

## 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 005 236 674 as at the end of November 2012. For the month of November the Active Members' portion of the total Fund returned 2.39%, DC Members returned 2.33% whilst the Pensioners Members' portion returned 1.90% p.a. Over the past 5 years to 30 November 2012 the total Fund returned 9.84% p.a.

### FINANCIAL MARKET OVERVIEW

The local equity market shrugged off most of the domestic and global concerns and the FTSE/JSE All Share Index raced to a record new high, gaining 2.6% for the month. Industrial shares returned a massive 6.1% and financial shares a decent 2.2%, but the resources sector came under selling pressure and lost 2% as the rand strengthened against the US dollar. The local currency appreciated by 4.4% against the greenback, unperturbed by the ballooning trade deficit.

Consumer price inflation for October accelerated from 5.5% to 5.6%, against expectations of a lower reading. The main culprit in the higher number was a faster than expected rise in food prices, but inflationary pressures from the recent weakness in the currency have also started to emerge. It resulted in the Reserve Bank being more cautious at its last Monetary Policy Committee meeting and the Governor came out with a more neutral statement. The Reserve Bank revised their growth forecasts lower, but their inflation forecasts were subject to upwards adjustments and did not take into consideration the change in the inflation basket which would add up to 0.2% once it comes into effect next year.

Mining and manufacturing production numbers reflected the impact of industrial action in September. Mining production contracted by 8% during that month and manufacturing declined by 2.3%. Third quarter GDP figures highlighted the deceleration in the domestic economy as growth declined from 3.4% in the second quarter to 1.2%. Mining activity was the only detractor from growth, but the tertiary sector was weaker than expected. Despite the recent downgrade from credit rating agencies, foreign investors continued to be net buyers of domestic bonds and the All Bond Index rose by 0.9% during the month. Listed property recovered most of its prior two months' losses and the sector gained 6.7%.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 412.2	-2.0%	2.4%	1.0%	12.3%	12.7%
Nasdaq	2 977.2	-4.5%	1.3%	-2.3%	14.3%	10.9%
MSCI Global Equity	1 301.5	-0.8%	4.1%	0.6%	10.1%	6.9%
MSCI Emerging Mkt	995.3	-0.7%	4.5%	-3.0%	8.6%	0.0%
<b>Global Bond (US\$)</b>						
Global Bonds	532.2	-0.7%	1.0%	1.8%	2.5%	2.4%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	110.2	-2.7%	3.8%	-8.1%	2.8%	1.3%
Platinum (USD/oz)	1 569.5	-5.6%	10.9%	0.0%	12.6%	-1.8%
Gold (USD/oz)	1 720.5	-2.9%	6.6%	3.4%	10.0%	0.3%
<b>South African Mkt (Rand)</b>						
Africa All Share	4 542.5	4.2%	8.8%	9.8%	19.7%	18.6%
Africa Top 40	4 042.8	5.0%	10.2%	10.5%	19.5%	17.4%
Africa Resource 20	2 710.5	6.3%	11.7%	2.9%	2.3%	-1.1%
Africa Financial 15	4 467.0	2.0%	4.2%	9.0%	26.4%	30.3%
Africa Industrial 25	6 381.5	4.7%	10.6%	16.9%	33.7%	31.9%
Africa Mid Cap	9 293.7	0.4%	2.0%	6.3%	20.7%	24.7%
Africa Small Cap	10 687.0	0.0%	4.2%	6.9%	19.4%	25.2%
All Bond Index	420.4	-0.6%	0.4%	7.8%	12.4%	13.2%
Stefi Composite	277.3	0.4%	1.3%	2.8%	4.6%	5.6%
Africa SA Listed Property - (SAPY)	1 201.8	-4.1%	-2.0%	14.4%	26.8%	28.3%
MSCI Global Equity (R)		3.6%	9.2%	12.3%	18.2%	16.6%
Global Bonds (R)		3.7%	6.0%	13.6%	10.1%	11.6%
Rand Dollar Exchange Rate	8.67	4.4%	4.9%	11.6%	7.4%	9.0%