

SA OPEN FUND MONEY MARKET PORTFOLIO

January 2011



The SA Open Fund Money Market Portfolio is offered on a pooled unitized basis on the Sygnia Life license. This low risk money market fund aims to deliver returns in excess of the STeFI Index. This portfolio operates on a multi manager basis and only includes domestic exposure. The underlying managers are monitored and reviewed by Seshego Benefit Consulting, and the portfolio complies with Regulation 28 of the Pension Funds Act.

Performance Summary

Fund 1 month	Fund 12 months	CPI 12 months	Large Manager Watch 12 months
3.0%	0.0%	0.0%	0.0%

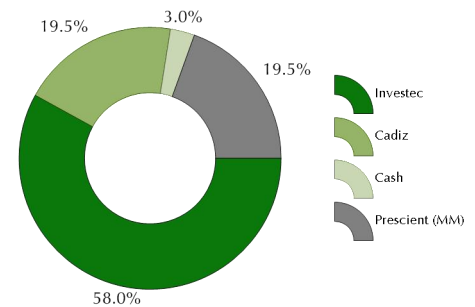
PERFORMANCE COMMENTARY

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.

Portfolio Structure



Product Profile

The SA Open Fund Money Market Portfolio is targeted at institutional clients seeking a capital preservation focus. The long term performance objective of the Fund is to preserve capital while achieving returns in excess of the STeFI Index. This mandate is ideally suited as a more conservative investment option for funds offering their members investment choice options or where the liability profile requires very low volatility with steady returns.

About Seshego

Seshego Benefit Consulting (Pty) Ltd is an authorised financial services provider that specialises in employee benefits consulting. Their focus is purely on rendering strategic, risk benefit and investment consulting services to trustees, members and participating employers of retirement funds. The underlying managers in the portfolios are monitored and reviewed by Seshego Benefit Consulting. The SA Open Fund Inflation + Range of Portfolios represent Seshego's investment consulting advice for certain mandates.

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2006	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	8.0
2007	0.8	0.7	0.8	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.9	10.0
2008	0.9	0.9	1.0	0.9	0.9	1.1	1.2	1.0	1.1	1.1	1.0	1.2	12.9
2009	1.0	1.0	0.8	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	9.8
2010	0.7	0.6	0.8	0.7	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.6	8.1

Calendar Year Returns

YEAR	FUND	STeFI	DIFFERENCE
2005	3.0%	2.9%	0.2%
2006	8.0%	7.4%	0.6%
2007	10.0%	9.3%	0.6%
2008	12.9%	11.7%	1.2%
2009	9.8%	9.1%	0.7%
2010	8.1%	6.9%	1.2%