

Update on local market developments as at end December 2008

31 December 2008

Local market overview

Retail Fund Managers
Investec Asset Management



Out of the Ordinary

 **Investec**
Asset Management

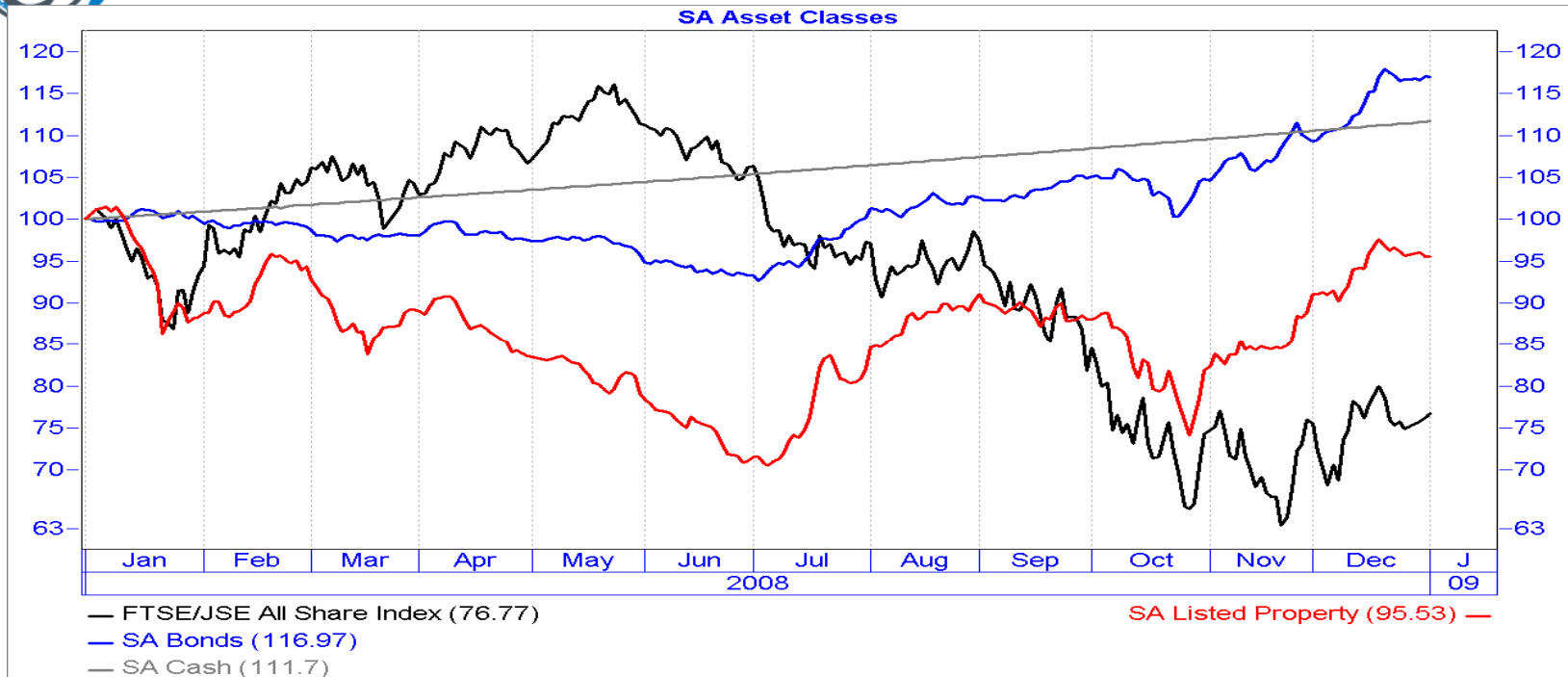


Looking at...

- Asset classes
- Local Equities
- Local Fixed Interest
- Economics
- Global Equities



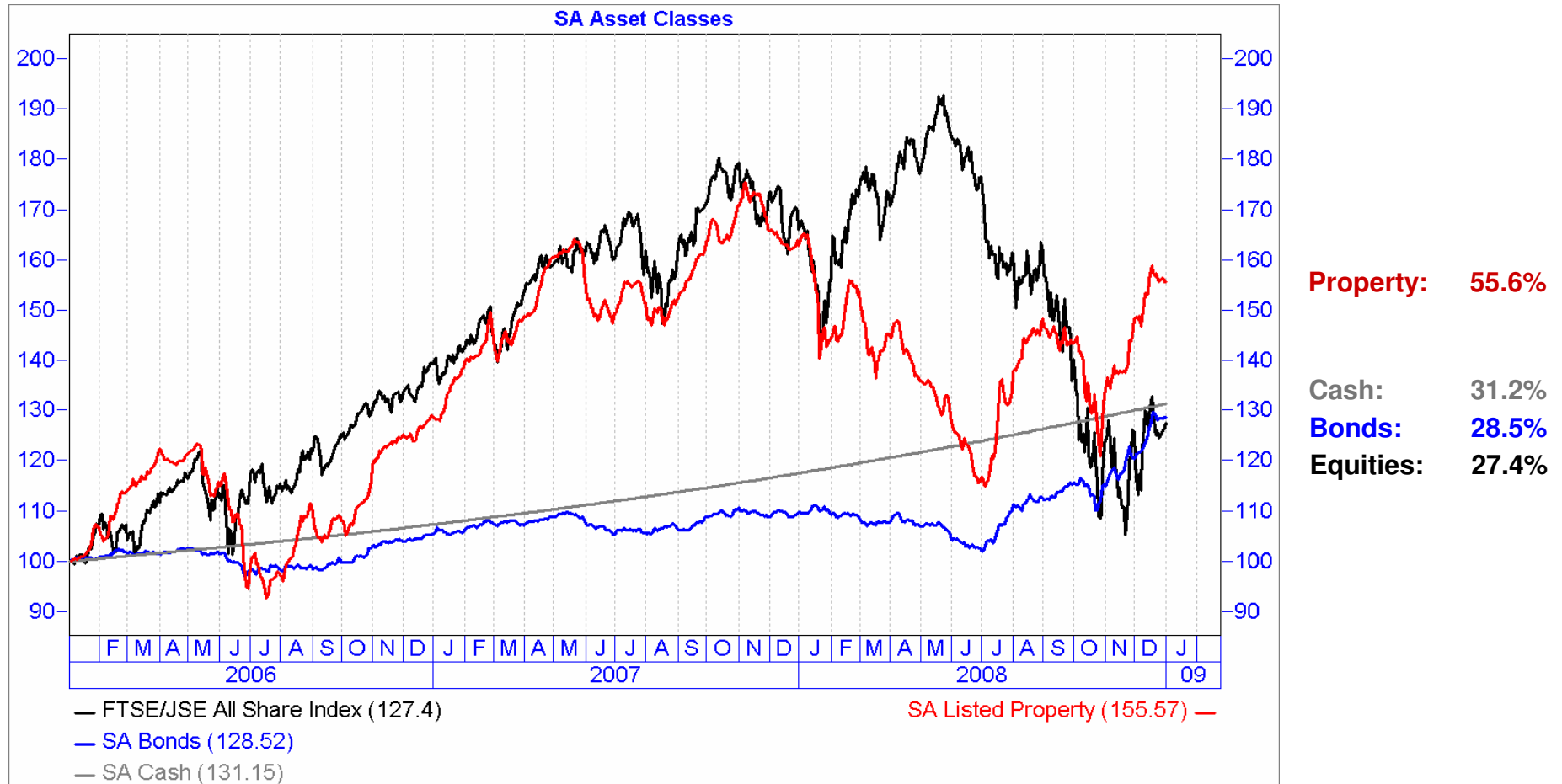
SA Asset Classes' returns in 2008



As at end December 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
ALSI	2.9%	3.4%	-20.6%	-11.7%	1.3%	1.5%	-9.2%	-23.2%
ALBI	-1.8%	-4.9%	12.6%	-0.5%	4.6%	7.0%	11.4%	17.0%
SA Cash	2.6%	2.7%	2.9%	1.0%	0.9%	1.0%	3.0%	11.7%
Listed Property	-10.9%	-19.7%	23.1%	-6.6%	10.7%	4.9%	8.5%	-4.5%

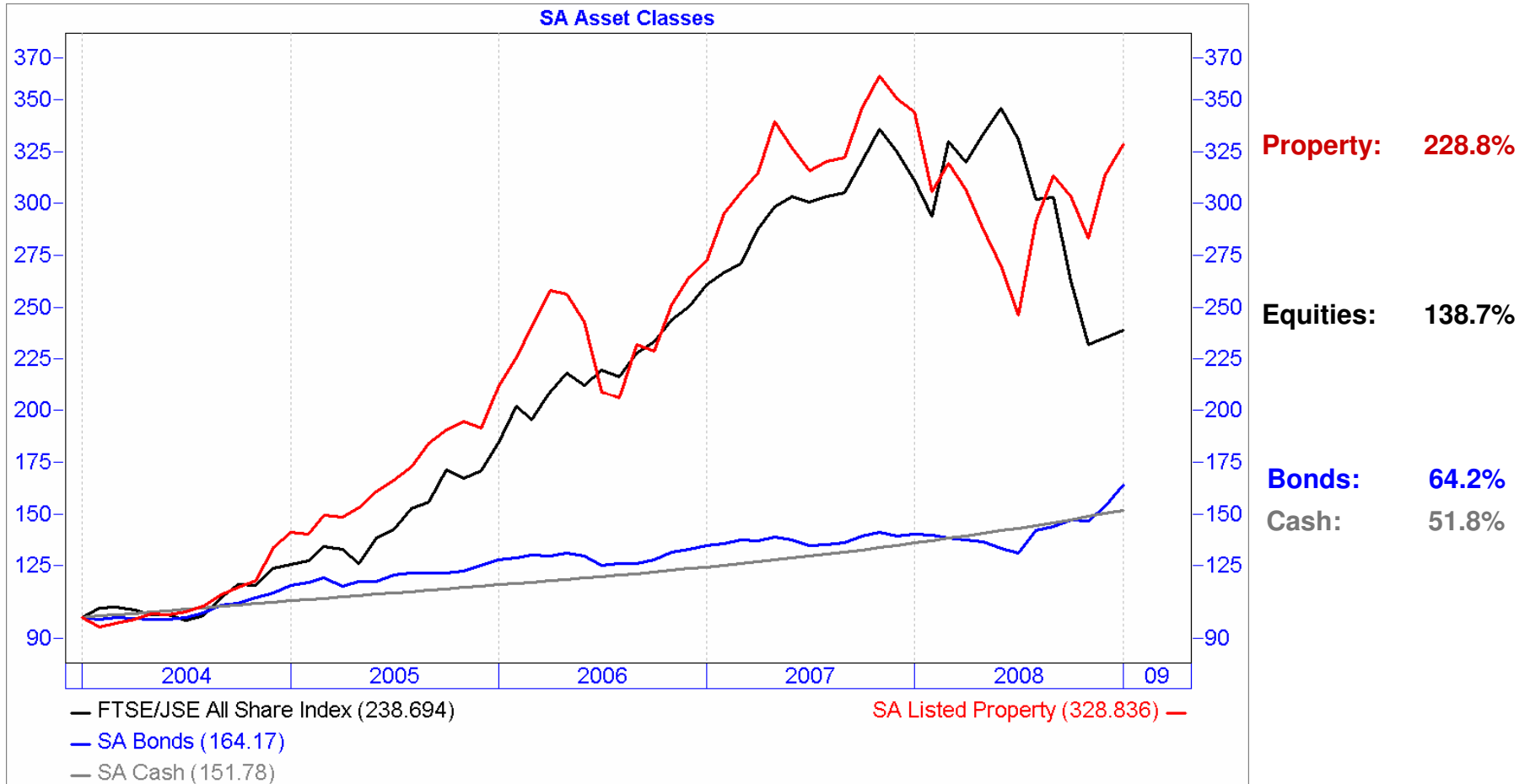


SA Asset Classes' cumulative returns 3-years to end December 2008



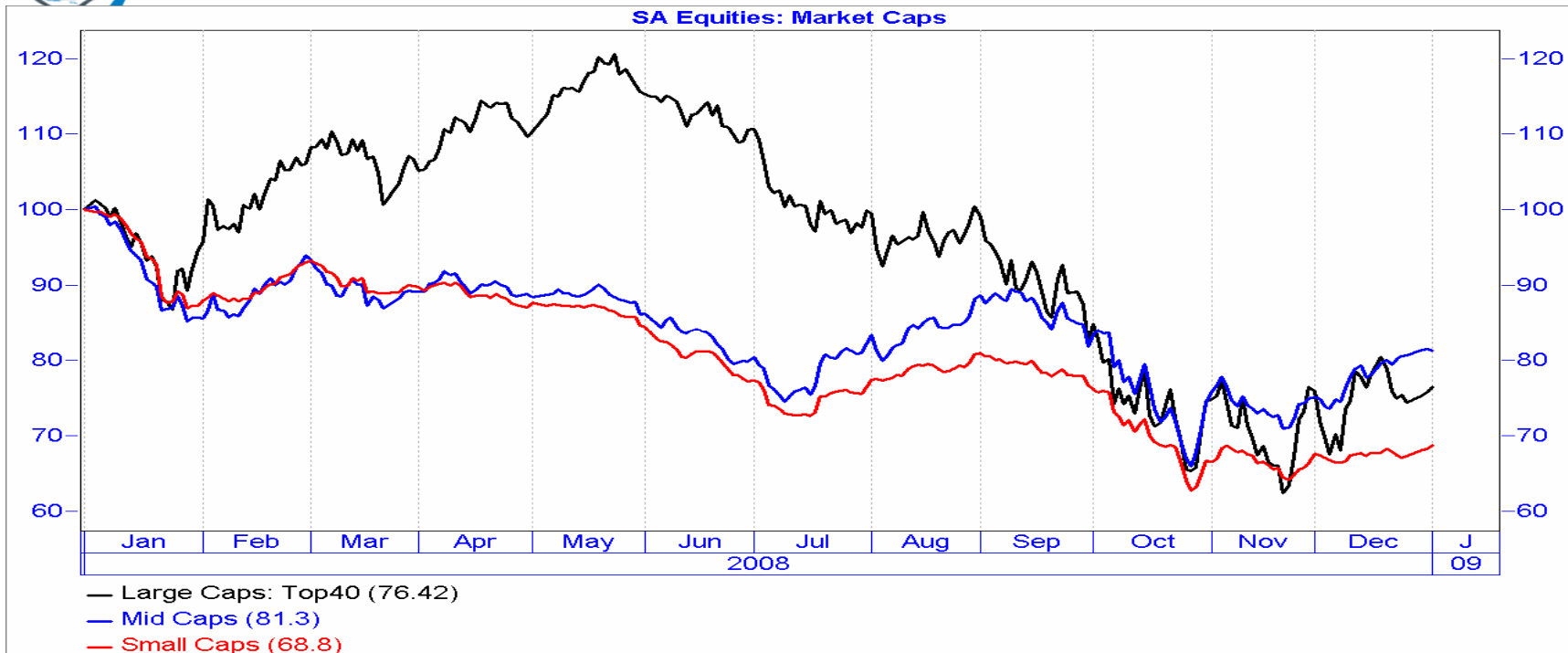


SA Asset Classes' cumulative returns 5-years to end December 2008





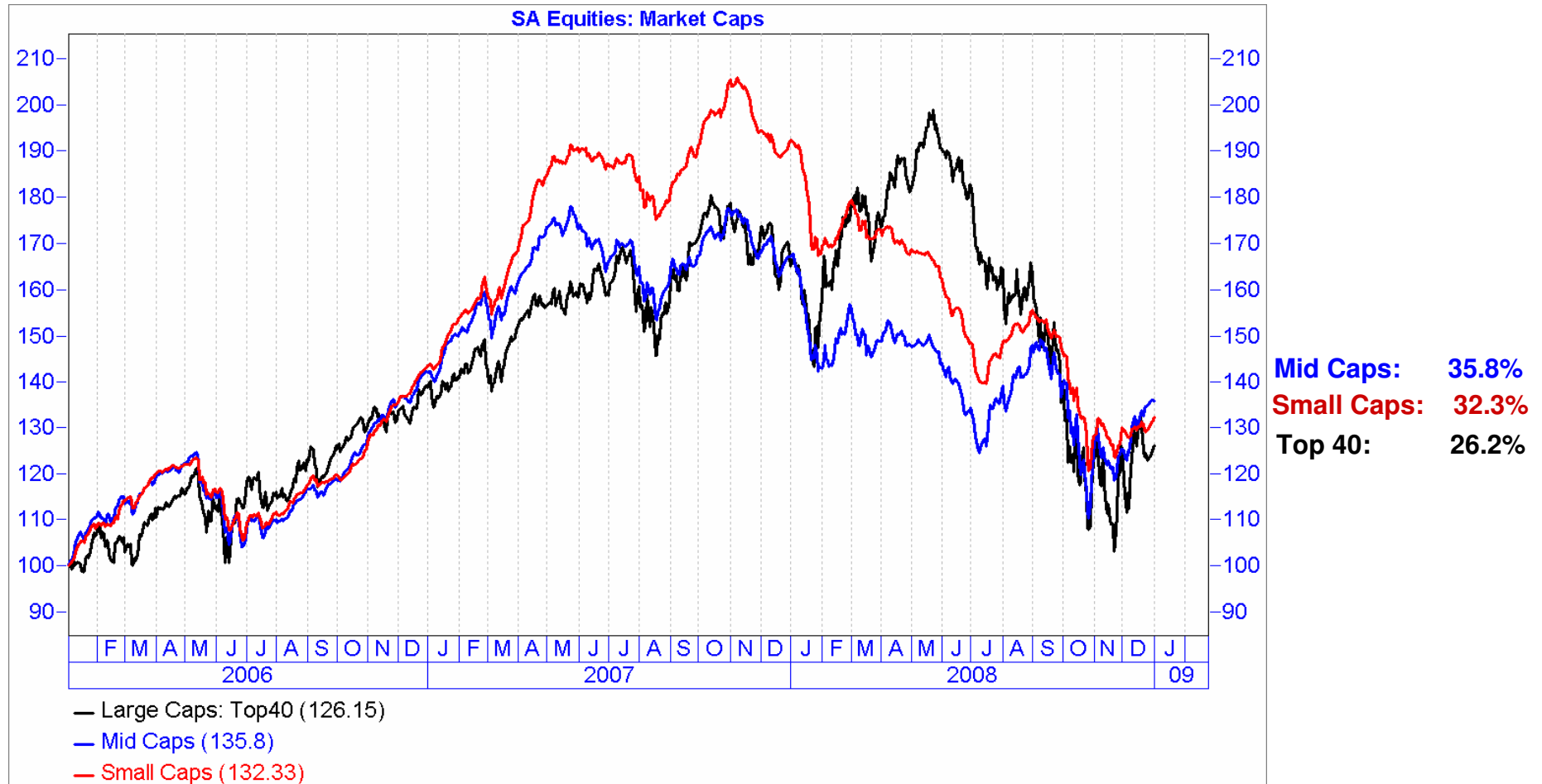
SA Equities: Market Cap returns (as at end December 2008)



As at end December 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
ALSI Top 40	5.1%	5.3%	-23.3%	-12.0%	1.6%	0.6%	-10.0%	-23.6%
Mid Caps	-10.8%	-9.8%	3.6%	-9.1%	-1.0%	8.3%	-2.5%	-18.7%
Small Caps	-10.2%	-14.0%	-1.5%	-12.5%	1.4%	1.8%	-9.6%	-31.2%

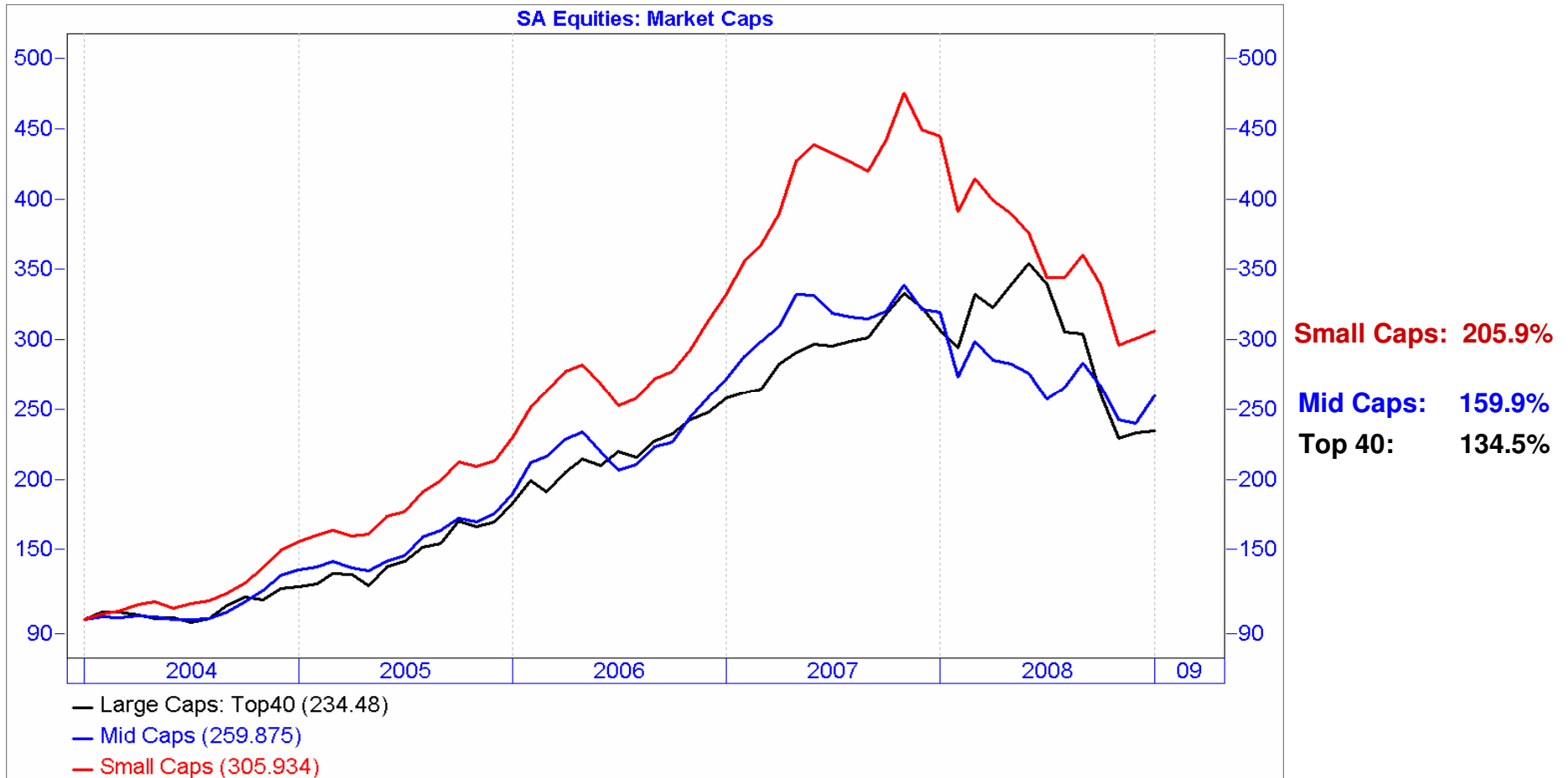


SA Equities: Market Cap returns 3-years to end December 2008



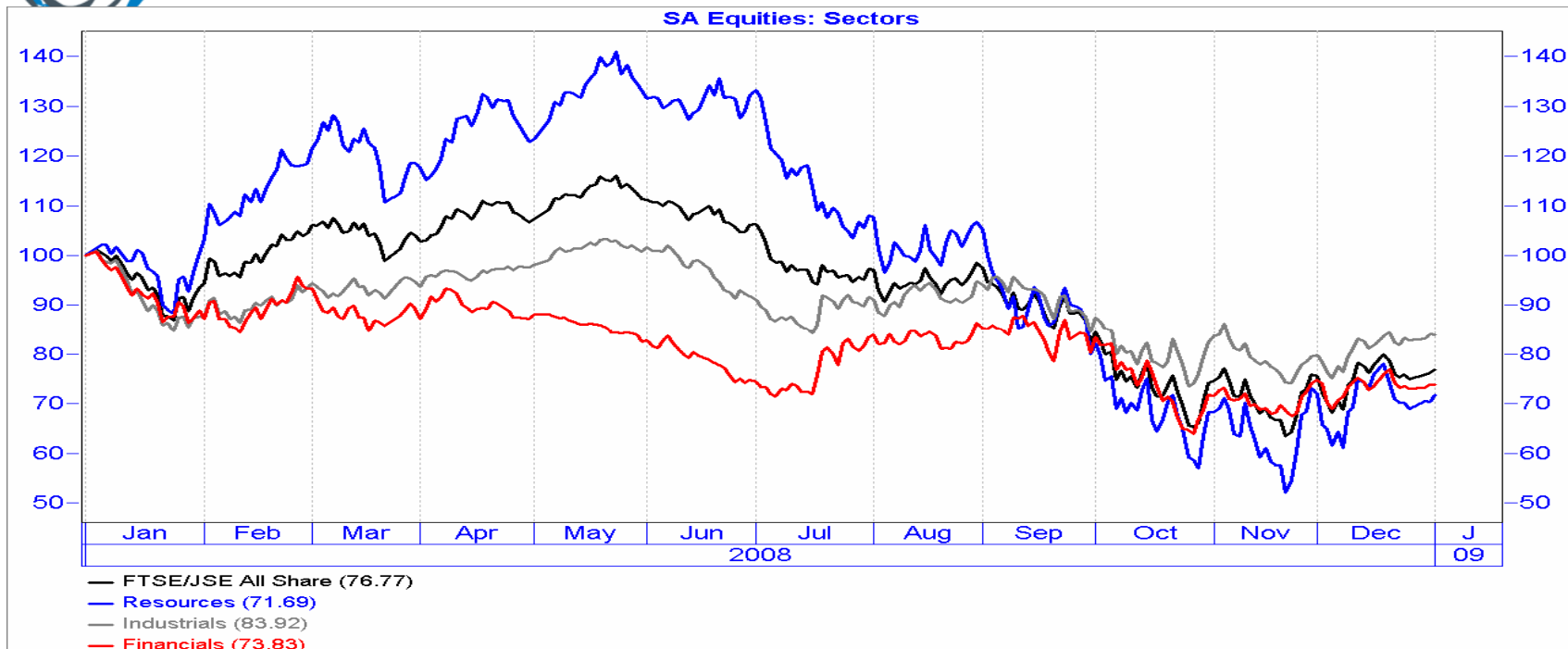


SA Equities: Market Cap returns 5-years to end December 2008





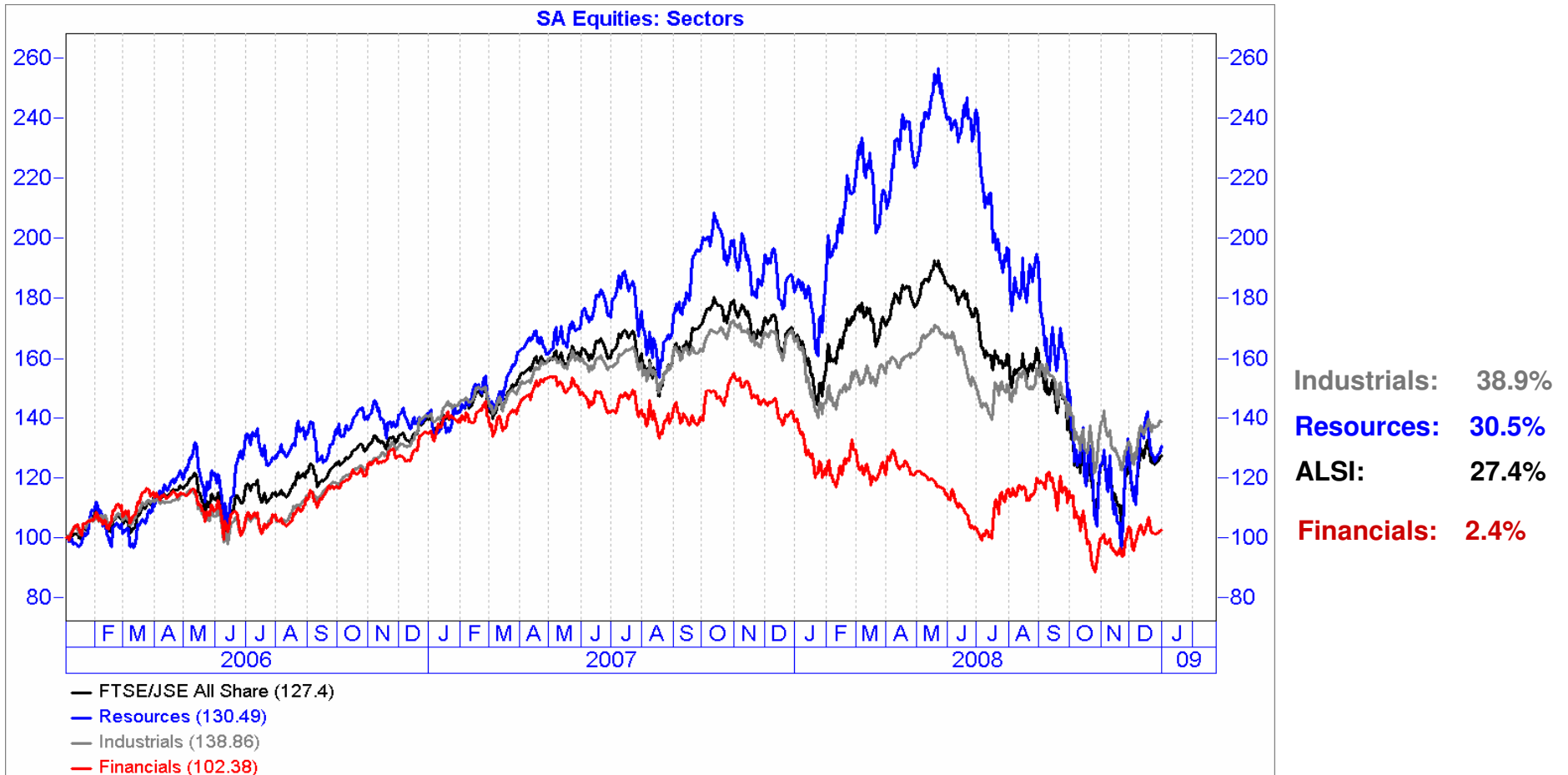
SA Equities: Sector returns (As at end December 2008)



As at end-Dec 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
ALSI	2.9%	3.4%	-20.6%	-11.7%	1.3%	1.5%	-9.2%	-23.2%
Resources	17.6%	13.4%	-38.3%	-17.0%	5.2%	-0.2%	-12.9%	-28.3%
Industrials	-6.4%	-2.7%	-4.0%	-4.3%	-4.6%	5.1%	-4.1%	-16.1%
Financials	-12.8%	-14.5%	11.9%	-14.1%	4.3%	-1.2%	-11.4%	-26.2%

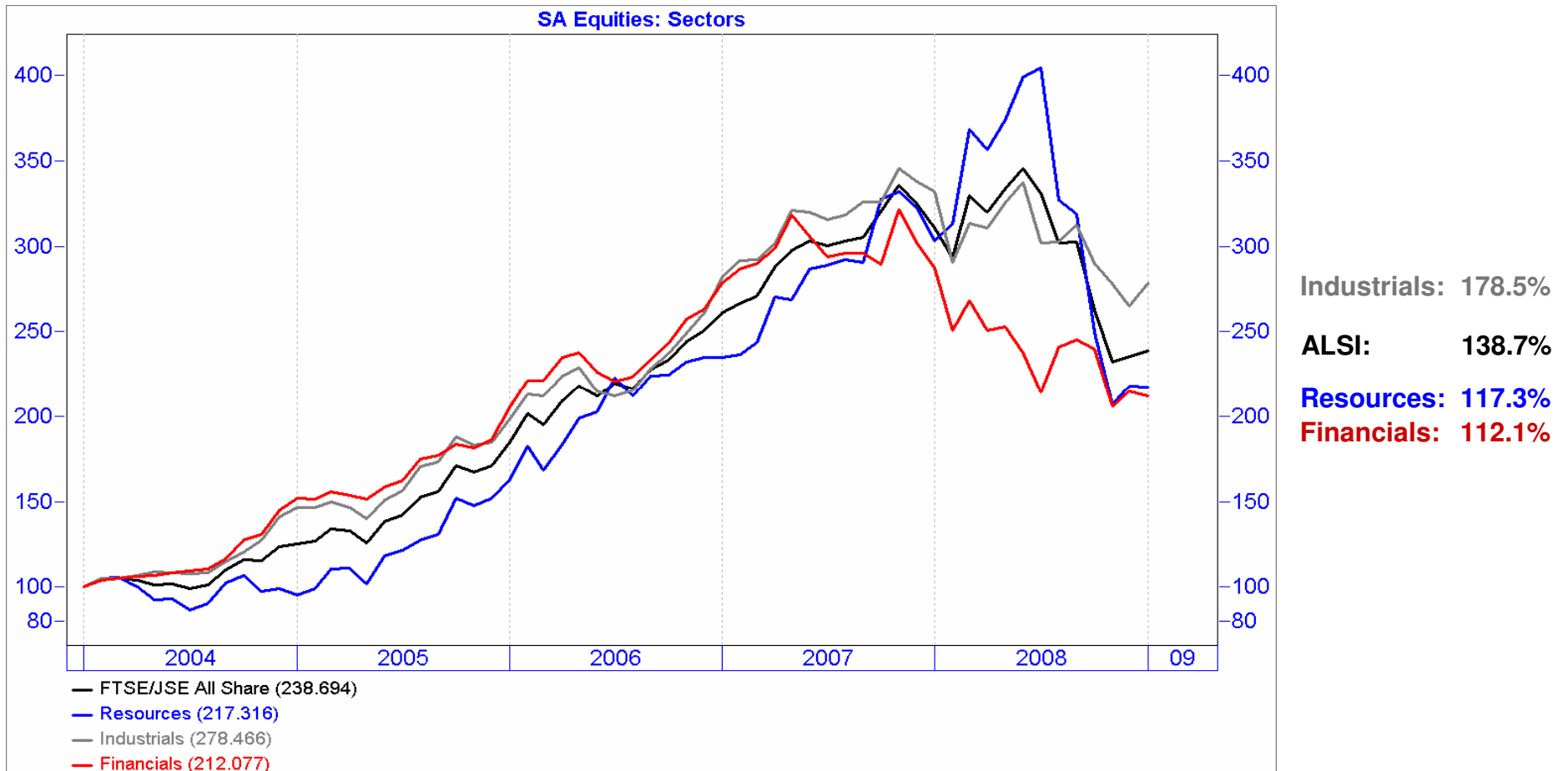


SA Equities: Sector returns 3-years to end December 2008



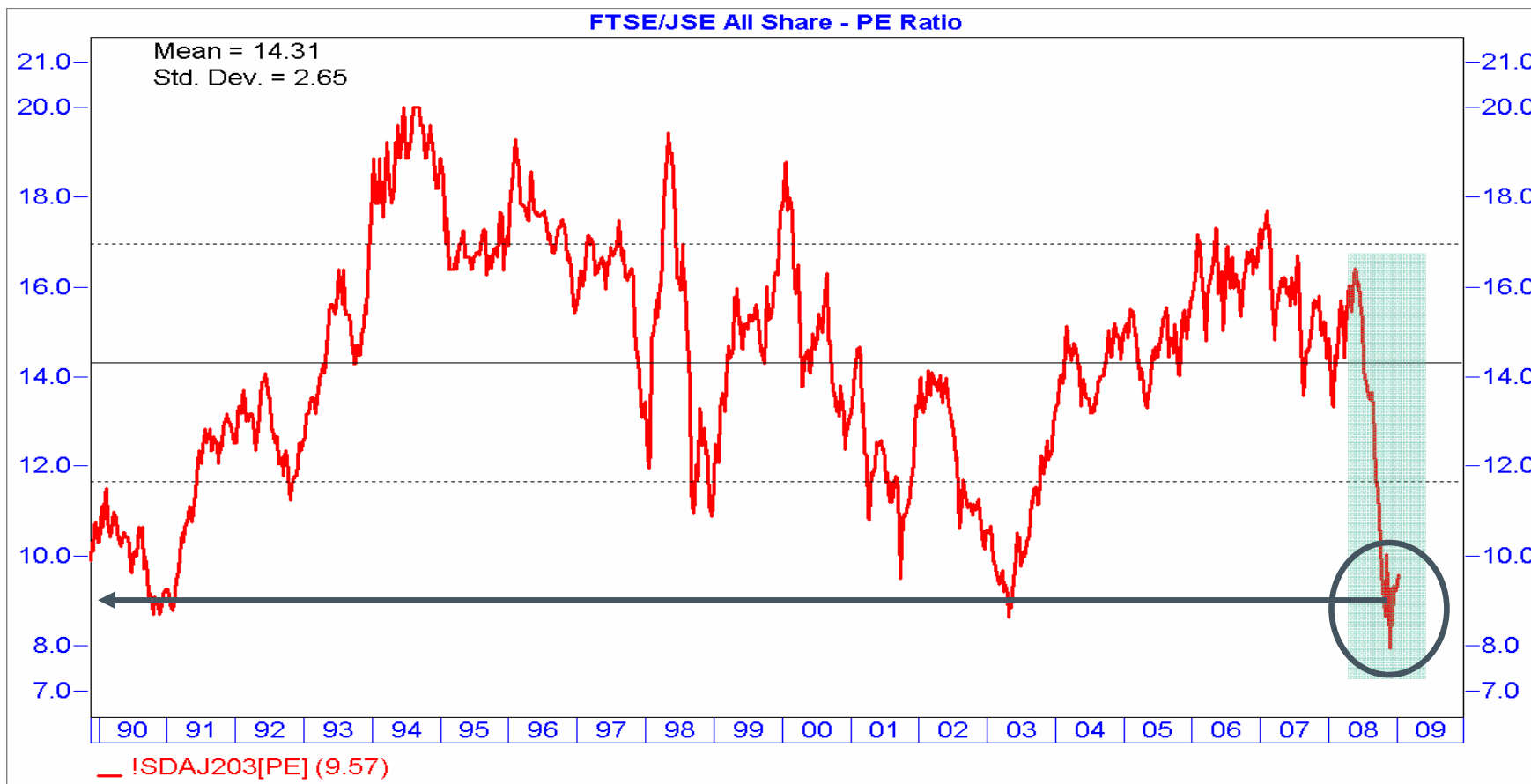


SA Equities: Sector returns 5-years to end December 2008





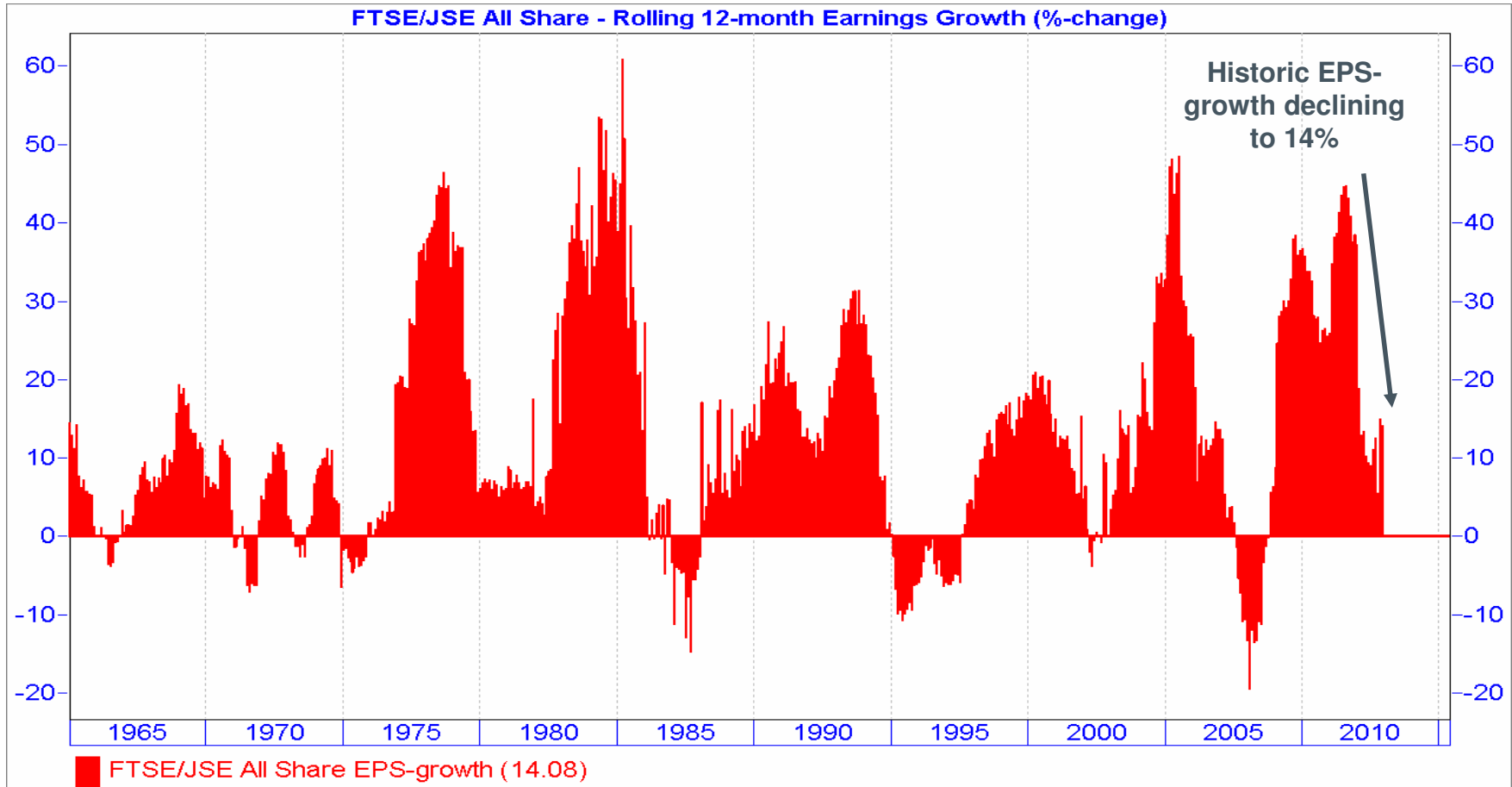
SA Equities: Trailing PE Ratio 20-years to end December 2008





SA Equities: Earnings Growth

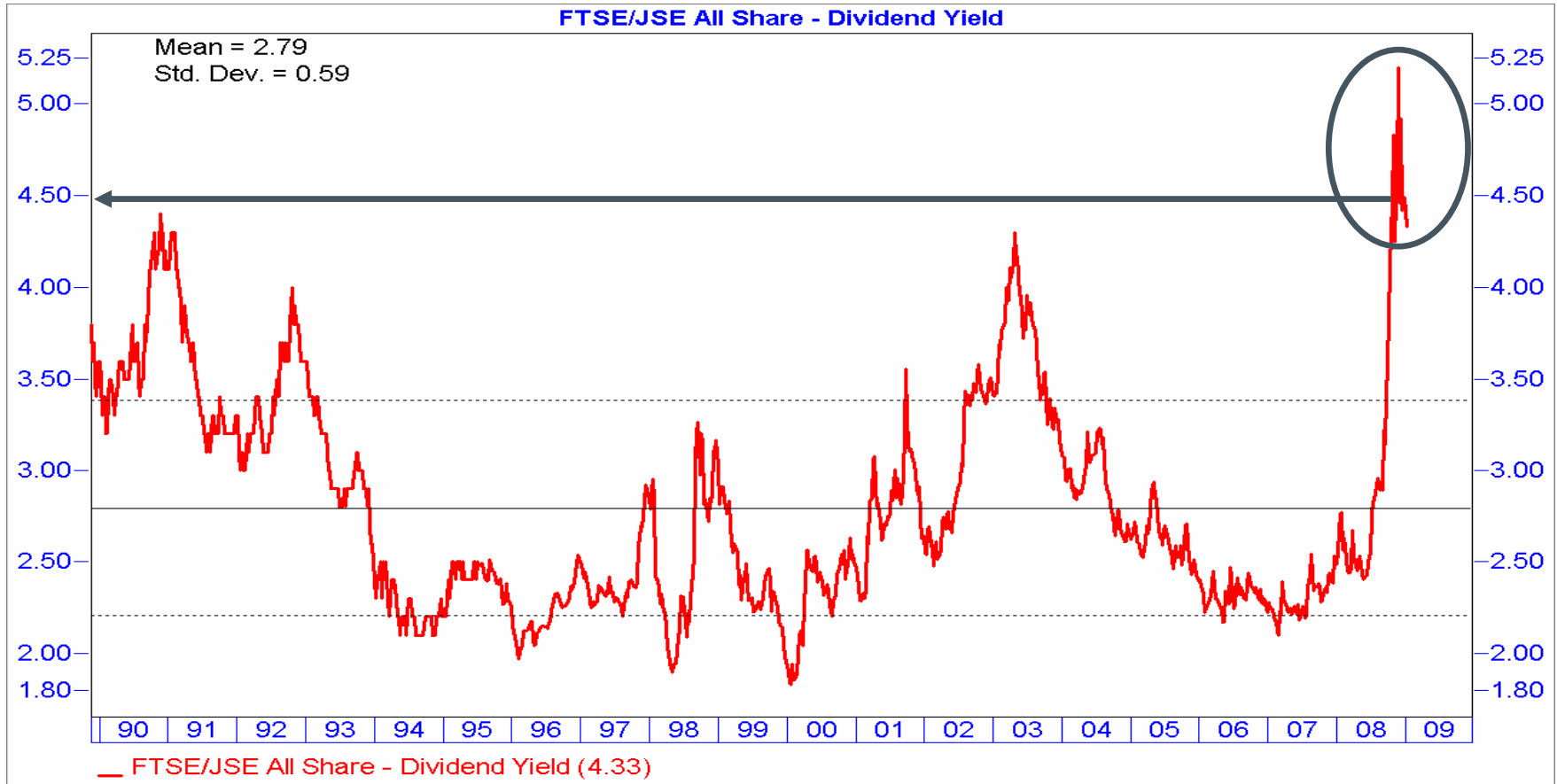
Since 1960 to end December 2008
Rolling 12-month %-change





SA Equities: Dividend Yield

20-years to end December 2008



Local economic developments to end December 2008

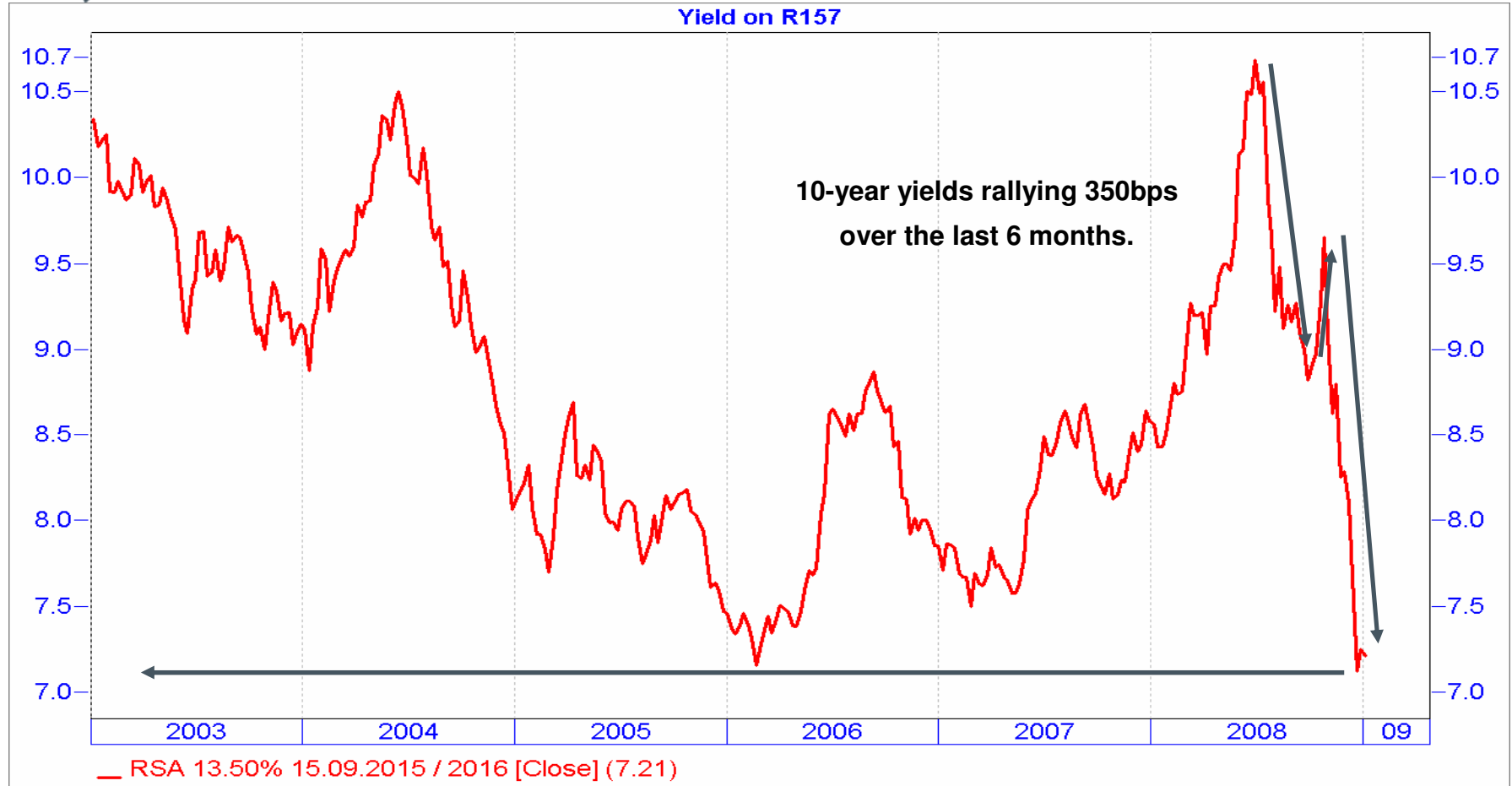


Out of the Ordinary



SA Bond Yields

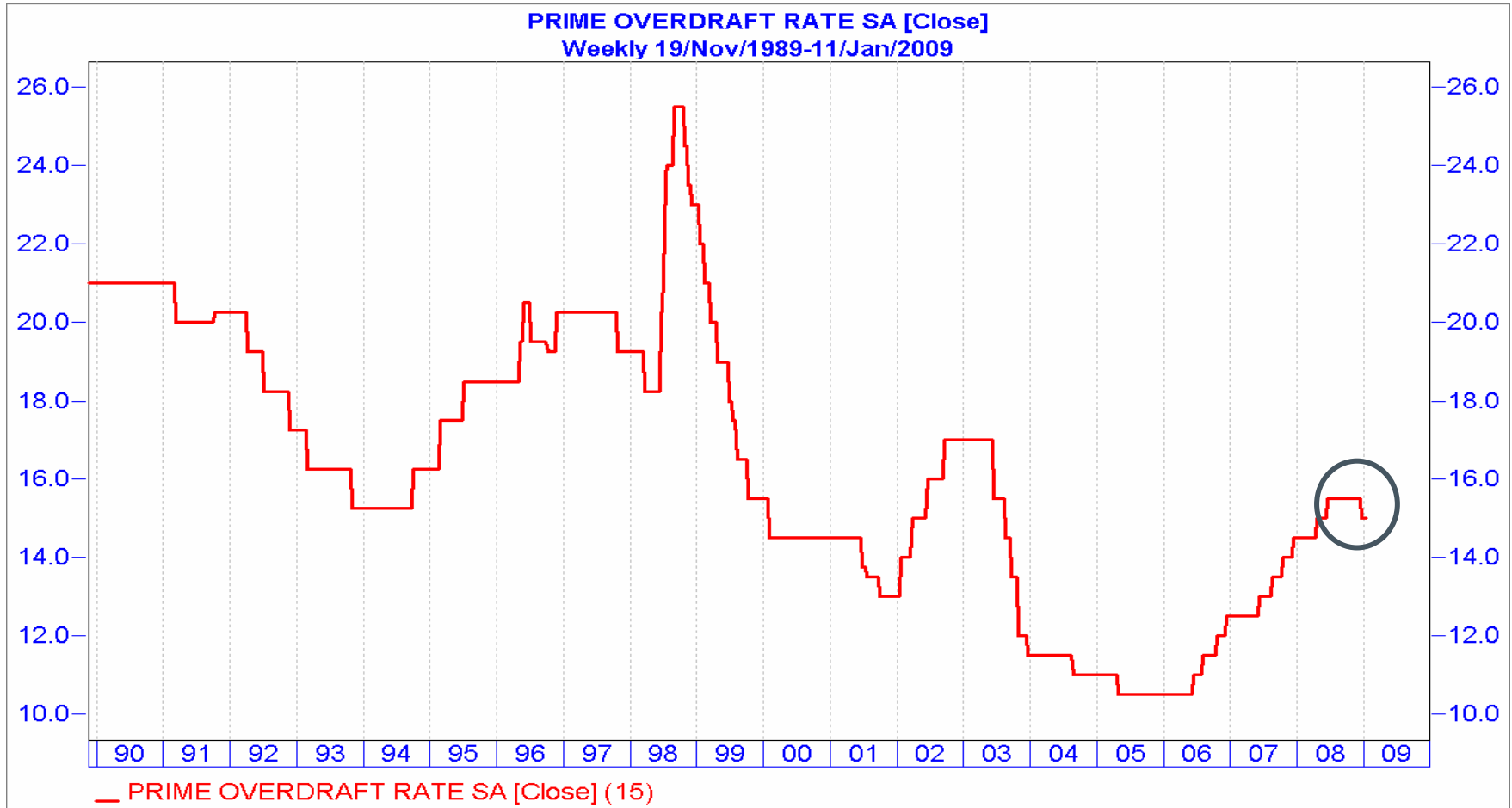
Yield on the R157 over the last 6 years





SA Interest rates

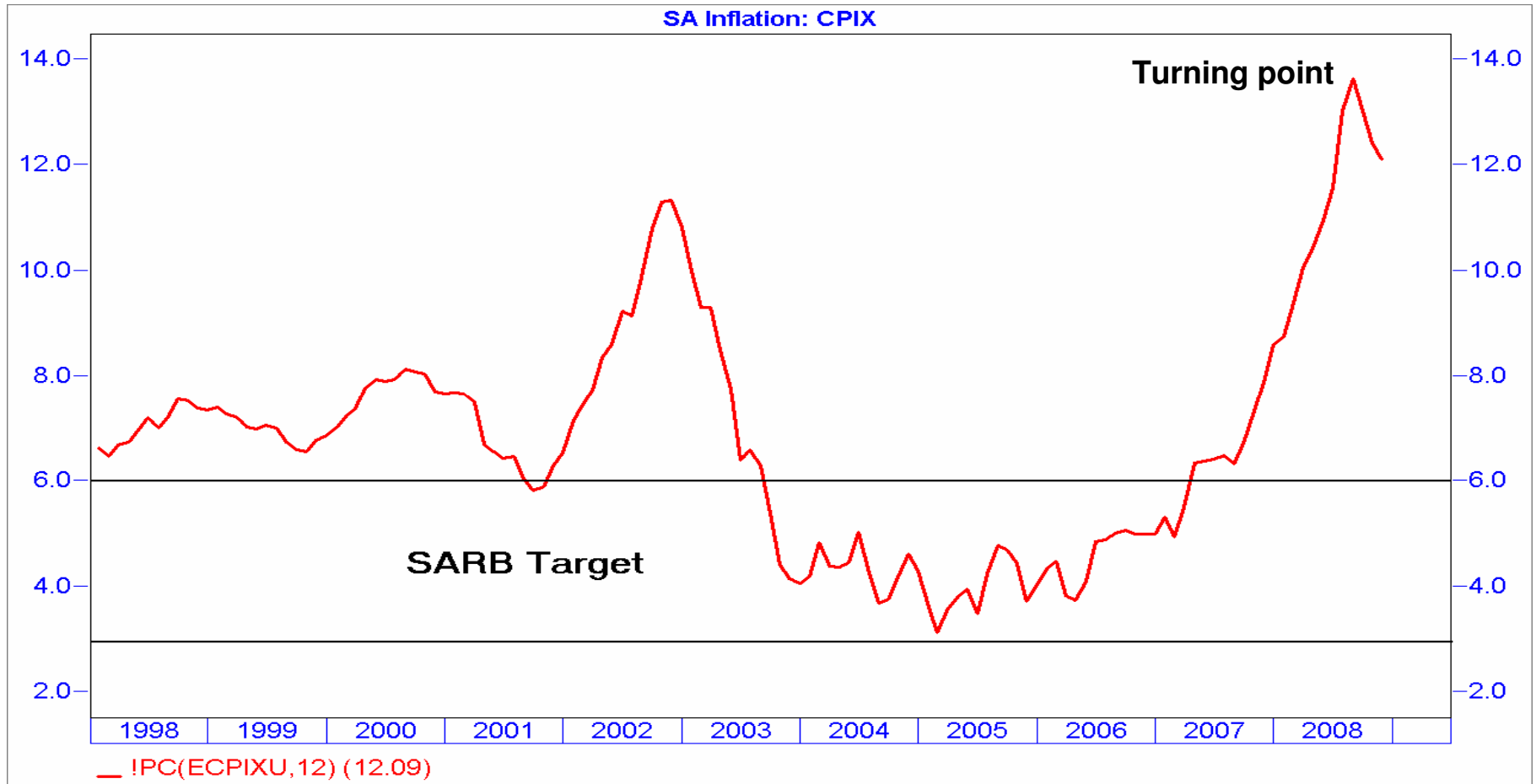
1st cut!!





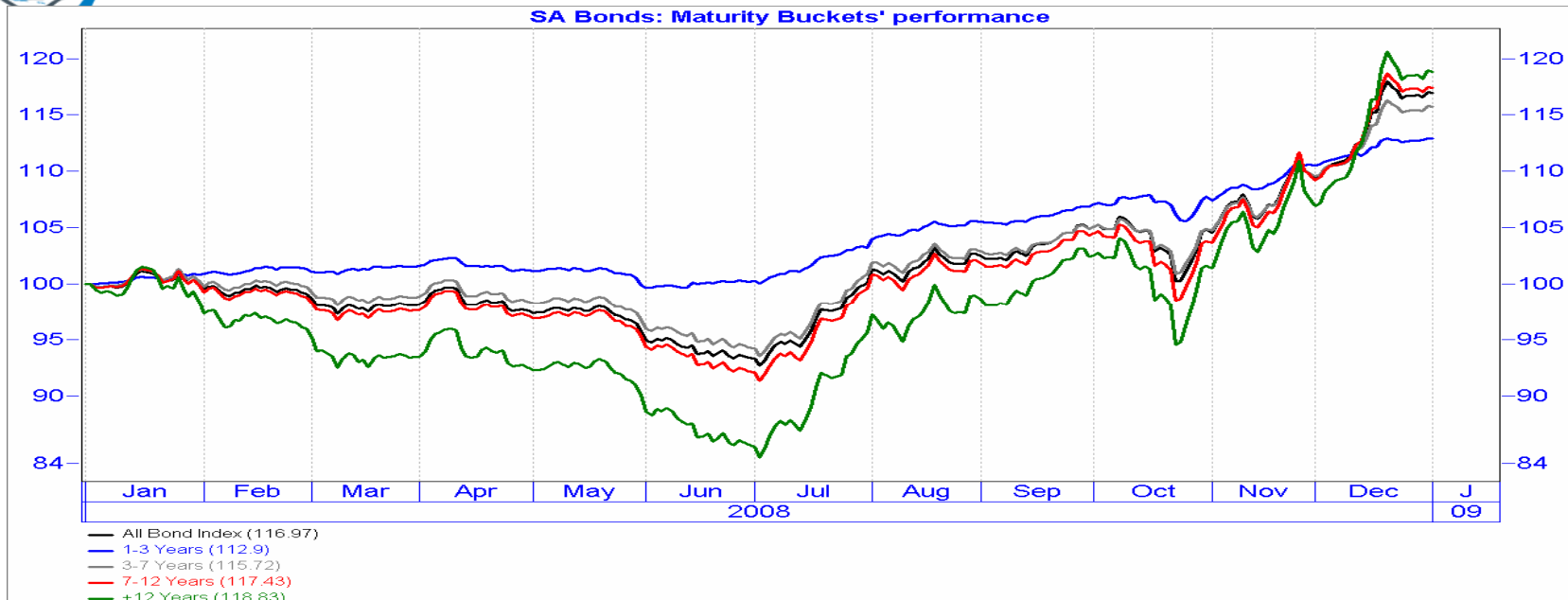
SA Inflation

Exceeding 6% for the last 20 months in a row





SA Bonds – per Maturity Bucket (as at end December 2008)

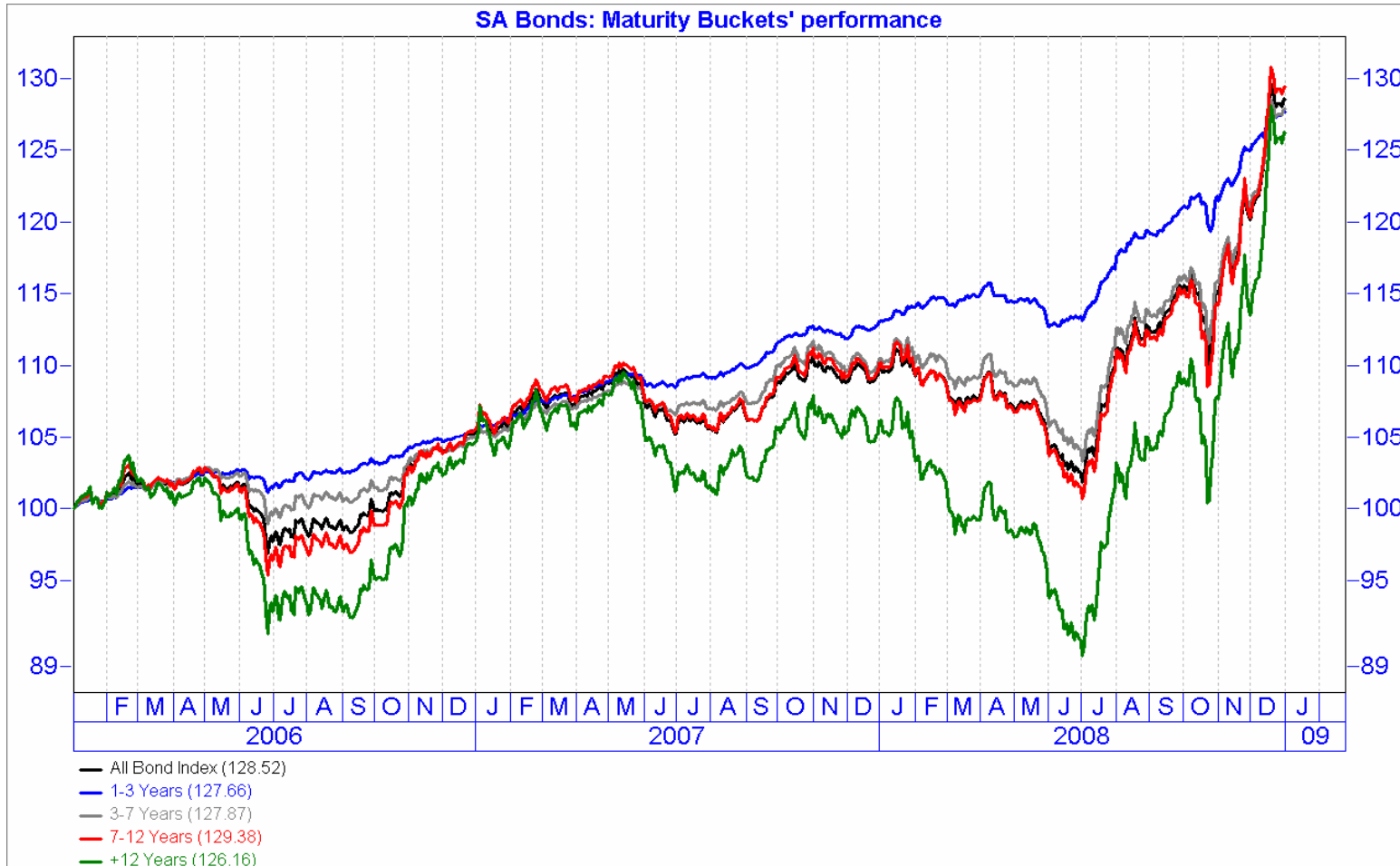


As at end Dec 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
ALBI	-1.8%	-4.9%	12.6%	-0.5%	4.6%	7.0%	11.4%	17.0%
1-3 years	1.6%	-1.3%	6.7%	0.3%	2.9%	2.2%	5.5%	12.9%
3-7 years	-1.2%	-4.7%	11.6%	-0.3%	4.6%	5.7%	10.1%	15.7%
7-12 years	-2.4%	-5.7%	13.4%	-0.8%	5.4%	7.5%	12.4%	17.4%
12+ years	-6.5%	-8.5%	19.9%	-1.1%	5.4%	11.2%	15.9%	18.8%



SA Bonds – per Maturity Bucket

3-years to end December 2008

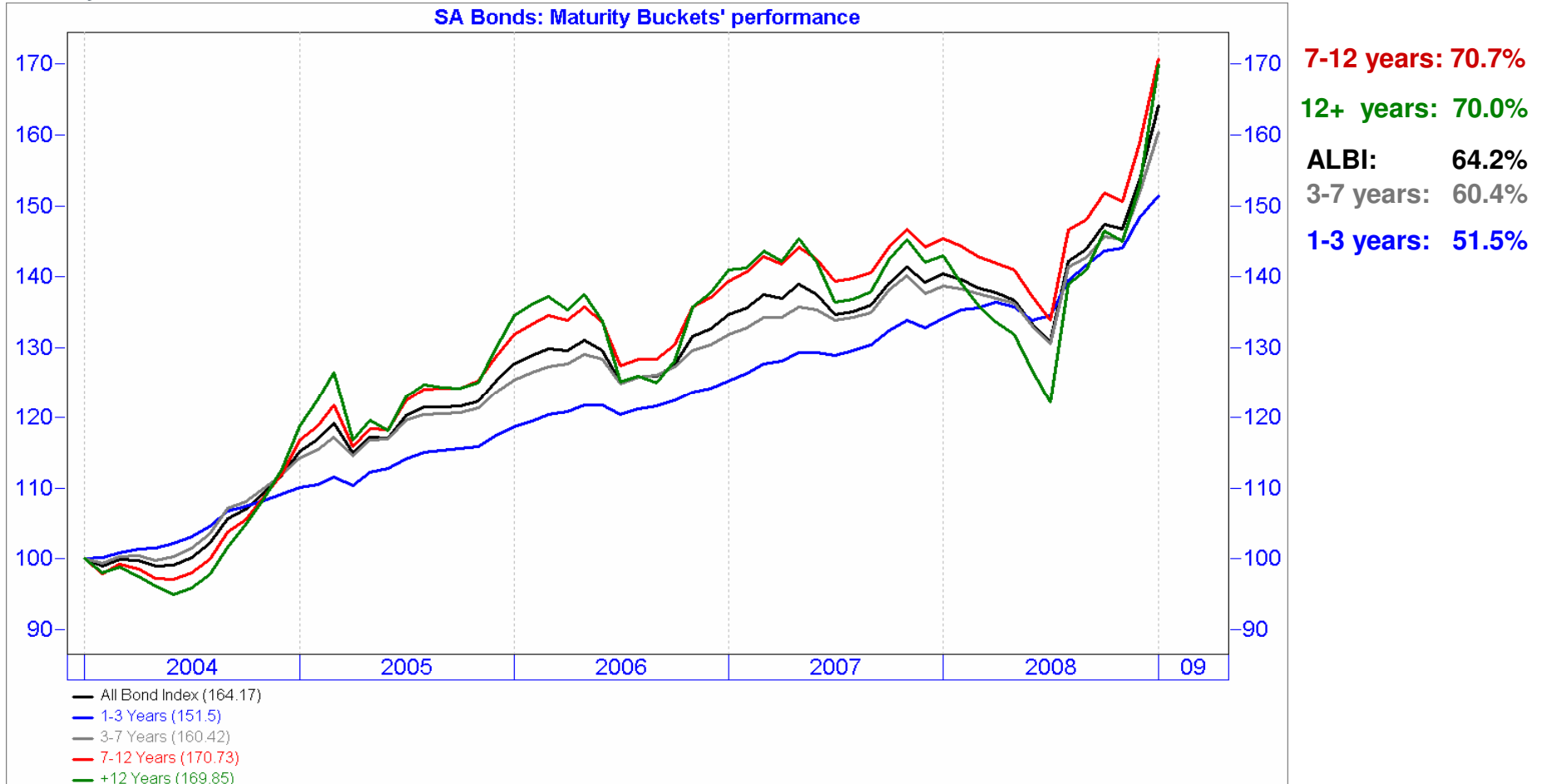


7-12 years: 29.4%
ALBI: 28.5%
3-7 years: 27.9%
1-3 years: 27.7%
12+ years: 26.2%



SA Bonds – per Maturity Bucket

5-years to end December 2008



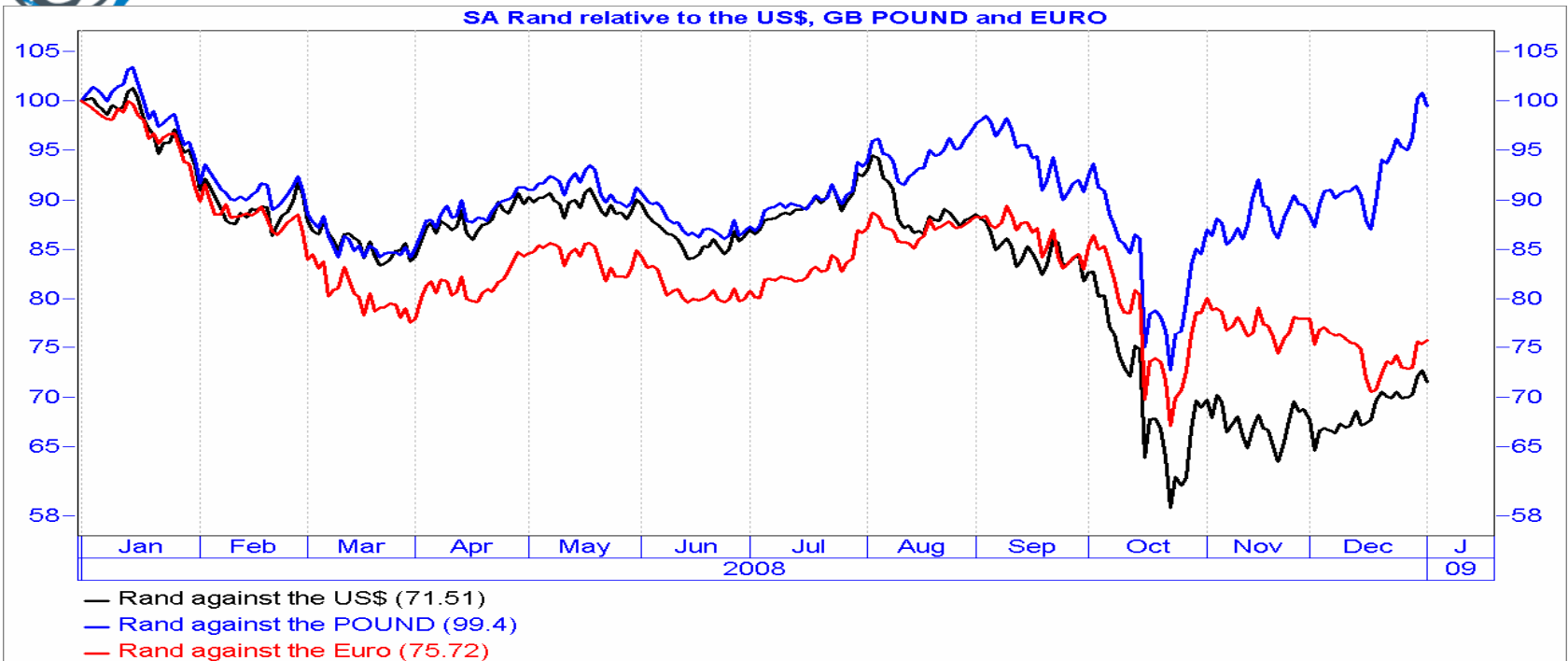
Global Equity market developments



Out of the Ordinary



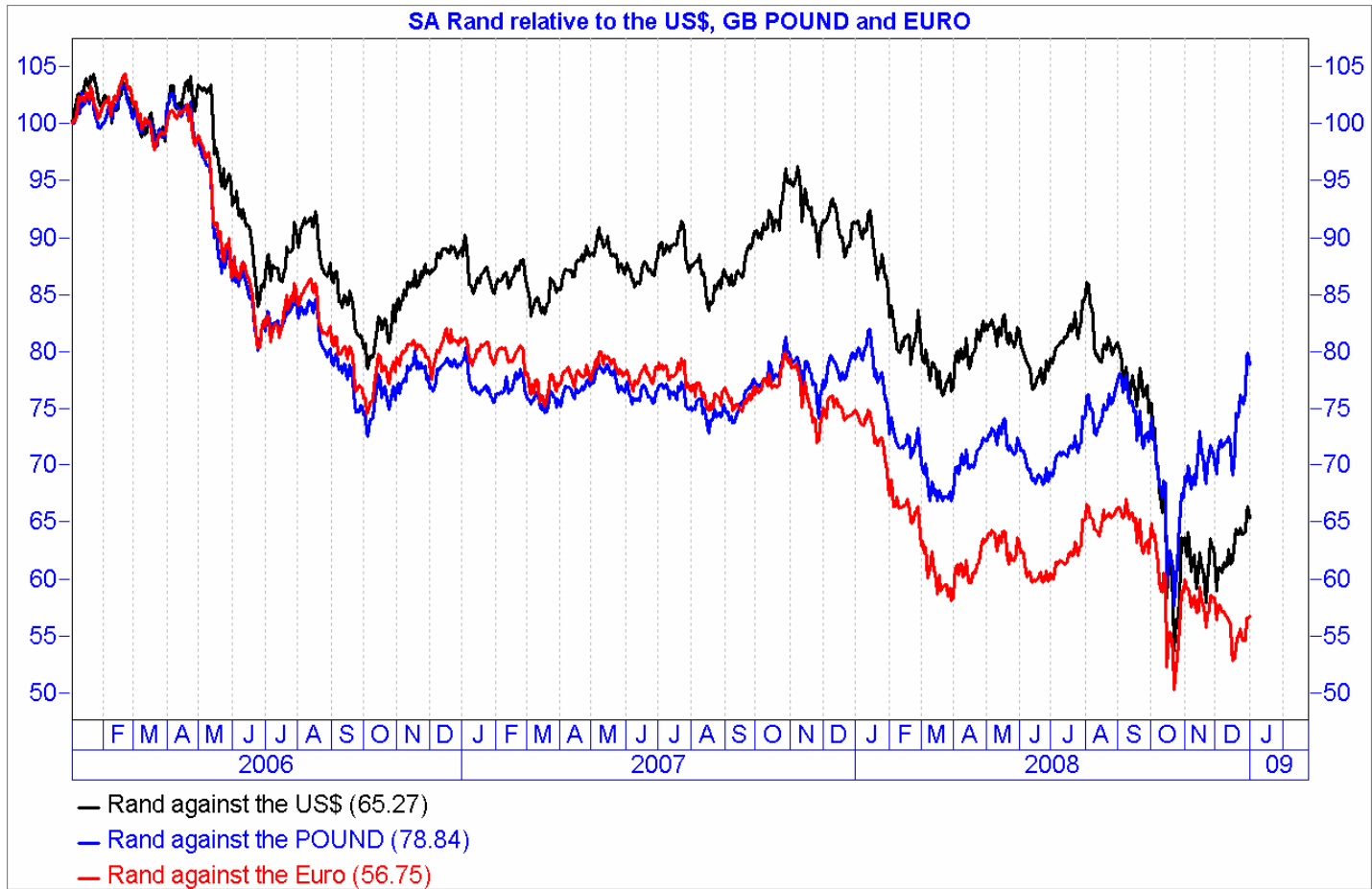
SA Rand against the Pound, Euro and US\$



As at end Dec 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
Rand against US\$*	-15.8%	3.3%	-5.0%	-15.7%	-2.8%	5.5%	-13.5%	-28.5%
Rand against £*	-14.9%	2.7%	5.8%	-5.9%	1.7%	12.4%	7.5%	-0.6%
Rand against Euro*	-22.1%	3.7%	5.6%	-6.2%	-2.6%	-2.9%	-11.3%	-24.3%



SA Rand against the Pound, Euro and US\$ 3-years to end December 2008



Depreciation against £:

-21.2%

Depreciation against \$:

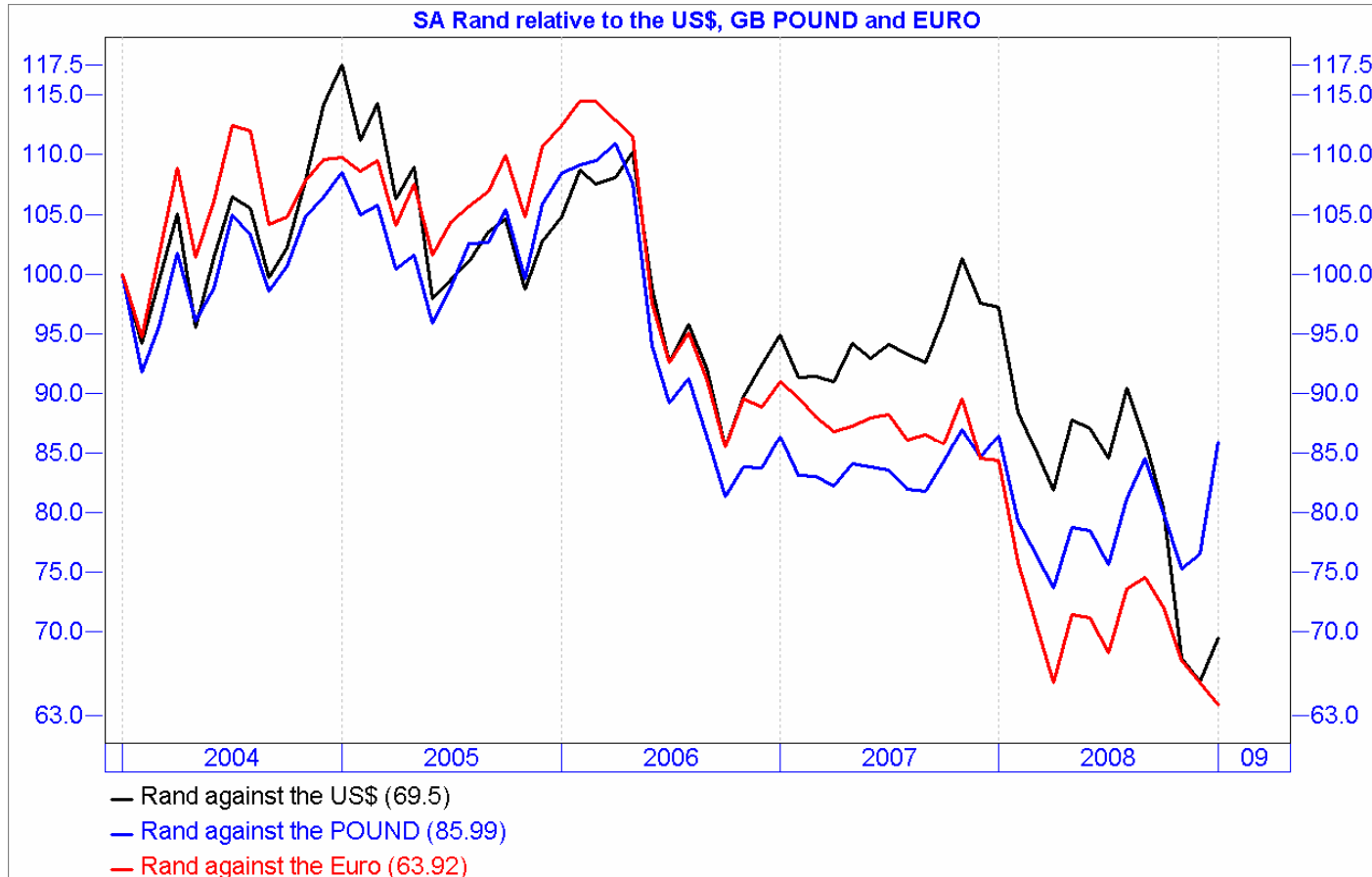
-34.7%

Depreciation against Euro:

-43.3%



SA Rand against the Pound, Euro and US\$ 5-years to end December 2008



Depreciation against £:

-14.0%

Depreciation against \$:

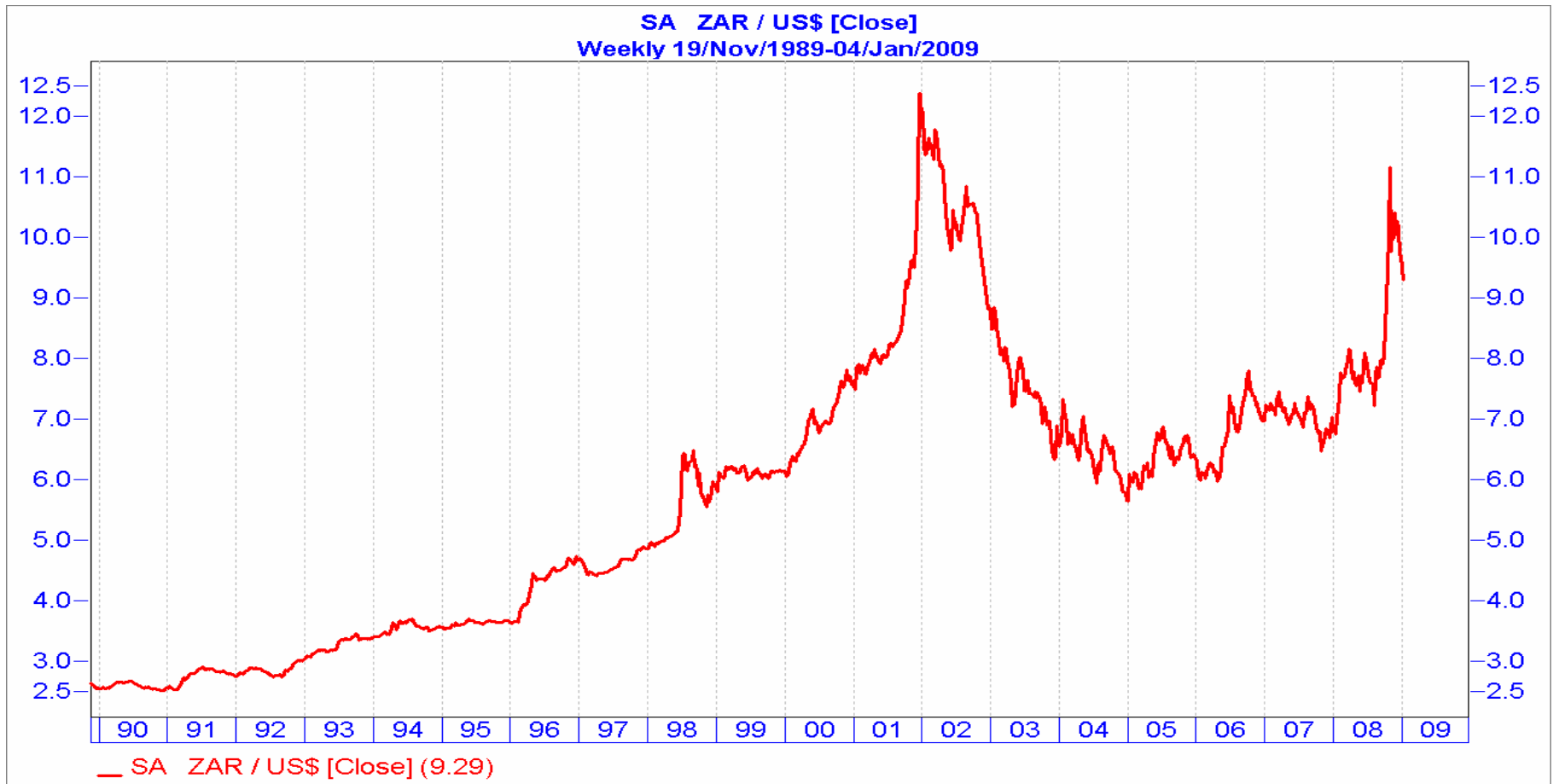
-30.5%

Depreciation against Euro:

-36.1%

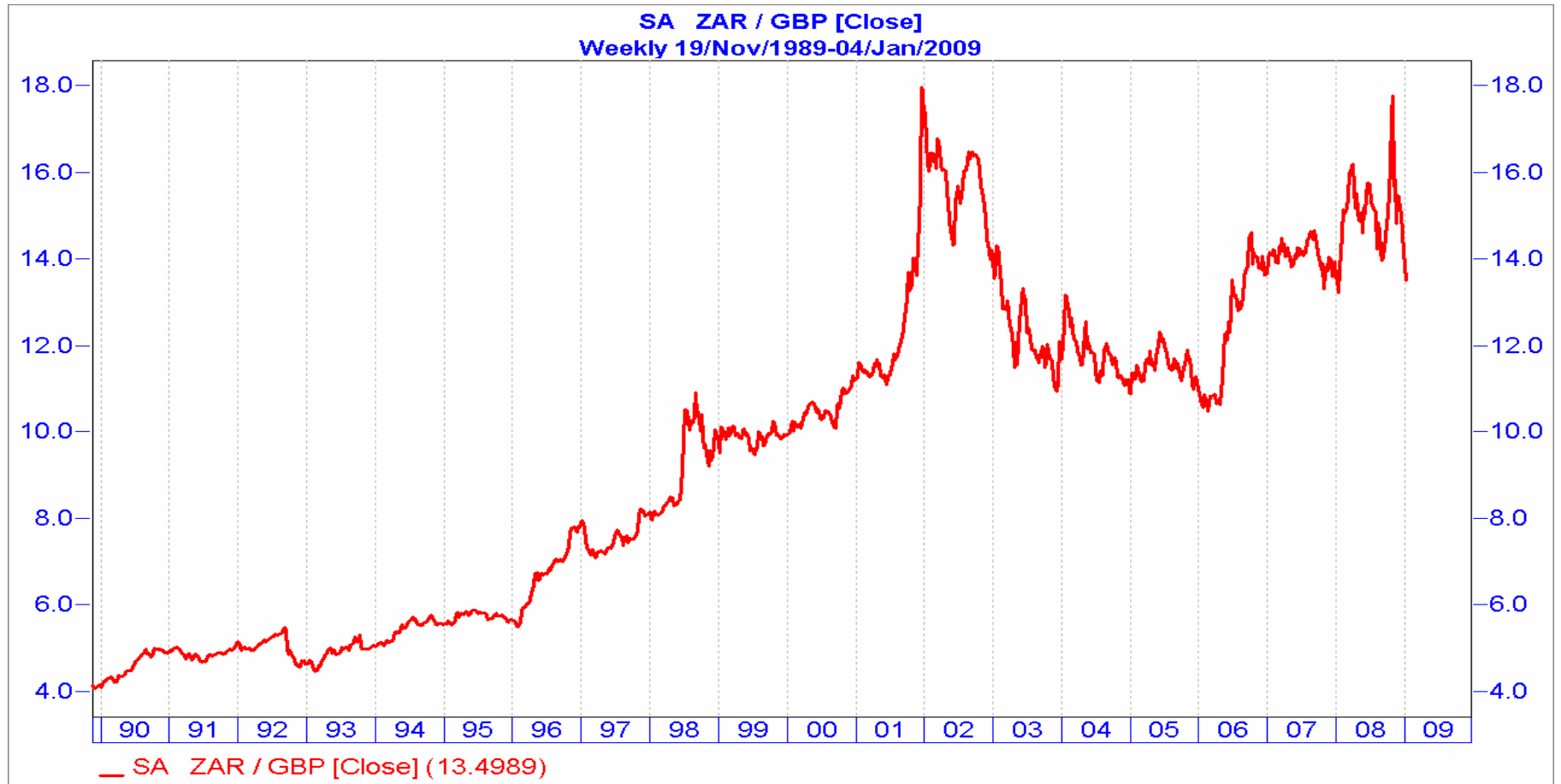


SA Rand against the US Dollar



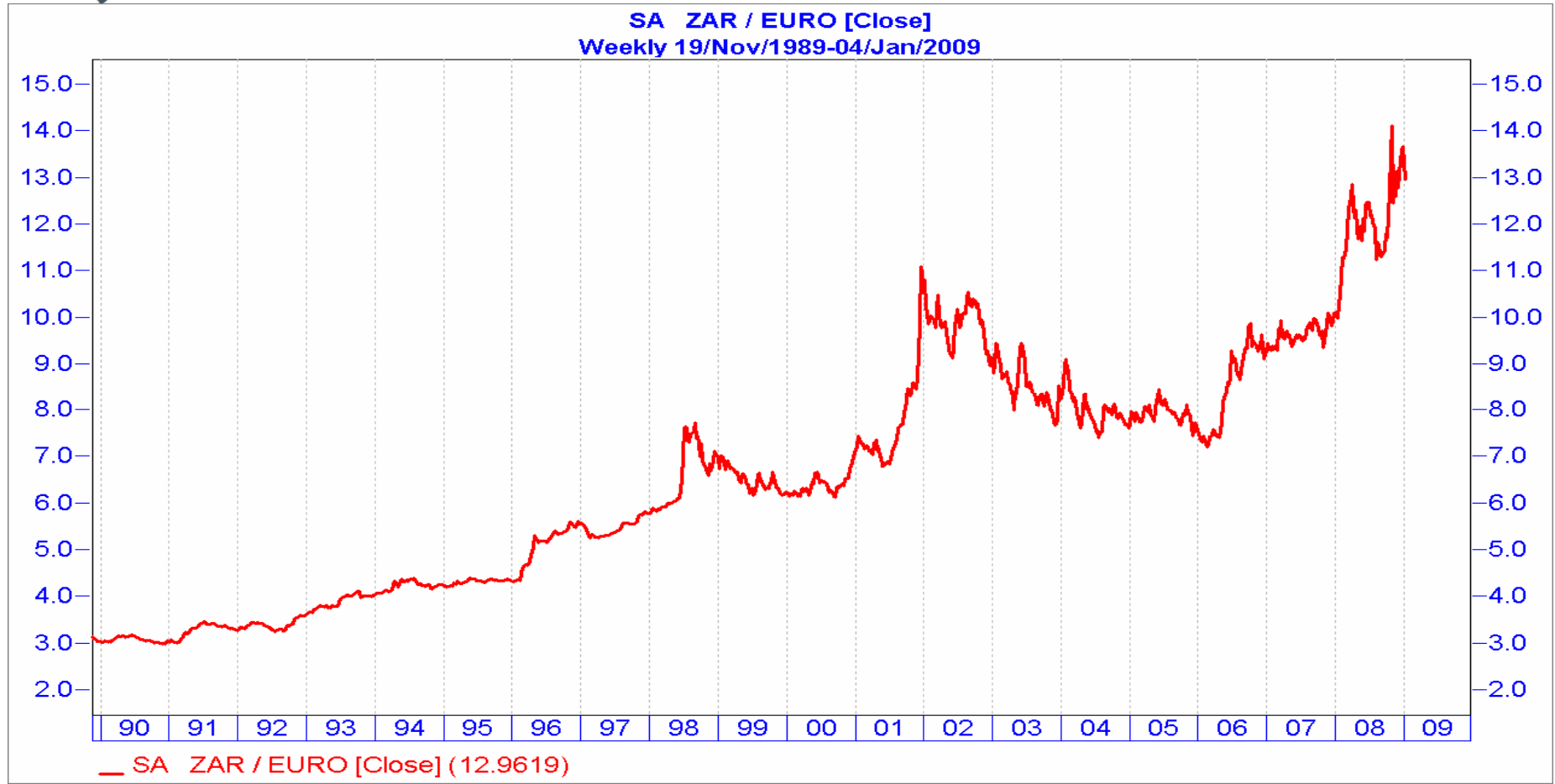


SA Rand against the UK Pound



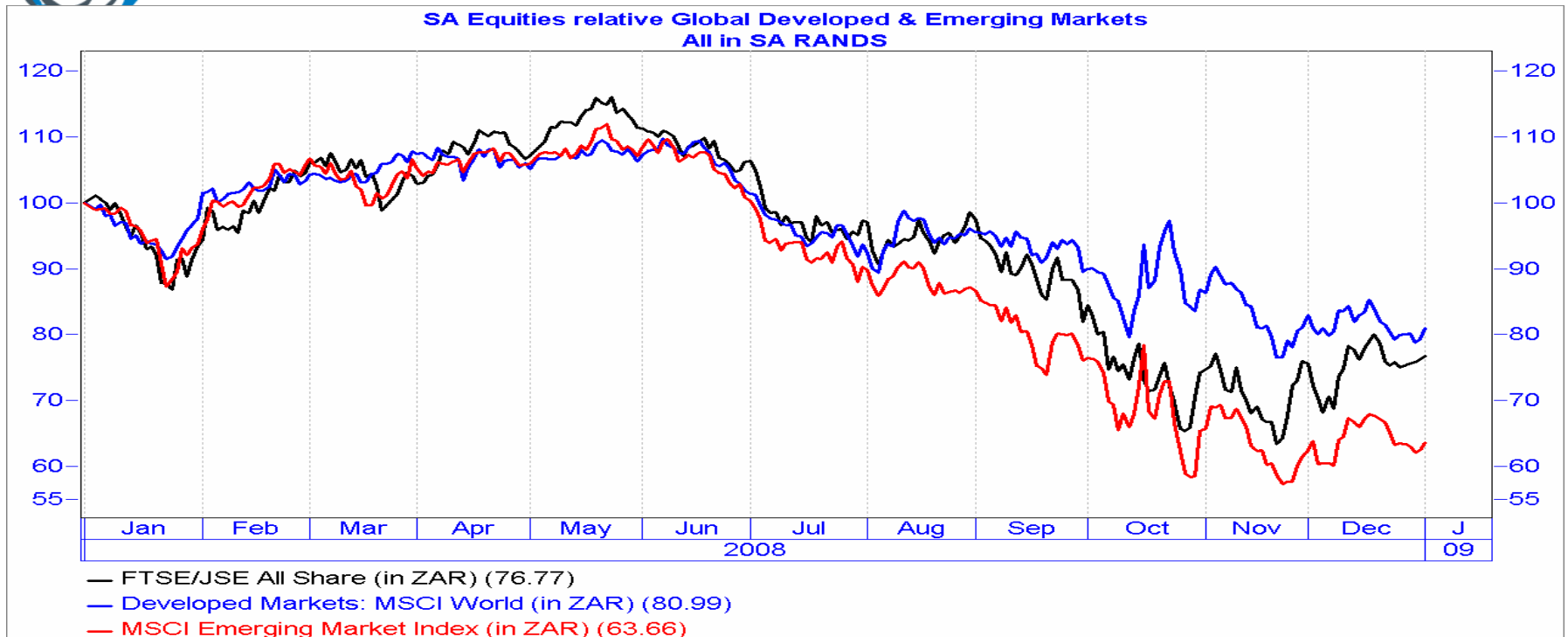


SA Rand against the Euro





SA Equities vs. Global Developed & Emerging Markets All in Rand

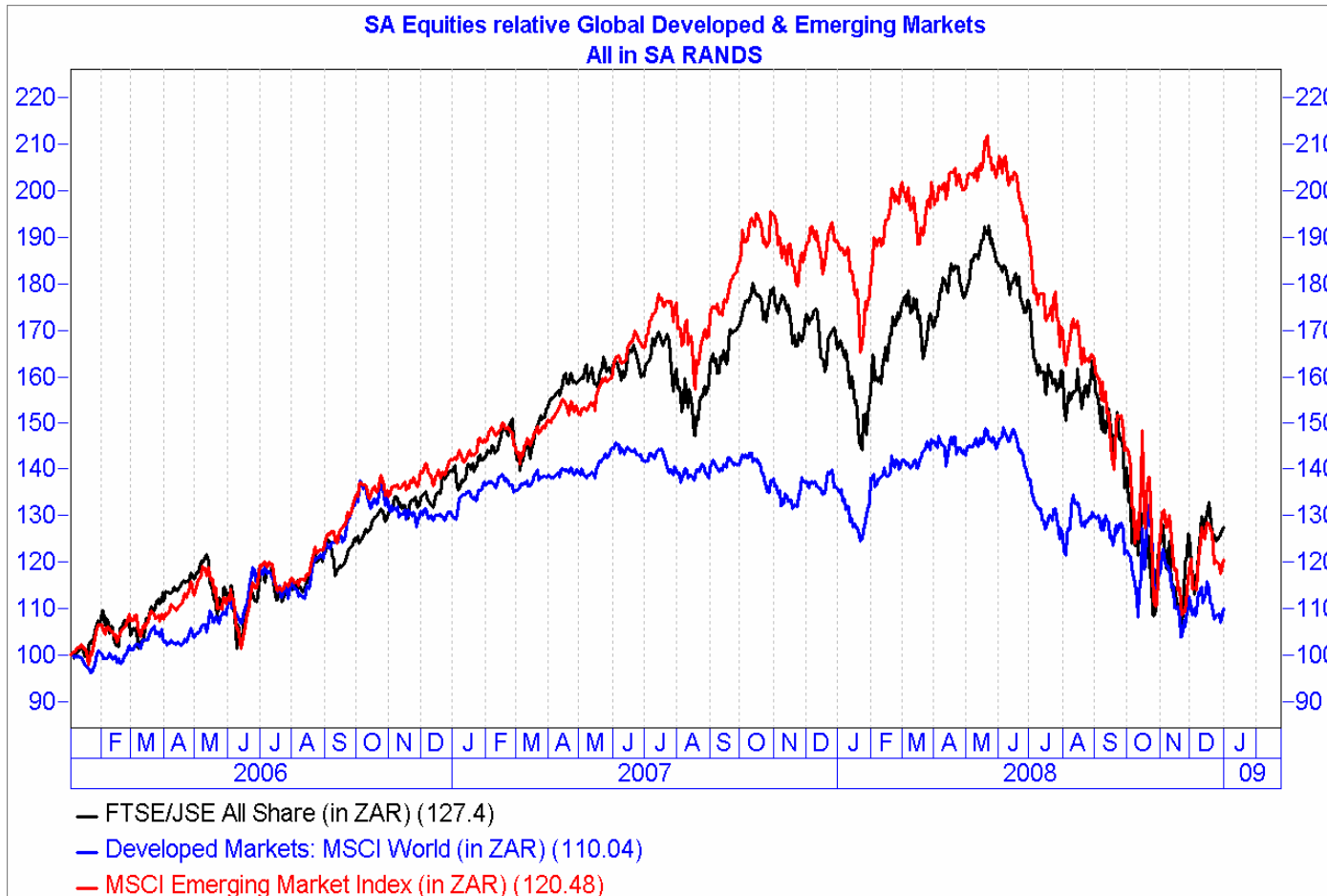


As at end Dec 2008	Q1 2008	Q2 2008	Q3 2008	October 2008	November 2008	December 2008	Q4 2008	2008
ALSI	2.9%	3.4%	-20.6%	-11.7%	1.3%	1.5%	-9.2%	-23.2%
Developed Markets	7.4%	-5.6%	-12.6%	-3.5%	-4.0%	-2.3%	-10.0%	-19.0%
Emerging Markets	5.3%	-4.7%	-24.9%	-14.5%	-4.8%	2.0%	-16.7%	-36.3%



SA Equities vs. Global Developed & Emerging Markets

3-years to end December 2008, in SA Rands

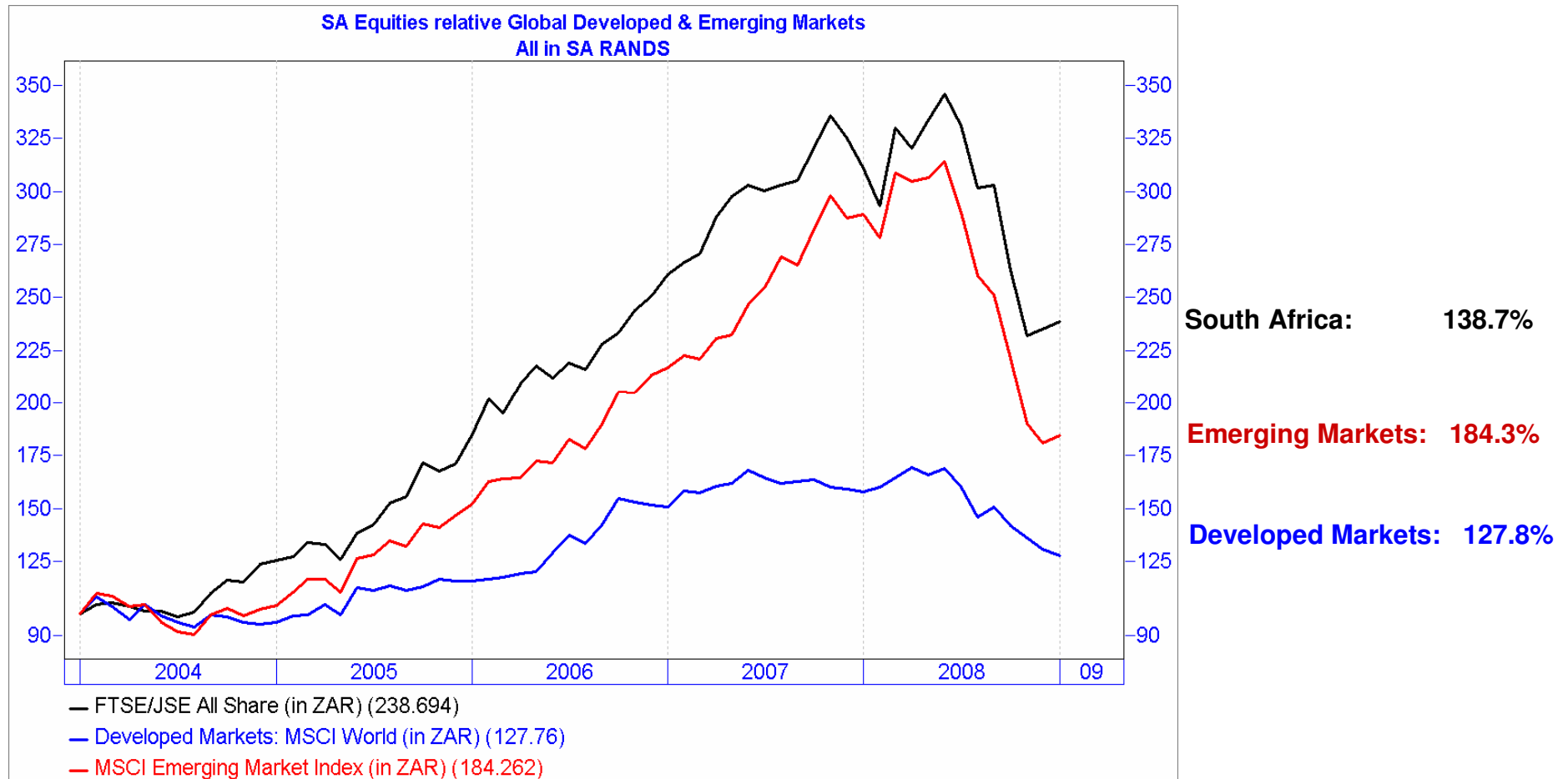


South Africa: 27.4%
Emerging Markets: 20.5%
Developed Markets: 10.0%



SA Equities vs. Global Developed & Emerging Markets

5-years to end December 2008, in SA Rands





Thank you



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