



November/11

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 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	12 Months	Since Inception
0.5%	6.1%	8.8%

PERFORMANCE COMMENTARY

The FTSE/JSE All Share Index ended the month up 1.6%, pulled up by Resources (1.9%). Both the Industrial and Financial sectors also ended the month positive (up 1.1% and 1.2%, respectively). The bond market was flat on rising risk aversion. International exposure fared more poorly, with the rand's depreciation not sufficient to compensate for the fall in the global equity markets.

The European debt crisis toppled the Spanish, Italian and Greek governments as the borrowing costs of most euro zone countries rose to dangerously high levels. Market sentiment deteriorated as contagion spread from the periphery to the core of the euro zone. The "muddle through" euro zone solution which seemed most likely to win general endorsement involves using a combination of ECB, IMF and EFSF funding. However there are serious doubts about its effectiveness to stave off debt restructuring by Italy and Spain and a potential break-up of the euro zone.

To compound the problems, economic growth has slowed down globally, and a spate of ratings and outlook downgrades, including Belgium, Portugal, the US, US banks and Hungary dampened investor enthusiasm. In the US, the joint Democrat-Republican "super committee" charged with formulating a plan for cutting US debt by US\$1.5 trillion over 10 years failed to reach consensus, triggering automatic budget cuts in 2013.

The last day of the month brought a surprising rally as six central banks led by the Fed lowered the overnight rate charged to borrow US dollars by any bank operating in their collective jurisdictions. The "easing" cheered the markets, although this instant liquidity injection needed mostly by the European banks is not a resolution of the euro zone sovereign debt problems.

South Africa's economy expanded by 1.4% annualised in Q3, following rates of 4.5% and 1.3% in Q1 and Q2, as mining, manufacturing and agricultural activity all showed negative growth. The manufacturing PMI only just stayed in positive territory in October and consumption has been slow to pick up as 25.0% of South Africans remain unemployed. CPI rose to 6.0% year-on-year boosted by higher prices for food and non-alcoholic beverages. As expected, the Reserve Bank left its repo rate unchanged at 5.5%, as it balanced concerns over sluggish economic growth with rising inflation. Moody's downgraded its outlook on South Africa's government debt rating from stable to negative citing political uncertainty, growth and budget deficit concerns.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.5%	0.0%
3 month	1.4%	1.4%	0.0%
6 month	2.9%	2.8%	0.0%
Year to date	5.6%	5.2%	0.3%
1 year	6.1%	5.8%	0.3%
2 year	7.0%	6.4%	0.6%
3 year	8.0%	7.4%	0.6%
5 year	9.3%	8.6%	0.7%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%
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%		5.6%

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