

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 461 272 150 as at the end of January 2013. For the month of January the Active Members' portion of the total Fund returned 4.71%, DC Members returned 4.26% whilst the Pensioners Members' portion returned 3.35% p.a. Over the past 5 years to 31 January 2013 the total Fund returned 11.94% p.a.

FINANCIAL MARKET OVERVIEW

Despite an improvement in the global economic outlook, the South African prospects look rather grim in the face of renewed industrial action, poor employment growth data and credit rating downgrades. Industrial action in the agricultural sector flared up and the demand for substantially higher wages can result in further job losses amidst an already poor employment backdrop. The global credit rating agency, Fitch, followed other rating agencies and downgraded South Africa's sovereign credit rating by one notch. The South African Revenue Service's data indicated under collections on revenue for the current fiscal year. This will put the budget deficit under pressure and continue to keep the sovereign credit agencies' spotlights firmly on the government

The South African Reserve Bank announced their concern over the growth outlook and revised their growth forecast for this year down to 2.6%. The upwards adjustment to their inflation forecast will keep them on the side-lines, however, and should prevent a further interest rate cut. The FTSE/JSE All Share Index closed 3.2% higher for the month. It was a broad based increase across the underlying sectors, but resources performed the best with a return of 3.7% while industrial and financial shares delivered returns of 3.5% and 3.6% respectively. Within sectors, there was a wide disparity of returns and gold mining lost 5.2% and food and drug retailers dropped a massive 14.2%.

Although foreigners continued to be net buyers of domestic bonds during January, the All Bond Index remained relatively flat with a return of 0.1%. This compared to Listed Property which gained 1%. The rand was the second worst performing emerging market currency during the month and depreciated sharply against the US dollar. At its weakest it touched R9.16/dollar before it strengthened somewhat to close the month at R8.96. The combination of the weaker currency and the higher oil price will put upwards pressure on the price of petrol.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,498.1	5.0%	6.1%	8.6%	5.0%	14.1%
Nasdaq	3,142.1	4.1%	5.5%	6.9%	4.1%	11.7%
MSCI Global Equity	1,405.5	5.0%	8.0%	12.4%	5.0%	13.3%
MSCI Emerging Mkt	1,069.0	1.3%	7.4%	12.2%	1.3%	4.9%
Global Bond (US\$)						
Global Bonds	518.1	-1.5%	-2.7%	-1.6%	-1.5%	-1.5%
Commodity Prices						
Brent Oil (USD/Barrel)	115.5	4.0%	4.8%	8.8%	4.0%	4.4%
Platinum (USD/oz)	1,673.2	8.7%	6.6%	18.2%	8.7%	5.4%
Gold (USD/oz)	1,663.7	-0.6%	-3.3%	3.0%	-0.6%	-4.3%
South African Mkt (Rand)						
Africa All Share	4,964.5	3.2%	9.3%	18.9%	3.2%	23.7%
Africa Top 40	4,429.1	3.8%	9.6%	20.8%	3.8%	23.5%
Africa Resource 20	2,833.8	3.7%	4.6%	16.8%	3.7%	-1.3%
Africa Financial 15	5,044.0	3.6%	12.9%	17.7%	3.6%	34.0%
Africa Industrial 25	7,137.4	3.4%	11.8%	23.7%	3.4%	44.4%
Africa Mid Cap	9,963.9	-0.1%	7.2%	9.4%	-0.1%	24.0%
Africa Small Cap	12,004.5	4.0%	12.3%	17.0%	4.0%	28.6%
All Bond Index	434.2	0.1%	3.3%	3.7%	0.1%	13.7%
Stefi Composite	280.9	0.4%	1.3%	2.6%	0.4%	5.5%
Africa SA Listed Property - (SAPY)	1,300.2	1.0%	8.2%	6.0%	1.0%	31.0%
MSCI Global Equity (R)		12.0%	11.6%	21.9%	12.0%	30.3%
Global Bonds (R)		5.1%	0.6%	6.7%	5.1%	13.3%
Rand Dollar Exchange Rate	8.96	6.7%	3.4%	8.5%	6.7%	15.0%