

## WEBSITE MONTHLY REPORTS

# SALA PENSION FUND

### FINANCIAL POSITION AND PERFORMANCE

As a result of the movements in the financial markets the SALA Fund's total assets is R11 139 056 430 as at the end of August 2013. For the month of August the Active Members' portion of the total Fund returned 1.88%, DC Members returned 1.75% whilst the Pensioners Members' portion returned 1.62% p.a. Over the past 5 years to 31 August 2013 the total Fund returned 12.43% p.a.

### FINANCIAL MARKET OVERVIEW

Developed market economic data continued to improve throughout the month, but the geopolitical risks that flared around possible US military intervention in Syria and emerging market currency selling pressure dominated investor sentiment. The fear of US strikes on Syria came after an alleged chemical attack by government troops on civilians. Second quarter GDP growth data for the developed economies were generally positive. The Eurozone broke a 6 consecutive quarter losing streak when it exited recession. Germany and France led the pick-up in the region's economic growth. Stronger growth reaffirmed tapering talks that caused financial markets to pull back.

Expectations of the US Fed tapering its asset purchasing program continued to negatively impact emerging market economies and South Africa was no exception. The country's twin deficits (current account and fiscal) left it vulnerable and the rand depreciated by 3.9% against the dollar to close the month at R10.27 against the greenback.

The FTSE/JSE All Share Index rose by 2.6% during the month and the advance was led by a continued recovery in resources shares that pushed the sector 7.3% higher. Foreigners were net buyers of domestic equities while they were net sellers of South African bonds. The All Bond Index lost 1.3% during the month as tapering talk sent bond yields higher and caused the currency to weaken.

The best performing strategy was equity market neutral mainly supported by heightened volatility, while equity long/short managers with an overweight position in the resources sector outperformed their peers. Fixed income and multi-strategy managers had to navigate a difficult environment and delivered mixed results. Despite this the Mayibentsha fund of funds delivered solid returns.

| Global Equity (US\$)               | Level    | 1 Month | 3 Months | 6 Months | YTD    | 12 Months |
|------------------------------------|----------|---------|----------|----------|--------|-----------|
| S&P 500                            | 1,633.0  | -3.1%   | 0.1%     | 7.8%     | 14.5%  | 16.1%     |
| Nasdaq                             | 3,589.9  | -1.0%   | 3.9%     | 13.6%    | 18.9%  | 17.0%     |
| MSCI Global Equity                 | 1,472.7  | -2.3%   | 0.1%     | 4.8%     | 10.0%  | 15.1%     |
| MSCI Emerging Mkt                  | 929.5    | -1.9%   | -7.9%    | -11.9%   | -11.9% | -1.9%     |
| <b>Global Bond (US\$)</b>          |          |         |          |          |        |           |
| Global Bonds                       | 499.5    | -0.3%   | 0.1%     | -2.5%    | -5.0%  | -5.8%     |
| <b>Commodity Prices</b>            |          |         |          |          |        |           |
| Brent Oil (USD/Barrel)             | 114.4    | 6.0%    | 14.1%    | 2.0%     | 2.9%   | -1.0%     |
| Platinum (USD/oz)                  | 1,521.5  | 5.9%    | 2.8%     | -3.9%    | -1.1%  | -1.1%     |
| Gold (USD/oz)                      | 1,395.0  | 5.3%    | 0.5%     | -11.7%   | -16.7% | -17.5%    |
| <b>South African Mkt (Rand)</b>    |          |         |          |          |        |           |
| Africa All Share                   | 5,266.7  | 2.6%    | 1.0%     | 8.1%     | 9.5%   | 22.8%     |
| Africa Top 40                      | 4,724.1  | 3.1%    | 1.1%     | 9.2%     | 10.7%  | 24.9%     |
| Africa Resource 20                 | 2,683.9  | 7.3%    | 1.2%     | 1.2%     | -1.8%  | 11.2%     |
| Africa Financial 15                | 5,105.3  | -0.7%   | -2.6%    | 2.2%     | 4.9%   | 16.6%     |
| Africa Industrial 25               | 8,359.2  | 1.6%    | 1.9%     | 17.0%    | 21.2%  | 36.6%     |
| Africa Mid Cap                     | 10,162.3 | -0.5%   | -0.5%    | 1.7%     | 1.9%   | 10.8%     |
| Africa Small Cap                   | 13,210.7 | 2.0%    | 4.2%     | 9.3%     | 14.5%  | 25.3%     |
| All Bond Index                     | 419.7    | -1.3%   | -3.4%    | -4.0%    | -3.3%  | 0.2%      |
| Stefi Composite                    | 289.2    | 0.4%    | 1.3%     | 2.6%     | 3.4%   | 5.2%      |
| Africa SA Listed Property - (SAPY) | 1,295.0  | -3.5%   | -3.5%    | -4.8%    | 0.6%   | 0.0%      |
| MSCI Global Equity (R)             |          | 1.8%    | 1.9%     | 19.2%    | 34.5%  | 40.9%     |
| Global Bonds (R)                   |          | 3.9%    | 2.0%     | 10.9%    | 3.9%   | 15.3%     |
| Rand Dollar Exchange Rate          | 10.27    | 4.2%    | 1.9%     | 13.7%    | 22.3%  | 22.4%     |