

WEBSITE MONTHLY REPORTS

SALA PENSION FUND

FINANCIAL POSITION AND PERFORMANCE

As a result of the movements in the financial markets the SALA Fund's total assets is R14 012 789 051 as at the end of October 2015. For the 12 months up to October the Active Members' portion of the total Fund returned 13.93%, DC Members returned 13.64% whilst the Pensioners Members' portion returned 11.57% p.a. Over the past 5 years to 31 October 2015 the total Fund returned 14.33% p.a.

FINANCIAL MARKET OVERVIEW

The local financial market recovered alongside global markets as investor optimism was bolstered by the prospect of the major central banks keeping interest rates unchanged or loosening their monetary policies even further. The FTSE/JSE All Share Index experienced its best month in more than two years as the Index rose 7.6%. Industrial shares was the best performing sub-sector with a gain of 8.5%. The recovery in the local market was fairly broad-based and financial and resources shares ended up 7.3% and 5.6% respectively. The South African youth made themselves heard in October and stole news headlines as they protested over the costs of tertiary education. Not surprisingly, as unemployment figures revealed horrible statistics of poor job creation amongst the youth. The unemployment rate inched up to 25.5% during the third quarter.

Finance Minister Nhlamhla Nene presented the Medium Term Budget Policy Statement amidst a challenging backdrop of slower economic growth and little room for fiscal flexibility. The budget deficit was seen to remain under pressure for the next three years. The International Monetary Fund revised its growth forecasts for the country lower. It saw growth for 2015 coming in at 1.4% where after it deteriorates further to 1.3% next year. The growth slowdown was also evident in the latest mining and manufacturing numbers which both came in below expectations. The monthly business confidence index fell to a 22-year low.

The All Bond Index was up 1.3% for the month. At mid-month, its gain was double its monthly return as the Index followed the rand stronger, but it lost ground towards month-end. The rand tried to rally, but it faltered to break through the R13/\$ level and ended the month almost unchanged at R13.80 against the dollar. Consumer price inflation for September remained stable at 4.6%. The main surprise was lower than expected food price inflation. Core inflation also remained unchanged at 5.3%. Listed property was up 2.1% and was the best performing asset class for the year-to-date with a return

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	2 079.4	8.3%	-1.2%	-0.3%	1.0%	3.0%
Nasdaq	5 053.8	9.4%	-1.5%	2.3%	6.7%	9.1%
MSCI Global Equity	1 705.8	7.8%	-3.4%	-4.1%	-0.2%	-0.1%
MSCI Emerging Mkt	847.8	7.0%	-6.0%	-19.1%	-11.3%	-16.6%
Global Bond (US\$)						
Global Bonds	495.4	-0.9%	1.5%	-1.0%	-1.7%	-3.6%
Commodity Prices						
Brent Oil (USD/Barrel)	49.6	2.1%	-5.1%	-25.7%	-13.6%	-41.9%
Platinum (USD/oz)	985.0	8.7%	0.1%	-13.7%	-18.5%	-20.0%
Gold (USD/oz)	1 142.2	2.4%	4.3%	-3.6%	-3.5%	-2.6%
South African Mkt (Rand)						
Africa All Share	7 204.2	7.6%	4.8%	0.4%	11.3%	11.6%
Africa Top 40	6 472.9	7.9%	5.3%	1.8%	13.2%	12.3%
Africa Resource 20	1 997.9	5.6%	-4.8%	-22.2%	-16.3%	-25.6%
Africa Financial 15	8 359.4	7.3%	0.7%	-3.4%	12.1%	15.6%
Africa Industrial 25	13 315.1	8.5%	8.7%	7.8%	19.2%	22.8%
Africa Mid Cap	13 581.0	6.3%	1.8%	-8.2%	0.8%	7.4%
Africa Small Cap	18 601.0	5.2%	1.8%	-1.5%	5.8%	8.8%
All Bond Index	500.3	1.3%	1.4%	1.5%	4.0%	4.9%
Stefi Composite	328.1	0.5%	1.6%	3.2%	5.3%	6.4%
Africa SA Listed Property - (SAPY)	2 043.3	2.1%	3.1%	1.7%	15.6%	20.2%
MSCI Global Equity (R)		7.6%	5.4%	12.2%	20.3%	25.1%
Global Bonds (R)		-1.1%	10.7%	15.8%	18.4%	20.7%
Rand Dollar Exchange Rate	13.80	-0.2%	9.1%	17.0%	20.5%	25.2%