

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 R10 027 965 207 as at the end of December 2012. For the month of December the Active Members' portion of the total Fund returned 0.44%, DC Members returned 0.66% whilst the Pensioners Members' portion returned 0.15% p.a. Over the past 5 years to 31 December 2012 the total Fund returned 10.20% p.a.

FINANCIAL MARKET OVERVIEW

The much-awaited December ANC elective conference in Mangaung provided few surprises as President Jacob Zuma secured his re-election as president of the ANC over Kgalema Motlanthe's opposition and businessman Cyril Ramaphosa was elected as the new deputy-president. Furthermore, the ANC rejected proposals in its policy recommendations to nationalise mines in favour of higher taxes. Industrial action did take a breather but was set to continue again in the New Year.

The local financial market benefitted from renewed risk appetite that saw foreign investors being net buyers of both the equity and the bond markets. The FTSE/JSE All Share Index gained 3.2% to reach a record new high and to push its year to date return to 26.7%. Financial shares led the gains during the month as the sector leaped by 6.6%. Banking shares rose on the news that Absa agreed to buy Barclays Africa for R18.3bn. The resources sector rose 2.9% and industrial shares 1.9%, but industrial shares' 44.5% year to date return far outpaced the 3.1% from the resources sector over the same period.

Consumer price inflation for November remained flat at 5.6% which was in line with expectations. The Reserve Bank's Quarterly Bulletin revealed that the current account deficit remained unchanged at 6.4% of GDP for the third quarter which was better than expected and caused the rand to appreciate against the dollar. The rand's 5.1% gain against the greenback made it the best performing currency in the world during the month. The rand closed at R8.40 against the dollar. The foreign interest and rand strength caused the All Bond Index to rally by 2.3% that took its year to date return to 16%. In comparison, listed property gained a meagre 0.4% after strong gains the previous month.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 426.2	0.7%	-1.0%	4.7%	13.4%	13.4%
Nasdaq	3 019.5	0.3%	-3.1%	2.9%	15.9%	15.9%
MSCI Global Equity	1 338.5	1.7%	2.1%	8.3%	13.2%	13.2%
MSCI Emerging Mkt	1 055.2	4.8%	5.2%	12.6%	15.1%	15.1%
Global Bond (US\$)						
Global Bonds	526.0	-1.0%	-1.8%	0.9%	1.3%	1.3%
Commodity Prices						
Brent Oil (USD/Barrel)	111.1	-0.1%	-1.9%	14.5%	3.6%	3.6%
Platinum (USD/oz)	1 539.0	-4.0%	-7.4%	6.2%	10.4%	10.4%
Gold (USD/oz)	1 674.1	-2.4%	-5.5%	4.8%	7.0%	7.0%
South African Mkt (Rand)						
Africa All Share	4 809.3	3.2%	10.3%	18.3%	26.7%	26.7%
Africa Top 40	4 267.9	2.8%	10.9%	19.3%	26.1%	26.1%
Africa Resource 20	2 731.9	2.9%	7.1%	10.4%	3.1%	3.1%
Africa Financial 15	4 868.3	6.6%	11.2%	17.1%	37.8%	37.8%
Africa Industrial 25	6 899.5	1.9%	13.2%	26.6%	44.5%	44.5%
Africa Mid Cap	9 970.8	5.1%	7.7%	13.5%	29.5%	29.5%
Africa Small Cap	11 542.6	3.8%	8.0%	14.7%	28.9%	28.9%
All Bond Index	433.9	2.3%	2.6%	7.7%	16.0%	16.0%
Stefi Composite	279.7	0.4%	1.3%	2.7%	5.5%	5.5%
Africa SA Listed Property - (SAPY)	1 287.5	0.4%	2.8%	14.0%	35.9%	35.9%
MSCI Global Equity (R)		-4.0%	3.2%	11.8%	17.8%	17.8%
Global Bonds (R)		-6.6%	-0.7%	4.1%	5.4%	5.4%
Rand Dollar Exchange Rate	8.40	-5.6%	1.1%	3.2%	4.1%	4.1%