

WEBSITE MONTHLY REPORTS
SALA PENSION FUND

The probable short term solution to the European sovereign debt crisis and upbeat US economic data lifted the local financial market alongside global markets. Although domestic sentiment indicators remained weak, actual economic data came out stronger than expected. Manufacturing activity rebounded strongly and consumer spending figures remained robust. The local consumer continued to benefit from historically low interest rates and robust wage growth, with wages being set at rates that comfortably exceeded inflation. The domestic leading economic indicator, however, has been deteriorating alongside those of its main trading partners.

The FTSE/JSE All Share Index gained a massive 9.4% during the month. The Index has now recovered 15% from its lowest point for the year which was reached in August. The resources sector was the biggest winner of the rally during the month, surging by 11.4%. Resources shares shrugged off the stronger rand and took their cue from the news that the global economy is not heading towards recession. The industrial and financial sectors closed 10.5% and 6.4% higher respectively.

The Finance Minister delivered a prudent, and general bond friendly Medium Term Budget Policy Statement during the month that held few surprises. He announced a slight widening in the forecasted budget deficits, but that bond issuance should remain unchanged. This news, together with renewed foreign interest helped the All Bond Index to gain 2.8% during the month. Listed property followed closely with a return of 2.6% for the month. The rand appreciated by a mere 1.8% against the US dollar, after it depreciated sharply the previous month.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 253.3	10.8%	-3.0%	-8.1%	-0.3%	5.9%
Nasdaq	2 684.4	11.1%	-2.6%	-6.6%	1.2%	7.1%
MSCI Global Equity	1 217.3	10.3%	-6.8%	-12.3%	-4.9%	-0.4%
MSCI Emerging Mkt	995.6	13.1%	-12.5%	-17.3%	-13.5%	-10.0%
Global Bond (US\$)						
Global Bonds	519.9	0.3%	1.0%	3.6%	7.4%	4.1%
Commodity Prices						
Brent Oil (USD/Barrel)	108.8	2.7%	-6.8%	-13.8%	14.8%	31.8%
Platinum (USD/oz)	1 599.0	4.8%	-10.2%	-14.7%	-9.7%	-6.3%
Gold (USD/oz)	1 715.2	5.6%	5.4%	9.6%	20.7%	26.2%
South African Mkt (Rand)						
Africa All Share	3 830.3	9.3%	5.1%	0.1%	3.5%	9.4%
Africa Top 40	3 443.2	10.3%	5.7%	-0.3%	4.0%	10.2%
Africa Resource 20	2 741.5	11.4%	4.6%	-5.9%	-3.5%	3.6%
Africa Financial 15	3 427.4	6.4%	4.1%	-0.7%	3.4%	5.8%
Africa Industrial 25	4 838.6	10.5%	7.0%	6.5%	12.0%	18.4%
Africa Mid Cap	7 453.5	4.8%	2.4%	3.1%	1.4%	5.2%
Africa Small Cap	8 539.3	1.9%	-0.4%	-0.8%	-3.6%	3.2%
All Bond Index	371.3	2.8%	4.1%	7.3%	8.0%	7.7%
Stefi Composite	262.6	0.5%	1.4%	2.8%	4.8%	5.8%
Africa SA Listed Property - (SAPY)	936.8	2.6%	3.2%	6.1%	7.7%	9.6%
MSCI Global Equity (R)		8.3%	10.8%	6.3%	8.3%	13.4%
Global Bonds (R)		-1.5%	20.0%	25.6%	28.9%	18.4%
Rand Dollar Exchange Rate	7.95	-1.8%	18.9%	21.3%	20.1%	13.8%

As a result of the movements in the financial markets the SALA Fund's total assets is R8 672 997 352 as at the end of October 2011. For the month of October the Active Members' portion of the total Fund returned 4.77%, DC Members returned 4.87% whilst the Pensioners Members' portion returned 2.36% p.a. Over the past 5 years to 31 October 2011 the total Fund returned 10.96% p.a.