January/12

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 be Amadwala 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 year started on an unexpectedly upbeat note as the US economic data painted a picture of steady recovery. Elsewhere, economic activity was subdued. Both the World Bank and the IMF cut their global economic growth forecasts for 2012, to 2.5% and 3.3% respectively.

Greece spent the month in negotiations with private bond holders to forgive at least half of its debt ahead of a decision on the next bail out instalment. If Greece fails, it may face default as early as March when €14.5 billion of its bonds mature. Increasingly, the troika of foreign lenders, the ECB, the EU and the IMF, has come to believe that the country has neither the ability nor the will to carry out the economic reforms it has promised in exchange for aid. Successful bond auctions by Italy, Portugal, Spain, France, Germany and Belgium cheered the markets. The success is in no small measure attributable to the €489 billion disbursed by the ECB to the euro zone banks.

Stock markets fell temporarily when S&P stripped France of its top AAA credit rating, but rallied on China's growth figure of 9.2% for 2011 and after the US Federal Reserve said it will not raise interest rates until late 2014. The EU summit in Brussels resulted in an agreement on tighter budgetary rules and finalisation of the permanent bail-out fund, the European Stability Mechanism. Britain and the Czech Republic opted not to adopt the measures.

South Africa faced a slew of growth forecast cuts for 2012. The IMF cut its growth projections down to 2.5%, the Reserve Bank to 2.8%, and Finance Minister Pravin Gordhan announced that he will revise the official growth forecast to below 3% in the February 22nd budget. Following a similar move by Moody's in November 2011, Fitch cut South Africa's BBB+ rating outlook from stable to negative, citing limited progress on several structural issues. The Reserve Bank kept the repo rate unchanged at 5.5%, while consumer inflation held steady at 6.1% year-on-year in December.

The FTSE/JSE All Share Index started the year 5.7% up, driven largely by the Resources sector's stellar 8.3% return. The bond market was more subdued, delivering 2.1%, while the Rand strengthened by 3.5% against the US dollar.

PERFORMANCE

PERIOD	FUND	BM	DIFFERENCE
1 month	0.5%	0.5%	0.1%
3 month	1.6%	1.4%	0.2%
6 month	3.0%	2.8%	0.2%
Year to date	0.5%	0.5%	0.1%
1 year	6.1%	5.7%	0.4%
2 year	6.9%	6.3%	0.6%
3 year	7.7%	7.1%	0.6%
5 year	9.2%	8.5%	0.7%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
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%	0.5%	**6.1%**
2012													
	0.5%												**0.5%**

FOR MORE INFORMATION CONTACT:

Sygnia Asset Managmement | 7th Floor | The Foundry | Cardiff Street | Green Point | 8001

Tel | +27 21 446 4940 Fax | +27 21 446 4950 E-mail | info@sygnia.co.za