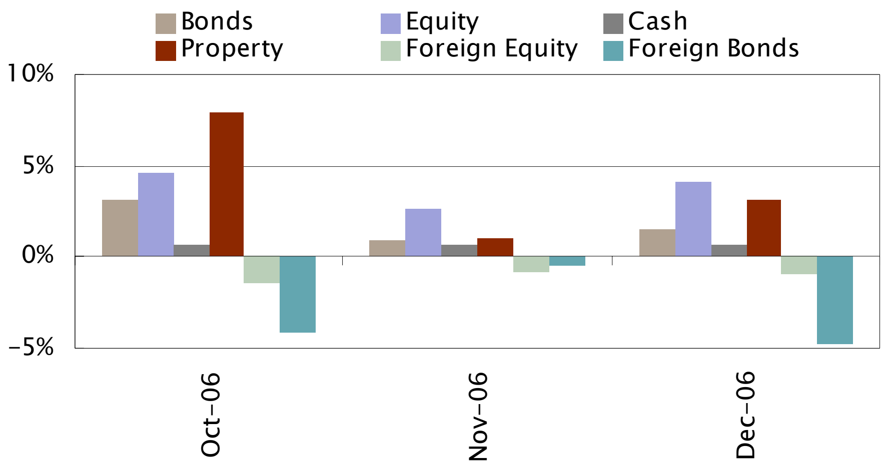
RisCUpdate

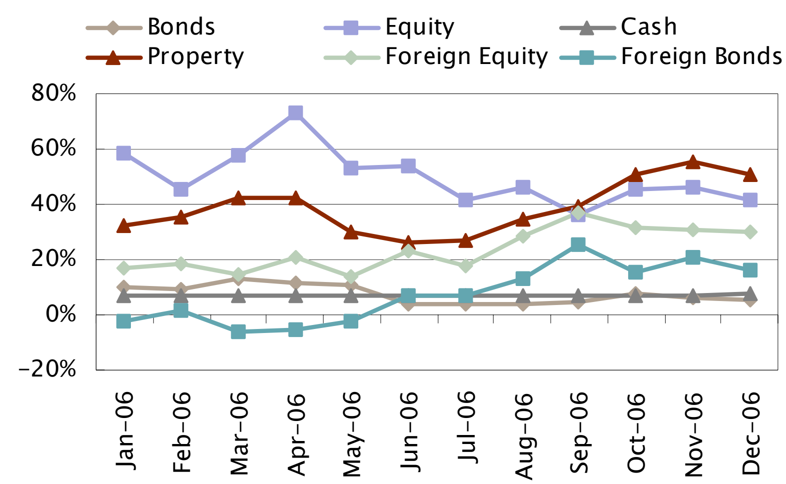
quarterly overview
31 Dec 2006

How the different asset classes performed

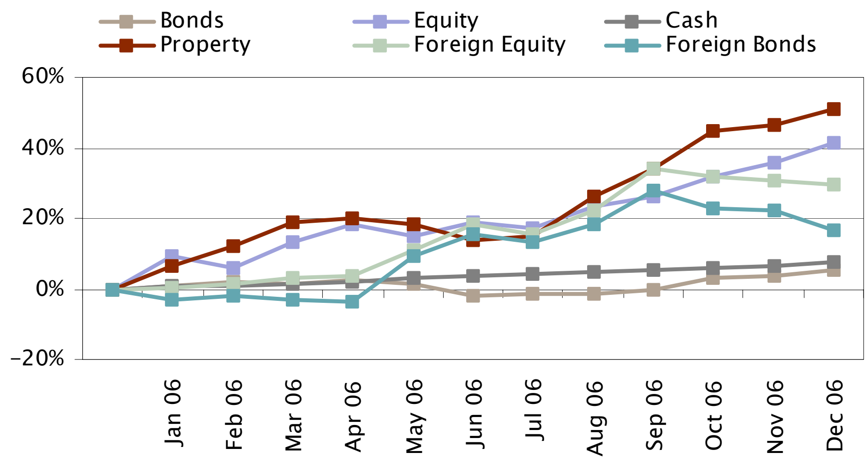
Asset Class Monthly Returns



Asset Class Rolling 12-Month Performance



Asset Class Performance – Year to Date

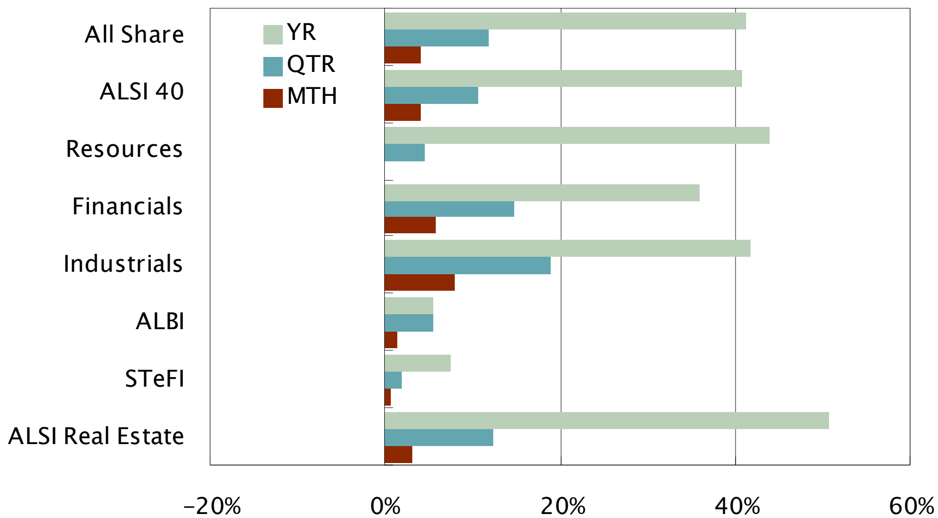


Sector Indices

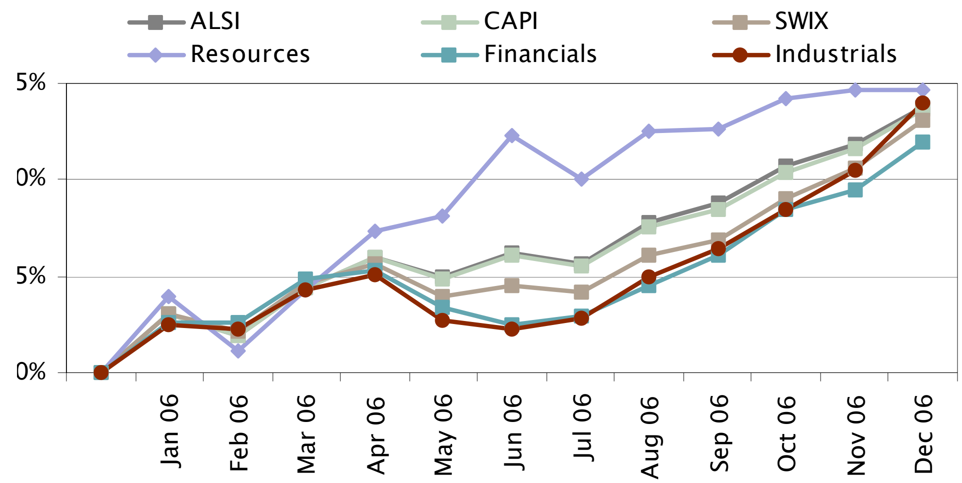
Bonds	ALBI
Equity	All Share
Cash	STeFI
Property	ALSI Real Estate
Foreign Equity	MSCI World
Foreign Bonds	JP Morgan Govt Bond

How the local market indices performed

Returns of FTSE/JSE Sectors & Indices

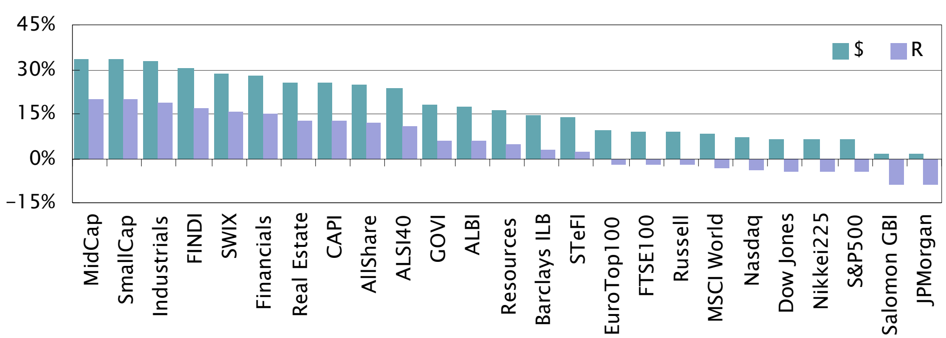


Sector & Indices Performance – Year to Date

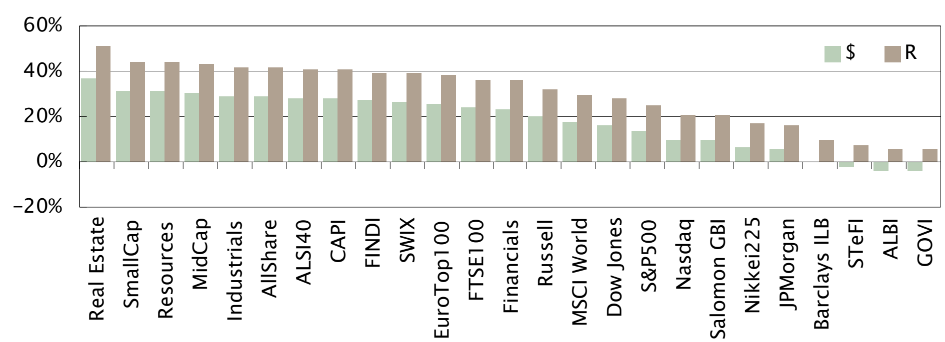


How the world market indices performed

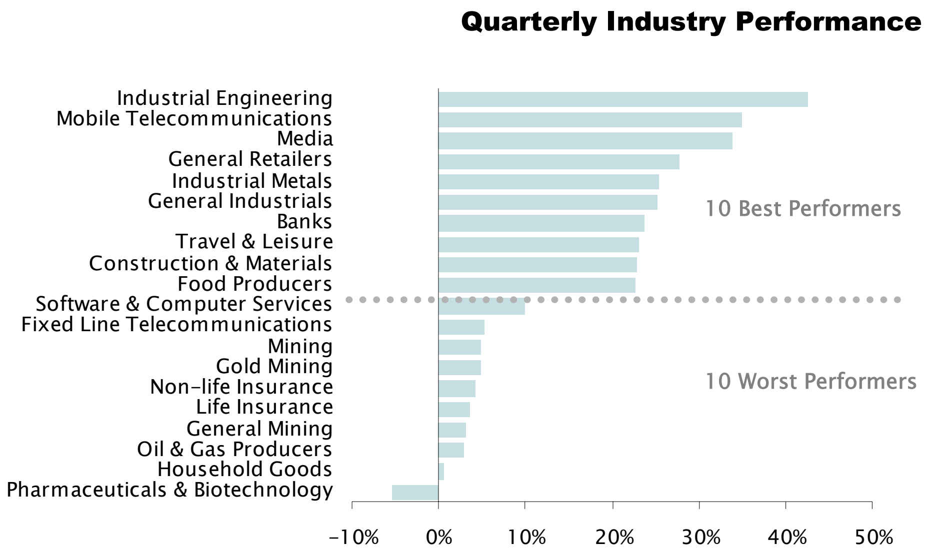
Quarterly Return of Major Indices

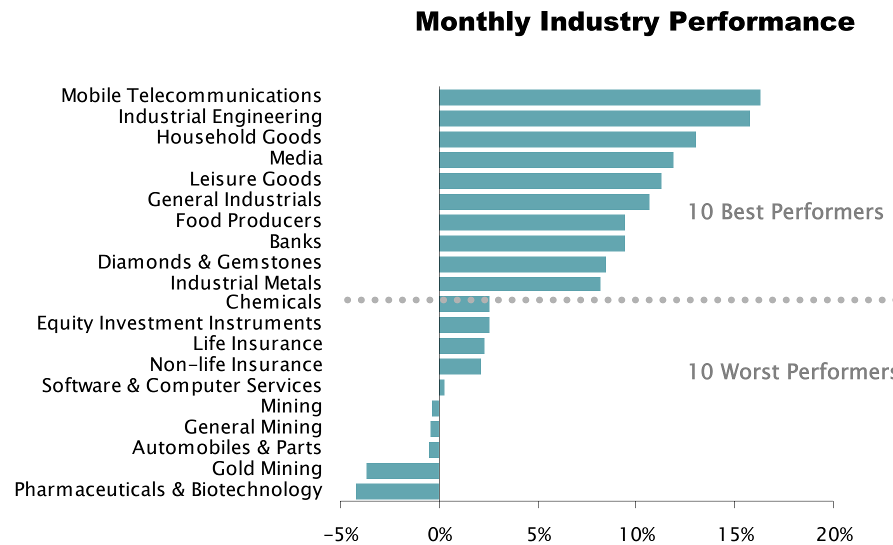


Annual Return of Major Indices



Equity market – how the equity sectors performed





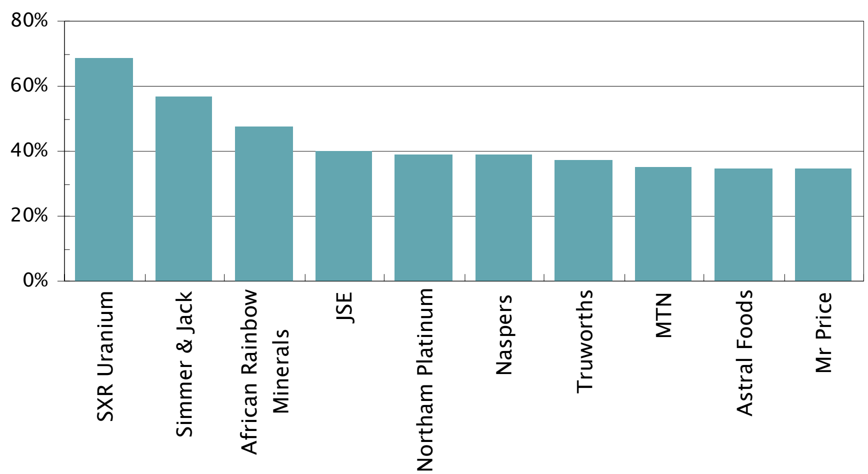
20 largest shares by market cap

	Share	R'million		Share	R'million		Share	R'million		Share	R'million
1	Anglo American	518,955	6	Sasol	161,771	11	Implats	102,130	16	Goldfields	73,215
2	BHP Billiton	318,268	7	MTN	158,681	12	Anglogold	90,846	17	Liberty Int	69,047
3	SAB Miller	240,855	8	Old Mutual	131,471	13	ABSA	84,062	18	Nedbank	60,174
4	Richemont	213,498	9	Standard Bank	128,769	14	Remgro	79,891	19	Lonmin	59,274
5	Angloplat	196,487	10	FirstRand	125,096	15	Telkom	76,608	20	Naspers	53,296

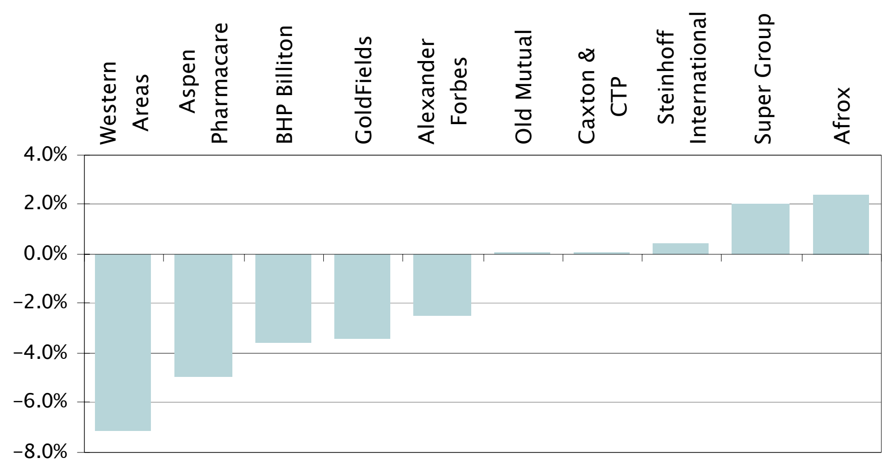
Equity market – how specific equities performed

Best and worst performing stocks within the All Share Index.

10 Best Performing Stocks for Quarter

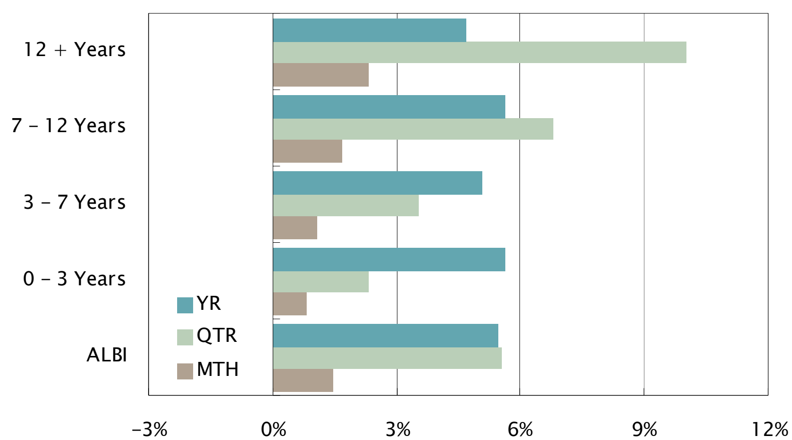


10 Worst Performing Stocks for Quarter

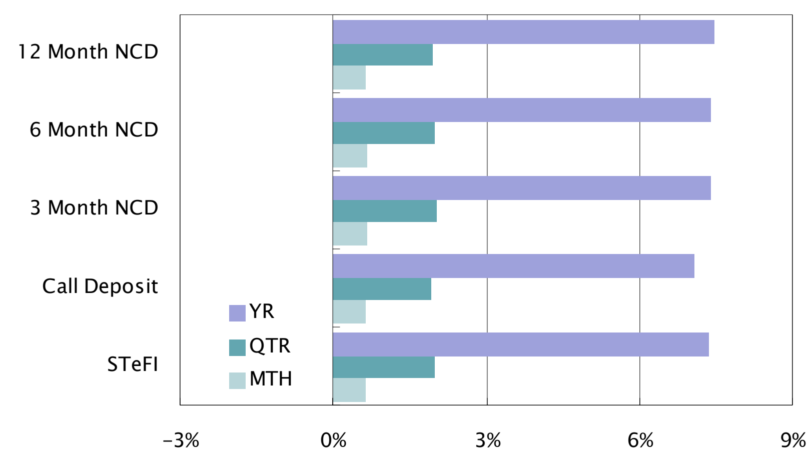


How the fixed interest market performed

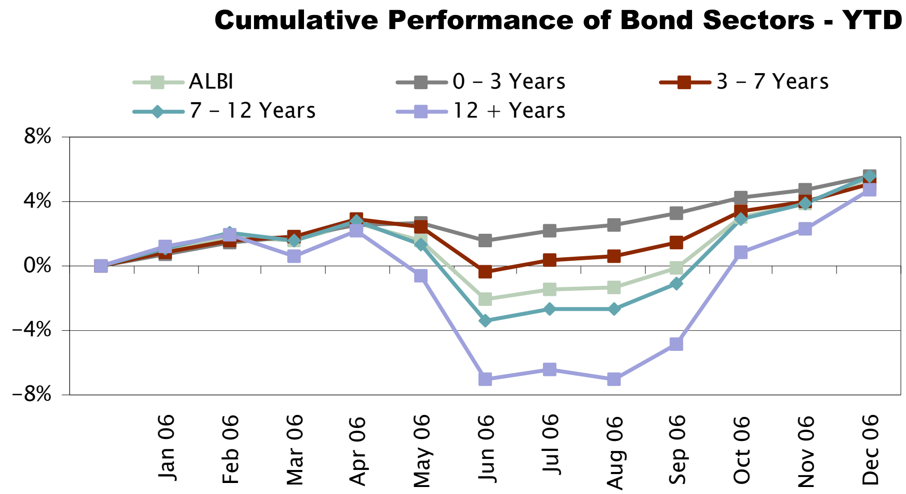
Returns of Bond Sectors

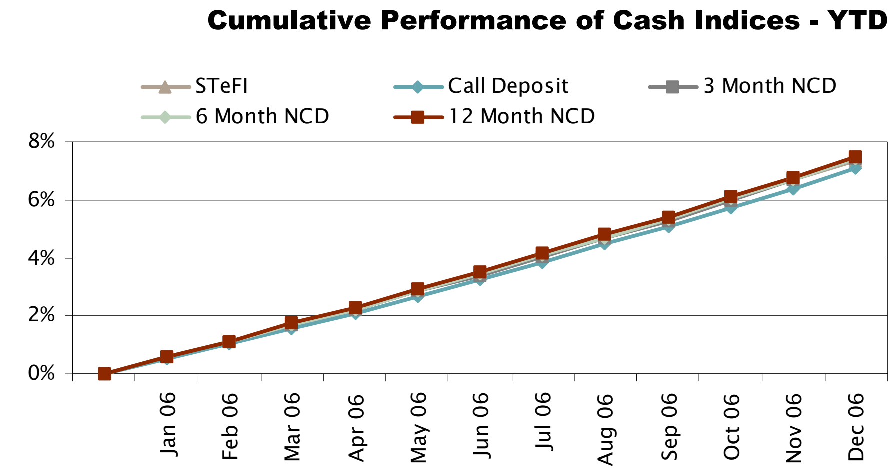


Returns of Cash Indices



Fixed interest market – how the different sectors performed





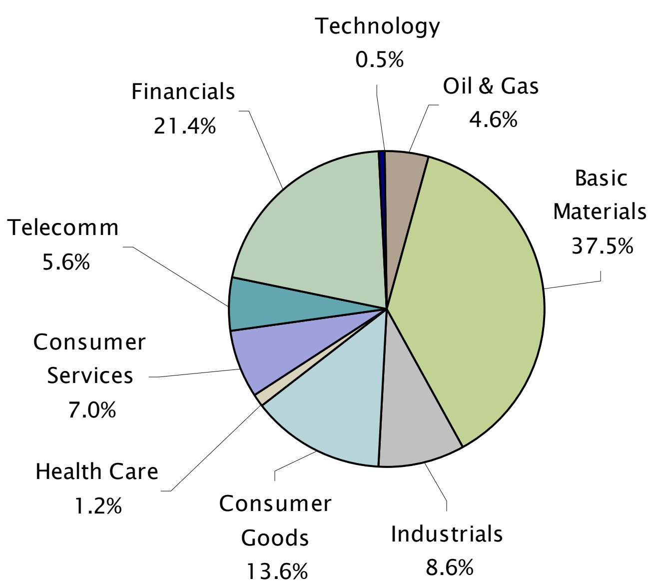
Fixed interest market – how the currency performed

	29 Sep	29 Dec	% Change
Rand/dollar	7.77	6.97	11.52%
Rand/pound	14.52	13.72	5.86%
Rand/euro	9.85	9.21	6.97%
Dollar/euro	1.27	1.32	4.02%

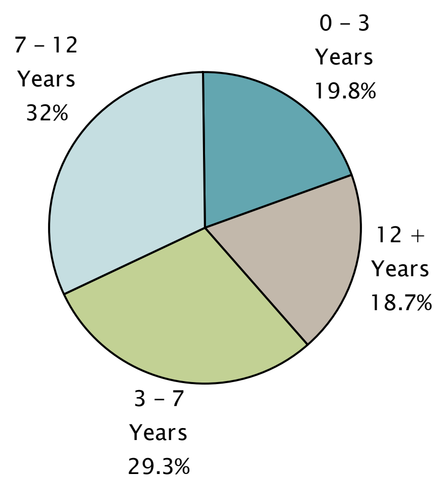
What makes up the benchmarks

Quarterly Composition of all Indices

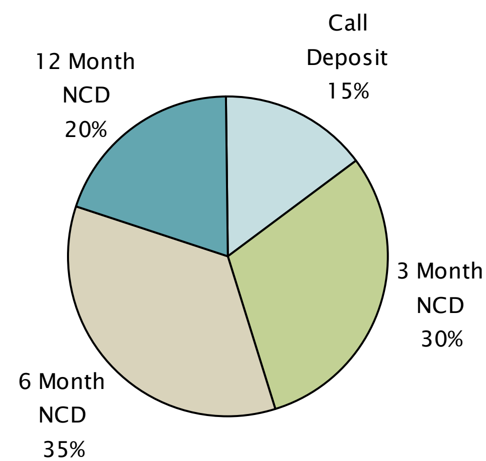
Equity – All Share



Bond – ALBI



Cash – STeFI



Market and economic update

Globally speaking

Background

- The global economy remains reasonably robust despite cyclical pressures in the US and UK.
- The structural shifts continue with emerging markets, led by China and India, now contributing more than 50% of global economic growth.
- The negative impact of the unprecedented rise in US interest rates on consumer sectors like housing is becoming more pronounced and combined with corporate profits being at all time highs, there is the risk that US GDP growth will slow to well below 3%.
- Inflation remains subdued but there is upward pressure from wage inflation.
- In the UK rising interest rates have not had the intended effect on consumers and interest rates may have to rise further.
- The European economy is broadening and the slow path of recovery in Japan continues to gain momentum.
- In both instances the evidence and benefits hereof is clearly seen in the consistent improving trend in unemployment.

Outlook

- With the cyclical rise in interest rates, we are expecting company profit growth to slow in the US and UK while the growth rate of company profits in Europe, Japan and emerging markets will outperform.
- Overall, the global company profit growth is expected to be slower and there is some downside risk for equity markets.
- However, balance sheets are strong and capex requirements modest, which should result in increased payouts to shareholders and increased corporate activity using cash funding.
- This combined with the private equity appetite provides a significant underpin to global equity markets.
- This benign environment, with potential for increased levels of volatility, is ideal for stockpickers that want to protect and grow the wealth of their clients.
- Within global listed property, Japan is preferred as well as other developing regions where favourable dynamics continue to underpin current valuations. This sector has also attracted interest from private equity investors.

Economic comment supplied by Oasis OASIS

Market and economic update

Locally speaking

Background

- The 3-year cycle of falling interest rates ended in June when the Reserve Bank raised interest rates by 0.5%, followed by a further 0.5% increase in August.
- The Monetary Policy Committee has become increasingly concerned about the large current account deficit and rapid growth in consumer credit, which threatens price stability.
- VAT collections, the most reliable measure of trends in domestic expenditure, continued to grow at an annual rate of 19% in the first half of 2006.
- A significant proportion of this was financed by increased household borrowing, which grew 27% in the 12 months to June 2006.
- Despite strong export growth (mainly due to higher prices), the current account of the balance of payments has continued to deteriorate, reaching 6.6% of GDP in the second quarter.

Outlook

- Equity remains the most attractive asset class but the relative margin of attractiveness to cash has reduced with money market rates increasing by 2% from the bottom of the interest rate cycle.
- Company profitability remains strong but the risk is that the current level of profits for the JSE is substantially above the long-term trend line. This risk is partially offset by strong cashflows, share buybacks, special dividends and private equity interest.
- Property is expensive relative to cash and its own history, but the fundamentals remain favourable with low vacancy rates, modest growth in supply and upward construction and land cost pressure.
- Bonds remain the least attractive asset class due to the risk of capital loss.
- With the expectation of a softer Rand, global equity, property and cash remains more attractive than the domestic asset classes and a full weighting is justified.

Economic comment supplied by Oasis

Performance table

Index/Sector	1Month	3Month	YTD	1Year	3Year
All Share	4.16%	11.83%	41.23%	41.23%	37.66%
Capped All Share Index	4.30%	12.30%	40.80%	40.80%	38.20%
Shareholder Weighted All Share Index	5.57%	15.38%	39.27%	39.27%	39.24%
Top 40	4.01%	10.72%	40.90%	40.90%	37.13%
Mid Cap	4.94%	19.76%	43.09%	43.09%	39.55%
Small Cap	5.87%	19.73%	44.12%	44.12%	49.16%
Resources	-0.01%	4.48%	43.95%	43.95%	32.86%
Mining	-0.35%	4.82%	48.85%	48.85%	31.48%
Gold Mining	-3.65%	4.81%	17.54%	17.54%	5.74%
Diamonds & Gemstones	8.51%	18.56%	-16.85%	-16.85%	-22.36%
Platinum & Precious Metals	3.16%	13.30%	83.64%	83.64%	45.67%
General Mining	-0.39%	3.11%	50.51%	50.51%	36.52%
Oil & Gas	2.90%	2.93%	17.75%	17.75%	44.43%
All Share Industrials	7.87%	18.86%	41.86%	41.86%	41.23%
Basic Materials	-0.08%	5.49%	49.08%	49.08%	33.75%
Chemicals	2.59%	10.45%	31.33%	31.33%	30.17%
Construction & Materials	4.53%	22.91%	78.34%	78.34%	55.92%
Forestry & Paper	3.54%	19.26%	64.95%	64.95%	12.09%
Industrial Metals	8.19%	25.38%	57.20%	57.20%	64.27%
Industrials	7.54%	22.92%	49.26%	49.26%	44.76%
General Industrials	10.66%	25.25%	50.36%	50.36%	43.75%
Electronic & Electrical Equipment	5.03%	22.01%	61.37%	61.37%	52.77%
Industrial Engineering	15.82%	42.67%	95.21%	95.21%	62.21%
Consumer Goods	7.35%	11.51%	44.17%	44.17%	40.43%
Automobiles & Parts	-0.49%	14.53%	24.33%	24.33%	33.48%
Leisure Goods	11.27%	20.38%	29.82%	29.82%	35.65%
Health Care	1.86%	6.95%	44.54%	44.54%	40.53%
Beverages	7.97%	11.94%	39.63%	39.63%	36.40%
Food Producers	9.44%	22.66%	34.86%	34.86%	43.61%
Health Care Equipment & Services	4.86%	13.34%	80.04%	80.04%	43.72%
Pharmaceuticals & Biotechnology	-4.20%	-5.27%	-1.30%	-1.30%	40.17%
Consumer Services	6.71%	26.76%	34.00%	34.00%	43.13%
General Retailers	5.66%	27.76%	25.67%	25.67%	41.98%
Travel & Leisure	3.25%	23.09%	47.22%	47.22%	46.71%
Media	11.88%	33.90%	46.39%	46.39%	58.70%
Support Services	4.91%	18.62%	47.26%	47.26%	39.04%
Industrial Transportation	7.64%	21.00%	22.02%	22.02%	32.79%
Telecommunication	13.98%	27.93%	33.45%	33.45%	41.92%
Food & Drug Retailers	2.60%	11.58%	36.22%	36.22%	39.06%
Fixed Line Telecommunications	5.20%	5.20%	12.69%	12.69%	34.86%
Technology	0.35%	9.04%	30.40%	30.40%	22.44%
Software & Computer Services	0.25%	9.86%	36.84%	36.84%	21.11%

Index/Sector	1Month	3Month	YTD	1Year	3Year
Financials	**5.85%**	**14.83%**	**35.83%**	**35.83%**	**40.74%**
Banks	9.43%	23.77%	28.00%	28.00%	41.96%
Non-life Insurance	2.11%	4.26%	15.76%	15.76%	24.56%
Life Assurance	2.27%	3.58%	32.74%	32.74%	33.65%
Equity Investment Instruments	2.55%	10.08%	28.60%	28.60%	38.75%
Real Estate	3.09%	12.38%	50.86%	50.86%	38.47%
General Finance	5.46%	15.95%	50.46%	50.46%	57.32%
Financials And Industrials	**7.13%**	**17.31%**	**39.51%**	**39.51%**	**41.10%**
ALBI	**1.46%**	**5.53%**	**5.45%**	**5.45%**	**10.42%**
1-3 Years	0.84%	2.32%	5.62%	5.62%	7.80%
3-7 Years	1.08%	3.54%	5.10%	5.10%	9.63%
7-12 Years	1.67%	6.80%	5.63%	5.63%	11.68%
12+ Years	2.32%	10.01%	4.70%	4.70%	12.10%
STeFI	**0.64%**	**1.97%**	**7.37%**	**7.37%**	**7.50%**
Call Deposit	0.62%	1.91%	7.07%	7.07%	6.97%
3 Month NCD	0.66%	2.01%	7.40%	7.40%	7.40%
6 Month NCD	0.65%	1.99%	7.41%	7.41%	7.52%
12 Month NCD	0.63%	1.94%	7.46%	7.46%	7.98%
International Index / Other	**1Month**	**3Month**	**YTD**	**1Year**	**3Year**
S&P 500	-1.60%	-4.80%	24.94%	24.94%	9.93%
MSCI World	-0.93%	-3.14%	29.72%	29.72%	14.24%
JPMorgan GBI	-3.40%	-10.06%	10.82%	10.82%	4.51%
Salomon Brothers GBI	-2.89%	-9.12%	20.41%	20.41%	4.41%
Dow Jones	-0.91%	-4.31%	27.87%	27.87%	7.48%
Euro Top 100	-0.26%	-1.97%	38.09%	38.09%	16.78%
Nikkei 225	0.50%	-4.61%	16.94%	16.94%	15.01%
FTSE 100	-0.28%	-2.43%	36.01%	36.01%	15.01%
Nasdaq	-3.49%	-4.10%	20.43%	20.43%	7.89%
Russell 1000	-0.31%	-2.44%	32.35%	32.35%	12.73%
Barclays Inflation Linked Bond Index	0.38%	2.51%	9.82%	9.82%	11.44%

Contact us...

Cape Town
Ground floor, Colinton house, The Oval, 1 Oakdale Road, Claremont, 7735
PO Box 23983, Claremont, 7735
Tel: +27 21 683 7111
Fax: +27 21 683 8277

Johannesburg
Ground floor, 23 Melrose boulevard, Melrose Arch, 2076
Postnet suite 116, Private Bag X1, Melrose Arch, 2076
Tel: +27 11 214 9800
Fax: +27 11 214 9801

info@riscura.com
www.riscura.com