

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 R13 987 957 991 as at the end of November 2015. For the 12 months up to November the Active Members' portion of the total Fund returned 12.02%, DC Members returned 12.08% whilst the Pensioners Members' portion returned 9.72% p.a. Over the past 5 years to 30 November 2015 the total Fund returned 14.53% p.a.

FINANCIAL MARKET OVERVIEW

The local market received a triple whammy of falling commodity prices, slowing growth conditions and an unexpected interest rate hike during the month. The Reserve Bank governor hiked interest rates by 0.25% to 6.25% despite inflation and growth forecasts that were revised lower. The risks to the inflation forecasts rose, however, as upside pressure could build from further currency depreciation and/or a drought-induced rise in food prices. Commodity prices slipped sharply during the month and caused commodity orientated companies' share prices to fall.

The FTSE/JSE All Share Index reversed a large part of the previous month's gain and ended 3.9% lower. The biggest detractor was the resources sector which fell by 22.5%. The financial and industrial sectors ended 4% and 1% lower, respectively. On a relative basis, the rand hedge shares were the outperformers. Economic data released during the month painted a disappointing picture. GDP growth for the third quarter of this year came in below expectations at 0.7%. The primary sector, but more specifically agriculture and mining activity, suffered severe contractions that detracted from growth.

The 10 year government bond yield rose by 24 basis points during the month and the All Bond Index lost 1% of its value as a result. Foreigners were sellers of both local bonds and shares to the value of R16.4bn. This caused sharp rand depreciation and the rand lost more than 4% of its value to close the month at an all-time high of R14.43 against the dollar. The rand was the 4th worst performing emerging market currency in November. Listed property did relatively well given the losses in the bond and equity market and the Index was only 0.5% lower for the month.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	2 080.4	0.1%	5.5%	-1.3%	1.0%	0.6%
Nasdaq	5 108.7	1.1%	7.0%	0.8%	7.9%	6.6%
MSCI Global Equity	1 694.4	-0.7%	3.0%	-4.8%	-0.9%	-2.6%
MSCI Emerging Mkt	814.3	-4.0%	-0.5%	-18.9%	-14.8%	-19.0%
Global Bond (US\$)						
Global Bonds	489.8	-1.1%	-1.0%	0.3%	-2.8%	-3.6%
Commodity Prices						
Brent Oil (USD/Barrel)	44.7	-9.8%	-16.2%	-31.7%	-22.0%	-38.6%
Platinum (USD/oz)	831.5	-15.6%	-17.7%	-25.1%	-31.2%	-30.8%
Gold (USD/oz)	1 064.4	-6.8%	-6.2%	-10.6%	-10.0%	-8.8%
South African Mkt (Rand)						
Africa All Share	6 926.2	-3.9%	4.4%	0.5%	7.0%	6.8%
Africa Top 40	6 219.4	-3.9%	5.7%	1.9%	8.7%	8.2%
Africa Resource 20	1 548.0	-22.5%	-26.1%	-36.4%	-35.1%	-38.5%
Africa Financial 15	8 028.7	-4.0%	0.8%	-0.5%	7.7%	7.9%
Africa Industrial 25	13 183.6	-1.0%	12.8%	10.2%	18.0%	19.3%
Africa Mid Cap	13 005.4	-4.2%	-2.9%	-7.8%	-3.5%	-2.4%
Africa Small Cap	18 543.8	-0.3%	2.7%	-1.1%	5.5%	7.4%
All Bond Index	495.1	-1.0%	0.2%	1.2%	2.9%	1.3%
Stefi Composite	329.8	0.5%	1.6%	3.2%	5.9%	6.4%
Africa SA Listed Property - (SAPY)	2 033.1	-0.5%	2.4%	7.5%	15.0%	16.3%
MSCI Global Equity (R)		3.8%	12.0%	13.1%	24.9%	27.3%
Global Bonds (R)		3.4%	7.7%	19.1%	22.4%	26.0%
Rand Dollar Exchange Rate	14.43	4.5%	8.8%	18.7%	26.0%	30.7%