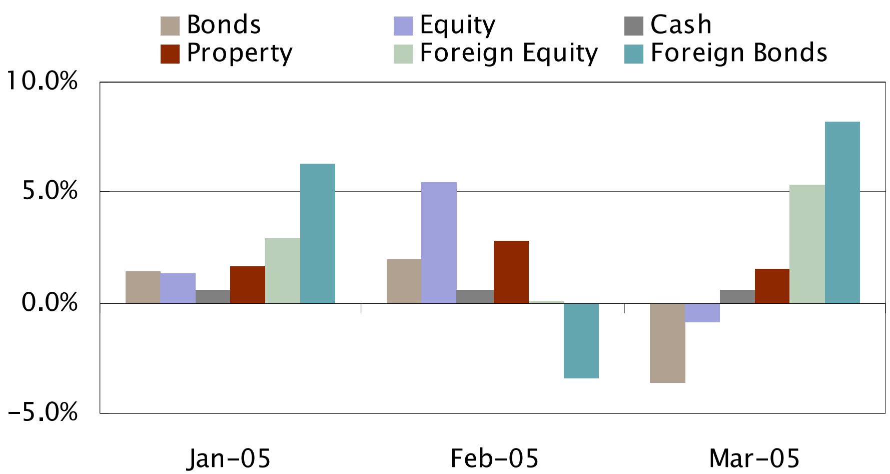
RisCUpdate

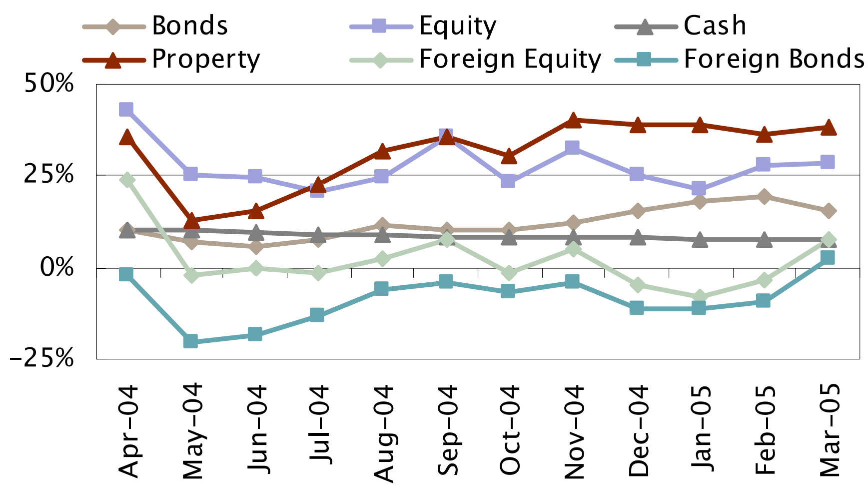
quarterly overview
31 Mar 2005

How the different asset classes performed...

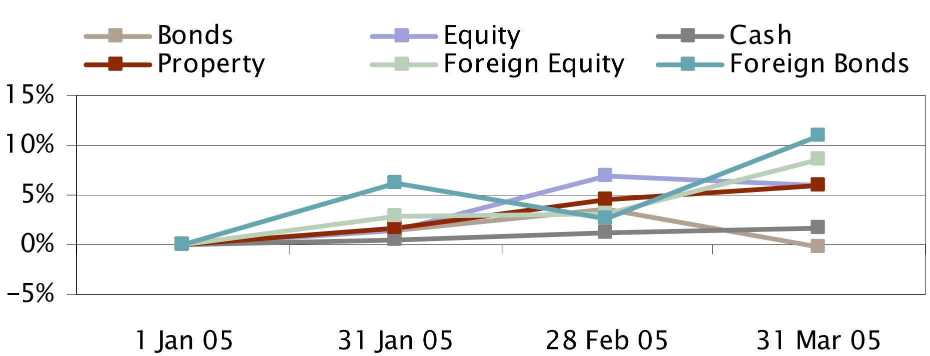
Asset Class Monthly Returns



Asset Class Rolling 12-Month Performance



Asset Class Performance – Year to Date

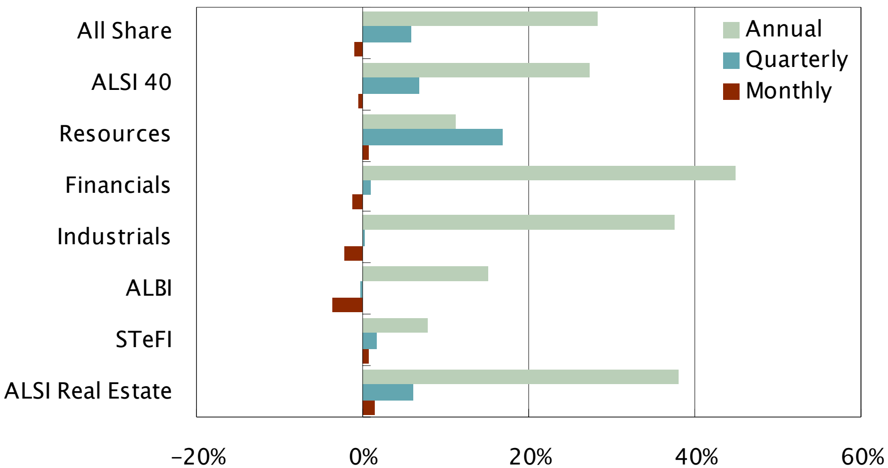


Sector Indices

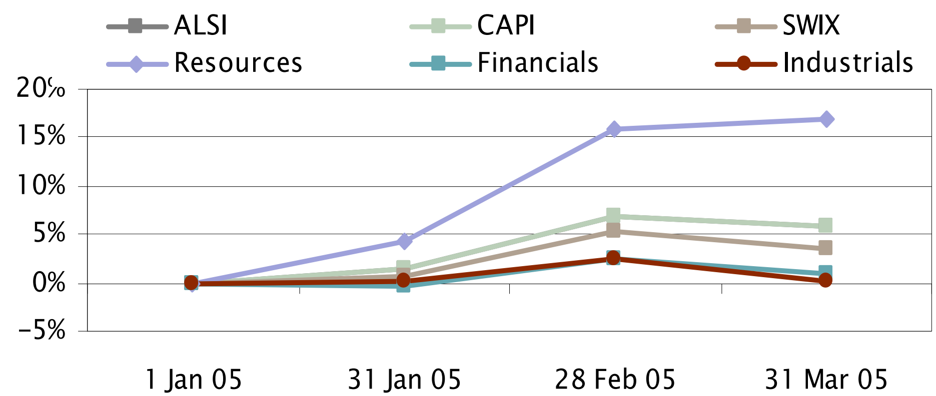
Bonds	ALBI
Equity	All Share
Cash	STeFI
Property	ALSI Real Estate
Foreign Equity	MSCI World
Foreign Bonds	JP Morgan Govt Bond

How the local market indices performed...

Compounded Returns of FTSE/JSE Sectors & Indices

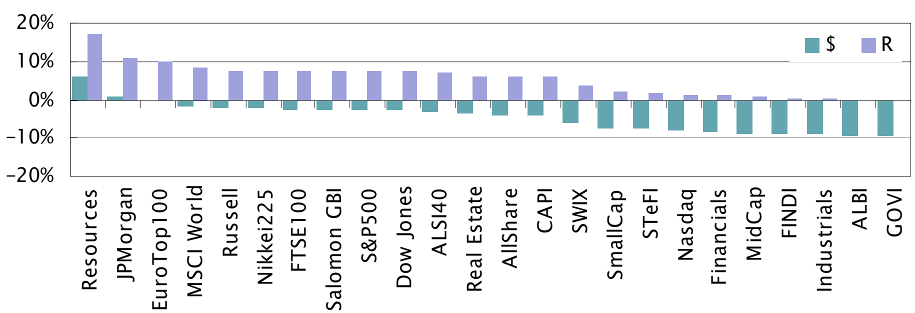


Sector & Indices Performance – Year to Date

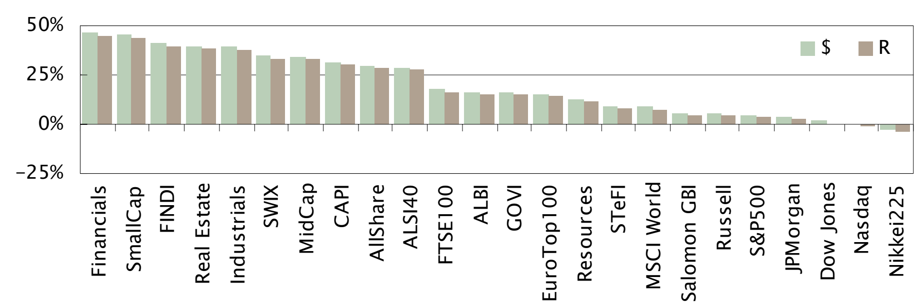


How the world market indices performed...

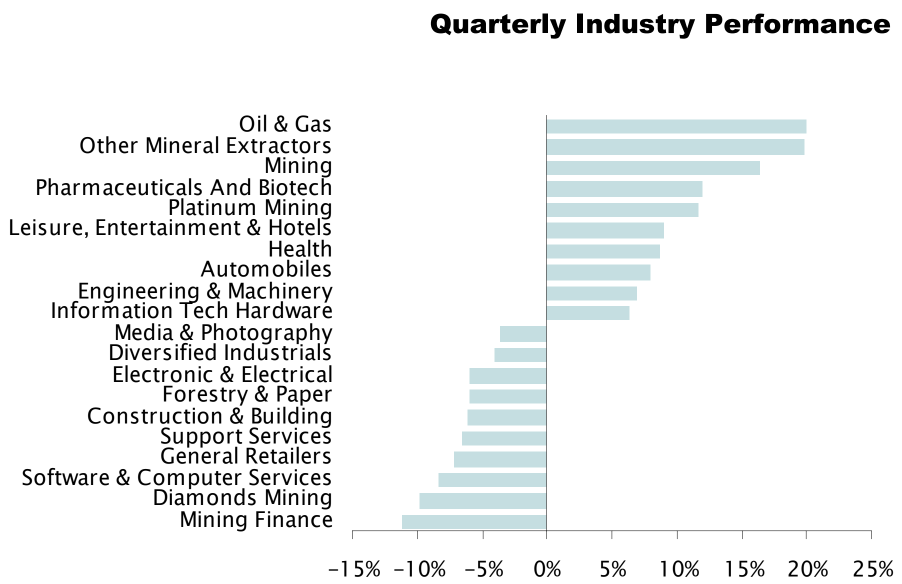
Compounded QTR Return of Major Indices

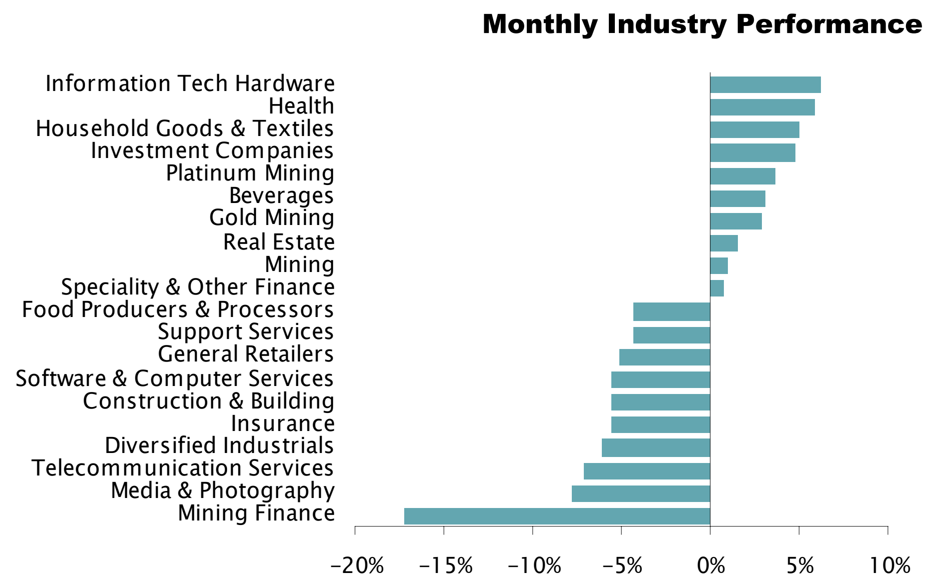


Compounded Annual Return of Major Indices



Equity market - how the equity industries performed...



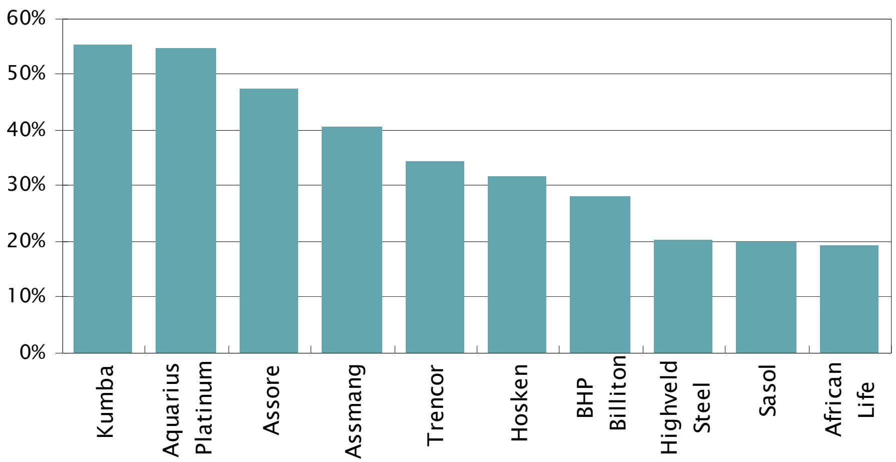


Equity market top 20 shares by market cap...

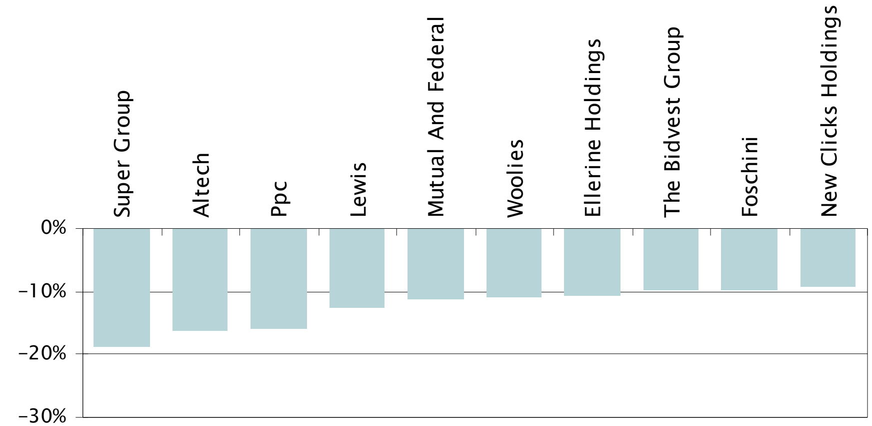
Share	R'million	Share	R'million	Share	R'million
Anglo American	219,834	FirstRand	72,999	LIB-INT	36,302
BHP Billiton	206,954	Old Mutual	60,667	Gold Fields	35,677
SAB Miller	107,910	Telkom	59,853	Implats	35,027
Richemont	101,842	Anglogold Ashanti	57,138	Sanlam	33,598
Sasol	98,031	Angloplat	50,875	Nedcor	29,666
Standard Bank	85,040	ABSA	49,391	Mittal	28,305
MTN	73,150	Remgro	45,633		

Equity market - how specific equities performed...

10 Best Performing Stocks for Quarter

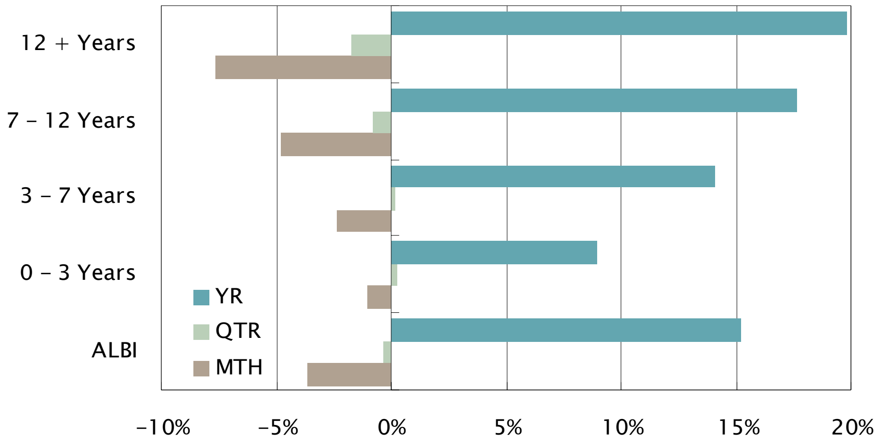


10 Worst Performing Stocks for Quarter

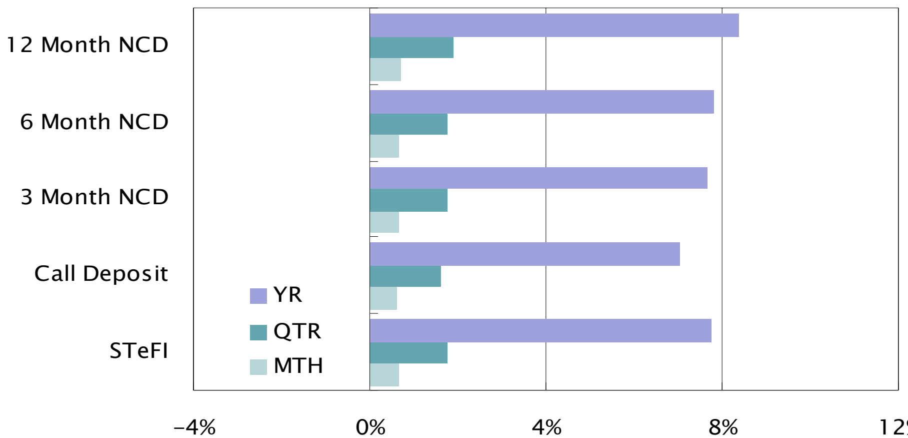


How the fixed interest market performed...

Compounded Returns of Bond Sectors

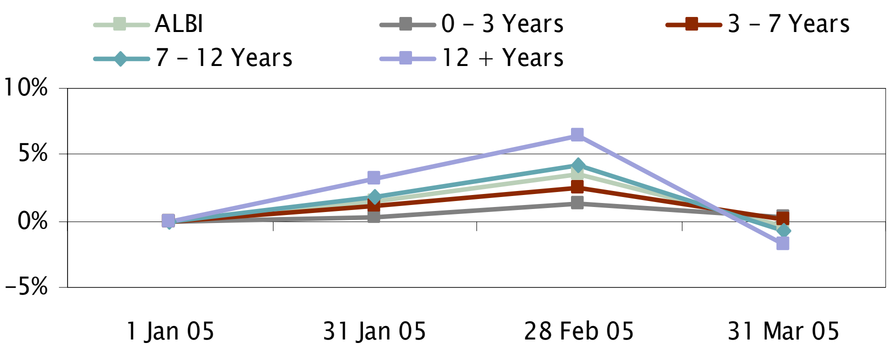


Compounded Returns of Cash Indices

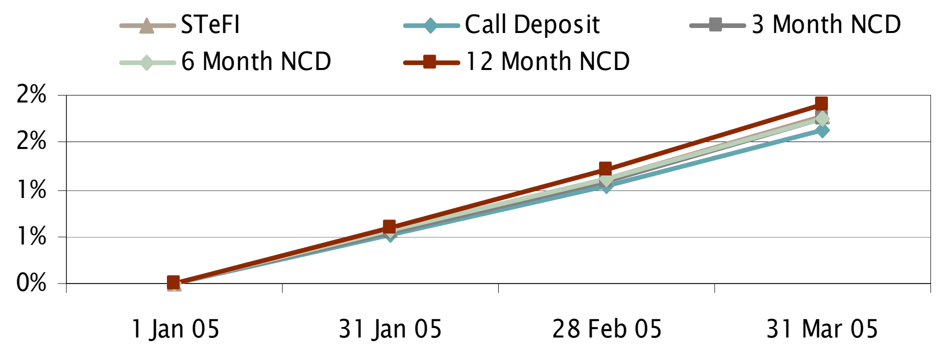


Fixed interest market – how the different sectors performed...

Cumulative Performance of Bond Sectors - YTD



Cumulative Performance of Cash Indices - YTD



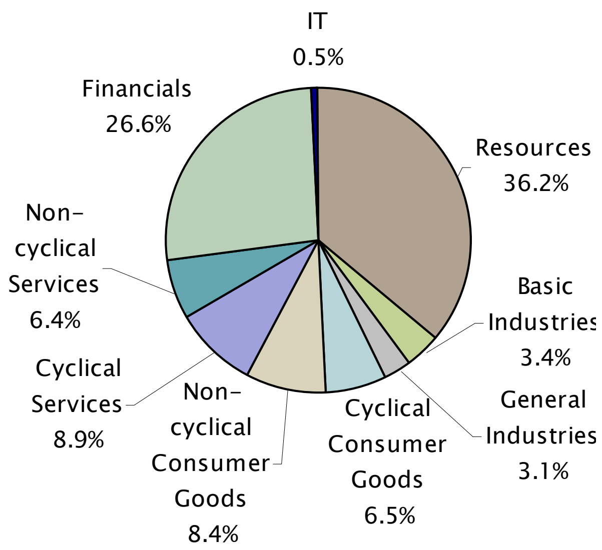
Fixed interest market – how the currency performed...

	30 Dec 04	31 Mar 05	% Change
Rand/dollar	5.67	6.25	-9.29%
Rand/pound	10.86	11.82	-8.08%
Rand/euro	7.68	8.11	-5.37%
Dollar/euro	1.35	1.29	-4.29%

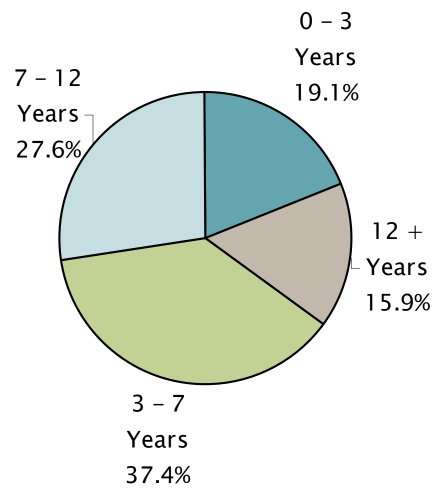
What makes up the benchmarks...

Quarterly Composition of all Indices

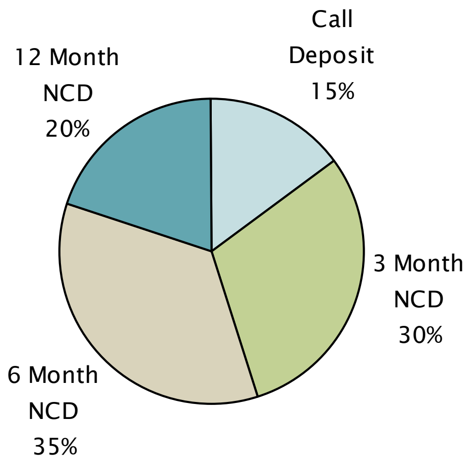
Equity – All Share



Bond - ALBI



Cash - STeFI



market and economic update…

Globally speaking…

Background

- After enjoying one of the strongest periods of synchronized growth in 2004, the world economy entered 2005 in good shape.
- The US is in its fourth year of expansion post the 2001 recession. Between 2002 and 2003, the expansion was essentially financed through massive productivity gains and by absorbing previous job losses, thus creating little inflationary pressure. But for the first time in 2004, the US created new jobs in the current expansion.
- The US economy is now close to full employment, and the prospect of higher unit labour costs is increasing.
- Asia and most emerging economies have grown substantially, but Europe continues to lag in the current cycle.
- The explosive commodity market continued, pushing input costs, and particularly fuel costs, to record 20-year highs.
- The US Federal Reserve continued to raise short-term interest rates.
- US long-term interest rates rose to the top-end of their 3-year range, on the back of fears of rising inflationary pressures.
- Interest rates in many areas of the world began to rise.

Outlook

- Inflationary pressures are mounting and the US Federal Reserve will have no option but to continue increasing interest rates.
- As US and global rates keep rising, the excess liquidity that the US and the world has enjoyed will disappear and buoyant economic conditions will abate.
- In light of this, the commodity cycle is looking increasingly mature.
- Higher interest rates are inevitable and can be absorbed by consumers and corporates, provided there are no economic shocks in the interim.
- The single biggest risk is run-away inflation, which would force aggressive interest rate hikes and slam the brakes on the US economy.
- While China may be providing a second vector of growth for the global economy, 30% of the Chinese economy is reliant on exports, which in turn is dependent on the continued buoyancy of the US consumer.
- We do not expect a dramatic deterioration in global conditions, and believe that the US Federal Reserve will maintain its “measured” pace of tightening monetary policy.

market and economic update…

Locally speaking…

Background

- The SA economy continued to grow above the trend, fuelled by 20-year lows in interest rates and buoyant business and consumer confidence.
- The domestic currency began to look vulnerable against a slightly stronger US$, and market sentiment shifted to the rand hedge stocks.
- SA inflation continued to surprise on the downside.
- A weaker currency, together with a much higher oil price, destroyed hopes for a near-term rate cut.
- Buoyant domestic consumption continued to fuel import growth which, so far, is not being offset by rising exports. The result is a Current Account deficit that cannot be sustained unless foreign inflows are received.
- As global risk appetites ebbed and the global bond bear trend gained momentum, local bond yields shot higher.

Outlook

- Although the sharp acceleration of the SA economy is probably behind us, with growth in GDP currently close to 5% q-o-q, a satisfactory National Budget and "pro-growth" fiscal policy should provide a good backdrop for sustained growth through 2005.
- The likelihood of further interest rate cuts is diminishing for several reasons: robust private sector credit extension, money supply growth and buoyant house prices all suggest current interest rates are stimulatory enough.
- SA inflation is near a cyclical trough. The rampant oil price and a tapering off of the once-off positive factors (strong currency, low maize prices), suggest that inflation could drift up towards the end of 2005.
- Economies around the world have begun raising interest rates and we believe that hikes in SA will be inevitable. Rising SA inflation would further support this.
- The SA Balance of Payments is looming as a structural imbalance that could put pressure on the domestic economic cycle. In a world of low yields SA rates were attractive, but this relative attractiveness diminishes as global interest rates rise.
- We are not expecting the rand to weaken dramatically, but consider further strength unlikely.
- If the rand remains reasonably stable, and the inflation rate range bound, then sharp increases in interest rates are unlikely.
- Taking everything into consideration, it appears unlikely that the exciting returns achieved in 2004 can be repeated in 2005.

Economic comment supplied by RMB Asset Management

RMB ASSET MANAGEMENT
TRADITIONAL VALUES. INNOVATIVE IDEAS.

performance table

Index/Sector	1Month	3Month	YTD	1Year	3Year
All Share	**-0.87%**	**5.95%**	**5.95%**	**28.19%**	**10.01%**
Capped All Share Index	-0.88%	5.92%	5.92%	30.17%	11.55%
Shareholder Weighted All Share Index	-1.83%	3.40%	3.40%	33.15%	15.52%
Top 40	-0.44%	6.80%	6.80%	27.25%	7.27%
Mid Cap	-3.68%	0.64%	0.64%	32.76%	31.79%
Small Cap	-2.77%	2.26%	2.26%	44.19%	42.32%
Resources	**0.79%**	**16.88%**	**16.88%**	**11.19%**	**-1.19%**
Mining	1.01%	16.38%	16.38%	6.21%	-2.65%
Gold Mining	2.88%	4.59%	4.59%	-26.98%	-15.03%
Diamonds Mining	-1.69%	-9.79%	-9.79%	-33.22%	8.77%
Platinum Mining	3.70%	11.62%	11.62%	-3.87%	-10.50%
Other Mineral Extractors	0.33%	19.80%	19.80%	18.45%	6.71%
Mining Finance	-17.24%	-11.11%	-11.11%	-61.90%	-33.37%
Oil & Gas	-0.52%	20.03%	20.03%	54.45%	9.89%
All Share Industrials	**-2.16%**	**0.17%**	**0.17%**	**37.45%**	
Basic Industries	-2.88%	-2.72%	-2.72%	29.02%	10.63%
Chemicals	-3.03%	-0.34%	-0.34%	25.23%	32.87%
Construction & Building Materials	-5.53%	-6.18%	-6.18%	51.65%	37.34%
Forestry & Paper	-2.70%	-6.03%	-6.03%	-10.57%	-18.05%
Steel & Other Metals	0.58%	4.78%	4.78%	93.42%	70.13%
General Industrials	-5.34%	-4.32%	-4.32%	50.36%	29.13%
Diversified Industrials	-6.10%	-4.00%	-4.00%	54.05%	30.93%
Electronic & Electrical Equipment	-2.92%	-6.00%	-6.00%	39.12%	22.22%
Engineering & Machinery	-1.08%	6.99%	6.99%	48.53%	37.84%
Cyclical Consumer Goods	4.79%	3.83%	3.83%	22.36%	-5.09%
Automobiles	-2.40%	7.99%	7.99%	36.18%	24.98%
Household Goods & Textiles	5.00%	3.72%	3.72%	22.10%	-5.34%
Non-cyclical Consumer Goods	1.34%	4.16%	4.16%	37.87%	16.68%
Beverages	3.16%	2.67%	2.67%	38.11%	11.80%
Food Producers & Processors	-4.33%	4.26%	4.26%	37.21%	24.35%
Health	5.92%	8.76%	8.76%	22.76%	31.84%
Pharmaceuticals And Biotech	-3.98%	12.02%	12.02%	64.71%	45.78%
Cyclical Services	-5.05%	-4.89%	-4.89%	52.37%	45.18%
General Retailers	-5.16%	-7.13%	-7.13%	60.83%	58.28%
Leisure, Entertainment & Hotels	-3.77%	9.03%	9.03%	61.01%	46.81%
Media & Photography	-7.81%	-3.56%	-3.56%	60.79%	67.13%
Support Services	-4.35%	-6.51%	-6.51%	35.13%	22.44%
Transport	-1.78%	-0.34%	-0.34%	37.65%	43.66%
Non-cyclical Services	-6.46%	3.76%	3.76%	34.32%	50.14%
Food & Drug Retailers	-2.14%	5.50%	5.50%	39.67%	36.68%
Telecommunication Services	-7.14%	3.48%	3.48%	33.53%	53.22%
Information Technology	-4.37%	-6.95%	-6.95%	-1.34%	-8.95%
Information Tech Hardware	6.26%	6.26%	6.26%	36.59%	56.66%
Software & Computer Services	-5.52%	-8.33%	-8.33%	-7.00%	-15.45%

RisCura
good thinking

RisCUpdate

Q1 2005

Index/Sector	1 Mth	3 Mth	YTD	1 Yr	3 Yr
Financials	-1.29%	1.05%	1.05%	44.89%	22.05%
Banks	-2.85%	-1.60%	-1.60%	51.15%	31.81%
Insurance	-5.57%	1.41%	1.41%	33.13%	14.56%
Life Assurance	-3.06%	3.57%	3.57%	41.39%	11.48%
Investment Companies	4.79%	2.54%	2.54%	37.62%	19.69%
Real Estate	1.52%	6.06%	6.06%	37.99%	17.80%
Speciality & Other Finance	0.82%	-2.40%	-2.40%	49.79%	29.84%
Financials and Industrials	-1.80%	0.54%	0.54%	40.51%	19.41%
ALBI	-3.67%	-0.33%	-0.33%	15.23%	18.15%
1-3 Years	-1.05%	0.24%	0.24%	8.94%	12.52%
3-7 Years	-2.31%	0.15%	0.15%	14.07%	16.76%
7-12 Years	-4.80%	-0.76%	-0.76%	17.63%	19.85%
12+ Years	-7.69%	-1.72%	-1.72%	19.79%	22.58%
STeFI	0.65%	1.77%	1.77%	7.76%	10.54%
Call Deposit	0.61%	1.64%	1.64%	7.07%	N/A
3 Month NCD	0.65%	1.75%	1.75%	7.65%	N/A
6 Month NCD	0.65%	1.76%	1.76%	7.80%	N/A
12 Month NCD	0.70%	1.91%	1.91%	8.40%	N/A
S&P 500	5.67%	7.40%	7.40%	3.72%	-17.30%
MSCI World	5.40%	8.54%	8.54%	7.55%	-14.30%
JPMorgan GBI	8.20%	11.04%	11.04%	2.37%	-13.15%
Salomon Brothers GBI	6.29%	7.40%	7.40%	4.42%	-6.22%

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