

## 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 477 292 973 as at the end of February 2013. For the month of February the Active Members' portion of the total Fund returned 0.05%, DC Members returned 0.04% whilst the Pensioners Members' portion returned 0.10% p.a. Over the past 5 years to 28 February 2013 the total Fund returned 10.94% p.a.

### FINANCIAL MARKET OVERVIEW

Domestic growth data released during the month surprised to the upside. The economy expanded by 2.1% during the final quarter of last year to push full year growth to 2.5%. Growth in the agricultural sector was particularly strong while the contraction in the mining sector was not as severe as what was expected. The unemployment rate dropped from 25.5% to 24.9%, but the underlying data indicated that the country's labour force contracted. The leading indicator for the manufacturing sector broke above the key 50 level for the first time in six months which indicates expansionary conditions.

The FTSE/JSE All Share Index followed other emerging market indices lower and lost 1.9% of its value, despite foreign investors being net buyers of domestic equities during the month. The decline in the Index was driven by a sharp 6.4% drop in the resources sector. Industrial shares gained 0.1% and financial shares lost 1.1%. Gold companies were the worst performers during the month as they declined 11.5% on the back of weak company results and a lower gold price. Listed property has had a good start to the year and the index expanded by 4.6% during the month.

The Finance Minister's Budget Speech held few surprises, but the budget deficit will remain uncomfortably high at 5.2% of GDP due to government finances coming under strain from slower revenue growth. The All Bond Index gained 0.7% on the back of better than expected inflation figures. January CPI, based on the new inflation basket, surprised on the downside with a reading of 5.4%. NERSA's decision to grant Eskom only half of its requested tariff increase will help contain inflation, but the recent petrol price under-recovery and pass-through from the currency depreciation will put upwards pressure on it. A record high trade deficit for January caused the rand to depreciate to above R9 against the dollar and to keep it as the worst performing major emerging market currency for the year to date.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,514.7	1.1%	7.0%	7.7%	6.2%	10.9%
Nasdaq	3,160.2	0.6%	5.0%	3.0%	4.7%	6.5%
MSCI Global Equity	1,405.2	0.0%	6.8%	9.8%	5.0%	8.2%
MSCI Emerging Mkt	1,054.6	-1.3%	4.7%	11.3%	-0.1%	-2.3%
<b>Global Bond (US\$)</b>						
Global Bonds	512.5	-1.1%	-3.6%	-3.3%	-2.6%	-1.5%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	112.2	-2.9%	0.8%	-2.8%	1.0%	-8.6%
Platinum (USD/oz)	1,583.5	-5.4%	-1.2%	3.0%	2.9%	-5.7%
Gold (USD/oz)	1,580.5	-5.0%	-7.9%	-6.5%	-5.6%	-6.8%
<b>South African Mkt (Rand)</b>						
Africa All Share	4,870.5	-1.9%	4.5%	13.6%	1.3%	19.3%
Africa Top 40	4,324.9	-2.4%	4.2%	14.4%	1.3%	18.8%
Africa Resource 20	2,653.0	-6.4%	-0.1%	9.9%	-2.9%	-5.2%
Africa Financial 15	4,993.0	-1.0%	9.3%	14.1%	2.6%	26.8%
Africa Industrial 25	7,144.9	0.1%	5.5%	16.7%	3.6%	39.0%
Africa Mid Cap	9,996.5	0.3%	5.3%	8.9%	0.3%	20.8%
Africa Small Cap	12,085.9	0.7%	8.7%	14.6%	4.7%	26.1%
All Bond Index	437.1	0.7%	3.0%	4.3%	0.7%	14.3%
Stefi Composite	282.0	0.4%	1.3%	2.6%	0.8%	5.4%
Africa SA Listed Property - (SAPY)	1,360.6	4.6%	6.1%	5.0%	5.7%	35.7%
MSCI Global Equity (R)		0.7%	8.4%	18.2%	12.9%	30.7%
Global Bonds (R)		-0.3%	-2.2%	4.0%	-0.3%	19.1%
Rand Dollar Exchange Rate	9.03	0.8%	1.5%	7.6%	7.5%	20.8%