Sasfin A Money Market Product

Asset Consulting | sasfin Wealth

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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 0.21%
Platform: Up to 0.15%

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
7.1%	5.0%	6.2%	7.7%

PERFORMANCE COMMENTARY

March got off to a difficult start as a higher-than-expected US Core Personal Consumption Expenditures Index added fuel to the Fed's hawkish fire, sending markets lower. Back-to-back failures of two US regional banks saw US two-year Treasury yields incur their steepest drop since the early 1980s, from above 5% to below 4%, causing the dollar to plummet. Only days later, a Swiss government-engineered takeover of Credit Suisse averted an immediate crisis among systemically important financial institutions (SIFIs), but market sentiment soured on the potential ongoing risks such institutions pose to the global economy. To this end, Credit Suisse in the EU and the SVB Financial Group in the US can be compared to other isolated pockets of tension over the last six months, including the failure of cryptocurrency exchange FTX.com and the UK's Liability Driven Investment (LDI) pension fund turmoil. These are all symptoms of massive Covid-induced monetary stimulus, and we have no doubt that more pockets of fragility exist. However, we do not believe that any such pockets of fragility will lead to another financial crisis, particularly as central banks have learned many lessons from the Global Financial Crisis (GFC) of 2008.

The GFC saw dollar strength and non-US equity fall relative to the S&P 500. Then, the dollar weakened after the Fed stepped in twice, and EMs outperformed the S&P 500 as rest-of-world growth was better insulated from the GFC. As a base case, if we skip the banking contagion this time round and the Fed still slows rate hikes because of the banking risk, dollar depreciation is likely and rest-of-world equities should outperform those of the US. This narrative is easily strengthened in light of China's reopening (still under way) and Europe's resilience to date in the face of their energy crisis. We are not out of the woods yet, but the "Fed put" is back. To provide financial stability, central bankers have decided to use interest rates to fight inflation and quantitative easing. A combination of higher inflation, higher rates and higher volatility is matching our forecasts and will lead to a weaker dollar, which is good for the rest of the world's liquidity, cost of capital and, hence, growth. However, a recession later in the year is still on the cards for the US.

The FTSE/JSE CAPPED SWIX Index dropped by 1.9%, Industrials were down 0.7% and Financials decreased by 5.8%. The JSE All Bond Index climbed by 1.3%, while the rand appreciated by 3.3% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	STEFI
1 month	0.6%	0.6%
3 month	2.0%	1.7%
6 month	4.1%	3.3%
Year to date	2.0%	1.7%
1 year	7.1%	5.9%
2 year	5.5%	4.9%
3 year	5.0%	4.8%
5 year	6.2%	5.8%
10 year	6.9%	6.2%
Since Inception (back dated)	7.7%	6.9%

HISTORICAL PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	STeFI
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%	0.4%	0.4%	0.4%	-0.4%	0.2%	0.4%	**4.9%**	**5.4%**
2021	0.3%	0.3%	0.3%	0.4%	0.3%	-0.5%	0.4%	0.3%	0.4%	0.3%	0.5%	0.5%	**3.6%**	**3.8%**
2022	0.4%	0.4%	0.5%	0.5%	0.4%	0.4%	0.5%	0.6%	0.4%	0.8%	0.6%	0.7%	**6.4%**	**5.2%**
2023	0.8%	0.5%	0.6%										**2.0%**	**1.7%**

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