

**WEBSITE MONTHLY REPORTS  
SALA PENSION FUND**

South African risky assets largely ignored the political and social turmoil that was escalating in North Africa, gaining its direction during the month from commodity prices which were trending higher. The FTSE/JSE All Share Index gained 2.8% during the month as it was driven higher by a 5.3% surge in the resources sector. Industrial shares performed well with a return of 2.4%, but financial shares bucked the trend and finished the month 0.4% lower. Firmer commodity prices, especially the rise in the gold price, supported the foreign exchange rate and the rand appreciated by 3% against the dollar to R6.96.

Economic data were generally upbeat, with retail sales, vehicle sales and manufacturing activity all continuing to improve in the recent months. Economic growth for the last quarter of 2010 was reported at 4.4%, an acceleration from the 2.7% achieved in the previous quarter. The economic recovery in the final quarter of the year was broader based than previously, with most of the sectors contributing to the positive performance. Consumer price inflation remained well contained amidst rising food and fuel prices, only inching up to 3.7% for the January reading. In the limelight during the month was the Budget Speech, in which the Finance Minister announced a slightly larger than expected budget deficit of 5.3% with a great deal of emphasis on job creation. He did, however, show fiscal prudence in general and has been lauded for budget transparency.

Bonds struggled amidst higher inflation expectations and the larger than expected budget deficit, but they did gain from the appreciation in the rand. The All Bond Index ended the month marginally higher, gaining 0.1%. Listed property followed on the previous month's loss with a 1.2% decline in February.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,327.2	3.2%	12.4%	26.5%	5.5%	20.2%
Nasdaq	2,782.3	3.0%	11.4%	31.6%	4.9%	24.3%
MSCI Global Equity	1,351.6	3.3%	13.2%	25.1%	5.6%	19.3%
MSCI Emerging Mkt	1,107.8	-1.0%	3.0%	14.2%	-3.8%	18.4%
<b>Global Bond (US\$)</b>						
Global Bonds	485.6	0.4%	1.8%	0.7%	0.3%	5.9%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	112.0	12.8%	29.8%	49.5%	18.2%	46.0%
Platinum (USD/oz)	1,808.5	0.9%	8.9%	18.6%	2.2%	17.3%
Gold (USD/oz)	1,411.1	5.9%	1.9%	13.1%	-0.7%	26.4%
<b>South African Mkt (Rand)</b>						
Africa All Share	3,723.2	2.8%	6.8%	19.7%	0.6%	23.6%
Africa Top 40	3,362.4	3.3%	8.4%	21.7%	1.6%	23.9%
Africa Resource 20	2,976.7	5.3%	12.9%	31.6%	4.8%	26.9%
Africa Financial 15	3,257.5	-0.4%	3.5%	5.8%	-1.7%	10.5%
Africa Industrial 25	4,248.4	2.5%	4.0%	16.5%	-1.7%	26.9%
Africa Mid Cap	7,010.1	0.1%	-1.8%	8.8%	-4.7%	22.1%
Africa Small Cap	8,458.1	-0.9%	-0.1%	13.0%	-4.5%	18.0%
All Bond Index	336.7	0.1%	-0.4%	-0.6%	-2.0%	10.1%
Stefi Composite	253.0	0.4%	1.4%	3.1%	0.9%	6.7%
Africa SA Listed Property - (SAPY)	823.4	-1.2%	-3.2%	1.1%	-5.3%	16.3%
MSCI Global Equity (R)		0.3%	11.1%	18.1%	0.3%	7.9%
Global Bonds (R)		-2.6%	-0.1%	-4.9%	5.5%	-4.1%
Rand Dollar Exchange Rate	6.96	-3.0%	-1.9%	-5.5%	5.2%	-9.5%

As a result of the movements in the financial markets the SALA Fund's total assets grew to R8,189,823,428 as at the end of February 2011. For the month of February the Active Members' portion of the total Fund returned 1.46%, DC Members returned 1.58% whilst the Pensioners Members' portion returned 1.08% p.a. Over the past 5 years to 28 February 2011 the total Fund returned 12.67% p.a.