

**WEBSITE MONTHLY REPORTS
SALA PENSION FUND**

Financial assets had to contend with a wall of worry as the political turmoil in some of the MENA countries escalated, the Japanese earthquake brought about additional uncertainties and emerging markets suffered from accelerating inflation and the fear of higher interest rates. It then came as no surprise that foreigners were net sellers of South African assets during the month. What did surprise was that the FTSE/JSE All Share Index reversed its mid-month losses to end the month 0.5% higher. Financial shares led the way, closing 3% higher and they were closely followed by a 2.6% return from industrial shares. The resources sector bucked the trend and closed 2.3% lower. From the sub-sectors, the telecoms were the best performers with a return of 12.5%.

The Reserve Bank's Monetary Policy Committee left interest rates unchanged at their meeting during the month. While the governor noted that the second round inflationary impact from higher food and fuel prices have not been evident yet, she announced an upward revision to the Reserve Bank's inflation forecasts for this year and next. She does not see inflation breaching the upper limit of the targeted band. Growth expectations were also positively adjusted with growth of 3.7% expected for this year and growth of 3.9% for next year. Consumer price inflation for February showed a muted increase and the year on year growth figure remained unchanged at 3.7%. The All Bond Index recovered from its early month sell-off to close 0.5% higher and Listed Property followed suit with a 3.4% gain.

The manufacturing sector's leading indicator continued to build momentum and it should be positive for activity in this sector in the months ahead. The current account deficit narrowed to 0.4% of GDP as exports grew at a faster pace than imports did. The rand fluctuated, reaching a mid-month low of R7.17 against the dollar before closing the month 3% stronger at R6.75. The rand was the fifth strongest currency in the world during March.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,325.8	-0.1%	5.4%	16.2%	5.4%	13.4%
Nasdaq	2,781.1	0.0%	4.8%	17.4%	4.8%	16.0%
MSCI Global Equity	1,334.9	-1.2%	4.3%	13.2%	4.3%	11.2%
MSCI Emerging Mkt	1,170.9	5.7%	1.7%	8.9%	1.7%	15.9%
Global Bond (US\$)						
Global Bonds	486.9	0.3%	0.5%	-1.2%	0.5%	8.2%
Commodity Prices						
Brent Oil (USD/Barrel)	117.4	4.9%	23.9%	44.5%	23.9%	44.6%
Platinum (USD/oz)	1,766.5	-2.3%	-0.2%	6.7%	-0.2%	7.5%
Gold (USD/oz)	1,432.4	1.5%	0.8%	9.4%	0.8%	28.6%
South African Mkt (Rand)						
Africa All Share	3,742.7	0.5%	1.1%	10.7%	1.1%	15.2%
Africa Top 40	3,382.6	0.6%	2.2%	12.3%	2.2%	15.4%
Africa Resource 20	2,909.9	-2.2%	2.4%	19.3%	2.4%	12.6%
Africa Financial 15	3,355.3	3.0%	1.3%	0.4%	1.3%	5.8%
Africa Industrial 25	4,358.1	2.6%	0.9%	8.3%	0.9%	23.3%
Africa Mid Cap	7,024.3	0.2%	-4.5%	1.8%	-4.5%	14.4%
Africa Small Cap	8,387.7	-0.8%	-5.3%	5.4%	-5.3%	11.9%
All Bond Index	338.4	0.5%	-1.6%	-0.8%	-1.6%	8.3%
Steffi Composite	254.2	0.5%	1.4%	3.0%	1.4%	6.5%
Africa SA Listed Property - (SAPY)	851.0	3.4%	-2.2%	0.9%	-2.2%	15.4%
MSCI Global Equity (R)		-4.2%	6.4%	9.9%	-4.2%	3.0%
Global Bonds (R)		-2.7%	2.6%	-4.2%	2.6%	0.2%
Rand Dollar Exchange Rate	6.75	-3.0%	2.0%	-2.9%	2.0%	-7.4%

As a result of the movements in the financial markets the SALA Fund's total assets grew to R8,175,138,111 as at the end of March 2011. For the month of March the Active Members' portion of the total Fund returned 0.06%, DC Members returned 0.22% whilst the Pensioners' Members' portion returned -0.14% p.a. Over the past 5 years to 31 March 2011 the total Fund returned 12.27% p.a.