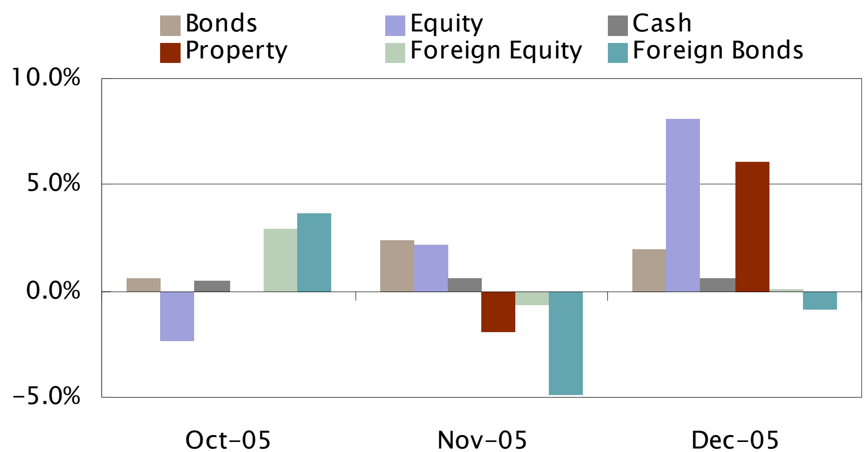
RisCUpdate

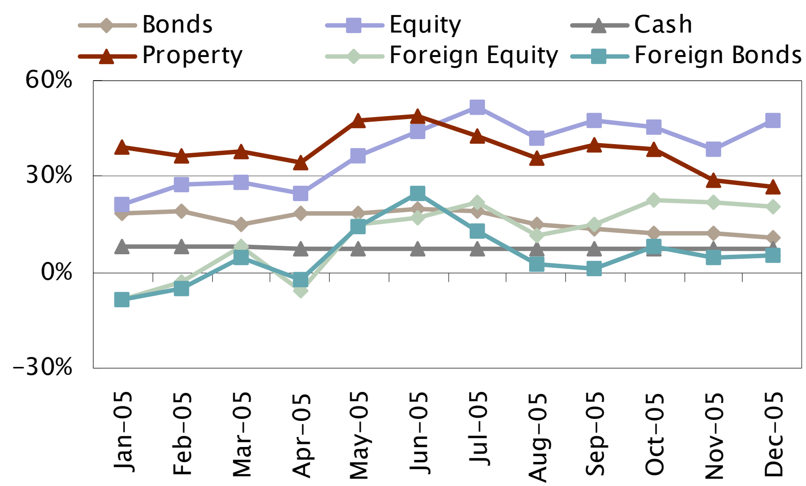
quarterly overview
31 Dec 2005

How the different asset classes performed...

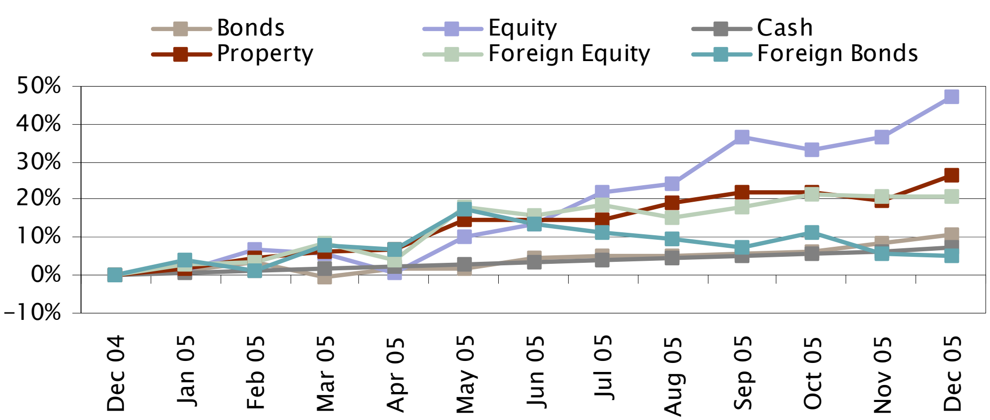
Asset Class Monthly Returns



Asset Class Rolling 12-Month Performance



Asset Class Performance – Year to Date

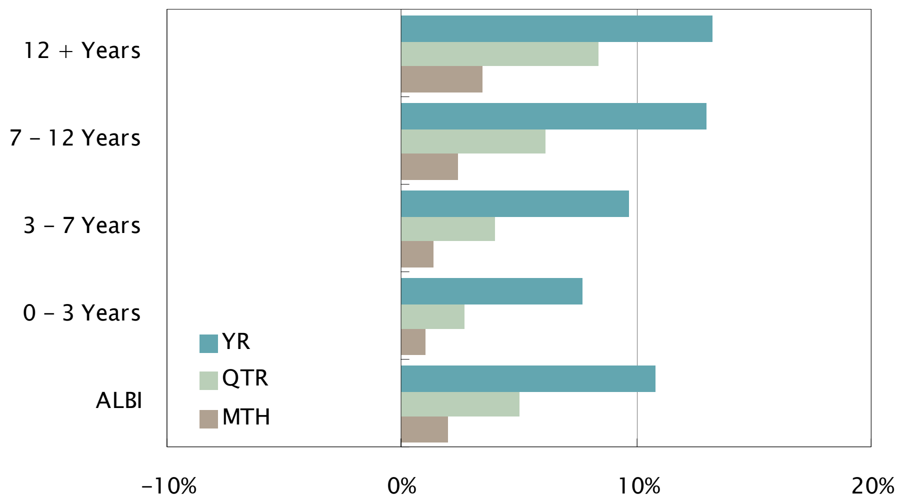


Sector Indices

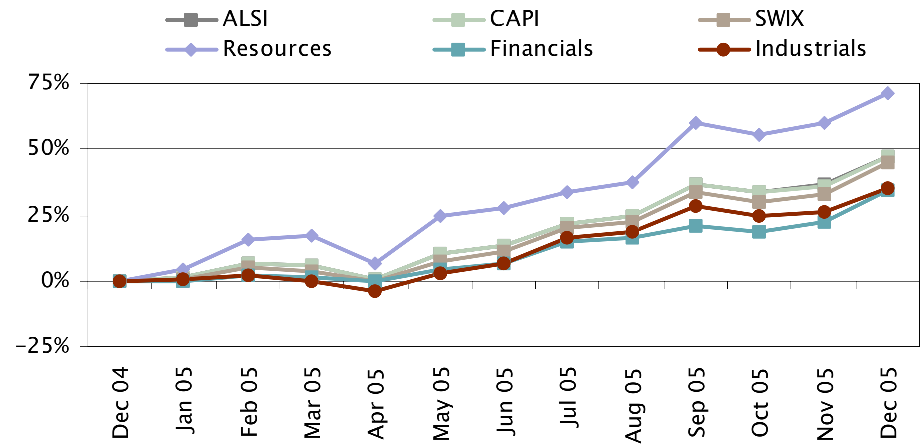
Bonds	ALBI
Equity	All Share
Cash	STeFI
Property	ALSI Real Estate
Foreign Equity	MSCI World
Foreign Bonds	JP Morgan Govt Bond

How the local market indices performed...

Compounded Returns of FTSE/JSE Sectors & Indices

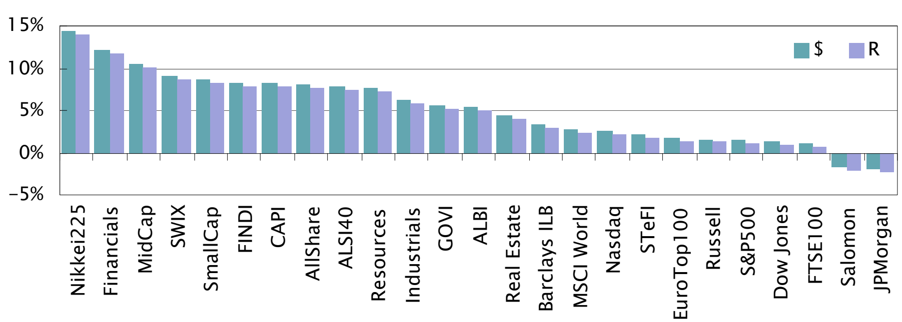


Sector & Indices Performance – Year to Date

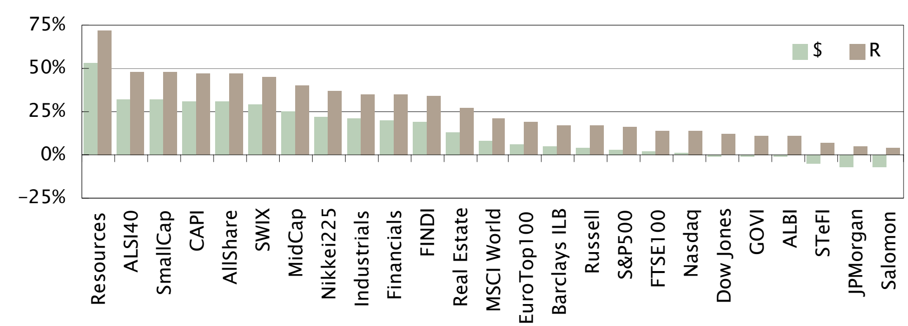


How the world market indices performed...

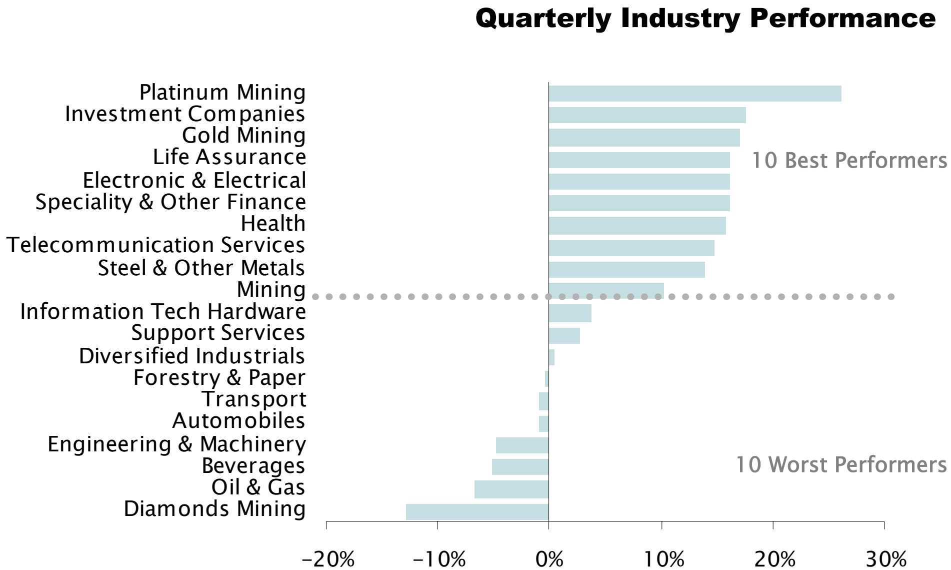
Compounded QTR Return of Major Indices

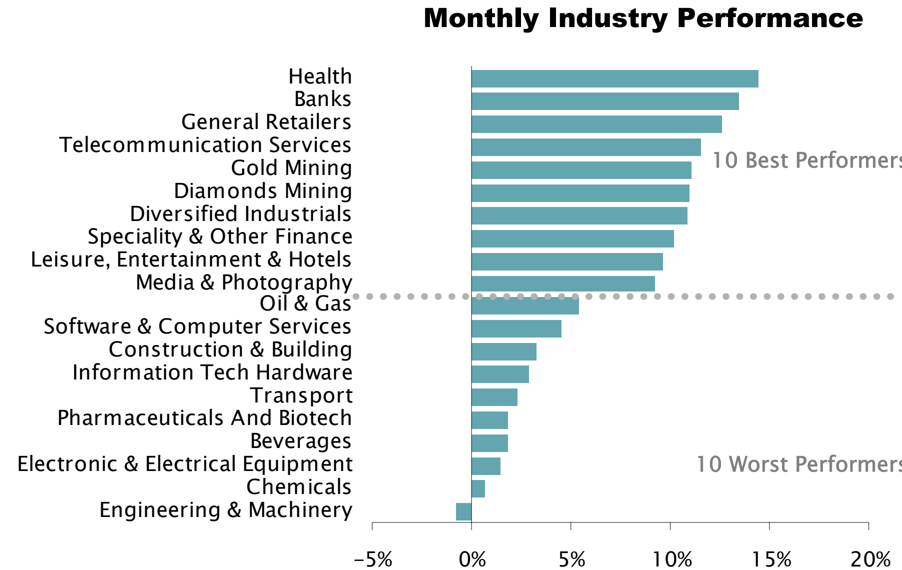


Compounded Annual Return of Major Indices



Equity market - how the equity sector performed...

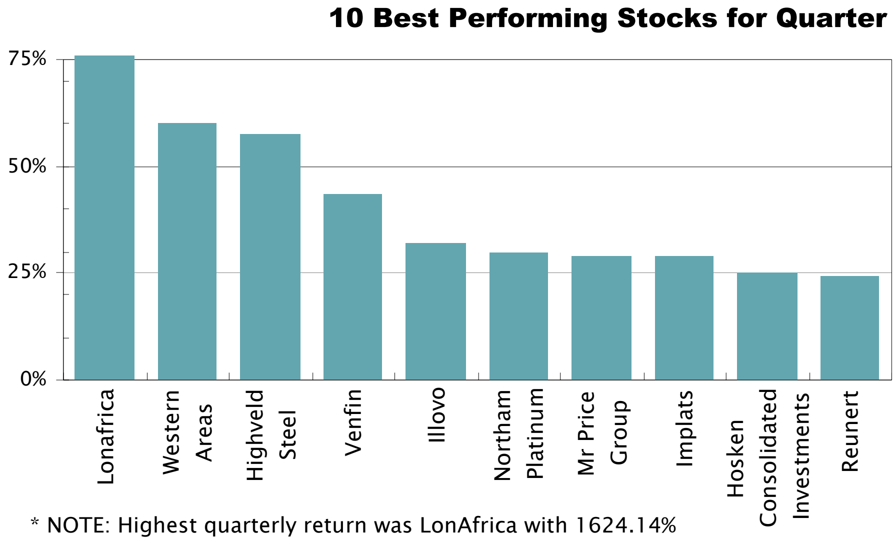




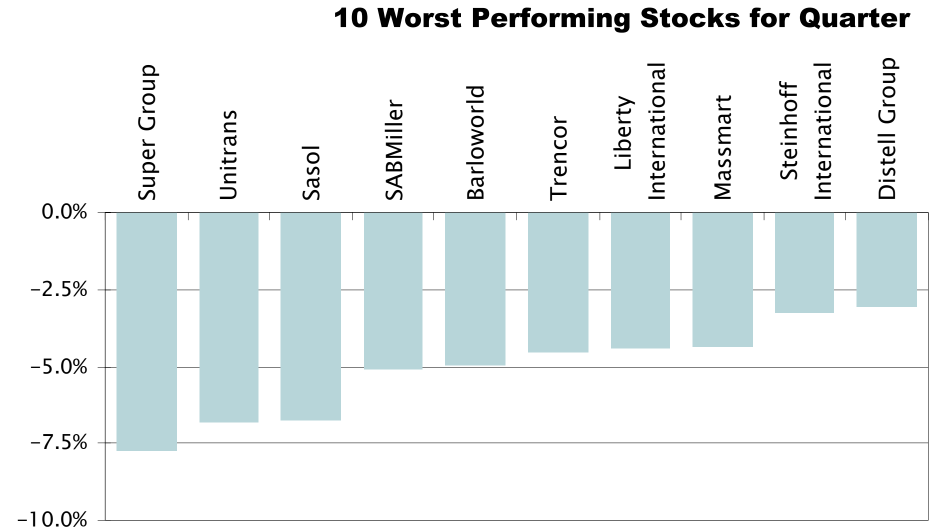
20 largest shares by market cap...

	Share	R'million		Share	R'million		Share	R'million		Share	R'million
1	Anglo American	319,147	6	FirstRand	103,597	11	Telkom SA	73,431	16	Gold Fields	55,152
2	BHP Billiton	256,440	7	MTN Group	103,499	12	Old Mutual	73,410	17	Nedbank	44,271
3	SAB Miller PLC	176,218	8	Standard Bank Group	102,524	13	ABSA Group	67,352	18	Sanlam	36,587
4	Sasol	154,119	9	Angloplat	99,803	14	Implats	62,504	19	Liberty Int	36,479
5	Richemont	143,289	10	Anglogold Ashanti	83,186	15	Remgro	59,352	20	Naspers	35,233

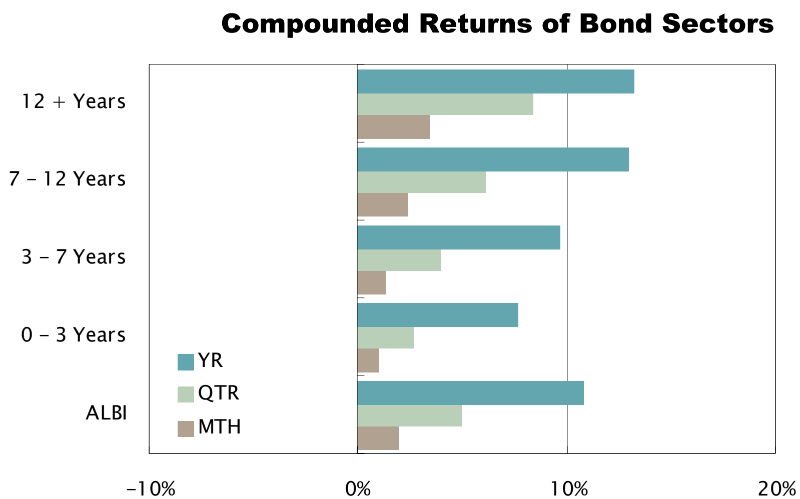
Equity market - how specific equities performed...

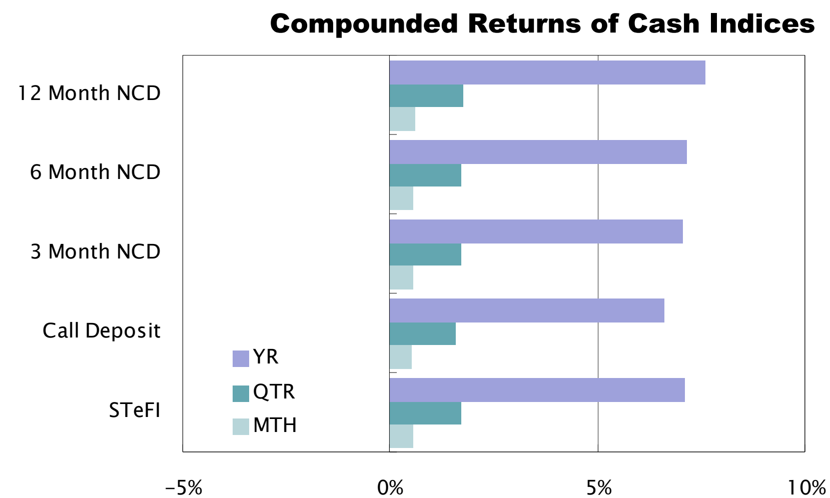


* NOTE: Highest quarterly return was LonAfrica with 1624.14%



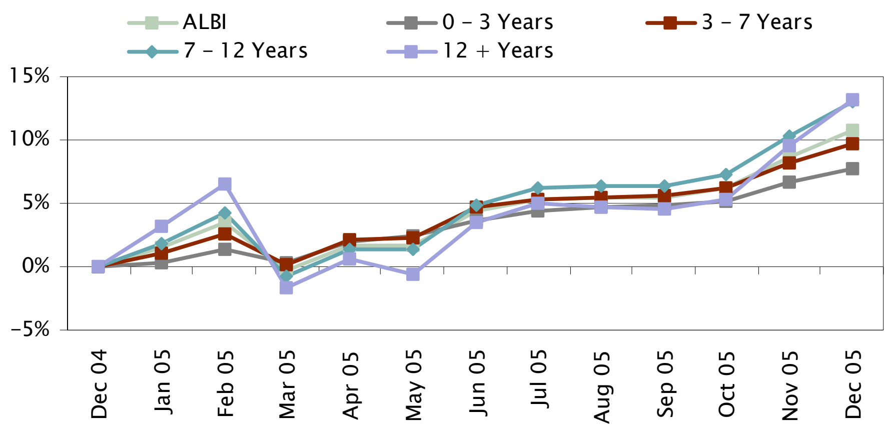
How the fixed interest market performed...



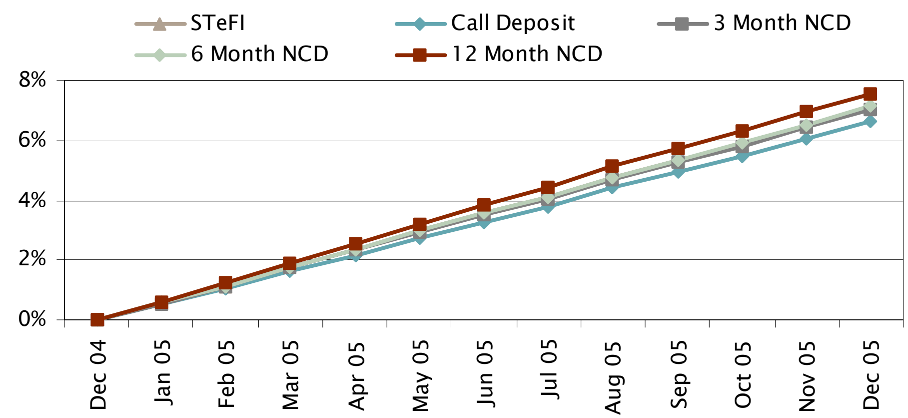


Fixed interest market – how the different sectors performed...

Cumulative Performance of Bond Sectors - YTD



Cumulative Performance of Cash Indices - YTD



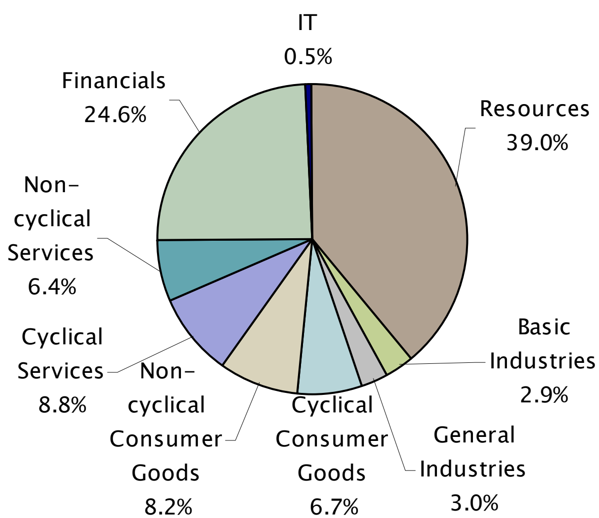
Fixed interest market – how the currency performed...

	30 Sep 05	30 Dec 05	% Change
Rand/dollar	6.36	6.34	0.39%
Rand/pound	11.20	10.89	2.79%
Rand/euro	7.63	7.50	1.79%
Dollar/euro	1.20	1.18	-1.55%

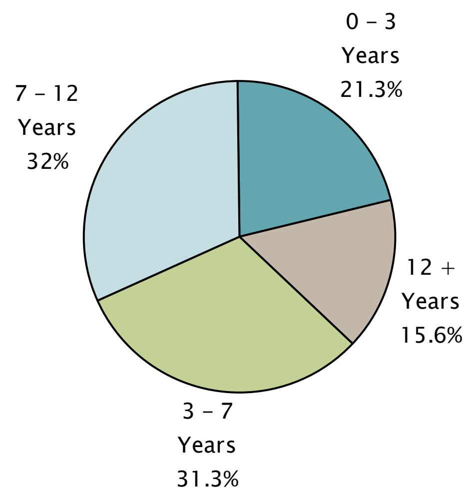
What makes up the benchmarks…

Quarterly Composition of all Indices

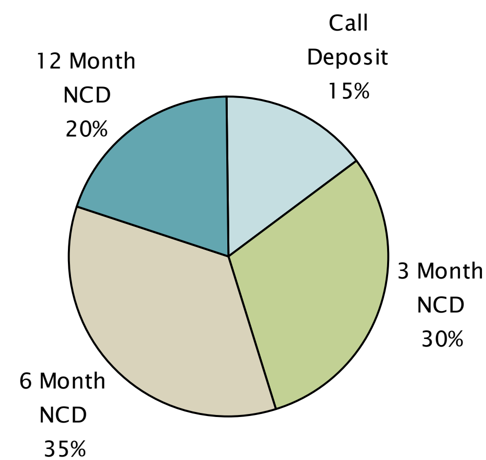
Equity – All Share



Bond - ALBI



Cash - STeFI



market and economic update...

Globally speaking...

<u>Background</u>

- The decade long deflationary period in Japan appears to be finally over, confirmed by recently released inflation statistics.
- As a result, Japanese equity markets led global equity markets higher in the 4th quarter, following a positive 3rd quarter.
- The strong global economy is underpinning positive equity markets. More specifically, the buoyant US economy is defying predictions of a slowdown. Productivity growth remains remarkably high for this late in the cycle.
- Furthermore, consumer spending and the housing market appear relatively unaffected by higher interest rates and energy prices.
- Interest rates increased in the US and Europe.
- Bond yields remained low, despite increases at the short end of the curve.
- Japanese monetary policy is likely to remain unchanged until evidence of consistently higher consumer prices emerges.
- The US yield curve is approaching inversion – this often signals an economic slowdown – following concerns that the Federal Reserve may raise rates more than required to stem rising core inflation and overall demand for final products.

<u>Outlook</u>

- Equity markets are likely to make modest gains, provided oil prices remain under control.
- Japanese equities are expected to outperform based on economic and profits recovery. The valuation discrepancy between US “megacaps” and smaller market capitalisation stocks appears excessive, hence expectations for outperformance from these larger cap counters.
- Global bonds should continue to underperform equity markets.
- Modest interest rate rises in the US and Europe and continued (but slower) economic and profit growth swings the balance in favour of equities.
- The outlook is for lower US economic growth, but a full blown recession is not expected. Inflation should remain under control.
- Positive interest rate differentials and economic growth will support the Dollar during the early part of 2006.
- A greater focus on the financial imbalances during the 2nd half of 2006 should cause the currency to weaken.
- China will continue to grow its economy at a brisk pace, underpinning commodity demand and the large export of manufactured goods, which helps to curb world inflation.

market and economic update...

Locally speaking...

Background

- South African equities made significant gains in the 4th quarter.
- A buoyant domestic economy and corporate sector, favourable world equity markets and strong commodity prices are providing continued support to the local market.
- Yields on local bonds firmed in the last 2 months of the year, after better than expected inflation numbers were released, following a strong rand and softer global energy prices.
- Interest rates were left unchanged, despite warnings early in the quarter by Tito Mboweni of a possible increase in short-term rates.
- Higher commodity prices, in particular a sharp increase in the price of precious metals, contributed to a stronger currency.
- The current account deficit is approaching 5% of GDP, caused by a continued boom in consumer spending. However, the deficit has been easily financed by foreign capital inflows, notably Vodafone recently.

Outlook

- Local equities are expected to make further gains backed by strong economic momentum. More specifically, domestic economy stocks are likely to outperform. Infrastructure spending and capital goods investment are expected to progressively replace consumer spending as the main driving force in the economy.
- High commodity prices will support the rand, but the currency is vulnerable if the world economy falters given SA's rapidly escalating current account deficit, still modest reserves and anomalous maintenance of exchange control.
- Listed property should continue to outperform bonds as economic growth boosts rental income. Low bond yields will remain supportive for property valuation.

Economic comment supplied by Foord

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performance table

Index/Sector	1 month	3 month	YTD	1 year	3 year
All Share	**8.05%**	**7.74%**	**47.25%**	**47.25%**	**28.95%**
Capped All Share Index	8.13%	7.77%	47.32%	47.32%	29.63%
Shareholder Weighted All Share Index	8.81%	8.67%	44.88%	44.88%	32.29%
Top 40	8.06%	7.43%	48.24%	48.24%	27.53%
Mid Cap	7.94%	10.03%	40.12%	40.12%	36.39%
Small Cap	7.83%	8.35%	47.88%	47.88%	51.03%
Resources	**7.18%**	**7.21%**	**71.53%**	**71.53%**	**21.14%**
Mining	7.53%	10.23%	68.11%	68.11%	19.19%
Gold Mining	11.07%	17.10%	62.34%	62.34%	-3.81%
Diamonds Mining	10.97%	-12.90%	-21.86%	-21.86%	-6.09%
Platinum Mining	8.73%	26.10%	109.87%	109.87%	19.96%
Other Mineral Extractors	6.52%	6.41%	63.69%	63.69%	27.36%
Oil & Gas	5.35%	-6.72%	92.76%	92.76%	34.76%
All Share Industrials	**7.58%**	**5.72%**	**35.46%**	**35.46%**	**35.48%**
Basic Industries	4.88%	6.38%	18.15%	18.15%	17.78%
Chemicals	0.67%	7.16%	27.78%	27.78%	32.99%
Construction & Building Materials	3.30%	6.63%	38.51%	38.51%	33.92%
Forestry & Paper	7.65%	-0.42%	-8.44%	-8.44%	-11.51%
Steel & Other Metals	8.04%	13.92%	18.28%	18.28%	59.29%
General Industrials	8.25%	3.74%	26.42%	26.42%	35.68%
Diversified Industrials	10.85%	0.39%	23.25%	23.25%	35.34%
Electronic & Electrical Equipment	1.46%	16.19%	36.63%	36.63%	36.22%
Engineering & Machinery	-0.74%	-4.85%	33.46%	33.46%	35.40%
Cyclical Consumer Goods	8.03%	6.88%	49.51%	49.51%	24.58%
Automobiles	5.75%	-0.98%	32.85%	32.85%	31.33%
Household Goods & Textiles	8.08%	7.08%	49.93%	49.93%	24.54%
Non-cyclical Consumer Goods	3.81%	-0.64%	35.88%	35.88%	32.20%
Beverages	1.86%	-5.11%	26.23%	26.23%	28.60%
Food Producers & Processors	6.66%	7.11%	48.38%	48.38%	35.08%
Health	14.41%	15.81%	55.96%	55.96%	40.27%
Pharmaceuticals And Biotech	1.86%	4.01%	85.28%	85.28%	66.14%
Cyclical Services	9.32%	6.28%	29.31%	29.31%	46.62%
General Retailers	12.56%	8.59%	27.95%	27.95%	54.87%
Leisure, Entertainment & Hotels	9.61%	6.40%	41.46%	41.46%	46.04%
Media & Photography	9.23%	8.54%	51.35%	51.35%	67.09%
Support Services	5.71%	2.66%	18.16%	18.16%	26.02%
Transport	2.29%	-0.89%	19.45%	19.45%	42.66%
Non-cyclical Services	11.12%	13.20%	45.64%	45.64%	66.00%
Food & Drug Retailers	8.32%	4.17%	41.44%	41.44%	40.04%
Telecommunication Services	11.58%	14.79%	46.34%	46.34%	73.67%
Information Technology	4.35%	9.57%	29.81%	29.81%	27.91%
Information Tech Hardware	2.86%	3.74%	8.48%	8.48%	44.86%
Software & Computer Services	4.48%	10.08%	31.94%	31.94%	23.66%

RisCura good thinking

RisCUpdate

Q4 2005

Index/Sector	1 month	3 month	YTD	1 year	3 year
Financials	**10.16%**	**11.75%**	**34.69%**	**34.69%**	**34.26%**
Banks	13.42%	9.74%	32.62%	32.62%	40.18%
Insurance	6.22%	4.96%	34.48%	34.48%	25.72%
Life Assurance	8.88%	16.26%	26.22%	26.22%	24.08%
Investment Companies	7.04%	17.54%	51.13%	51.13%	35.52%
Real Estate	6.05%	3.98%	26.68%	26.68%	26.71%
Speciality & Other Finance	10.16%	16.12%	59.87%	59.87%	52.90%
Financials And Industrials	**8.61%**	**8.08%**	**35.16%**	**35.16%**	**34.99%**
ALBI	**1.95%**	**5.02%**	**10.77%**	**10.77%**	**14.66%**
1-3 Years	0.97%	2.63%	7.68%	7.68%	10.91%
3-7 Years	1.40%	3.92%	9.69%	9.69%	13.96%
7-12 Years	2.41%	6.13%	12.96%	12.96%	16.78%
12+ Years	3.45%	8.38%	13.25%	13.25%	17.41%
STeFI	**0.58%**	**1.71%**	**7.12%**	**7.12%**	**9.11%**
Call Deposit	0.54%	1.61%	6.62%	6.62%	8.55%
3 Month NCD	0.58%	1.71%	7.04%	7.04%	9.00%
6 Month NCD	0.58%	1.71%	7.13%	7.13%	9.16%
12 Month NCD	0.60%	1.78%	7.58%	7.58%	9.59%
International Index / Other	**1 month**	**3 month**	**YTD**	**1 year**	**3 year**
S&P 500	-2.16%	1.19%	15.66%	15.66%	1.62%
MSCI World	0.02%	2.32%	20.77%	20.77%	5.50%
JPMorgan GBI	-1.35%	-0.08%	16.42%	16.42%	-6.32%
Salomon Brothers GBI	-0.84%	-2.19%	4.23%	4.23%	-4.43%
Dow Jones	-2.87%	1.01%	11.61%	11.61%	-1.69%
Euro Top 100	1.05%	1.36%	19.18%	19.18%	6.30%
Nikkei 225	7.61%	14.04%	37.14%	37.14%	11.82%
FTSE 100	1.83%	0.77%	14.43%	14.43%	5.92%
Nasdaq	-3.27%	2.09%	13.83%	13.83%	6.89%
Russell 1000	-2.06%	1.23%	17.19%	17.19%	2.53%
Barclays Inflation Linked Bond Index	0.52%	2.97%	17.43%	17.43%	10.27%

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