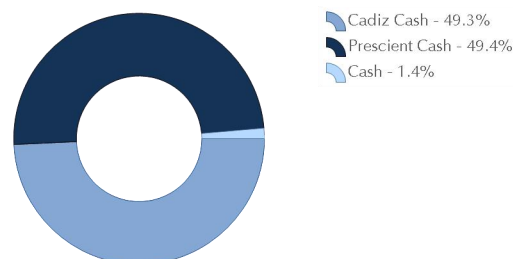
Sasfin is a premier South African banking group, providing business banking, wealth management, capital, specialised services and treasury services. Sasfin Asset Consulting, a division of Sasfin, provides a comprehensive, independent and highly professional financial advisory service to institutional clients.

TOTAL EXPENSE RATIO

0.650% per annum (excluding VAT)

PERFORMANCE

PERIOD	FUND	STeFI
1 month	0.5%	0.5%
3 month	1.6%	1.5%
6 month	3.4%	3.2%
Year to date	0.5%	0.5%
1 year	7.6%	6.8%
2 year	8.4%	7.8%
3 year	10.0%	9.1%
5 year	9.6%	8.9%
Since Inception (back dated)	9.1%	8.5%



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	STeFI
2007	0.8%	0.7%	0.7%	0.7%	0.8%	0.7%	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	10.0%	9.3%
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%	11.7%
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%	9.1%
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%	6.9%
2011	0.5%												0.5%	0.5%

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Past investment returns are not indicative of future returns and the returns are not guaranteed.

FAIS Notice and Disclaimer:

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