

WEBSITE MONTHLY REPORTS
SALA PENSION FUND

At initial glance, it did not seem as if the local financial market benefited much from the buoyant international risk appetite as the FTSE/JSE All Share Index rose by only 1.7% during the month. In dollar terms, however, the All Share Index gained 5.9% which was in line with the MSCI Emerging Market Index's return over the same period. The resources sector struggled, closing 2.5% lower as gold shares lost substantial ground amidst the stronger rand and weaker gold price. Industrial and financial shares performed well and rose 4.0% and 4.6% respectively. The listed property market gained 1% during the month.

Economic data released during the month remained relatively upbeat. Retail and wholesale trade sales surprised by its strength as consumers tapped credit markets to finance their spending. GDP growth figures for the last quarter of 2011 were released and came out in line with expectations. The domestic economy grew by 3.2% in the fourth quarter from an upwardly revised 1.7% in the previous quarter. The leading indicator for the manufacturing sector also continued to improve, pointing towards an acceleration in manufacturing production momentum.

President Zuma's State of the Nation address highlighted 2012 as the year of infrastructure delivery. It was followed on by a somewhat positive fiscal budget which saw a stabilisation in the government's debt-to-GDP ratio. The budget deficit was revised downwards from 5.5% to 4.8% for the current fiscal year. The global credit rating agencies have expressed their concern surrounding the capability of the local government to keep true to its new fiscal budget. The improvement in the budget deficit was positive for the bond market, but the All Bond Index only managed to gain 0.2% during the month. Inflation data for January indicated that prices rose by 6.3% from a year earlier with the increase predominantly driven by higher food costs.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 365.7	4.1%	9.5%	12.0%	8.6%	2.9%
Nasdaq	2 966.9	5.4%	13.2%	15.0%	13.9%	6.6%
MSCI Global Equity	1 298.7	4.7%	9.6%	7.2%	9.8%	-3.9%
MSCI Emerging Mkt	1 079.4	5.9%	16.3%	4.5%	17.8%	-2.6%
Global Bond (US\$)						
Global Bonds	520.1	-1.1%	1.2%	-1.1%	0.2%	7.1%
Commodity Prices						
Brent Oil (USD/Barrel)	122.7	10.9%	9.8%	6.3%	14.4%	9.6%
Platinum (USD/oz)	1 679.5	5.8%	7.8%	-9.0%	20.5%	-7.1%
Gold (USD/oz)	1 696.2	-2.5%	-2.8%	-7.1%	8.4%	20.2%
South African Mkt (Rand)						
Africa All Share	4 081.9	1.7%	4.9%	12.3%	7.5%	9.6%
Africa Top 40	3 639.5	1.5%	4.1%	12.0%	7.6%	8.2%
Africa Resource 20	2 798.4	-2.5%	0.1%	8.4%	5.6%	-6.0%
Africa Financial 15	3 938.4	4.6%	13.6%	18.1%	11.5%	20.9%
Africa Industrial 25	5 141.1	4.0%	5.1%	13.4%	7.7%	21.0%
Africa Mid Cap	8 273.3	3.0%	8.8%	14.1%	7.4%	18.0%
Africa Small Cap	9 584.0	2.6%	11.1%	13.9%	7.1%	13.3%
All Bond Index	382.5	0.2%	3.0%	3.6%	2.2%	13.6%
Stefi Composite	267.4	0.4%	1.4%	2.8%	0.9%	5.7%
Africa SA Listed Property - (SAPY)	1 002.5	1.0%	8.0%	7.4%	5.8%	21.8%
MSCI Global Equity (R)		0.4%	0.9%	14.5%	1.7%	3.1%
Global Bonds (R)		-5.1%	-6.9%	5.6%	-7.2%	15.0%
Rand Dollar Exchange Rate	7.47	-4.1%	-8.0%	6.8%	-7.4%	7.3%

As a result of the movements in the financial markets the SALA Fund's total assets is R8 991 482 106 as at the end of February 2012. For the month of February the Active Members' portion of the total Fund returned 0.88%, DC Members returned 1.02% whilst the Pensioners Members' portion returned 0.64% p.a. Over the past 5 years to 29 February 2012 the total Fund returned 9.81% p.a.