

## 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 960 729 204 as at the end of July 2013. For the month of July the Active Members' portion of the total Fund returned 2.67%, DC Members returned 2.70% whilst the Pensioners Members' portion returned 2.20% p.a. Over the past 5 years to 31 July 2013 the total Fund returned 12.31% p.a.

### FINANCIAL MARKET OVERVIEW

Calming fears over China and the commitment by world central banks to keep monetary policy loose helped the domestic equity market to recover most of the losses it incurred during the June selloff. The resources sector led the advance as commodity related shares benefitted from higher resource prices and signs that the Chinese economy is not crashing. The 9.1% gain in the resources sector helped to push the FTSE/JSE All Share Index 4.4% higher for the month. The gold sector experienced a muted increase due to the unresolved wage negotiations clouding sentiment. Industrial and financial sector shares gained 3.6% and 2.4% respectively amidst relatively disappointing company earnings that were released.

Consumer price inflation for June surprised when it decelerated from 5.6% the previous month to 5.5% on a year on year basis. The reprieve in inflation is expected to be brief as the petrol price increased by 84 cent to a record new high at the start of the month. At its meeting during the month, the MPC voiced their concern over the upside risks to their inflation forecasts which received upward revisions from the previous estimates. It was the main reason why they kept interest rates unchanged given the downward adjustment to their growth outlook. They expect the economy to expand by a meagre 2% during 2013.

The All Bond Index lost 0.6% during the month as yields at the longer end of the yield curve rose. The listed property sector had a volatile month and after rising sharply, listed property prices dropped and ended the month 4.2% lower. The rand started the month on the back foot, but appreciated during the remainder of the month to close 0.2% stronger against the US dollar at R9.85. The rand depreciated against the euro, however.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,685.7	4.9%	5.5%	12.5%	18.2%	22.2%
Nasdaq	3,626.4	6.6%	8.9%	15.4%	20.1%	23.4%
MSCI Global Equity	1,507.9	5.2%	2.2%	7.3%	12.7%	20.6%
MSCI Emerging Mkt	947.6	0.8%	-8.8%	-11.4%	-10.2%	-0.5%
<b>Global Bond (US\$)</b>						
Global Bonds	501.1	1.1%	-2.9%	-3.3%	-4.7%	-4.9%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	107.9	5.0%	5.4%	-6.6%	-2.9%	1.6%
Platinum (USD/oz)	1,436.5	7.1%	-4.6%	-14.1%	-6.7%	1.5%
Gold (USD/oz)	1,324.7	7.3%	-10.3%	-20.4%	-20.9%	-18.0%
<b>South African Mkt (Rand)</b>						
Africa All Share	5,134.3	4.4%	6.8%	3.4%	6.8%	23.0%
Africa Top 40	4,581.1	5.1%	8.2%	3.4%	7.3%	24.9%
Africa Resource 20	2,502.1	9.1%	6.1%	-11.7%	-8.4%	3.2%
Africa Financial 15	5,143.8	2.4%	0.1%	2.0%	5.7%	20.0%
Africa Industrial 25	8,228.2	3.5%	11.9%	15.3%	19.3%	42.6%
Africa Mid Cap	10,216.9	0.5%	0.1%	2.5%	2.5%	12.1%
Africa Small Cap	12,949.3	3.3%	2.5%	7.9%	12.2%	26.2%
All Bond Index	425.3	-0.7%	-6.7%	-2.1%	-2.0%	1.6%
Stefi Composite	288.0	0.4%	1.3%	2.5%	3.0%	5.2%
Africa SA Listed Property - (SAPY)	1,341.6	-4.2%	-11.1%	3.2%	4.2%	9.4%
MSCI Global Equity (R)		5.0%	12.1%	18.0%	32.2%	43.8%
Global Bonds (R)		1.0%	6.6%	6.4%	1.0%	13.5%
Rand Dollar Exchange Rate	9.85	-0.2%	9.8%	10.0%	17.3%	19.3%