

**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 R13 498 405 552 as at the end of August 2015. For the 12 months up to August the Active Members' portion of the total Fund returned 9.44%, DC Members returned 9.22% whilst the Pensioners Members' portion returned 8.26% p.a. Over the past 5 years to 31 August 2015 the total Fund returned 14.44% p.a.

**FINANCIAL MARKET OVERVIEW**

Local financial markets got caught up in the global malaise that saw the currency depreciate sharply and the equity market suffered big losses. The rand touched a fresh 14 year low against the US dollar and new record lows against the pound sterling and the euro. On a trade weighted basis, the rand depreciated by 3.6% during the month and closed well above the R13 level at R13.27 against the US dollar. The currency weakness caused interest rate hike expectations to rise, notwithstanding a soft inflation reading and the drop in oil prices. Consumer price inflation for July rose to 5% from 4.7% the previous month. The increase was mostly driven by previous petrol price and electricity price hikes.

The FTSE/JSE All Share Index dropped to a low on August 24 before rebounding towards month-end. It recorded a loss of 3.6% for the month. Industrial shares fared the worst amongst the major sub-sectors with a decline of 4.6%. Financial shares closed 4% lower and resources shares lost 0.2%. Gold and platinum mining companies were some of the best performing stocks on the bourse due to a rise in gold and platinum spot prices. The economic backdrop worsened with the release of disappointing second quarter GDP numbers. The economy contracted by 1.3% during the quarter and year-on-year growth was a meagre 1.2%. The weakness in the economy was broad-based, but the largest detractors were the agriculture, mining and manufacturing sectors. The manufacturing sector officially entered recession with two consecutive quarters of negative growth.

The All Bond Index gained 0.1% during the month despite the sell-off in the rand and foreign investors who were net sellers of local fixed interest investments. Foreigners were, however, net buyers of local shares. The All Bond Index is up 2.8% for the year to date, underperforming cash over the same period. Listed property's performance was in line with that of bonds and the sector rose 0.2% during August.

<b>Global Equity (US\$)</b>	<b>Level</b>	<b>1 Month</b>	<b>3 Months</b>	<b>6 Months</b>	<b>YTD</b>	<b>12 Months</b>
S&P 500	1 972.2	-6.3%	-6.4%	-6.3%	-4.2%	-1.6%
Nasdaq	4 776.5	-6.9%	-5.8%	-3.8%	0.9%	4.3%
MSCI Global Equity	1 645.4	-6.8%	-7.5%	-7.2%	-3.8%	-5.9%
MSCI Emerging Mkt	818.7	-9.2%	-18.5%	-17.3%	-14.4%	-24.7%
<b>Global Bond (US\$)</b>						
Global Bonds	494.8	1.4%	1.4%	-1.2%	-1.8%	-6.0%
<b>Commodity Prices</b>						
Brent Oil (USD/Barrel)	53.3	2.1%	-18.5%	-14.8%	-7.0%	-48.2%
Platinum (USD/oz)	1 010.0	2.6%	-9.0%	-15.1%	-16.5%	-29.1%
Gold (USD/oz)	1 134.9	3.6%	-4.7%	-6.4%	-4.1%	-11.9%
<b>South African Mkt (Rand)</b>						
Africa All Share	6 631.4	-3.6%	-3.8%	-4.5%	2.4%	1.1%
Africa Top 40	5 884.1	-4.3%	-3.6%	-4.1%	2.9%	0.2%
Africa Resource 20	2 093.6	-0.2%	-14.0%	-19.6%	-12.3%	-33.8%
Africa Financial 15	7 964.3	-4.0%	-1.3%	-1.2%	6.8%	15.8%
Africa Industrial 25	11 687.2	-4.6%	-2.3%	-1.7%	4.6%	10.7%
Africa Mid Cap	13 392.2	0.4%	-5.1%	-7.6%	-0.6%	5.1%
Africa Small Cap	18 048.8	-1.3%	-3.7%	-2.7%	2.7%	8.8%
All Bond Index	494.2	0.1%	1.0%	-0.8%	2.8%	5.4%
Stefi Composite	324.7	0.5%	1.6%	3.2%	4.2%	6.3%
Africa SA Listed Property - (SAPY)	1 985.4	0.2%	5.0%	1.4%	12.3%	27.5%
MSCI Global Equity (R)		-2.3%	0.9%	5.6%	11.5%	17.1%
Global Bonds (R)		6.3%	10.6%	12.5%	13.7%	17.0%
Rand Dollar Exchange Rate	13.27	4.9%	9.2%	13.8%	15.9%	24.5%