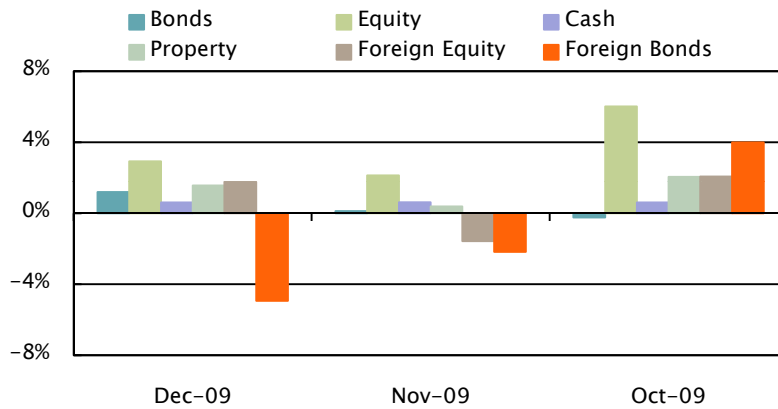
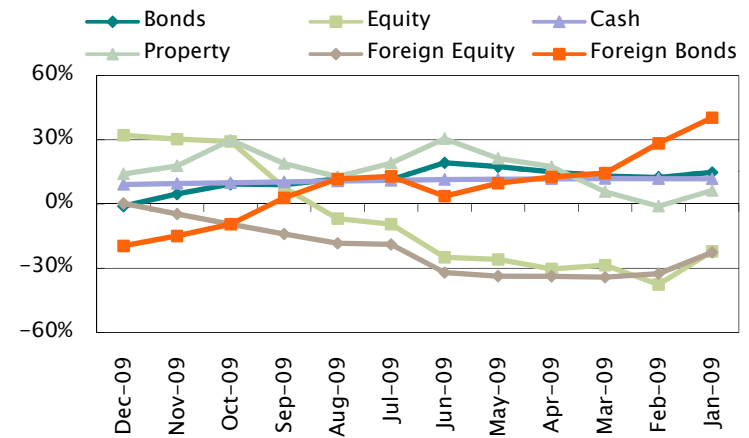


HOW THE DIFFERENT ASSET CLASSES PERFORMED

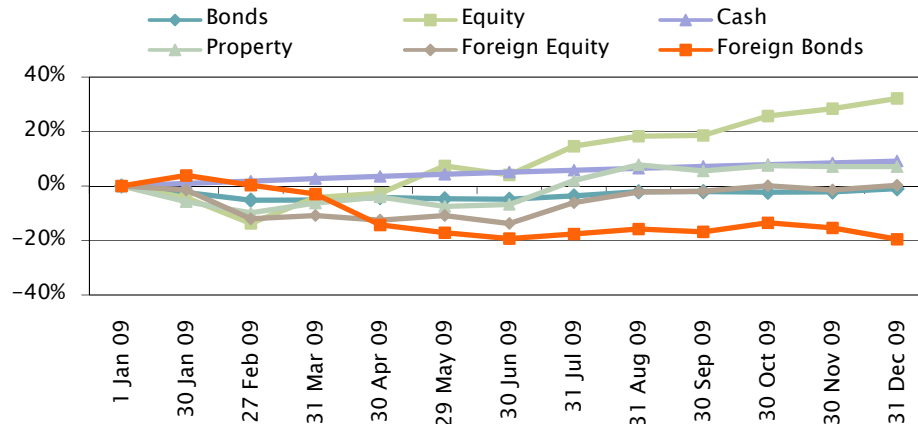
ASSET CLASS MONTHLY RETURNS



ASSET CLASS ROLLING 12-MONTH PERFORMANCE



ASSET CLASS PERFORMANCE - YEAR TO DATE

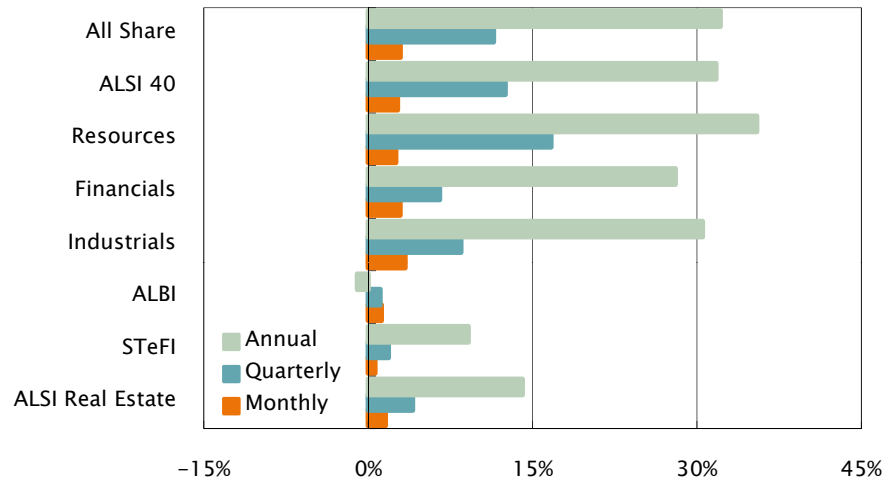


SECTOR INDICES

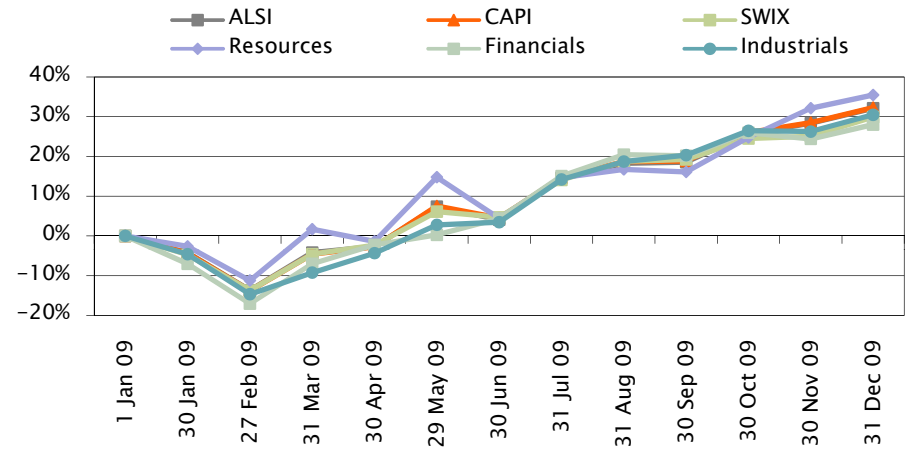
Bonds	ALBI
Equity	All Share Index
Cash	STeFI
Property	SA Listed Property
Foreign Equity	MSCI World Index
Foreign Bonds	JP Morgan Government Bond Index

## HOW THE LOCAL MARKET INDICES PERFORMED

RETURNS OF FTSE/JSE SECTORS & INDICES

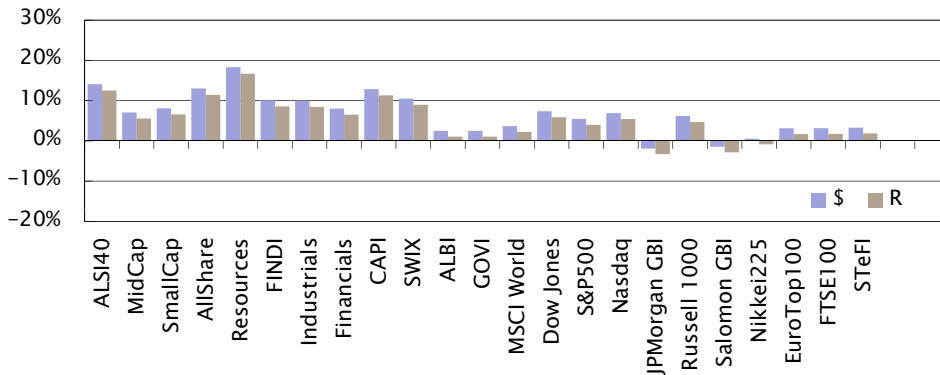


SECTOR & INDICES PERFORMANCE – YEAR TO DATE

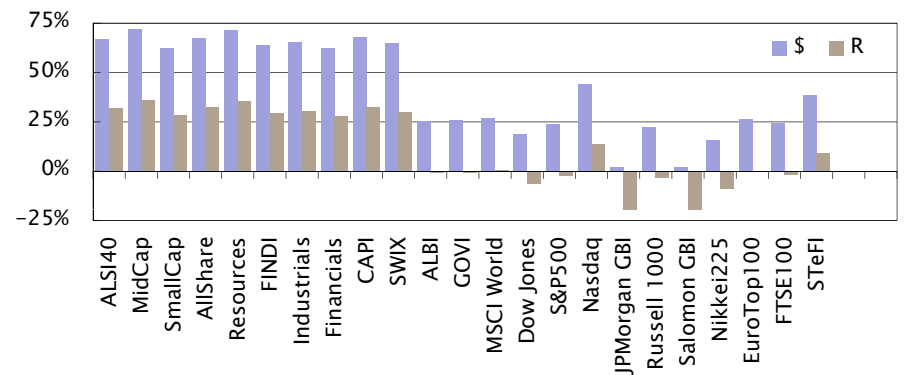


## HOW THE WORLD MARKET INDICES PERFORMED

QUARTERLY RETURN OF MAJOR INDICES

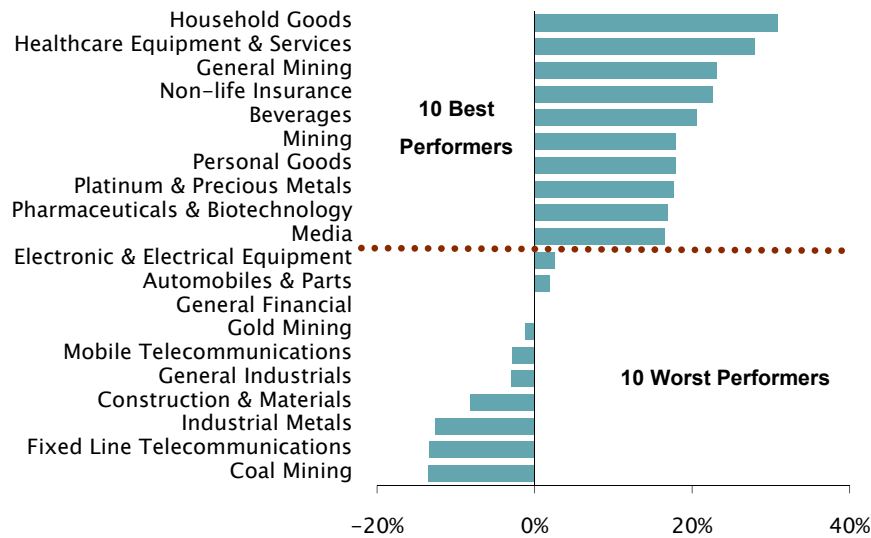


ANNUAL RETURN OF MAJOR INDICES

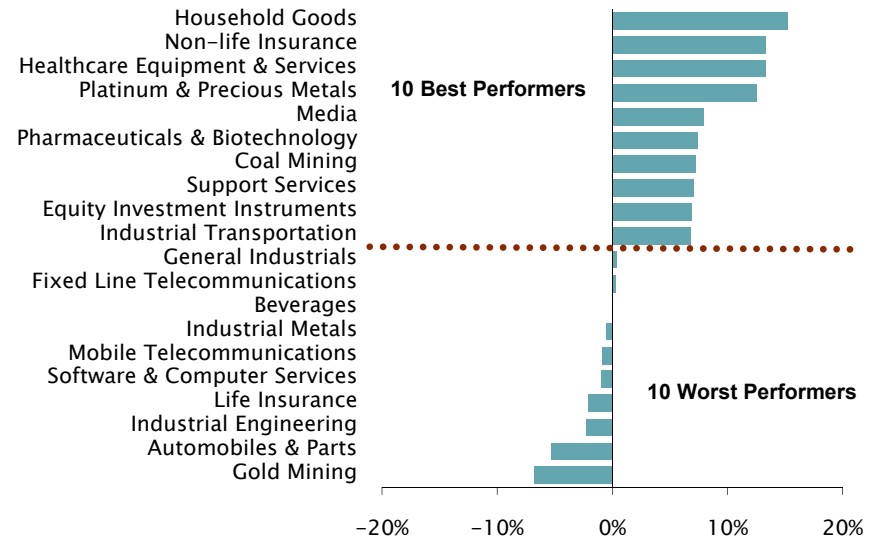


## EQUITY MARKET – HOW THE EQUITY SECTORS PERFORMED

QUARTERLY INDUSTRY PERFORMANCE



MONTHLY INDUSTRY PERFORMANCE

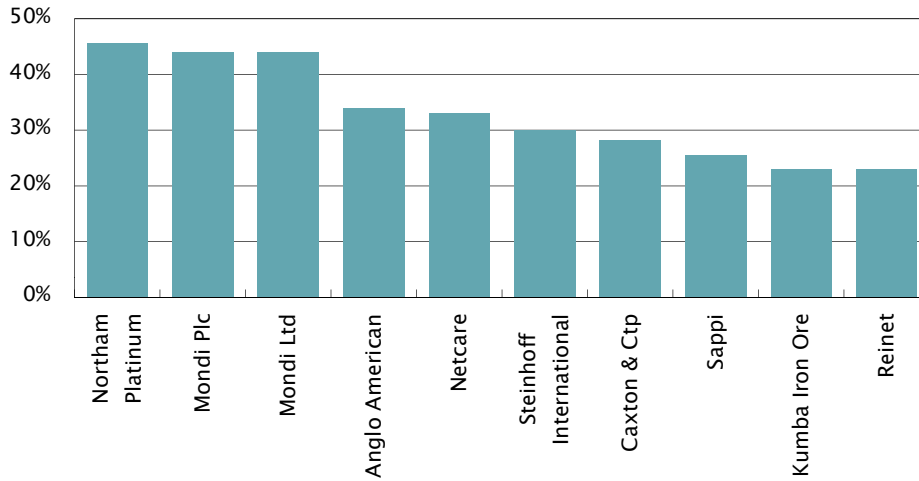


## 20 LARGEST SHARES BY MARKET CAP

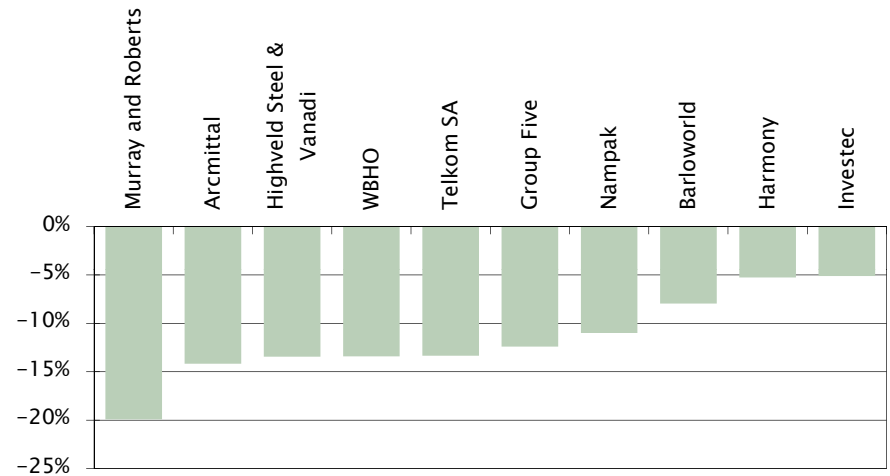
Share	R'million	Share	R'million	Share	R'million	Share	R'million
1 BHP Billiton	528,776	6 Sasol Ltd	190,257	11 Naspers	121,750	16 Vodacom	84,055
2 British AM Tobacco	490,102	7 Angloplat	188,803	12 AngloGold Ashanti	110,949	17 Old Mutual	72,730
3 Anglo American	429,051	8 Standard Bank	158,942	13 FirstRand Limited	103,400	18 Gold Fields	69,096
4 SAB Miller	357,144	9 Richemont	129,874	14 Kumba Iron Ore	97,727	19 Nedbank	61,860
5 MTN Group Limited	216,998	10 Implats	128,204	15 ABSA	92,290	20 Sanlam	49,140

## EQUITY MARKET – HOW SPECIFIC EQUITIES PERFORMED

10 BEST PERFORMING STOCKS FOR QUARTER (ALSI)

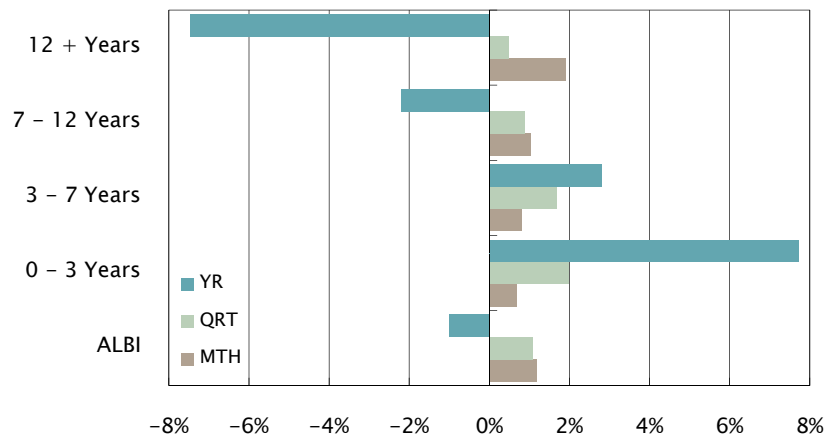


10 WORST PERFORMING STOCKS FOR QUARTER (ALSI)

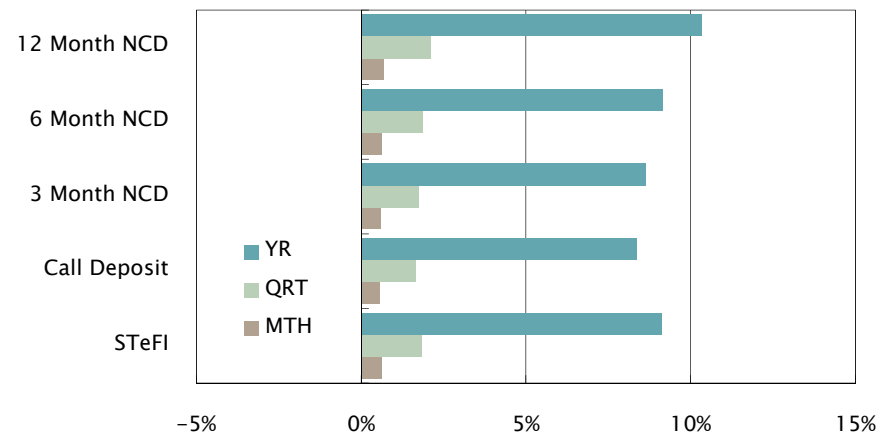


## HOW THE FIXED INTEREST MARKET PERFORMED

RETURNS OF BOND SECTORS

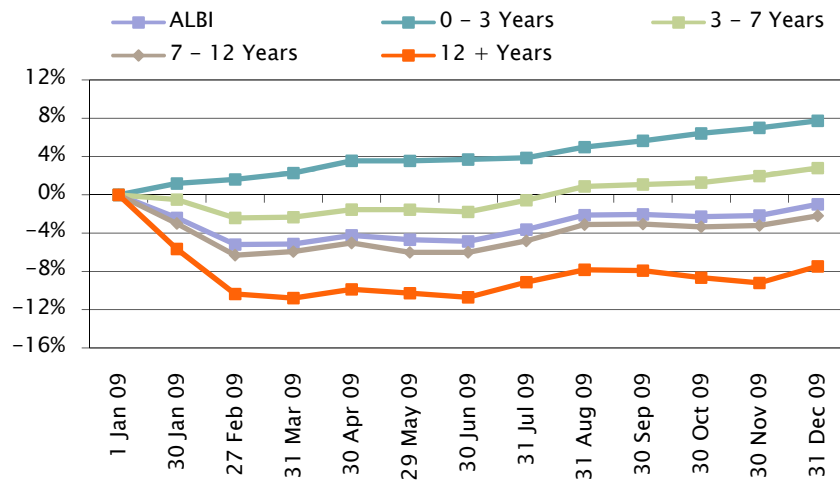


RETURNS OF CASH INDICES

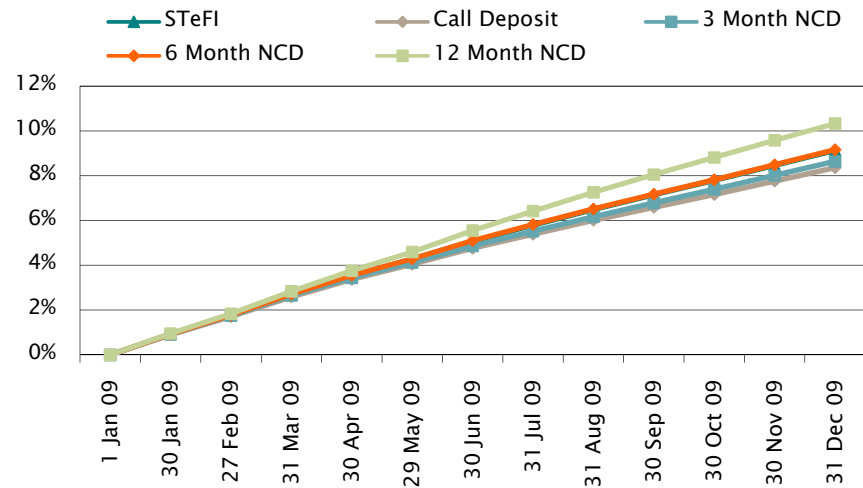


## FIXED INTEREST MARKET – HOW THE DIFFERENT SECTORS PERFORMED

CUMULATIVE PERFORMANCE OF BOND SECTORS – YTD



CUMULATIVE PERFORMANCE OF CASH INDICES – YTD



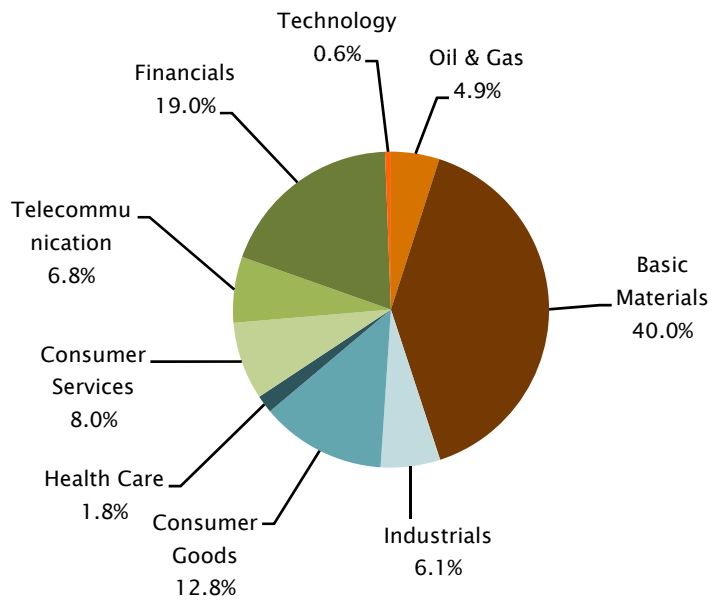
## FIXED INTEREST MARKET – HOW THE CURRENCY PERFORMED

	30 Sep 09	31 Dec 09	% Change
Rand/Dollar	7.52	7.41	1.42%
Rand/Pound	12.03	11.97	0.49%
Rand/Euro	11.00	10.61	3.63%
Dollar/Euro	1.46	1.43	-2.18%

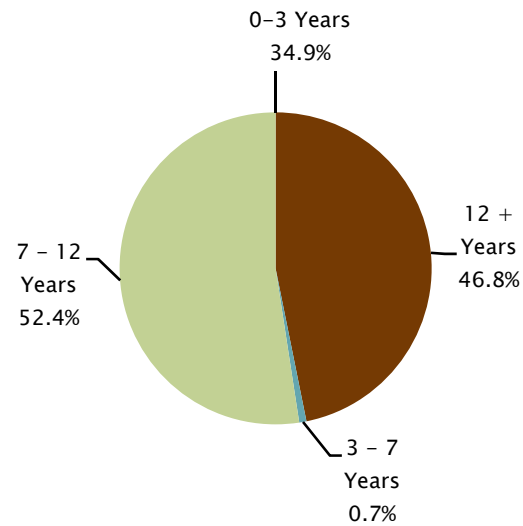
WHAT MAKES UP THE BENCHMARKS

QUARTERLY COMPOSITION OF ALL INDICES

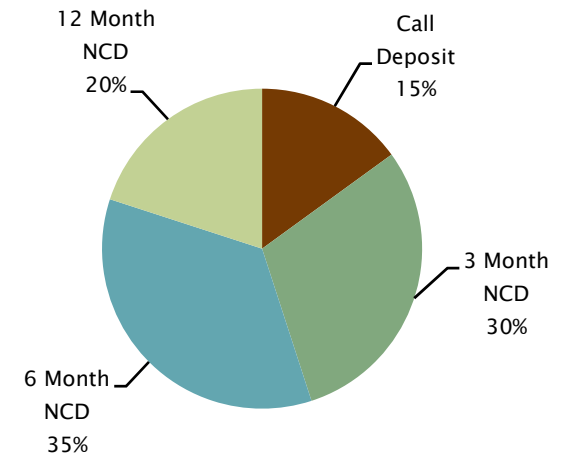
Equity – All Share



Bond – ALBI



Cash – STeFI



## Market and economic update

### Globally speaking

#### Background

- 2009 Marked the end of the recession as continued unconventional policy stimulus and repeated assurances by central bankers and policy makers that ultra loose policy would be maintained ultimately halted the further contraction in economic activity and the fall in asset prices. Tentative signs of economic stabilization - the proverbial green shoots - provided the catalyst for a turn around in global markets towards the end of the first quarter. Rising house prices, stabilising consumption growth, accelerated government spending and expanding industrial output proved sufficient to lift most economies into positive territory in the 3rd quarter.
- Strongly higher commodity prices and poor returns from bond markets characterised the post recession period. As growth prospects improved and risk appetite returned, investment into commodity markets increased exponentially. Copper raced through the US\$3 / oz level in the 4th quarter to gain 153% during 2009. Brent Crude gained 15% in the last quarter, to end the year just below USD80/barrel – more than double the level at the start of the year. Gold, having traded as low as 700US\$/oz in the last quarter of 2008, benefitted from US Dollar weakness to gain 25% over the year. The metal traded as high as US\$1220 early in December. Supply constraints and a recovery of global auto sales pushed Platinum 59% higher in 2009.
- 2009 Was not a good year for bond markets, reversing some of their gains of the previous year. With bond yields having collapsed in the wake of the Lehman's bankruptcy in the last quarter of 2008, 2009 saw bond prices fall as economies recovered and the cost of massive fiscal and monetary stimulus started to hit home.
- Emerging market equities gained 9% over the last quarter and 79% in 2009, well ahead of developed markets. Brazil led the charge, gaining 144% over the year, while Indian and Russian equity markets more than doubled over the same period. Both China and the MSCI SA index closed the year behind the EM peer group, gaining 58% and 63% respectively. The global equity composite gained 4.2% over the quarter to push the year's gains to 31%. While US markets lagged their global peers, both the S&P and Dow still posted strong absolute returns over the year, closing up 27% and 23% respectively.
- In sync with other commodity currencies and the slide of the US\$ Index, the Rand regained its composure in 2009. Record capital inflows and higher commodity prices fuelled a 29% gain against the greenback.

#### Outlook

- While the economic downswing was synchronised, the upswing is looking more differentiated. Asia and now the US look to be recovering relatively robustly, whereas Europe and Japan are still moribund.
- We do not expect a return of bear markets, but consider that the equity market sweet spot is over and could well only move modestly upwards with considerable volatility during the course of 2010. We expect strong global GDP growth but uninspiring equity returns, and that a neutral equity weighting is appropriate. It is time for the real economy to catch up with the stock market. We are inherently suspicious of the considerable consensus that equity returns will be good in the first half of 2010 but weaker in the second half.
- It is unlikely that the US dollar will continue to weaken relative to the pound, yen and euro as the US economy is set to grow faster and US interest rates are likely to start rising earlier. This will remove a significant prop to the commodity markets. In addition it is likely that many leading economic indicators will turn down during the year, and that most central banks will begin normalising interest rates thus squeezing out speculative behaviour in commodity and equity markets. Under this scenario commodity prices could well come under pressure.
- The increase in bond issuance over the next few years and substantially larger fiscal deficits will keep the pressure on global bond markets. Investors are likely to demand a higher real yield to cater for some of the very poor government balance sheets. While headline inflation will rise in the coming quarters, core inflation in most G7 economies should remain very low. Global bond returns are unlikely to be impressive in 2010.

## Market and economic update

### Locally speaking

#### Background

- Domestically, the recovery in economic growth in the third quarter was less pronounced despite the weak first six months of the year and reasonable growth in the global economy. Private sector investment continues to contract while household expenditure remains under pressure from reduced credit extension and rising joblessness. Spending on large ticket items, in particular, remains under siege as households rebuild personal balance sheet and banks remain cautious on lending.
- For now, government remains the engine of growth as spending on large scale infrastructure projects across the country continues at a robust pace. After massive declines in the first six months of the year, the manufacturing sector has responded to some stabilisation in overall demand and very low inventory levels. The sector grew by 7.6% in the third quarter of 2009, its first positive contribution to overall growth since the second quarter of 2008.
- Improved growth prospects and higher risk appetite drove domestic equities higher. The All Share Index ended December on the years high, returning 2.9% over the month and 11.4% over the quarter. Strong foreign investor interest to the tune of over R75bn in net equity inflows boosted the market's rating and pushed the year's returns to 32%, erasing all of 2008's losses.
- The All Bond Index lost 1% over the year, but marginally outperformed cash over the second half, gaining 4.1% versus a cash benchmark return of 3.7%. The fourth quarter also saw the appointment of new reserve bank governor, Gill Marcus, preside over her first MPC meeting.
- The listed property sector showed some resilience in a very difficult trading environment, gaining 4% in the last quarter to finish the year 14% higher. The sector has maintained positive income growth despite rising vacancies, downward pressure on market rentals and upward pressure on operating expenses from above inflation electricity, municipal rates and wage costs.

#### Outlook

- The 2010 Soccer World Cup may well stimulate increased consumer confidence for a few months, and indeed is likely to coincide with the eventual recovery of SA consumer spending. We anticipate SA economic growth to be between 2.5% and 3.5% in 2010, driven largely by a recovery in inventories.
- The SA equity market will take its lead from global emerging markets, and hence we expect SA equity returns to be modest in 2010. From a sectoral perspective, we favour bank shares as aside from receding bad debts, the upturn currently underway in residential property. Property is the ultimate collateral for much of bank balance sheets and the resumption of activity in this area will allow the resumption of lending activity, lower arrears and higher fees. In addition banks used the credit crisis to widen their margins.
- We consider that bond returns around the world are going to be very differentiated, and that in those countries like South Africa where government debt levels are moderate and where inflation is set to fall, that bond returns will beat cash returns.
- SA inflation is set to fall (after a few months of increase for base reasons) largely in delayed response from the rand strengthening from the R10 level to R7.50. We do not expect any further interest rate cuts, but that the SA prime rate will be on hold for most of 2010.
- The rand is expected to continue to be range bound for the first half of 2010, but could well come under greater pressure as the year progresses.

## Performance table

Index/Sector	1Month	3Month	YTD	1Year	3Year
<b>All Share</b>	<b>0.25%</b>	<b>13.91%</b>	<b>18.57%</b>	<b>7.70%</b>	<b>6.66%</b>
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%
<b>Resources</b>	<b>-0.56%</b>	<b>11.18%</b>	<b>16.10%</b>	<b>1.09%</b>	<b>3.89%</b>
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%
<b>All Share Industrials</b>	<b>1.35%</b>	<b>16.32%</b>	<b>20.33%</b>	<b>15.45%</b>	<b>12.24%</b>
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	1 Month	3Month	YTD	1Year	3Year
<b>Financials</b>	<b>-0.23%</b>	<b>15.15%</b>	<b>20.20%</b>	<b>6.46%</b>	<b>1.64%</b>
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%
<b>Financials And Industrials</b>	<b>0.81%</b>	<b>15.92%</b>	<b>20.30%</b>	<b>12.22%</b>	<b>8.44%</b>
<b>ALBI</b>	<b>0.08%</b>	<b>2.96%</b>	<b>-2.04%</b>	<b>9.07%</b>	<b>8.03%</b>
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%
<b>STeFI</b>	<b>0.62%</b>	<b>1.98%</b>	<b>7.15%</b>	<b>10.31%</b>	<b>10.12%</b>
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%
<b>International Index / Other</b>	<b>1 Month</b>	<b>3Month</b>	<b>YTD</b>	<b>1Year</b>	<b>3Year</b>
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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