

## 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 729 442 456 as at the end of November 2013. For the month of November the Active Members' portion of the total Fund returned -0.70%, DC Members returned -0.74% whilst the Pensioners Members' portion returned -0.16% p.a. Over the past 5 years to 30 November 2013 the total Fund returned 14.41% p.a.

### FINANCIAL MARKET OVERVIEW

The domestic equity market's strong advance over the past few months was put on hold as economic growth concerns dominated investors sentiment and foreigners turned into large sellers of local assets during the month. South African third quarter GDP growth disappointed as it decelerated to 0.7%, driven by a broad based slowdown in most of the underlying sectors. The latest releases indicated that manufacturing production contracted over the past year and that mining output and retail sales remained unchanged over that period. The sharp slowdown in retail sales indicated that the consumer is taking strain despite interest rates being at historical low levels.

The FTSE/JSE All Share Index lost 1.1% during the month – the first month of a negative return after four consecutive months of gains. It was dragged lower by a 3.1% decline in the financial sector and a 2.1% loss amongst resources shares. Industrial shares ended the month almost unchanged with a 0.1% gain. Foreigners sold more than R17bn worth of domestic equities. For the year to date, the FTSE/JSE All Share Index is still 19.2% higher.

The South African Reserve Bank left interest rates unchanged as expected, but mentioned that they debated as to when interest rates will have to be lifted. This signalled their growing unease over inflation risks despite the slowdown in economic growth. Consumer price inflation that printed 5.5% for October moved back into the Reserve Bank's targeted band from 6% the previous month. The lower reading was on the back of slower food and transport price inflation. The All Bond Index suffered from an increase in interest rate expectations and foreign portfolio outflows. The Index declined by 1.4% during the month and the higher bond yields pushed listed property yields higher, causing the listed property sector to register a 3% loss. The rand depreciated against all the major currencies and closed the month at R10.15 against the US dollar.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,805.8	2.8%	10.6%	10.7%	26.6%	27.5%
Nasdaq	4,059.9	3.6%	13.1%	17.5%	34.5%	34.9%
MSCI Global Equity	1,628.4	1.6%	10.6%	10.6%	21.7%	23.8%
MSCI Emerging Mkt	1,018.3	-1.6%	9.5%	0.9%	-3.5%	1.1%
<b>Global Bond (US\$)</b>						
Global Bonds	507.5	-1.1%	1.6%	1.7%	-3.5%	-4.5%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	111.0	2.2%	-2.9%	10.8%	-0.1%	-0.2%
Platinum (USD/oz)	1,362.0	-6.1%	-10.5%	-8.0%	-11.5%	-15.1%
Gold (USD/oz)	1,253.5	-5.2%	-10.1%	-9.7%	-25.1%	-26.9%
<b>South African Mkt (Rand)</b>						
Africa All Share	5,670.9	-1.1%	7.7%	8.7%	17.9%	21.6%
Africa Top 40	5,070.1	-1.1%	7.3%	8.5%	18.8%	22.1%
Africa Resource 20	2,758.6	-2.1%	2.8%	4.0%	1.0%	3.9%
Africa Financial 15	5,671.2	-3.1%	11.1%	8.1%	16.5%	24.2%
Africa Industrial 25	9,137.6	0.1%	9.3%	11.4%	32.4%	35.0%
Africa Mid Cap	11,129.4	-1.0%	9.5%	9.0%	11.6%	17.3%
Africa Small Cap	14,482.0	-0.7%	9.6%	14.3%	25.5%	30.2%
All Bond Index	431.9	-1.4%	2.9%	-0.6%	-0.5%	1.8%
Stefi Composite	292.9	0.4%	1.3%	2.6%	4.7%	5.2%
Africa SA Listed Property - (SAPY)	1,381.7	-3.0%	6.7%	3.0%	7.3%	7.7%
MSCI Global Equity (R)		2.5%	9.3%	11.4%	47.0%	41.2%
Global Bonds (R)		-0.2%	0.4%	2.5%	-0.2%	8.9%
Rand Dollar Exchange Rate	10.15	0.9%	-1.1%	0.7%	20.9%	14.1%