

WEBSITE MONTHLY REPORTS
SALA PENSION FUND

Local asset prices plunged amidst concerns over global economic stagnation and a potential Greek default. The FTSE/JSE All Share Index ended, during a very volatile month, 3.6% lower. It was a broad based sell-off with resources 4.7% lower and financial and industrial shares down 3.3% and 3.4% respectively. The rand posted its largest daily loss since October 2008 and depreciated by 15.7% against the dollar during the month. It closed at R8.09 against the dollar.

The rand's sharp depreciation right before the Reserve Bank's Monetary Policy Committee meeting might have swayed some members from calling for an interest rate cut. The Reserve Bank left interest rates unchanged, but revised their economic growth forecasts lower. This is in conjunction with the deterioration in the growth of the leading economic indicator. The manufacturing sector is already struggling, with a 6% year on year contraction experienced in July. The manufacturing sector has continued to shed jobs, according to the latest employment data, while the public sector has been the employer of last resort. In contrast, consumer demand has been resilient according to growth in retail sales.

Even though inflation for August, at 5.3%, surprised to the downside, local bonds suffered severe withdrawals from international investors. Foreign investors withdrew more than R18bn from the bond market. The All Bond Index lost 2.1% - the same as the decline in the listed property sector during the month.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 131.4	-7.2%	-14.3%	-14.7%	-10.0%	-0.9%
Nasdaq	2 415.4	-6.4%	-12.9%	-13.1%	-9.0%	2.0%
MSCI Global Equity	1 104.1	-8.8%	-17.1%	-17.3%	-13.7%	-6.4%
MSCI Emerging Mkt	880.4	-14.8%	-23.2%	-24.8%	-23.5%	-18.1%
Global Bond (US\$)						
Global Bonds	518.5	-1.4%	3.1%	6.5%	7.1%	5.2%
Commodity Prices						
Brent Oil (USD/Barrel)	105.9	-8.2%	-5.3%	-9.7%	11.8%	30.4%
Platinum (USD/oz)	1 525.5	-17.4%	-11.6%	-13.6%	-13.8%	-7.8%
Gold (USD/oz)	1 624.4	-11.0%	8.2%	13.4%	14.3%	24.1%
South African Mkt (Rand)						
Africa All Share	3 502.8	-3.6%	-5.8%	-6.4%	-5.4%	3.6%
Africa Top 40	3 120.4	-4.0%	-6.6%	-7.8%	-5.8%	3.6%
Africa Resource 20	2 460.0	-4.7%	-10.4%	-15.5%	-13.4%	0.9%
Africa Financial 15	3 222.4	-3.3%	-4.4%	-4.0%	-2.7%	-3.5%
Africa Industrial 25	4 380.7	-3.4%	-3.2%	0.5%	1.4%	8.8%
Africa Mid Cap	7 114.1	-1.8%	-2.0%	1.3%	-3.3%	3.1%
Africa Small Cap	8 383.9	-0.3%	-2.3%	0.0%	-5.3%	5.4%
All Bond Index	361.4	-2.1%	2.8%	6.8%	5.1%	5.9%
Stefi Composite	261.4	0.5%	1.4%	2.8%	4.3%	5.9%
Africa SA Listed Property - (SAPY)	913.4	-2.1%	2.2%	7.3%	5.0%	8.3%
MSCI Global Equity (R)		5.5%	-0.7%	-0.9%	5.5%	8.9%
Global Bonds (R)		14.0%	23.4%	27.6%	30.9%	22.3%
Rand Dollar Exchange Rate	8.09	15.7%	19.7%	19.8%	22.3%	16.3%

As a result of the movements in the financial markets the SALA Fund's total assets is R8 293 016 392 as at the end of September 2011. For the month of September the Active Members' portion of the total Fund returned 0.53%, DC Members returned 0.03% whilst the Pensioners Members' portion returned 1.06% p.a. Over the past 5 years to 30 September 2011 the total Fund returned 10.62% p.a.