

**WEBSITE MONTHLY REPORTS**  
**SALA PENSION FUND**

Softer global activity data and the continued debt crisis in Europe weighed in on the local equity market during the month. The FTSE/JSE All Share Index closed the month 2% lower. Tighter monetary policy in China and the concerns over slower global growth had a marked impact on the share prices of commodity related companies. The resources sector lost 3%, while financial- and industrial shares declined by 2.4% and 1.4% respectively during the month. The industrial sector's relative outperformance can partially be explained by the robustness in consumer spending. The International Monetary Fund even upgraded its forecast on South African economic growth for this year based on the resilience of the consumer sector.

Consumer price inflation for May surprised to the upside, although core inflation remained well contained. The year on year increase of 4.6% in the inflation basket was mostly driven by higher transport and food related prices. Demand led inflation seems to be absent. Credit extension to the private sector has been poor, especially to households. The higher than expected inflation reading and the spike in US government bond yields towards the end of the month pushed local bond yields higher and the All Bond Index only managed to eke out a gain of 0.2%. Listed property did well and closed 1.2% higher for the month.

The rand had a lacklustre month, but was supported by the news that Wal-Mart completed its acquisition of a 51% stake in the domestic company, Massmart. The rand appreciated by 0.6% to R6.76 against the dollar. Foreigners were relatively inactive in the local financial market, being only small buyer of domestic equities and small sellers of bonds.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,320.6	-1.8%	-0.4%	5.0%	5.0%	28.1%
Nasdaq	2,773.5	-2.2%	-0.3%	4.5%	4.5%	31.5%
MSCI Global Equity	1,331.2	-1.7%	-0.3%	4.0%	4.0%	27.8%
MSCI Emerging Mkt	1,146.2	-1.9%	-2.1%	-0.4%	-0.4%	24.9%
<b>Global Bond (US\$)</b>						
Global Bonds	503.1	0.2%	3.3%	3.9%	3.9%	10.1%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	111.9	-3.9%	-4.7%	18.0%	18.0%	49.6%
Platinum (USD/oz)	1,725.0	-5.9%	-2.3%	-2.5%	-2.5%	12.5%
Gold (USD/oz)	1,500.9	-2.3%	4.8%	5.6%	5.6%	20.8%
<b>South African Mkt (Rand)</b>						
Africa All Share	3,719.9	-2.0%	-0.6%	0.5%	0.5%	24.6%
Africa Top 40	3,339.4	-2.4%	-1.3%	0.9%	0.9%	25.7%
Africa Resource 20	2,745.2	-3.0%	-5.7%	-3.4%	-3.4%	20.6%
Africa Financial 15	3,370.2	-2.4%	0.4%	1.7%	1.7%	16.8%
Africa Industrial 25	4,527.4	-1.4%	3.9%	4.8%	4.8%	34.9%
Africa Mid Cap	7,257.5	0.0%	3.3%	-1.3%	-1.3%	19.1%
Africa Small Cap	8,578.8	-0.2%	2.3%	-3.1%	-3.1%	18.8%
All Bond Index	351.5	0.2%	3.9%	2.3%	2.3%	11.3%
Stefi Composite	257.7	0.5%	1.4%	2.8%	2.8%	6.2%
Africa SA Listed Property - (SAPY)	893.8	1.2%	5.0%	2.8%	2.8%	20.5%
MSCI Global Equity (R)		-2.3%	-0.2%	6.2%	-2.3%	12.7%
Global Bonds (R)		-0.4%	3.5%	6.1%	6.1%	-2.9%
Rand Dollar Exchange Rate	6.76	-0.6%	0.1%	2.1%	2.1%	-11.8%

As a result of the movements in the financial markets the SALA Fund's total assets is R8,257,786,848 as at the end of June 2011. For the month of June the Active Members' portion of the total Fund returned -1.18%, DC Members returned -1.16% whilst the Pensioners Members' portion returned -0.90% p.a. Over the past 5 years to 30 June 2011 the total Fund returned 11.52% p.a.