

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

The local equity market had a volatile month, effectively trading sideways since the end of January. By month-end, it succumbed to the lack of investor appetite that other emerging markets were experiencing and the FTSE/JSE All Share Index closed the month 1.4% lower. It was the resources sector that suffered the heaviest losses as it fell by 8.5% - dragged lower by the 12% decline in the price of gold shares. The industrial and financial sectors gained 2.5% and 1.8% respectively.

The Reserve Bank's Quarterly Bulletin for the final quarter of last year that was released during the month, painted a robust picture of domestic economic growth, especially consumer demand. The current account deficit narrowed against expectations of a widening and the debt levels of households continued to show a small improvement. Concerning, the latest retail sales data posted a marked slowdown that brings the sustainability of the recent robust consumer demand into question.

The bond market weakened during the first half of the month and the news that Standard & Poor's downgraded their outlook on South Africa's sovereign credit rating from stable to negative did not help sentiment. The turnaround came with the release of better than expected inflation figures. Consumer price inflation decelerated from 6.3% in January to 6.1% in February as food prices reduced on a month on month basis. As a result, the All Bond Index managed to close 0.1% higher. Listed property followed in the footsteps of the FTSE/JSE All Share Index – excluding resources, and gained 2.1%. The rand, like other emerging market currencies, depreciated against the greenback. It closed 2.6% lower at R7.66 against the US dollar.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 408.5	3.1%	12.0%	24.5%	12.0%	6.2%
Nasdaq	3 091.6	4.2%	18.7%	28.0%	18.7%	11.2%
MSCI Global Equity	1 312.0	1.0%	10.9%	18.8%	10.9%	-1.7%
MSCI Emerging Mkt	1 041.4	-3.5%	13.6%	18.3%	13.6%	-11.1%
<b>Global Bond (US\$)</b>						
Global Bonds	514.5	-1.1%	-0.9%	-0.8%	-0.9%	5.7%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	123.8	0.9%	15.5%	16.9%	15.5%	5.5%
Platinum (USD/oz)	1 638.5	-2.4%	17.5%	7.4%	17.5%	-7.2%
Gold (USD/oz)	1 668.3	-1.6%	6.6%	2.7%	6.6%	16.5%
<b>South African Mkt (Rand)</b>						
Africa All Share	4 024.3	-1.4%	6.0%	14.9%	6.0%	7.5%
Africa Top 40	3 556.5	-2.3%	5.1%	14.0%	5.1%	5.1%
Africa Resource 20	2 560.6	-8.5%	-3.4%	4.1%	-3.4%	-12.0%
Africa Financial 15	4 008.4	1.8%	13.5%	24.4%	13.5%	19.5%
Africa Industrial 25	5 268.9	2.5%	10.4%	20.3%	10.4%	20.9%
Africa Mid Cap	8 513.6	2.9%	10.6%	19.7%	10.6%	21.2%
Africa Small Cap	9 882.6	3.1%	10.4%	17.9%	10.4%	17.8%
All Bond Index	382.9	0.1%	2.4%	6.0%	2.4%	13.2%
Stefi Composite	268.7	0.5%	1.4%	2.8%	1.4%	5.7%
Africa SA Listed Property - (SAPY)	1 023.6	2.1%	8.0%	12.1%	8.0%	20.3%
MSCI Global Equity (R)		3.6%	5.4%	12.5%	5.4%	11.5%
Global Bonds (R)		1.4%	-5.9%	-6.0%	-5.9%	19.9%
Rand Dollar Exchange Rate	7.66	2.5%	-5.0%	-5.3%	-5.0%	13.5%

As a result of the movements in the financial markets the SALA Fund's total assets is R9 016 093 763 as at the end of March 2012. For the month of March the Active Members' portion of the total Fund returned 0.20%, DC Members returned 0.14% whilst the Pensioners Members' portion returned 0.23% p.a. Over the past 5 years to 31 March 2012 the total Fund returned 9.27% p.a.