Sasfin A Money Market Product

June 2020

The Money Market Portfolio is a low risk money market fund 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 and short term credit instrument arena. This portfolio is managed on a multi-manager basis. Each manager appointed to manage a portion of the portfolio has been selected on the basis of rigorous quantitative and qualitative analysis. The underlying managers are 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.

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.

FEES

Investment Managers: Up to 0.15%
Platform: Up to 0.28%

The above fees exclude VAT, performance fees and fund expenses. The investment management fees consist of fees charged by the underlying investment managers and Sasfin Asset Managers. The indicative investment management fees are based on the respective strategic weightings of the underlying investment managers. The investment management fees will vary from time to time based on the actual manager weightings.

PERFORMANCE SUMMARY

1 Year	3 Year	5 Year	Since Inception
7.4%	8.0%	8.2%	8.3%

PERFORMANCE COMMENTARY

We are halfway through the year and, despite a strong recovery, markets are still caught between conflicting signals. On the positive side, forward-looking indicators such as Empire and Philly Surveys suggest that the recession is already over in the US; global growth is set to rebound in Q3 as economies open up; a Covid-19 vaccine is likely soon given the unprecedented government funding to drug makers; policy remains supportive; and a potential Biden victory could contain geopolitical risk with China.

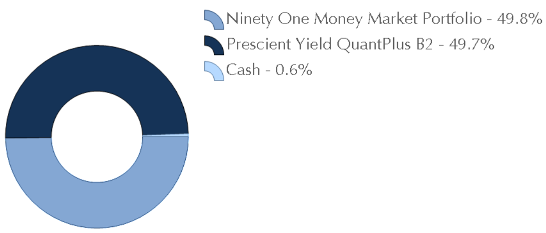
On the negative side, the IMF revised its global growth outlook lower and now expects GDP to contract by 4.9% in 2020 (previously -3.0%), the most in six decades; company results show massive damages to earnings; Trump continues his sabre-rattling against China; and the Covid-19 infection rate is on the rise again. However, the increase is far slower than before and for now, policymaker preferences are leaning towards isolated measures for lockdowns, partly due to lower-than-modelled hospitalisation rates. As Trump's campaign for re-election in November heats up, we are likely to see a continued escalation of US/China tensions.

US President Trump criticised China's handling of the Covid-19 pandemic, stating that the US could consider a complete decoupling from the Chinese economy. An underwhelming rally in Tulsa dampened Trump's odds of retaining the presidency, down to 47% compared to Biden's 53%. The coronavirus crisis will keep the dollar elevated in the near term as a safe haven asset, but as the crisis resolves we could see the start of long-term dollar weakness, particularly if Biden takes the reins.

In a special adjustment budget, the first of its kind, Tito Mboweni announced that with the Covid-19 recession, fiscal deterioration accelerated: gross national debt is now expected to reach 81.8% of GDP in the current year. The IMF estimates GDP growth in South Africa to contract by 8% this year. The government has resolved to implement active economic reform measures that will raise growth, create jobs and stabilise the debt-to-GDP ratio. But even with these reforms, gross debt-to-GDP is expected to peak at a massive 87.4% in four years. Moody's responded to the budget stating that the reforms "will be very difficult to achieve." Meanwhile SAA's restructure has once again been delayed by the unions. We wait for the MTBPS. The FTSE/JSE SWIX Index gained 8.1%, with Industrials and Financials up 8.3% and 3.1% respectively. The JSE All Bond Index fell 1.2%, while the rand appreciated by 1.4% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	STEFI
1 month	0.4%	0.4%
3 month	1.5%	1.5%
6 month	3.4%	3.2%
Year to date	3.4%	3.2%
1 year	7.4%	6.8%
2 year	7.8%	7.1%
3 year	8.0%	7.2%
5 year	8.2%	7.2%
10 year	7.4%	6.5%
Since Inception (back dated)	8.3%	7.3%



HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	STeFI
2016	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	**8.5%**	**7.4%**
2017	0.7%	0.7%	0.7%	0.6%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	**8.7%**	**7.5%**
2018	0.7%	0.7%	0.6%	0.7%	0.7%	0.6%	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%	**8.5%**	**7.3%**
2019	0.7%	0.6%	0.7%	0.5%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.5%	0.6%	**7.9%**	**7.3%**
2020	0.7%	0.5%	0.7%	0.6%	0.5%	0.4%							**3.4%**	**3.2%**

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