

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 956 063 271 as at the end of December 2013. For the month of December the Active Members' portion of the total Fund returned 2.33%, DC Members returned 2.30% whilst the Pensioners Members' portion returned 1.65% p.a. Over the past 5 years to 31 December 2013 the total Fund returned 14.44% p.a.

FINANCIAL MARKET OVERVIEW

December 2013 will be written in history as the month that South Africa lost its greatest leader, Nelson Mandela. Political leaders from around the world descended onto South African soil and stood side by side to pay tributes to our inspirational hero. Despite the mourning, the domestic financial market continued to steam ahead. The FTSE/JSE All Share Index gained 3.0% as it was lifted by a 4.3% rise in industrial shares. The Index reached an all-time high on 31 December that pushed its 12 month return to 21.4%. Financial shares gained 2.9% and resources shares lagged with a return of 1.8% during the month.

Economic data released during the month was mixed. The Reserve Bank's Quarterly Bulletin for the third quarter indicated that the current account deficit ballooned to a 5 year high of 6.8% of GDP while the trade balance for November recorded its first surplus in a year. A slowdown in domestic demand was reflected by a decline in credit extension as well as vehicle sales that remained flat from a year earlier. The quarterly bulletin also highlighted softening demand conditions and a slowdown in household consumption growth.

The All Bond Index closed 1.1% higher for the month despite foreigners being net sellers of this asset class. The softer than expected inflation figures helped the Index to end in marginally positive return territory for the year. Consumer price inflation for November decelerated to 5.3% from a year earlier. Alongside the rise in the bond index, the listed property sector gained 1.0% during the month. The rand continued on its weaker trend and depreciated against the US dollar to close at R10.35 from R10.15 at the start of the month. The price of gold reached a 3 year low on the back of firmer global data and news that the US Fed will start to taper its asset purchases in January 2014.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,848.4	2.4%	9.9%	15.1%	29.6%	29.6%
Nasdaq	4,176.6	2.9%	10.7%	22.7%	38.3%	38.3%
MSCI Global Equity	1,661.1	2.0%	7.6%	15.9%	24.1%	24.1%
MSCI Emerging Mkt	1,002.7	-1.5%	1.5%	6.6%	-5.0%	-5.0%
Global Bond (US\$)						
Global Bonds	501.9	-1.1%	-1.3%	1.3%	-4.6%	-4.6%
Commodity Prices						
Brent Oil (USD/Barrel)	110.8	-0.2%	2.7%	7.8%	-0.3%	-0.3%
Platinum (USD/oz)	1,372.0	0.7%	-2.3%	2.3%	-10.9%	-10.9%
Gold (USD/oz)	1,205.5	-3.8%	-9.3%	-2.3%	-28.0%	-28.0%
South African Mkt (Rand)						
Africa All Share	5,840.1	3.0%	5.5%	18.8%	21.4%	21.4%
Africa Top 40	5,239.8	3.3%	5.6%	20.3%	22.8%	22.8%
Africa Resource 20	2,807.6	1.8%	2.6%	22.4%	2.8%	2.8%
Africa Financial 15	5,833.8	2.9%	7.3%	16.1%	19.8%	19.8%
Africa Industrial 25	9,530.0	4.3%	7.1%	19.9%	38.1%	38.1%
Africa Mid Cap	11,266.3	1.2%	5.7%	10.8%	13.0%	13.0%
Africa Small Cap	14,579.6	0.7%	3.9%	16.3%	26.3%	26.3%
All Bond Index	436.7	1.1%	0.1%	2.0%	0.6%	0.6%
Stefi Composite	294.2	0.4%	1.3%	2.6%	5.2%	5.2%
Africa SA Listed Property - (SAPY)	1,395.5	1.0%	1.0%	-0.3%	8.4%	8.4%
MSCI Global Equity (R)		4.0%	11.1%	21.5%	52.9%	52.9%
Global Bonds (R)		0.8%	1.9%	6.2%	0.8%	17.6%
Rand Dollar Exchange Rate	10.35	2.0%	3.2%	4.9%	23.2%	23.2%