Sasfin A Money Market Product

Asset Consulting | sasfin Wealth

June 2023

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 0.19%
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
7.2%	4.9%	6.1%	7.7%

PERFORMANCE COMMENTARY

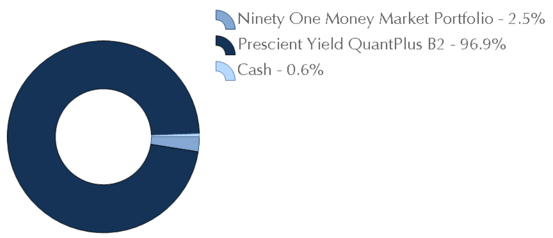
Markets performed well in June, buoyed by the raising of the US debt ceiling, falling energy prices and resilient economic growth – but this resilience will lead to higher inflation for longer and a longer pause in interest rate hikes by the Federal Reserve (the Fed). It is therefore important to focus on what global policymakers do, rather than on what they say. The Fed maintained a hawkish tone but did not raise rates in June. On the other side of the world, China's official policy of prioritising economic growth was reflected in yet another rate cut and further fiscal stimulus, causing the market to rally briefly. However, the market is not yet convinced there is sufficient stimulus to promote robust reflation. While global energy prices have fallen, the current Ukrainian counteroffensive unfortunately aggravates geopolitical risk. If significant territorial shifts occur and Russia loses major ground, Russia may intensify its military pressure and further cut commodity exports. The Wagner group's push towards Moscow increases this risk.

Investor sentiment has surged to its highest level since late 2021, as evidenced by the CNN risk appetite indicator, which is sitting in extreme-greed territory. This suggests that equities are due for a correction, but a deep correction is not expected. The short-term outlook is dominated by two risks: China's policy support and the Fed's rhetoric on inflation. Further negative news on either of these fronts could be a catalyst for a pullback in equity markets. That said, there are reasons to believe that should a US recession occur, it will be a shallow one. First, there are no major imbalances or debt build-ups in corporates or individuals. Second, high cash balances have put a floor under household wealth. Third, the US regional banking system remains contained. And fourth, inflation is continuing to fall. BCA estimate that with inflation below 4%, real earnings will turn positive and a US earnings rebound in 2H is likely. In China, small steps are already being made to increase policy support. Absent a major escalation in geopolitical risk in the Ukraine or elsewhere, earnings should continue to grow this year, supporting equities. However, the lagged impacts of higher interest rates could take their toll next year.

The FTSE/JSE CAPPED SWIX Index increased by 3.8%, Industrials were up 3.7% and Financials climbed by 11.4%. The JSE All Bond Index improved by 4.6%, while the rand appreciated by 4.7% relative to the US dollar.

PERFORMANCE

PERIOD	FUND	STEFI
1 month	0.6%	0.6%
3 month	1.4%	1.9%
6 month	3.4%	3.7%
Year to date	3.4%	3.7%
1 year	7.2%	6.7%
2 year	6.1%	5.4%
3 year	4.9%	4.9%
5 year	6.1%	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%	0.2%	0.6%	0.6%							**3.4%**	**3.7%**

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