

**WEBSITE MONTHLY REPORTS
SALA PENSION FUND**

Upbeat global investor sentiment lifted the domestic financial market during December as the global economic outlook for 2011 improved. The FTSE/JSE All Share Index gained 6.2% during the month to lift its year-to-date return to 19.0%. In dollar terms, the All Share Index delivered a phenomenal 32.8% during 2010. The equity market experienced a broad-based advance during the month, but the resources sector was the best performing sector with a return of 7.7%. The local equity market benefitted from net foreign equity purchases to the value of R16.9bn during the final quarter of the year.

Economic data also turned more upbeat during the final month of the year. Manufacturing data improved, recovering from the negative impact of strike action earlier the year and money supply data indicated that lending activity is on a recovery path once again. The Reserve Bank released its Quarterly Bulletin for the third quarter of 2010 that revealed a much smaller than expected current account deficit at 3% of GDP and a surge in household expenditure which reassured the recovery in domestic economic growth.

The bond market benefitted from the strength in the local currency and the All Bond Index closed the month 1.7% higher. In December, the rand was the strongest emerging market currency in the world against the dollar and on a real effective exchange rate basis it appreciated to its best level since 1997. The rand closed at R6.62 against the dollar, notwithstanding looser foreign exchange regulation for pension funds announced early the month. The listed property sector appreciated 2.2% during the month and with a 12-month return of 29.6%, it ended the year as the best performing asset class.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,257.6	6.5%	10.2%	22.0%	12.8%	12.8%
Nasdaq	2,652.9	6.2%	12.0%	25.8%	16.9%	16.9%
MSCI Global Equity	1,280.1	7.2%	8.6%	22.9%	9.6%	9.6%
MSCI Emerging Mkt	1,151.4	7.0%	7.1%	25.4%	16.4%	16.4%
Global Bond (US\$)						
Global Bonds	484.3	1.5%	-1.8%	6.0%	6.4%	6.4%
Commodity Prices						
Brent Oil (USD/Barrel)	94.8	9.9%	16.6%	26.7%	22.7%	22.7%
Platinum (USD/oz)	1,770.0	6.6%	6.9%	15.4%	20.4%	20.4%
Gold (USD/oz)	1,421.4	2.6%	8.6%	14.4%	29.6%	29.6%
South African Mkt (Rand)						
Africa All Share	3,701.3	6.2%	9.5%	24.0%	19.0%	19.0%
Africa Top 40	3,310.9	6.7%	9.9%	24.6%	17.2%	17.2%
Africa Resource 20	2,841.1	7.7%	16.5%	24.8%	12.3%	12.3%
Africa Financial 15	3,313.1	5.3%	-0.8%	14.9%	14.8%	14.8%
Africa Industrial 25	4,321.3	5.8%	7.4%	28.7%	26.6%	26.6%
Africa Mid Cap	7,353.2	3.1%	6.6%	20.6%	30.3%	30.3%
Africa Small Cap	8,854.1	4.6%	11.3%	22.6%	24.7%	24.7%
All Bond Index	343.7	1.7%	0.7%	8.9%	15.0%	15.0%
Stefi Composite	250.6	0.5%	1.6%	3.3%	6.9%	6.9%
Africa SA Listed Property - (SAPY)	869.8	2.2%	3.1%	17.2%	29.6%	29.6%
MSCI Global Equity (R)		0.1%	3.3%	6.1%	-2.0%	-2.0%
Global Bonds (R)		-5.3%	-6.6%	-8.5%	-4.8%	-4.8%
Rand Dollar Exchange Rate	6.62	-6.7%	-4.9%	-13.7%	-10.6%	-10.6%

As a result of the movements in the financial markets the SALA Fund's total assets grew to R8,115,226,029 as at the end of December 2010. For the month of December the Active Members' portion of the total Fund returned 2.98% whilst the Pensioners Members' portion returned 1.73% p.a. Over the past 5 years to 31 December 2010 the total Fund returned 13.59% p.a.