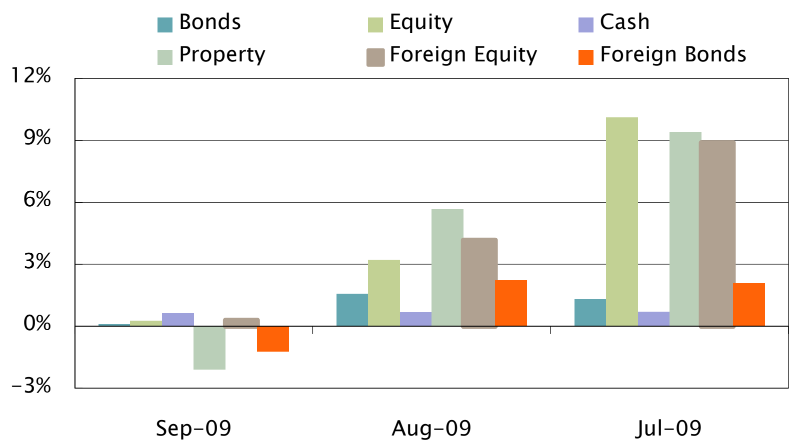
RisCura good thinking

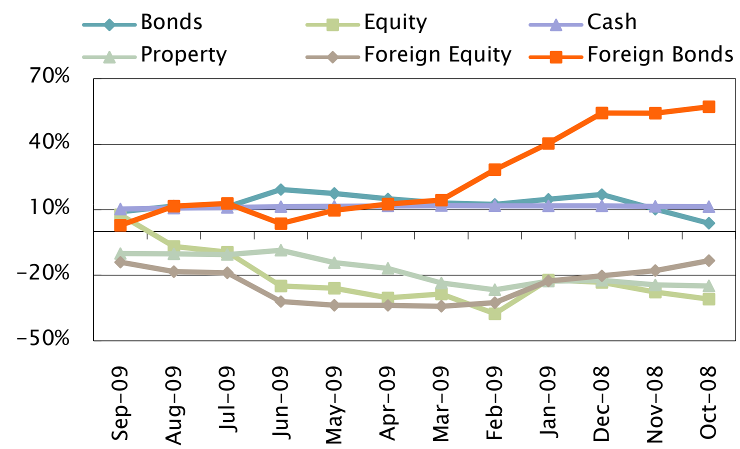
RisCUpdate

HOW THE DIFFERENT ASSET CLASSES PERFORMED

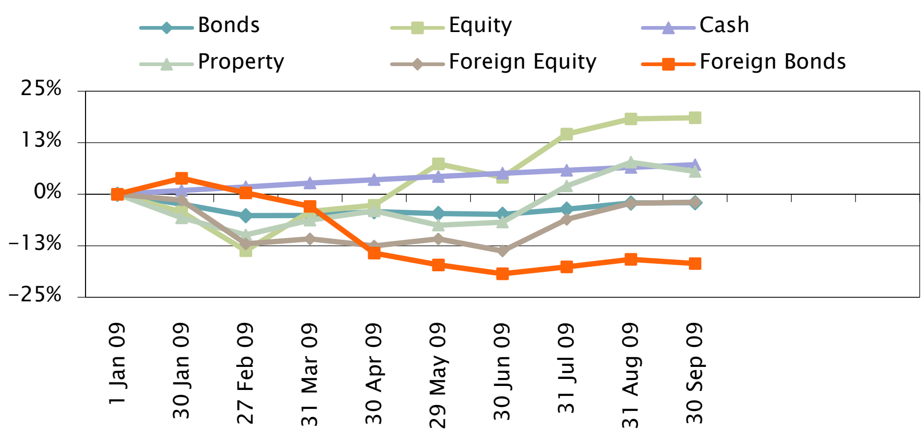
ASSET CLASS MONTHLY RETURNS



ASSET CLASS ROLLING 12-MONTH PERFORMANCE



ASSET CLASS PERFORMANCE – YEAR TO DATE

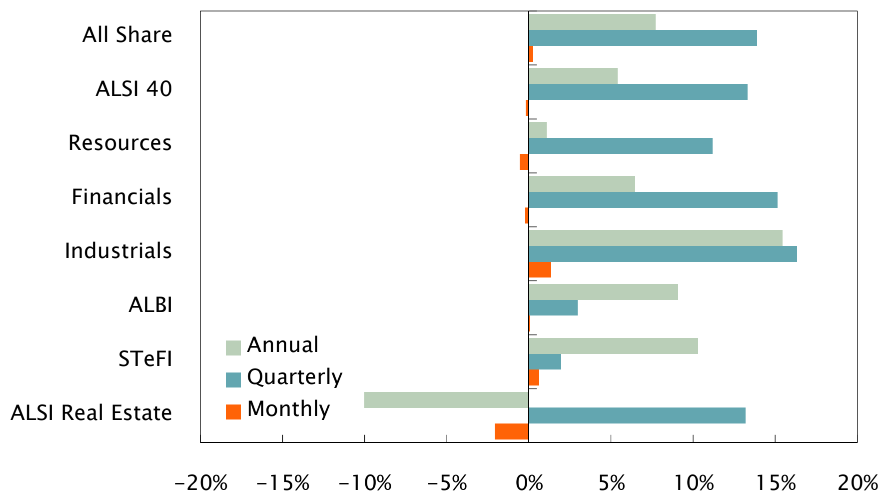


SECTOR INDICES

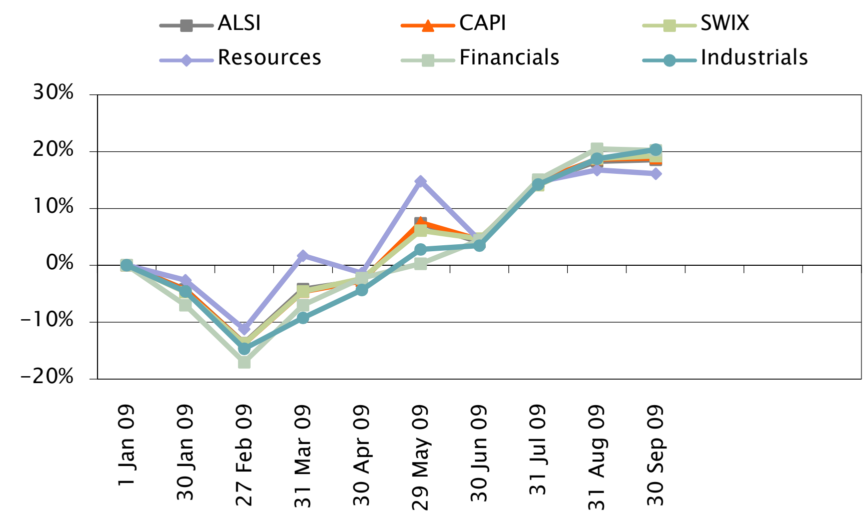
Bonds	ALBI
Equity	All Share Index
Cash	STeFI
Property	ALSI Real Estate Index
Foreign Equity	MSCI World Index
Foreign Bonds	JP Morgan Government Bond Index

HOW THE LOCAL MARKET INDICES PERFORMED

RETURNS OF FTSE/JSE SECTORS & INDICES

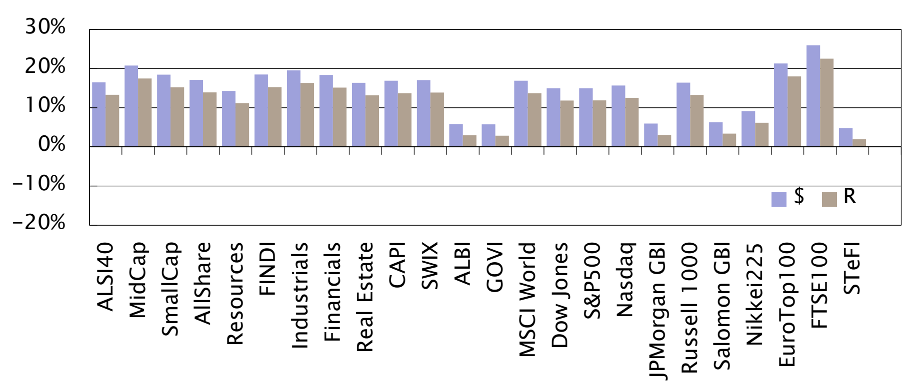


SECTOR & INDICES PERFORMANCE – YEAR TO DATE

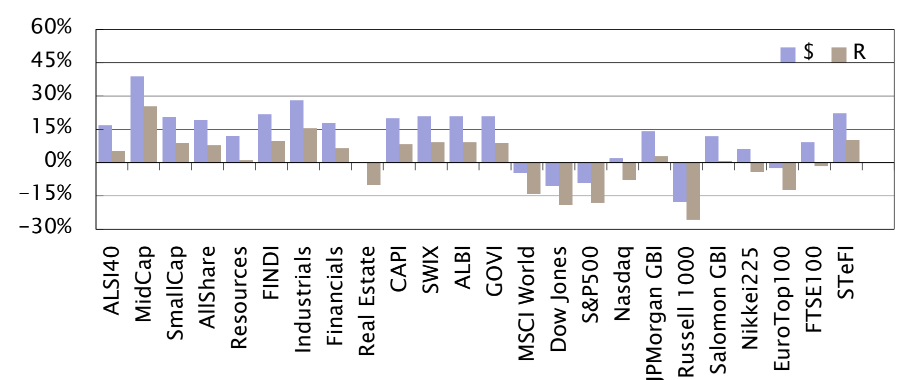


HOW THE WORLD MARKET INDICES PERFORMED

QUARTERLY RETURN OF MAJOR INDICES

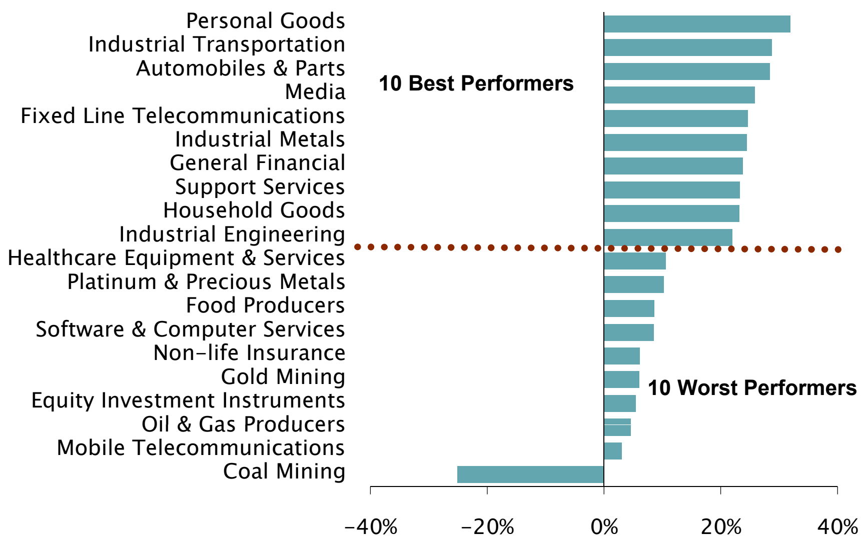


ANNUAL RETURN OF MAJOR INDICES

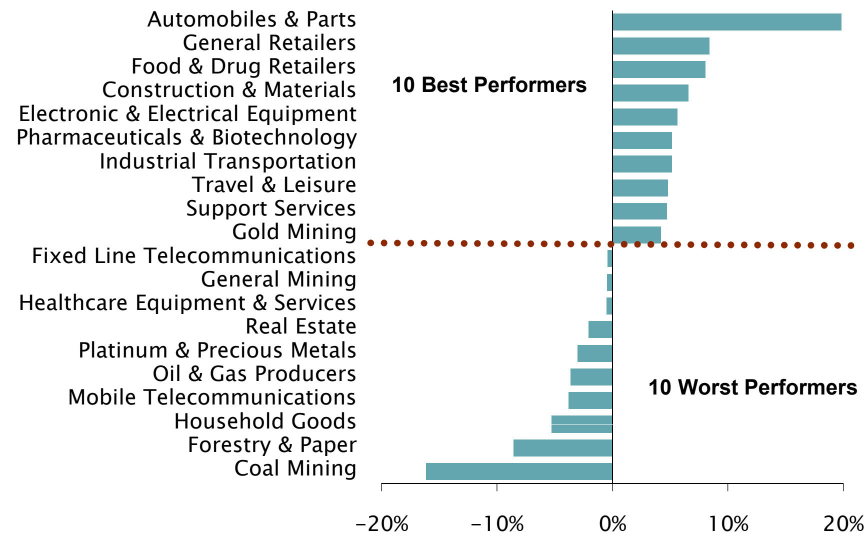


EQUITY MARKET – HOW THE EQUITY SECTORS PERFORMED

QUARTERLY INDUSTRY PERFORMANCE



MONTHLY INDUSTRY PERFORMANCE

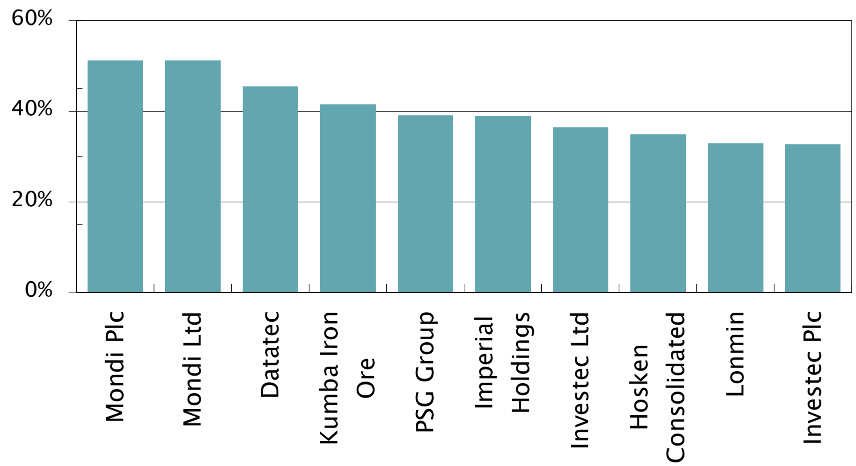


20 LARGEST SHARES BY MARKET CAP

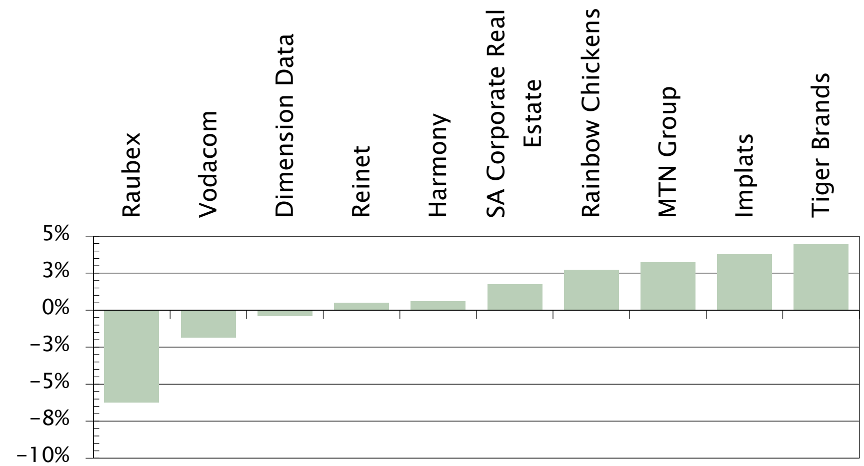
	Share	R'million		Share	R'million		Share	R'million		Share	R'million
1	British AM Tobacco	475,966	6	Sasol Ltd	180,095	11	Anglogold Ashanti	109,144	16	Kumba Iron Ore	79,463
2	BHP Billiton	455,483	7	Angloplat	158,883	12	Naspers	103,773	17	Gold Fields	71,542
3	Anglo American	320,530	8	Standard Bank	151,265	13	FirstRand Limited	93,082	18	Old Mutual	65,789
4	SABMiller	297,691	9	Implats	110,526	14	ABSA Group	86,185	19	Nedbank	59,459
5	MTN Group Limited	224,760	10	Richemont	110,090	15	Vodacom	83,549	20	Arcmittal	53,490

EQUITY MARKET – HOW SPECIFIC EQUITIES PERFORMED

10 BEST PERFORMING STOCKS FOR QUARTER (ALSI)

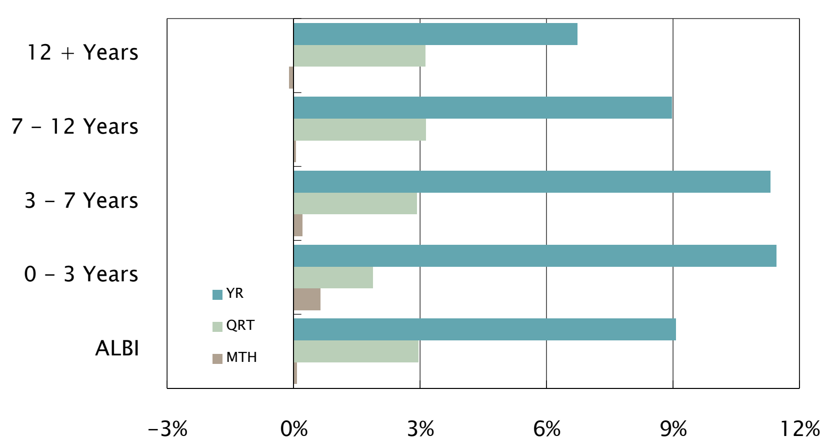


10 WORST PERFORMING STOCKS FOR QUARTER (ALSI)

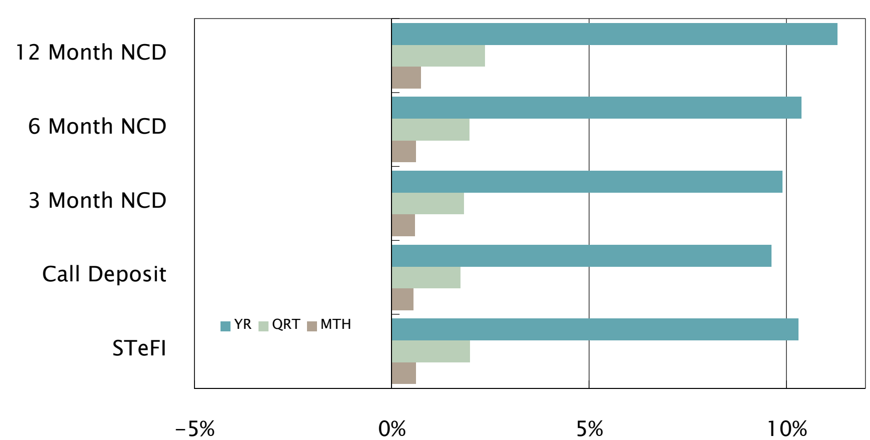


HOW THE FIXED INTEREST MARKET PERFORMED

RETURNS OF BOND SECTORS



RETURNS OF CASH INDICES



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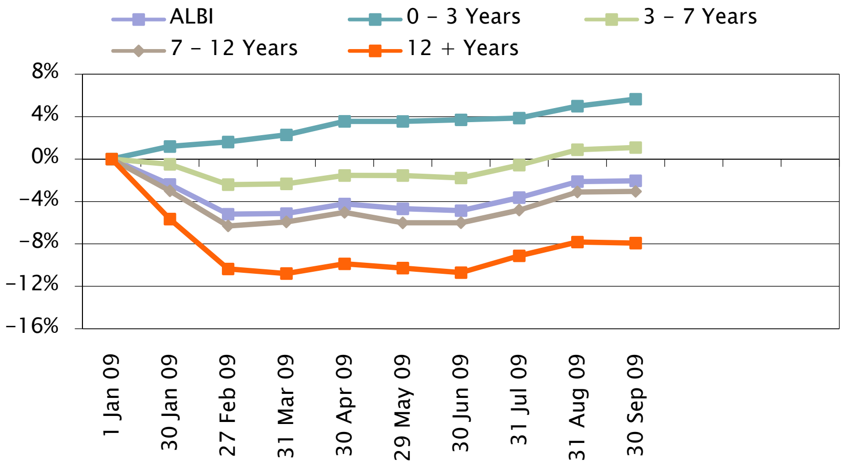
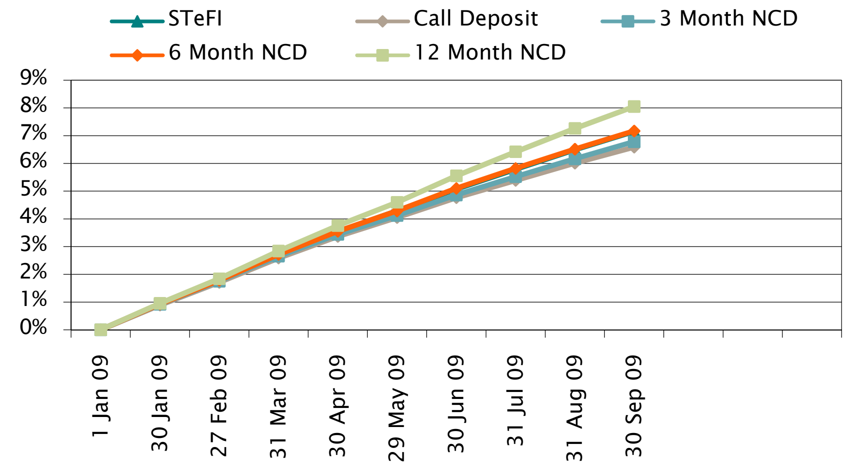
FIXED INTEREST MARKET – HOW THE DIFFERENT SECTORS PERFORMED

CUMULATIVE PERFORMANCE OF BOND SECTORS – YTD



CUMULATIVE PERFORMANCE OF CASH INDICES – YTD



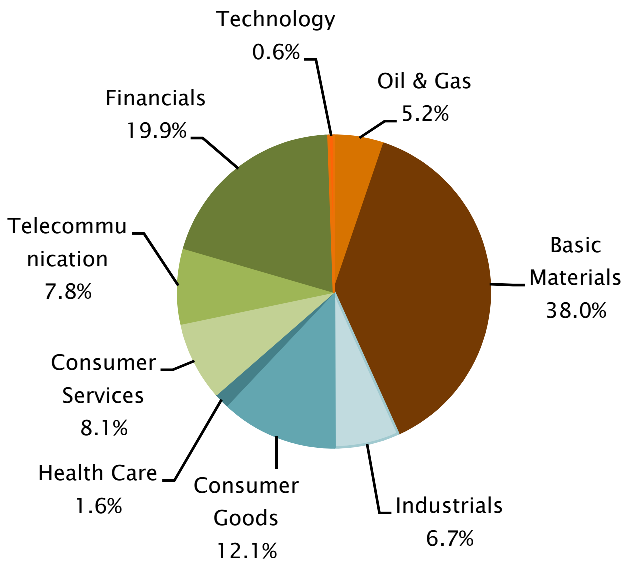
FIXED INTEREST MARKET – HOW THE CURRENCY PERFORMED

	30 Jun 09	30 Sep 09	% Change
Rand/Dollar	7.73	7.52	2.79%
Rand/Pound	12.74	12.03	5.90%
Rand/Euro	10.84	11.00	-1.39%
Dollar/Euro	1.40	1.46	4.28%

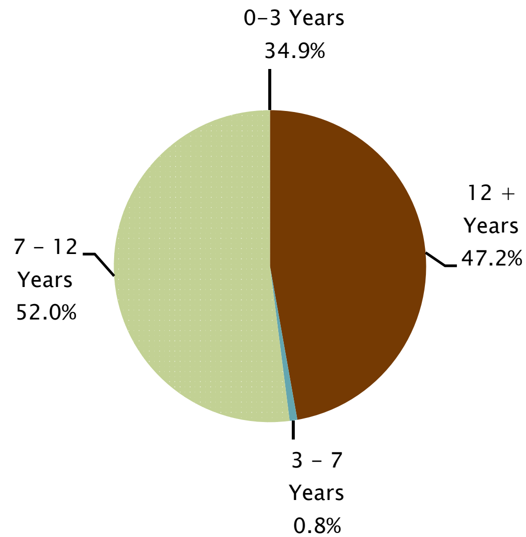
WHAT MAKES UP THE BENCHMARKS

QUARTERLY COMPOSITION OF ALL INDICES

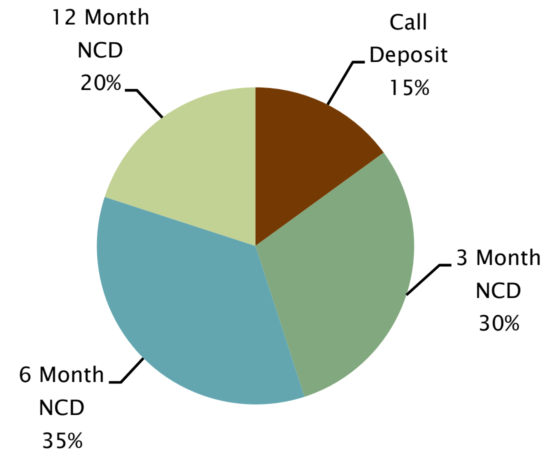
Equity – All Share



Bond – ALBI



Cash – STeFI



Market and economic update

Globally speaking

Background

- Third quarter 2009 provided evidence that the global economy is on the mend.
- A sharp deceleration in the rate of job shedding, stabilising house prices, a turnaround in consumer confidence and expanding industrial production marked what is likely to be the end of a deep and protracted global recession.
- While cognisant of the fragility of the recovery to date, central bankers seem confident that the massive reflationary policies introduced over the last 18 months are working their way through the system.
- Although equity markets, globally, have recovered extremely well over the past six months, many investors remained highly sceptical of this equity bounce.
- They argue, that not that much has changed for the better in the past six months, and that the previous financial ailments still largely exist.
- Our view is more benign ,in that, markets first recovered from a massively oversold position as it became clear that the financial system would survive and were then further boosted by clear evidence of a recovering global economy.
- Over the quarter, global equity markets continued to head higher, with a 19% rise between July and September over and above the 23% gain in the second quarter of 2009.
- Emerging markets extended their gains over developed markets, closing the quarter 21% higher and ahead of the global composite for the third consecutive quarter (all returns in US $'s).
- Expectations of improving global demand boosted commodity prices.
- Copper prices pushed higher, gaining 20% in the third quarter to take the year's gains to 111%.
- Platinum gained a further 10%, while Brent Crude moderated somewhat over the quarter to end 5% lower.
- Year to date returns remain impressive, with the oil price up 78%.
- Steel prices remained flat, while gold broke through the USD1000 level, as risk appetite fluctuated and investors hedged a weaker dollar by adding to their gold exposure.

Outlook

- There is every reason to believe that company earnings will recover strongly into the pending inventory restocking and upturn in global house prices.
- The green shoot argument now revolves around the longevity of the up-cycle, not that there will be an economic recovery.
- We still expect that equity returns will beat cash and bond returns over the remainder of the year, although the rate of return is likely to slow materially.
- Relatively full equity weightings appear appropriate until the US employment numbers start to turn positive or until we consider that US interest rates will soon rise.
- Usually, policymakers will wait for the unemployment rate to peak before raising interest rates.
- Ironically, the risk is that growth is too strong, causing a sooner than expected rise in US interest rates.
- Markets could well experience a temporary set-back should this be the case.
- However, the Fed may well wait until they are sure that the upswing is entrenched before raising rates and risking a double dip recession.
- Furthermore, the inflation outlook looks very benign and is unlikely to pressurise the Fed.
- Global bond markets look over valued, and are likely to offer poor prospective returns.
- However, global bond yields could well stay low for some time as the inflation outlook is not threatening.

Economic comment supplied by Investec Asset Management SA
Top performing manager Q3, 2009

Investec Asset Management

Market and economic update

Locally speaking

Background

- The improved global outlook has been somewhat less pronounced in the local economy.
- Data releases over the quarter showed falling house prices, a manufacturing sector that is yet to benefit from any rise in global demand and very weak demand for credit by the private sector. The latter reflects a consumer under pressure from a high debt burden and general job market uncertainty.
- The sharp improvement in the current account witnessed over the quarter is more a sign of a collapse in imports and lower dividend payments to offshore investors than the effects of improved terms of trade and better export performance.
- While risk appetite has been sharply up since the trough in global markets towards the end of the 1st quarter, the Rand continued to benefit from massive foreign portfolio flows onto the local bourse, more than reversing the outflows seen in the 2nd half of 2008.
- In spite of central bank intervention, the currency appreciated by just shy of 3% over the 3rd quarter, pushing the years gains to over 25% against the US Dollar.
- The domestic equity market took its cue from global markets, which benefitted from the improvement in global growth outlook and higher risk appetite.
- The local market added 14% in the third quarter.
- The All Share index has gained 19% this year, closing in on the levels reached at the end of 2007.
- Over the quarter, the resource index (+12%) lagged the overall market marginally, with gold miners (+6%) the weakest of the composite. Interest rate sensitive, domestic oriented sectors outperformed. Construction (+19%), general retailers (19%) and banks (14%) stood out as strong performers, with foreigners particularly active buyers.
- Weak demand, the strong local currency and the better near term inflation outlook, saw the Monetary Policy Committee cut interest rates by a further 0.5% to 7% in August.
- The All Bond Index fared somewhat better over the 3rd quarter returning 3% over the period.
- Cash lagged other asset classes, returning just 1.9% over the same period.

Outlook

- Current estimates point to a marginal SA economic expansion in the 3rd quarter, following the sharp contraction in the first half of 2009.
- The downward trend in inflation over the third quarter is likely to continue, but at a slower pace into 2010.
- SA equity markets are largely driven by global events, whereas the SA bond market is more domestically driven.
- Consequently, we expect moderate equity returns for the next year or so, with considerably more volatility than witnessed in the last six months.
- In the medium term, SA bonds are expected to produce a return in excess of cash, as inflation falls next year in response to the recent rand strength. Corporate bonds should add a little extra return as yield spreads still have scope to narrow further.
- We are broadly neutral on the property sector, but prefer it to cash due to the 2% yield pick-up over cash. Cash is our least preferred asset class as yields are very low in real terms.
- We have been neutral to positive on the rand for some time, but have recently still been surprised by the extent of the rand strength. However, the rand remains a risk trade and is only likely to weaken when markets become anxious about global growth. This is unlikely to happen in the very short term as we are only now entering the economic upswing.

Economic comment supplied by Investec Asset Management SA
Top performing manager Q3, 2009

Investec Asset Management

Performance table

Index/Sector	1Month	3Month	YTD	1Year	3Year
All Share	0.25%	13.91%	18.57%	7.70%	6.66%
Capped All Share Index	0.14%	13.72%	18.85%	8.25%	7.56%
Shareholder Weighted All Share Index	0.39%	13.89%	19.23%	9.08%	8.36%
Top 40	-0.19%	13.32%	17.10%	5.39%	5.64%
Mid Cap	2.84%	17.49%	28.55%	25.35%	13.76%
Small Cap	1.74%	15.23%	20.37%	8.80%	9.93%
Resources	-0.56%	11.18%	16.10%	1.09%	3.89%
Mining	-0.10%	12.14%	18.55%	4.37%	3.58%
Gold Mining	4.19%	6.04%	9.12%	33.07%	-3.68%
Platinum & Precious Metals	-3.01%	10.26%	32.32%	-1.82%	3.72%
General Mining	-0.47%	14.32%	18.84%	0.76%	4.67%
Oil & Gas	-3.62%	4.60%	1.74%	-16.03%	6.77%
All Share Industrials	1.35%	16.32%	20.33%	15.45%	12.24%
Basic Materials	-0.11%	12.61%	18.05%	2.13%	3.30%
Chemicals	2.70%	18.97%	12.12%	-7.32%	-0.13%
Construction & Materials	6.61%	19.04%	24.14%	-20.68%	16.12%
Forestry & Paper	-8.56%	17.10%	-19.30%	-38.15%	-20.27%
Industrial Metals	2.10%	24.49%	36.09%	-25.63%	22.42%
Industrials	4.53%	21.73%	21.19%	4.84%	9.14%
General Industrials	1.67%	21.05%	21.55%	26.02%	18.40%
Electronic & Electrical Equipment	5.64%	21.92%	19.64%	-2.18%	-0.90%
Industrial Engineering	3.45%	21.95%	-5.28%	-25.65%	1.58%
Consumer Goods	0.70%	19.87%	15.75%	28.77%	11.64%
Automobiles & Parts	19.82%	28.39%	-10.35%	-33.26%	-20.61%
Health Care	2.83%	12.04%	45.89%	43.29%	7.94%
Beverages	1.69%	17.17%	13.26%	16.22%	10.56%
Food Producers	-0.09%	8.63%	15.15%	22.76%	16.80%
Health Care Equipment & Services	-0.49%	10.60%	22.71%	29.54%	-0.43%
Pharmaceuticals & Biotechnology	5.17%	13.01%	65.58%	51.59%	18.84%
Consumer Services	5.38%	20.90%	31.97%	28.60%	16.81%
General Retailers	8.39%	19.14%	27.23%	15.43%	7.82%
Travel & Leisure	4.81%	14.86%	3.81%	8.34%	4.80%
Media	1.74%	25.80%	50.90%	55.06%	26.00%
Support Services	4.71%	23.24%	16.48%	15.04%	3.98%
Industrial Transportation	5.17%	28.78%	26.69%	17.45%	-7.17%
Telecommunication	-3.68%	3.85%	13.71%	9.18%	21.02%
Food & Drug Retailers	8.08%	17.06%	20.36%	39.84%	32.59%
Fixed Line Telecommunications	-0.44%	24.60%	13.86%	24.01%	2.62%
Technology	1.49%	8.55%	33.73%	13.96%	5.19%
Software & Computer Services	1.49%	8.55%	33.73%	13.96%	5.45%

Index/Sector	1Month	3Month	YTD	1Year	3Year
Financials	**-0.23%**	**15.15%**	**20.20%**	**6.46%**	**1.64%**
Banks	-0.10%	13.97%	16.93%	9.84%	10.02%
Non-life Insurance	0.22%	6.12%	17.95%	5.10%	9.39%
Life Assurance	0.33%	17.40%	38.27%	16.24%	-6.72%
Equity Investment Instruments	1.31%	5.47%	14.47%	8.16%	0.42%
Real Estate	-2.09%	13.19%	5.52%	-10.04%	-2.04%
General Finance	0.66%	23.80%	34.99%	25.48%	0.25%
Financials And Industrials	**0.81%**	**15.92%**	**20.30%**	**12.22%**	**8.44%**
ALBI	**0.08%**	**2.96%**	**-2.04%**	**9.07%**	**8.03%**
1-3 Years	0.63%	1.88%	5.65%	11.45%	9.34%
3-7 Years	0.20%	2.92%	1.09%	11.32%	8.41%
7-12 Years	0.06%	3.14%	-3.05%	8.98%	8.27%
12+ Years	-0.10%	3.12%	-7.92%	6.73%	6.89%
STeFI	**0.62%**	**1.98%**	**7.15%**	**10.31%**	**10.12%**
Call Deposit	0.55%	1.74%	6.59%	9.62%	9.72%
3 Month NCD	0.58%	1.83%	6.79%	9.89%	10.04%
6 Month NCD	0.62%	1.97%	7.17%	10.38%	10.20%
12 Month NCD	0.74%	2.37%	8.05%	11.29%	10.40%
International Index / Other	1Month	3Month	YTD	1Year	3Year
S&P 500	0.05%	11.86%	-6.29%	-18.21%	-8.54%
MSCI World	0.28%	13.72%	-1.94%	-13.99%	-7.43%
JPMorgan GBI	-2.86%	-0.78%	-19.21%	-3.36%	3.59%
Salomon Brothers GBI	-0.27%	3.40%	-17.34%	0.84%	7.99%
Dow Jones	-1.20%	11.85%	-11.39%	-19.23%	-7.02%
Euro Top 100	0.79%	17.99%	-2.01%	-12.17%	-7.08%
Nikkei 225	-3.38%	6.18%	-7.93%	-4.10%	-7.20%
FTSE 100	3.13%	22.53%	-3.73%	-1.56%	-1.31%
Nasdaq	2.05%	12.52%	7.76%	-8.02%	-3.15%
Russell 1000	-2.05%	13.26%	-7.75%	-25.80%	-11.43%
Barclays Inflation Linked Bond Index	0.63%	1.44%	7.44%	10.73%	10.96%

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