Finsolnet Money Market Fund

Asset Consulting | sasfin Wealth

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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%	6.5%	8.7%	9.5%

PERFORMANCE COMMENTARY

Four years after the collapse of Lehman Brothers, panic once again gripped the financial markets as the European Union struggled to contain the sovereign debt crisis. Renewed signs of economic weakness globally and the downgrading of US debt by S&P rekindled concerns about the quality of all government debt. Spain's and Italy's borrowing costs soared amid concerns about possible bail-outs. Amid summer holidays cut short for political leaders, social unrest in the UK, Hurricane Irene hitting the east coast of the US and more violence in Syria and Libya, August brought back memories of the dark days of 2007.

As global recession threatened, the Federal Reserve pledged to keep interest rates near zero until at least mid-2013, the European Central Bank intervened in the bond markets and the Bank of England indicated it is ready to add more stimulus if needed. Money poured into the safety of US Treasuries (despite the S&P downgrade), gold and the Swiss and Japanese currencies. Snatching victory from the mouth of defeat, the last week brought an amazing swing in sentiment as the threat of a global double dip recession lessened on the back of stronger economic data. Gold, in a bouncy ride mirroring the swings in sentiment, started the month at US$1 614 an ounce, rose to a peak of US$1 917 an ounce, before ending the month at US$1 820 an ounce.

In South Africa August was a dismal month of strikes, threats of nationalisation and political notoriety. Consumer inflation rose more than expected to 5.3% year-on-year in July from 5.0% in June. The 0.9% month-on-month increase was largely driven by food prices. Producer inflation, which represents domestic output, also quickened to 8.9% year-on-year in July from 7.4% in June. Most worryingly, the second quarter GDP growth slowed sharply to an annualised 1.3% from the first quarter's 4.8%, with the manufacturing sector contracting by 1.1%. The Reserve Bank governor Gill Marcus indicated the economy's performance had been "disappointing".

The FTSE/JSE All Share Index ended the month 0.3% down, pulled down by Resources (-1.5%). Both the Industrial and Financial sectors ended the month positive (up 0.3% and 1.2% respectively). The bond market continued to benefit from strong foreign buying, rising by 3.5%. International exposure fared poorly, with the rand's depreciation not sufficient to compensate for the fall in the global equity markets.

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

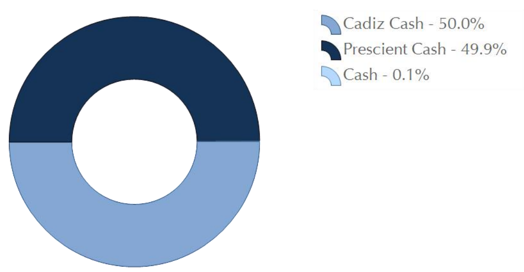
Sasfin is a premier South African banking group, providing business banking, wealth management, capital, specialised services and treasury services. Sasfin Asset Consulting, a division of Sasfin, provides a comprehensive, independent and highly professional financial advisory service to institutional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

TOTAL EXPENSE RATIO

0.650% per annum (excluding VAT)

PERFORMANCE

PERIOD	FUND	STEFI
1 month	0.5%	0.5%
3 month	1.4%	1.4%
6 month	3.0%	2.8%
Year to date	4.1%	3.8%
1 year	6.5%	6.0%
2 year	7.3%	6.7%
3 year	8.7%	8.0%
5 year	9.5%	8.7%
Since Inception (back dated)	8.9%	8.3%



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%	0.6%	0.5%	0.5%	0.5%	0.5%	0.4%	0.5%					**4.1%**	**3.8%**

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