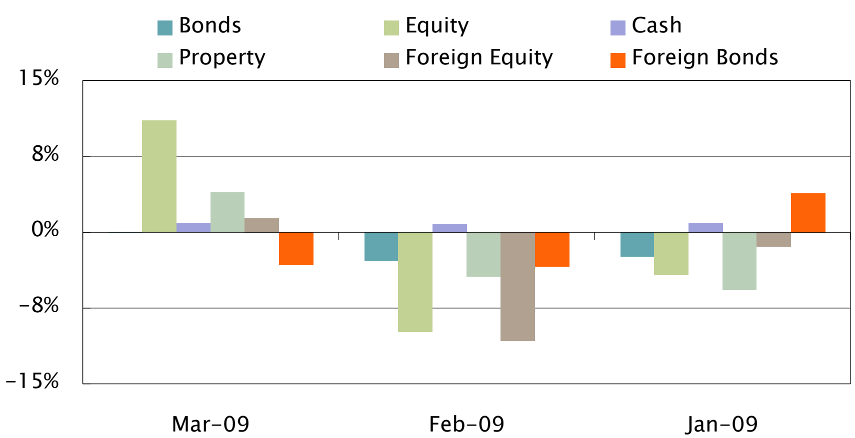
RisCura good thinking

RisCUpdate

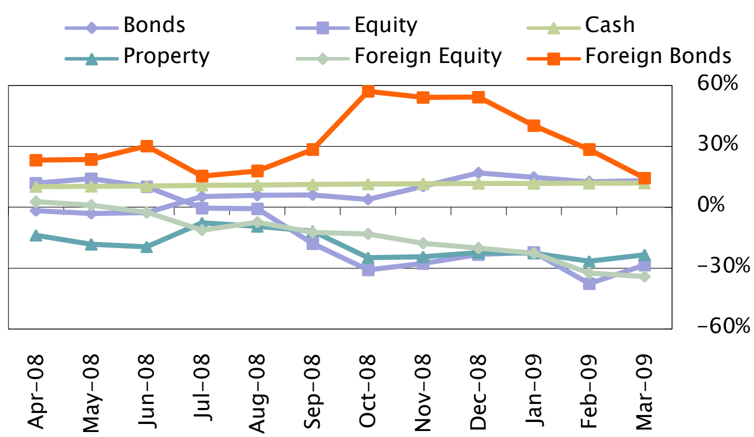
QUARTERLY OVERVIEW - 31 MARCH 2009

HOW THE DIFFERENT ASSET CLASSES PERFORMED

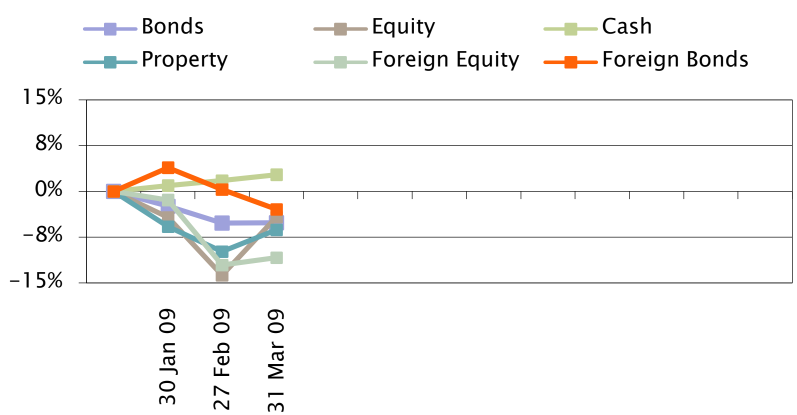
ASSET CLASS MONTHLY RETURNS



ASSET CLASS ROLLING 12-MONTH PERFORMANCE



ASSET CLASS PERFORMANCE – YEAR TO DATE

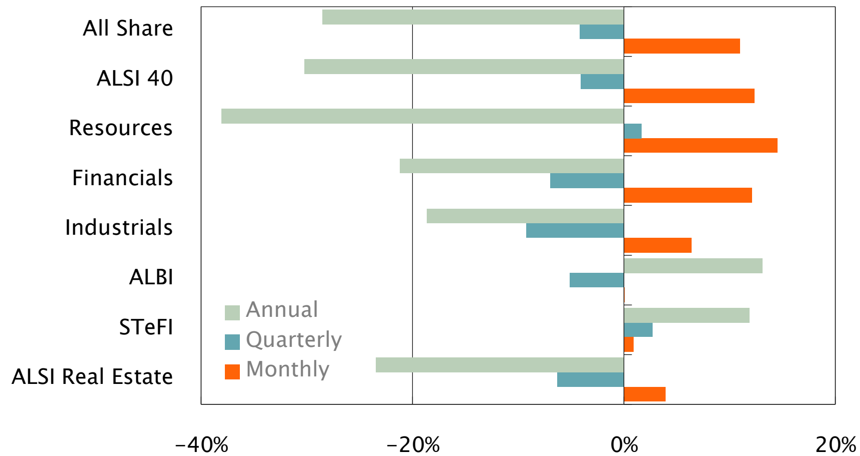


SECTOR INDICES

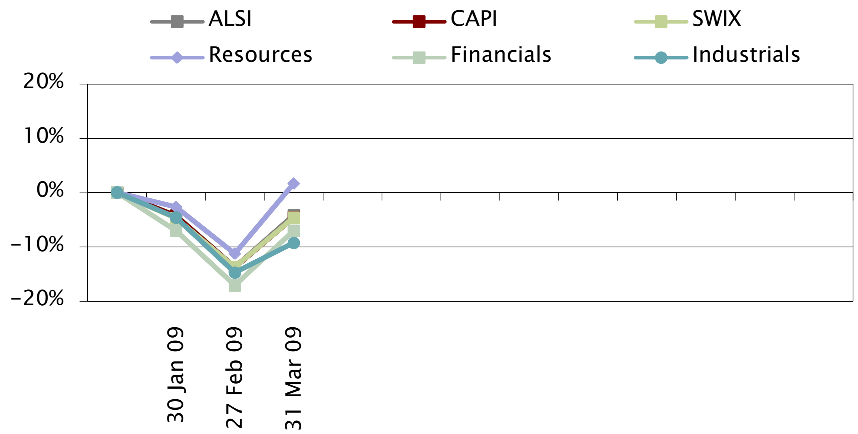
Bonds	ALBI
Equity	All Share Index
Cash	STeFI
Property	ALSI Real Estate Index
Foreign Equity	MSCI World Index
Foreign Bonds	JP Morgan Government Bond Index

HOW THE LOCAL MARKET INDICES PERFORMED

RETURNS OF FTSE/JSE SECTORS & INDICES

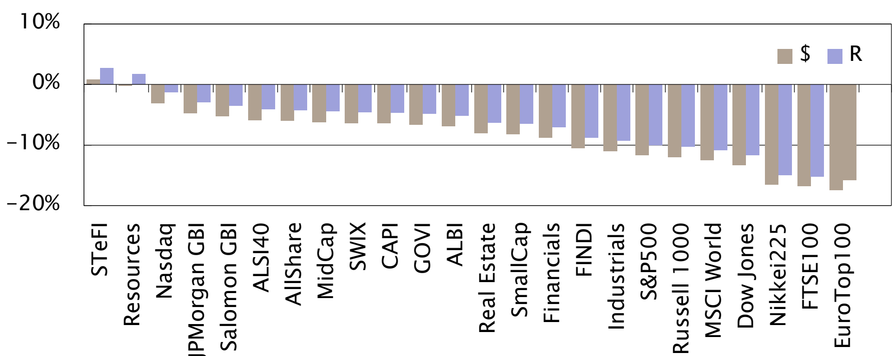


SECTOR & INDICES PERFORMANCE – YEAR TO DATE

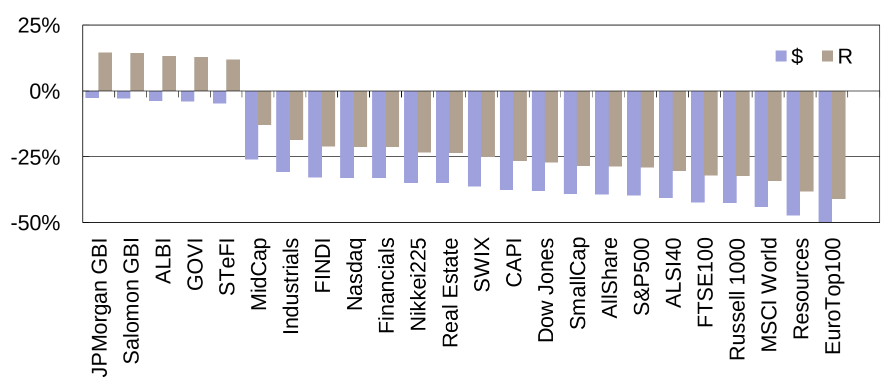


HOW THE WORLD MARKET INDICES PERFORMED

QUARTERLY RETURN OF MAJOR INDICES

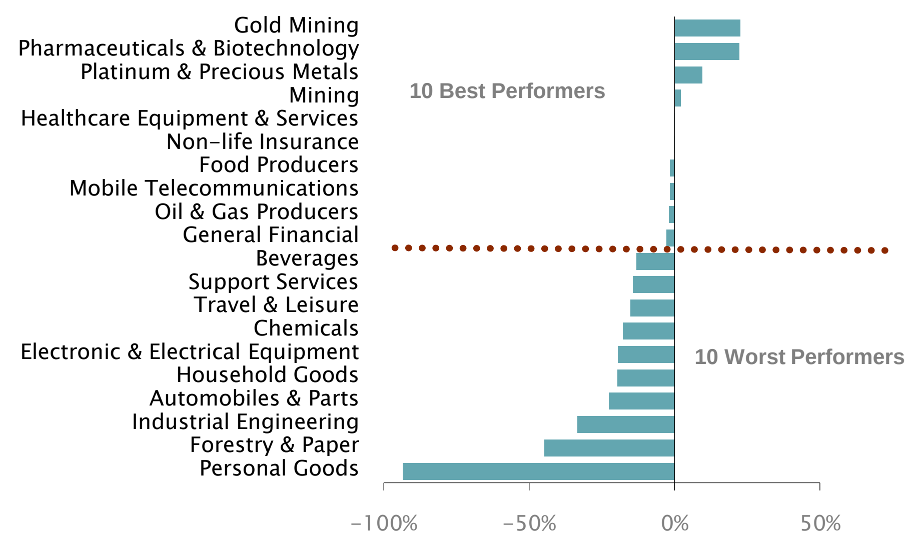


ANNUAL RETURN OF MAJOR INDICES

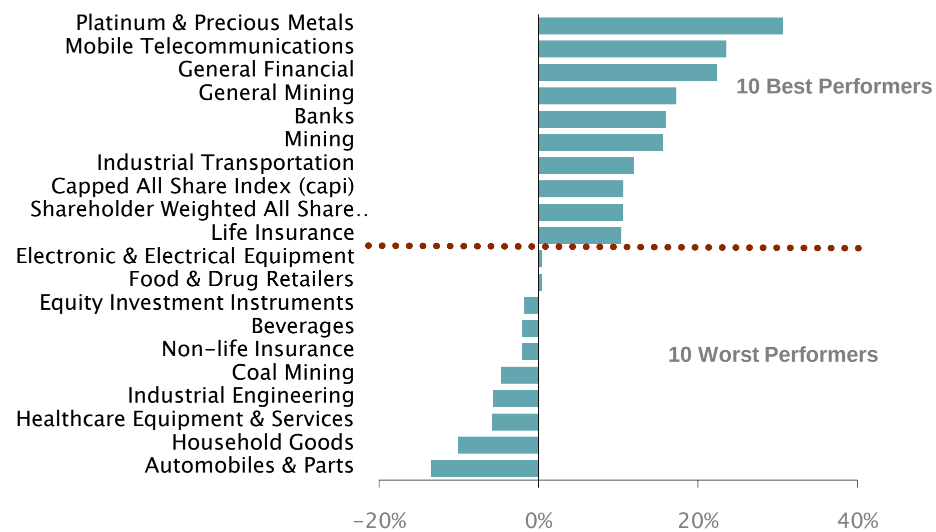


EQUITY MARKET – HOW THE EQUITY SECTORS PERFORMED

QUARTERLY INDUSTRY PERFORMANCE



MONTHLY INDUSTRY PERFORMANCE

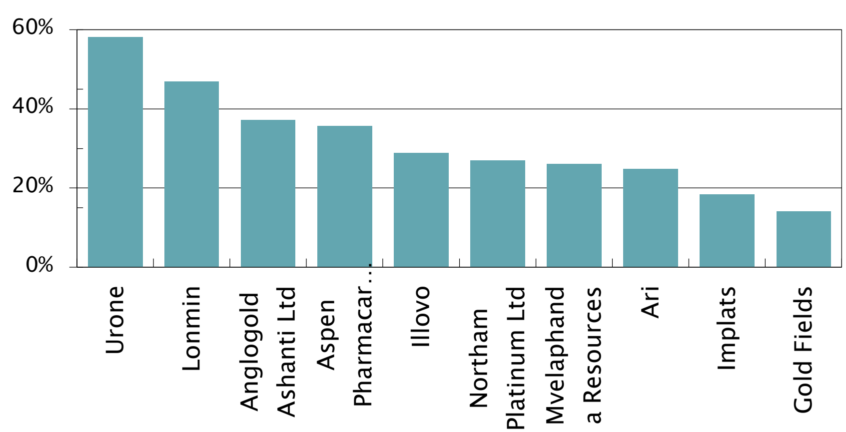


20 LARGEST SHARES BY MARKET CAP

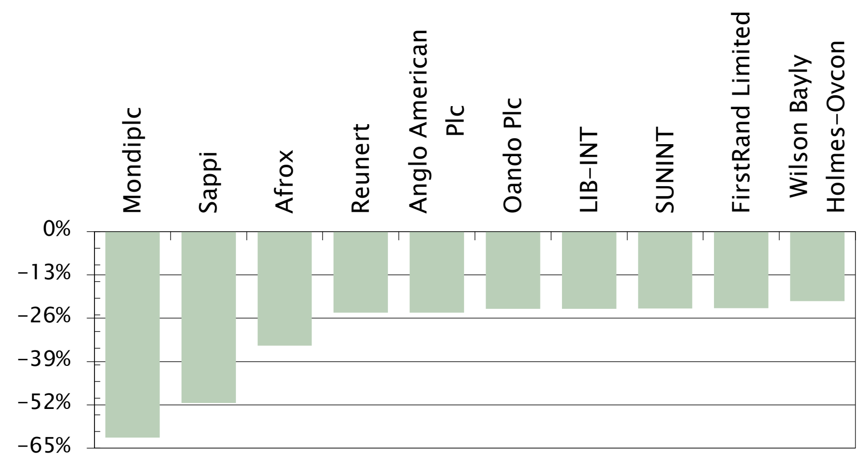
	Share	R'million		Share	R'million		Share	R'million		Share	R'million
1	British AM Tobacco	443,784	6	Sasol Ltd	175,157	11	Richmont	76,838	16	Telkom SA Ltd	54,937
2	BHP Billiton	418,715	7	STANBANK	124,547	12	Gold Fields	73,551	17	Kumba Iron Ore Ltd	52,366
3	SABMiller	223,636	8	Anglogold Ashanti Ltd	122,150	13	FirstRand Limited	67,994	18	Harmony	42,750
4	Anglo American	214,478	9	Angloplat	113,331	14	ABSA Group	65,452	19	Nedbank	40,242
5	MTN Group Limited	196,167	10	Implats	99,947	15	Naspers-N	64,689	20	Old Mutual	38,602

EQUITY MARKET – HOW SPECIFIC EQUITIES PERFORMED

10 BEST PERFORMING STOCKS FOR QUARTER (ALSI)

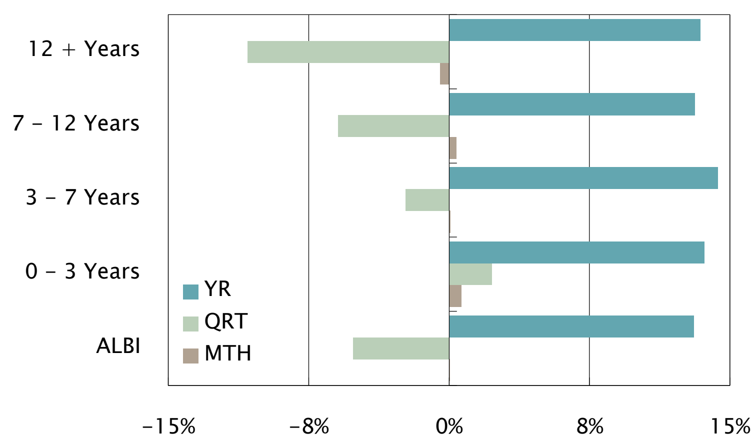


10 WORST PERFORMING STOCKS FOR QUARTER (ALSI)

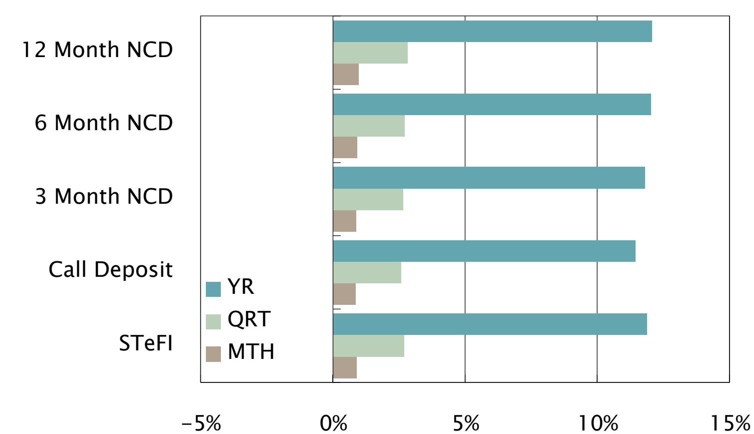


HOW THE FIXED INTEREST MARKET PERFORMED

RETURNS OF BOND SECTORS

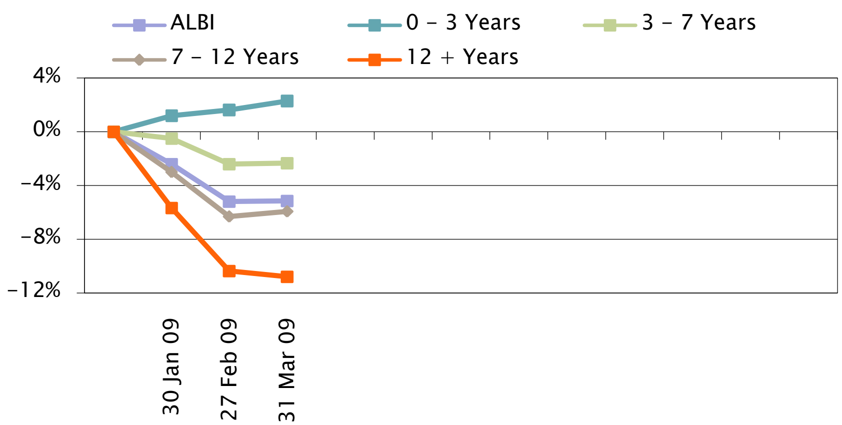


RETURNS OF CASH INDICES

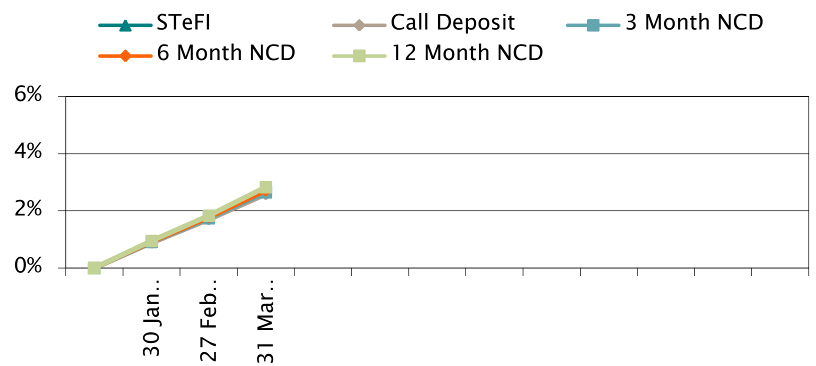


FIXED INTEREST MARKET – HOW THE DIFFERENT SECTORS PERFORMED

CUMULATIVE PERFORMANCE OF BOND SECTORS – YTD



CUMULATIVE PERFORMANCE OF CASH INDICES – YTD



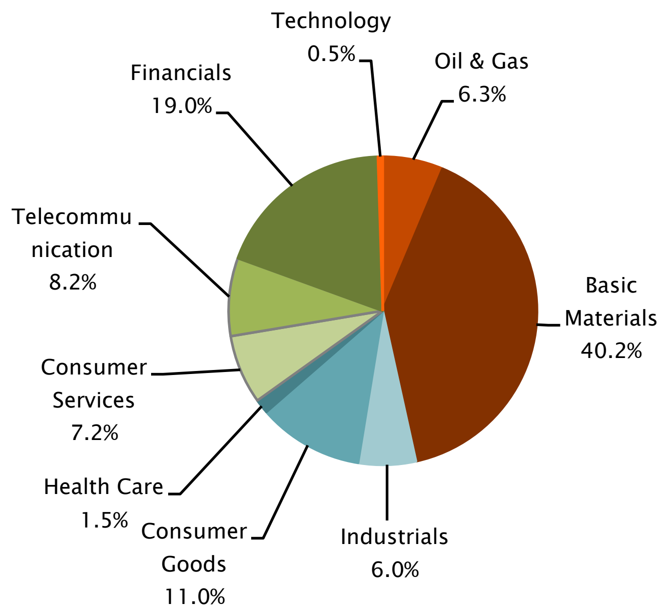
FIXED INTEREST MARKET – HOW THE CURRENCY PERFORMED

	31 Dec 08	31 Mar 09	% Change
Rand/Dollar	9.39	9.56	-1.86%
Rand/Pound	13.60	13.70	-0.74%
Rand/Euro	13.22	12.67	4.38%
Dollar/Euro	1.41	1.33	-5.96%

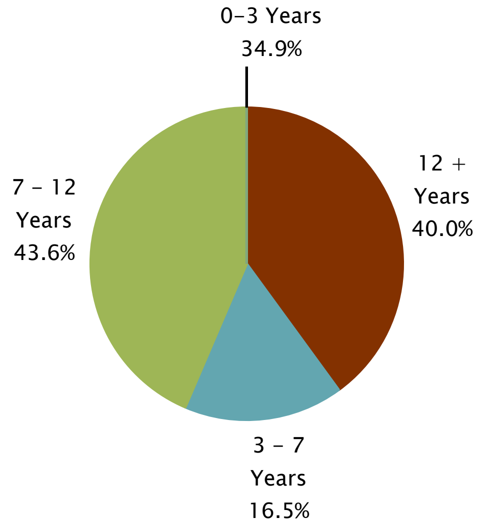
WHAT MAKES UP THE BENCHMARKS

QUARTERLY COMPOSITION OF ALL INDICES

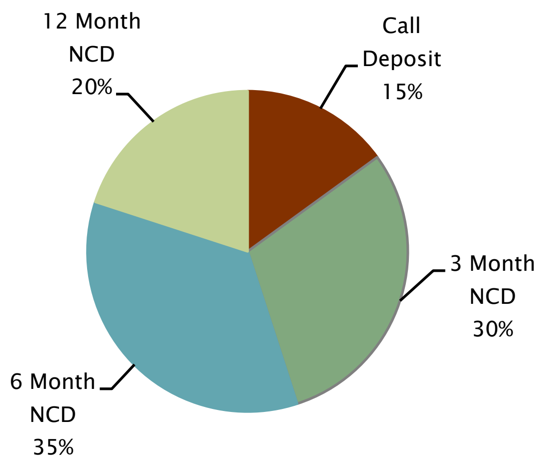
Equity – All Share



Bond – ALBI



Cash – STeFI



Market and economic update

Globally speaking

Background

- Global markets continued to experience volatility with sharp declines in January and February. However, they rebounded to end the first quarter on a high note, with the FTSE World Index returning 8.4% for the month of March.
- This performance however was not enough to prevent the FTSE World Index from returning -10.9% in the first quarter.
- A significant part of the global banking system has been partially nationalized with the objective of restoring its capital base.
- However bank capital remains seriously impaired and banks lack the means to promote a strong recovery through increased lending.
- Market forces are rapidly eliminating the unsustainable excesses and imbalances which have proliferated since 2003. Individuals and companies are cutting back spending and paying back debt.
- A notable feature of the past twelve months has been a rise in personal savings rates. In the US the savings have increased from zero to 5% of GDP and will probably go much higher.

Outlook

- There are signs that the global economy, which has been in a state of freefall since last September, is starting to stabilize.
- This does not necessarily mean that conditions are improving, merely that they have stopped deteriorating. However this is the first step towards an economic recovery. For example commodity prices are above their lows of December 2008, as are US retail sales.
- However, given the high level of debt in the US and parts of Europe, the process of de-leveraging may continue for many years, with a correspondingly adverse effect on economic growth.
- The prospect of a long period of stagnation is politically unwelcome and governments are trying to formulate programmes which will stimulate growth.
- Apart from China and possibly South Africa where stimulus will rapidly be transmitted through capital spending, it is uncertain how effective these programmes will be, especially as increased fiscal spending may merely boost saving.
- Furthermore the lavish creation of dollars by the Federal Reserve is causing anxiety among investors as to the long term value of the dollar, and there are doubts about the ability of capital markets to fund huge increases in government spending.
- While markets and the economy are stabilizing, resolving the world's economic problems could still take a very long time.
- As a result we believe that the world economic woes will have a direct impact on company earnings and thus world stock markets. Though markets are currently attractively priced, we expect volatility to continue and the prospect for real returns in the next 4-5 years not to be as favourable as in the past.

Market and economic update

Locally speaking

Background

- Locally, the stockmarket has seen optimistic investors in the first half of 2008 with the All Share Index reaching new highs in May 2008 and highly pessimistic investors in the second half of the year.
- We've seen the continuation of a similar pattern in 2009 with the market delivering negative returns for the first two months of the year before rebounding in March with an 11% return. This brought the first quarter return for the All Share Index to -4.2%
- Traditionally South Africa follows global developments with lag and the current recession seems to be no exception.
- The transmission mechanism for this is the trade account. Our exports have fallen from $8.2 bn in July 2008 to $3.6 bn in January 2009.
- The collapse of exports is sending a shock through the economy, causing a slowdown in almost all business sectors.

Outlook

- The current economic slow down caused by the credit crisis has and will continue to affect the profitability and operations of most companies, both in export driven and domestic focused industries.
- Whilst global economic recovery may take time to come, emerging markets are likely to recover more rapidly than the developed economies, which would be positive for South Africa.
- While fiscal policy is acting counter cyclically with a rising deficit, monetary policy has been slow to adjust to changing circumstances and economic conditions.
- However in response to mounting evidence of a severe business contraction, the SARB has now cut rates by 2.5% from their peak, with further cuts probable after scheduling monthly MPC meetings.
- With the ALSI trading at a price-to-earnings ratio of 9 times its historic earnings, investors have started to see the market as offering good value looking at the previous returns generated subsequent to the market trading on 9 times rating.
- Over the long run company earnings are expected to grow at more or less the same rate as a country's GDP, however, earnings of the average company on the JSE have grown at a real rate of 16.1% p.a. over the last five years.
- This is well above long-term sustainable growth rates and we believe that profitability levels of the average company are overly extended and have been for a while. Our constant theme since 2005 has been that of cautioning our clients about the profitability levels of JSE listed companies and this continues to be of concern.
- Despite our cautiousness about the level of future returns, our bottom-up stock selection continues to identify shares that we believe to have the ability to outperform cash and bonds over a four year investment horizon.
- As a result, our portfolios currently have high quality businesses with stable and diversified earnings streams or situations where earnings are well below normal

Economic comment supplied by Allan Gray
Top performing manager Q1, 2009

ALLANGRAY INTELLIGENT INVESTING

Performance table

Index/Sector	1Month	3Month	YTD	1Year	3Year
All Share	**11.02%**	**-4.19%**	**-4.19%**	**-28.54%**	**3.01%**
Capped All Share Index	10.64%	-4.61%	-4.61%	-26.50%	3.39%
Shareholder Weighted All Share Index	10.60%	-4.59%	-4.59%	-25.01%	2.55%
Top 40	12.35%	-4.08%	-4.08%	-30.26%	3.09%
Mid Cap	4.13%	-4.42%	-4.42%	-12.89%	2.82%
Small Cap	3.42%	-6.41%	-6.41%	-28.33%	1.06%
Resources	**14.55%**	**1.69%**	**1.69%**	**-38.07%**	**6.24%**
Mining	15.58%	2.26%	2.26%	-39.64%	5.89%
Gold Mining	3.47%	22.76%	22.76%	10.73%	-0.44%
Platinum & Precious Metals	30.67%	9.55%	9.55%	-51.83%	4.65%
General Mining	17.30%	-4.56%	-4.56%	-45.12%	6.29%
Oil & Gas	9.13%	-1.79%	-1.79%	-26.31%	9.33%
All Share Industrials	**6.38%**	**-9.25%**	**-9.25%**	**-18.66%**	**4.09%**
Basic Materials	14.96%	0.68%	0.68%	-40.68%	5.04%
Chemicals	0.83%	-17.71%	-17.71%	-32.19%	-7.25%
Construction & Materials	4.02%	-10.58%	-10.58%	-43.98%	6.54%
Forestry & Paper	3.21%	-44.71%	-44.71%	-65.53%	-27.66%
Industrial Metals	3.48%	-10.32%	-10.32%	-58.20%	12.65%
Industrials	4.38%	-12.77%	-12.77%	-29.99%	-2.80%
General Industrials	1.89%	-10.88%	-10.88%	-16.59%	7.62%
Electronic & Electrical Equipment	0.43%	-19.47%	-19.47%	-37.97%	-12.31%
Industrial Engineering	-5.72%	-33.33%	-33.33%	-57.10%	-5.84%
Consumer Goods	1.11%	-13.15%	-13.15%	-13.37%	7.81%
Automobiles & Parts	-13.49%	-22.59%	-22.59%	-53.07%	-25.53%
Health Care	0.94%	12.35%	12.35%	16.07%	1.65%
Beverages	-2.04%	-13.09%	-13.09%	-17.72%	7.97%
Food Producers	2.54%	-1.55%	-1.55%	18.57%	7.49%
Health Care Equipment & Services	-5.86%	0.13%	0.13%	2.54%	1.87%
Pharmaceuticals & Biotechnology	5.94%	22.41%	22.41%	35.27%	-0.02%
Consumer Services	3.47%	-6.92%	-6.92%	-2.07%	0.73%
General Retailers	4.50%	-7.64%	-7.64%	-9.22%	-8.78%
Travel & Leisure	3.06%	-15.19%	-15.19%	-25.48%	-1.39%
Media	4.49%	-4.09%	-4.09%	8.35%	7.68%
Support Services	7.05%	-14.26%	-14.26%	-20.20%	-6.17%
Industrial Transportation	11.96%	-12.37%	-12.37%	-30.89%	-22.72%
Telecommunication	21.18%	-2.44%	-2.44%	-12.94%	14.91%
Food & Drug Retailers	0.43%	-7.15%	-7.15%	27.12%	23.06%
Fixed Line Telecommunications	6.48%	-7.87%	-7.87%	-15.87%	-7.72%
Technology	8.51%	-4.54%	-4.54%	-31.50%	-6.70%
Software & Computer Services	8.51%	-4.54%	-4.54%	-31.50%	-6.33%

Index/Sector	1Month	3Month	YTD	1Year	3Year
Financials	**12.11%**	**-7.01%**	**-7.01%**	**-21.23%**	**-5.68%**
Banks	15.99%	-9.84%	-9.84%	-9.44%	-2.03%
Non-life Insurance	-2.06%	0.04%	0.04%	-3.96%	4.36%
Life Assurance	10.41%	-3.06%	-3.06%	-36.10%	-14.37%
Equity Investment Instruments	-1.79%	-5.39%	-5.39%	-28.11%	-4.44%
Real Estate	3.95%	-6.29%	-6.29%	-23.50%	-1.99%
General Finance	22.39%	-2.73%	-2.73%	-18.84%	-6.30%
Financials And Industrials	**8.29%**	**-8.50%**	**-8.50%**	**-19.65%**	**0.54%**
ALBI	**0.06%**	**-5.14%**	**-5.14%**	**13.09%**	**6.31%**
1-3 Years	0.66%	2.28%	2.28%	13.65%	8.65%
3-7 Years	0.08%	-2.33%	-2.33%	14.37%	7.06%
7-12 Years	0.40%	-5.93%	-5.93%	13.14%	6.25%
12+ Years	-0.48%	-10.79%	-10.79%	13.43%	3.83%
STeFI	**0.91%**	**2.70%**	**2.70%**	**11.89%**	**9.84%**
Call Deposit	0.87%	2.59%	2.59%	11.45%	9.55%
3 Month NCD	0.89%	2.65%	2.65%	11.82%	9.86%
6 Month NCD	0.92%	2.72%	2.72%	12.03%	9.93%
12 Month NCD	0.98%	2.84%	2.84%	12.08%	9.88%
International Index / Other	**1Month**	**3Month**	**YTD**	**1Year**	**3Year**
S&P 500	2.60%	-9.99%	-9.99%	-29.11%	-1.44%
MSCI World	1.37%	-10.84%	-10.84%	-34.17%	-2.15%
JPMorgan GBI	-4.52%	1.57%	1.57%	24.76%	21.63%
Salomon Brothers GBI	-2.84%	-3.45%	-3.45%	14.26%	25.04%
Dow Jones	1.83%	-11.66%	-11.66%	-27.09%	2.09%
Euro Top 100	0.98%	-15.83%	-15.83%	-40.83%	-2.65%
Nikkei 225	1.50%	-14.97%	-14.97%	-23.42%	-4.25%
FTSE 100	1.33%	-15.17%	-15.17%	-32.03%	3.77%
Nasdaq	4.87%	-1.23%	-1.23%	-21.18%	0.50%
Russell 1000	5.26%	-10.28%	-10.28%	-32.28%	-3.18%
Barclays Inflation Linked Bond Index	3.33%	2.42%	2.42%	13.50%	10.75%

Contact us...

Cape Town

5th Floor, Montclare Place
cnr Campground & Main Road
Claremont, 7735

Tel:+27 21 673 6999
Fax: +27 21 673 6998

www.riscura.com

Johannesburg

Unit 7a, First Floor
3 Melrose Boulevard
Melrose Arch, 2076

Tel:+27 11 214 9800
Fax: +27 11 214 9801