

WEBSITE MONTHLY REPORTS
SALA PENSION FUND

The domestic economic landscape was tainted by continued strike action from mine workers during the month which started to spill over to other sectors. Although the Lonmin strike was ended, management had to succumb to massive salary increase demands which set a dangerous precedent to wage negotiations at other companies. At month-end, Moody's cut South Africa's credit rating by one notch, citing the government's inability to deal with socio-economic stresses and economic problems as reasons for the move. The petrol price experienced its biggest monthly gain in more than 3 years when pump prices rose by 93 cents at the start of the month, putting disposable household expenditure under pressure.

The resources sector benefitted the most from the global stimulus measures, rising as much as 12% at one stage before retreating on the back of widening wild strikes at mines. The sector closed 5.7% higher for the month. It helped to push the FTSE/JSE All Share Index 1.6% higher during September and the Index experienced a strong quarterly gain of 7.3% for the third quarter. The financial sector ended the month flat while industrial shares lost 0.5%.

The South African Reserve Bank left interest rates unchanged during the month, but downgraded its economic growth outlook while its inflation forecasts ticked higher. The latest consumer price inflation reading came in at 5%. The All Bond Index continued to benefit from foreign demand ahead of domestic government bonds' inclusion into the Citigroup World Government Bond Index. The All Bond Index rose by 0.9%. The rand started to come under pressure due to the widening current account deficit, which ballooned to 6.4% of GDP during the second quarter of this year, and the trade deficit which exceeded expectations. After its recent strong rally, the listed property market gave back 3.3%.

Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1 440.7	2.4%	5.8%	2.3%	14.6%	27.3%
Nasdaq	3 116.2	1.6%	6.2%	0.8%	19.6%	29.0%
MSCI Global Equity	1 311.5	2.5%	6.1%	0.0%	10.9%	18.8%
MSCI Emerging Mkt	1 002.7	5.8%	7.0%	-3.7%	9.4%	13.9%
Global Bond (US\$)						
Global Bonds	535.8	1.0%	2.8%	4.1%	3.2%	3.3%
Commodity Prices						
Brent Oil (USD/Barrel)	113.3	-1.9%	16.8%	-8.5%	5.6%	6.9%
Platinum (USD/oz)	1 662.0	8.1%	14.7%	1.4%	19.2%	8.9%
Gold (USD/oz)	1 771.7	4.8%	10.9%	6.2%	13.3%	9.1%
South African Mkt (Rand)						
Africa All Share	4 358.7	1.6%	7.3%	8.3%	14.8%	24.4%
Africa Top 40	3 849.3	1.8%	7.6%	8.2%	13.8%	23.4%
Africa Resource 20	2 550.3	5.7%	3.0%	-0.4%	-3.8%	3.7%
Africa Financial 15	4 378.1	0.0%	5.3%	9.2%	23.9%	35.9%
Africa Industrial 25	6 094.9	-0.4%	11.8%	15.7%	27.7%	39.1%
Africa Mid Cap	9 258.1	0.9%	5.4%	8.7%	20.2%	30.1%
Africa Small Cap	10 688.7	1.3%	6.2%	8.2%	19.4%	27.5%
All Bond Index	423.0	0.9%	5.0%	10.5%	13.1%	17.0%
Stefi Composite	276.1	0.4%	1.4%	2.8%	4.2%	5.6%
Africa SA Listed Property - (SAPY)	1 253.0	-3.3%	11.0%	22.4%	32.2%	37.2%
MSCI Global Equity (R)		1.5%	8.3%	8.3%	14.1%	21.9%
Global Bonds (R)		0.1%	4.9%	12.9%	6.2%	6.1%
Rand Dollar Exchange Rate	8.30	-1.0%	2.0%	8.4%	2.9%	2.6%

As a result of the movements in the financial markets the SALA Fund's total assets is R9 581 336 738 as at the end of September 2012. For the month of September the Active Members' portion of the total Fund returned 1.06%, DC Members returned 1.10% whilst the Pensioners Members' portion returned 0.96% p.a. Over the past 5 years to 30 September 2012 the total Fund returned 9.17% p.a.