

WEBSITE MONTHLY REPORTS
SALA PENSION FUND

Financial markets experienced a mid-month scare when the global credit rating agency, *Standard and Poor's*, revised their outlook on US government debt from neutral to negative and warned that the US might face a possible credit rating downgrade in the future. The local market was not spared the knee-jerk reaction, but strong global data towards the end of the month helped to revive risk appetite and turned foreigners into firm buyers of both domestic equities and bonds. The FTSE/JSE All Share Index gained 2.2% by month-end after it was trading by more than 2% lower during the month. Telecoms was once again the best performing sub-sector and industrial shares the best performing sector, with a return of 4.3%. Financial shares closed 2.9% higher and resources ended marginally positive with a return of 0.1%.

Higher food and energy prices have driven global inflation rates higher, but the impact on domestic inflation figures has been relatively muted so far. The CPI increase, on a year on year basis, for March was 4.1%, up from 3.6% the previous month but still comfortably below the Reserve Bank's upper limit of 6%. Economic data has been mixed with private sector credit extension below expectations and the leading indicator for manufacturing edging lower. The IMF, in its latest publication, predicts that the South African economy will grow by 3.5% during 2011. The return of foreign investors and less aggressive interest rate hike expectations caused a rally in the bond market. The All Bond Index gained 2.2% during the month.

The rand appreciated by 3.1% against the US dollar on the back of continued dollar woes to close at R6.56 a dollar. However, the rand weakened by 1.4% against the euro. The rand's movement against the dollar broadly tracked the movement in the gold price as gold gained 6.7% to end the month above \$1,500 an ounce.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,363.6	2.8%	6.0%	15.2%	8.4%	14.9%
Nasdaq	2,873.5	3.3%	6.4%	14.6%	8.3%	16.8%
MSCI Global Equity	1,388.6	4.0%	6.2%	13.6%	8.5%	15.9%
MSCI Emerging Mkt	1,204.0	2.8%	7.6%	8.9%	4.6%	18.0%
Global Bond (US\$)						
Global Bonds	501.9	3.1%	3.8%	0.5%	3.7%	11.4%
Commodity Prices						
Brent Oil (USD/Barrel)	126.2	7.5%	27.2%	53.0%	33.2%	47.0%
Platinum (USD/oz)	1,875.0	6.1%	4.6%	9.8%	5.9%	8.6%
Gold (USD/oz)	1,565.6	9.3%	17.5%	15.2%	10.1%	34.0%
South African Mkt (Rand)						
Africa All Share	3,826.6	2.2%	5.7%	9.3%	3.4%	17.8%
Africa Top 40	3,454.7	2.1%	6.2%	10.6%	4.3%	18.3%
Africa Resource 20	2,913.3	0.1%	3.0%	10.1%	2.5%	14.6%
Africa Financial 15	3,451.7	2.9%	5.5%	6.6%	4.2%	8.4%
Africa Industrial 25	4,543.7	4.3%	9.6%	11.2%	5.1%	27.1%
Africa Mid Cap	7,227.8	2.9%	3.2%	2.1%	-1.7%	15.6%
Africa Small Cap	8,611.9	2.7%	0.9%	4.1%	-2.7%	11.3%
All Bond Index	346.0	2.3%	2.9%	0.4%	0.7%	9.4%
Stefi Composite	255.4	0.5%	1.4%	2.9%	1.9%	6.4%
Africa SA Listed Property - (SAPY)	882.6	3.7%	5.9%	3.2%	1.5%	17.5%
MSCI Global Equity (R)		1.0%	-3.0%	6.6%	1.0%	2.9%
Global Bonds (R)		0.1%	-5.2%	-5.7%	2.7%	-1.1%
Rand Dollar Exchange Rate	6.56	-2.9%	-8.6%	-6.1%	-0.9%	-11.2%

As a result of the movements in the financial markets the SALA Fund's total assets grew to R8,315,138,412 as at the end of April 2011. For the month of April the Active Members' portion of the total Fund returned 1.58%, DC Members returned 1.68% whilst the Pensioners Members' portion returned 1.02% p.a. Over the past 5 years to 30 April 2011 the total Fund returned 12.32% p.a.