

# Finsolnet Money Market Fund

June 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%  | 6.8%   | 9.2%   | 9.5%   |

## PERFORMANCE COMMENTARY

The EU's failure to contain the Greek debt crisis sent shock waves through the markets. Panic intensified as Prime Minister George Papandreou fought parliamentary opposition against the further austerity measures needed to secure the next bailout instalment. A slew of weak economic data and the looming expiry of the US Federal Reserve's QE2 led to a growing realisation that the slowdown in global recovery is more severe and long-term in nature than expected. Markets seemed to be in freefall and halted only after Papandreou, following a cabinet reshuffle, gained enough parliamentary votes to pass the austerity plan required by the EU. European banks hold 96% of the Greek sovereign debt, with France and Germany leading the pack.

Moody's and Fitch followed S&P in putting the US government on notice that it risked losing its AAA-rating unless politicians end squabbling over the statutory debt limit. Both Fed chairman Ben Bernanke and Treasury Secretary Timothy Geithner warned that a failure to raise the US\$14.3 trillion debt ceiling by 2 August may have catastrophic effects.

The World Bank lowered its growth forecast for the global economy this year to 3.2% from a January estimate of 3.3%, to reflect the effects of Japan's earthquake and political unrest in the Middle East and North Africa. On the international stage Italy's Mario Draghi is set to replace France's Jean-Claude Trichet as the next president of the ECB from 1 November 2011 to 31 October 2019 and France's Christine Lagarde was named the first-ever female chief of the IMF.

The South African Reserve Bank painted a more upbeat picture of the economy in a quarterly report. First quarter GDP growth came in nicely ahead of expectations, up 4.8% (annualised) for the quarter as manufacturing bounced strongly and financial services and retail performed well. Credit growth was up 6.2% year-on-year in April. However, the pick-up in asset backed lending, up to 3.3% year-on-year from 3.1% in March, was more muted. Inflation quickened to 4.6% year-on-year in May (0.5% month-on-month), up from 4.2% in April, on steeper food prices, as well as administered prices such as electricity, petrol, rates and taxes. The Reserve Bank indicated however that it would hold off raising interest rates for as long as possible.

FTSE/JSE All Share Index ended the month 2.0% down, with Resources falling by 3.0%, Industrials by 1.4% and Financials by 2.4%. The bond market benefitted from strong foreign inflows and ended the month 0.2% up.

## 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

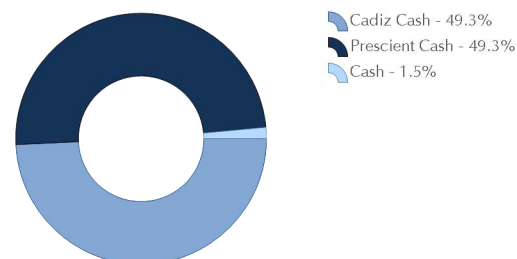
Sasfin is a premier South African banking group, providing business banking, wealth management, capital, specialised services and treasury services. Sasfin Asset Consulting, a division of Sasfin, provides a comprehensive, independent and highly professional financial advisory service to institutional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

## TOTAL EXPENSE RATIO

0.650% per annum (excluding VAT)

## PERFORMANCE

| PERIOD                       | FUND | STeFI |
|------------------------------|------|-------|
| 1 month                      | 0.5% | 0.5%  |
| 3 month                      | 1.5% | 1.4%  |
| 6 month                      | 3.1% | 2.8%  |
| Year to date                 | 3.1% | 2.8%  |
| 1 year                       | 6.8% | 6.2%  |
| 2 year                       | 7.5% | 6.9%  |
| 3 year                       | 9.2% | 8.3%  |
| 5 year                       | 9.5% | 8.8%  |
| Since Inception (back dated) | 9.0% | 8.3%  |



## HISTORICAL PERFORMANCE

|             | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Year  | STeFI |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|
| <b>2007</b> | 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%  |
| <b>2008</b> | 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% |
| <b>2009</b> | 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%  |
| <b>2010</b> | 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%  |
| <b>2011</b> | 0.5% | 0.6% | 0.5% | 0.5% | 0.5% | 0.5% |      |      |      |      |      |      | 3.1%  | 2.8%  |

## FOR MORE INFORMATION CONTACT:

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

## FAIS Notice and Disclaimer:

The above portfolio is available under a policy of insurance issued by Sygnia Life FSP No 2935. The asset mix and underlying asset managers are determined in consultation with Sasfin Asset Managers (Pty) Ltd FSP No 21664. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act 37 of 2002, as amended. Sasfin Asset Managers and/or Sasfin Asset Managers shall not be liable for any actions taken by any person based on the correctness of this information.