FINANCIAL PARTNERS

RMB ASSET MANAGEMENT

Weekly Review

Week ending 12th February 2010

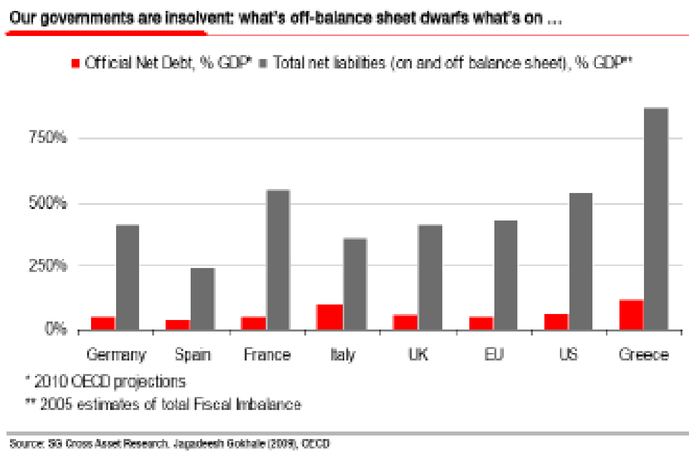
Equity market investors enjoyed some respite after a few weeks of tough conditions in stock markets around the globe. For the week ending 12 February 2010, equities posted somewhat of a recovery before the Chinese New Year, Japanese and US holidays around and over the weekend. Reports that Germany and other members of the EU may bail out Greece if they could not meet bond obligations supported the performance of risky assets.

In the United States the S&P 500 added a little under a percent for the week, with the MSCI Europe (+1.4%) and FTSE All Share in the United Kingdom (+1.6%) somewhat stronger in local currency terms. Global equities also edged higher as the MSCI World added 1.1% and emerging markets recovered by 2.7% (both in USD terms). Globally equity indices are still significantly below the levels recorded at the end of 2009 and lag their relevant bond counterparts between 3% and 6% six weeks into 2010. Some investors may view this as a good buying opportunity as government bonds still seem to be priced on the expensive side.

In the light of the stronger equity markets bonds sold off across the board with the notable exceptions of European government bonds which strengthened 0.3% (in euro terms) on the back of support for Greece, and emerging market bonds which gained 0.8% in US Dollar terms. Global convertible bonds benefited from equity market strength and added 0.4% during the week.

Continuing our discussion on sovereign risk that has featured in previous editions of Weekly review we note that it's not only Greece that's in crisis - the pressure to tighten fiscal policy from current nose-bleed levels of deficits is now virtually a challenge for all developed economies. In research that Societe Generale recently released they note that it's a particular issue for the US and UK with structural (cyclically adjusted) general government deficits of almost 10% of GDP (according to the OECD). There is also a heavy debate ongoing between those who believe there needs to be a rapid reduction in these deficits to avoid some combination of insolvency/default/rapid inflation and those who believe that there should be even more fiscal stimulus. The debate is loud and opinions are tending to be polarised.

The graph below shows that, including unfunded liabilities, most governments are already insolvent with debt to GDP ratios closer to 500% of GDP instead of around 100% for most G7 countries. Turning government spending taps off now may already be too late…



Source: RMB Asset Management / Bloomberg / Lipper Hindsight. February 2010.

Returns to 12 February 2010

Asset Class/Region	Index	Currency	Week	Month to date	Year to date
Equities					
United States	S&P 500 NR	**USD**	0.9	0.2	-3.4
United Kingdom	FTSE All Share TR	**GBP**	1.6	-0.8	-4.3
Continental Europe	MSCI Europe ex UK NR	**EUR**	1.4	-2.8	-6.2
Japan	Topix TR	**JPY**	0.0	-1.0	-1.7
Australia	S&P/ASX 300 TR	**AUD**	1.1	-0.1	-6.2
Global	MSCI World NR	**USD**	1.1	-1.0	-5.1
Global emerging markets	MSCI World Emerging markets TR	**USD**	2.7	-1.2	-6.7
Bonds					
US Treasuries	JP Morgan United States Government Bond Index TR	**USD**	-0.6	-0.2	1.4
US Treasuries (inflation protected)	Barclays Capital U.S. Government Inflation Linked TR	**USD**	-1.0	-1.1	0.5
US Corporate (investment grade)	Barclays Capital U.S. Corporate Investment Grade TR	**USD**	-0.9	-0.9	0.7
US High yield	Barclays Capital U.S. High Yield 2% Issuer Cap TR	**USD**	-1.3	-1.9	-0.7
UK Gilts	JP Morgan United Kingdom Government Bond Index TR	**GBP**	-1.2	-0.9	-0.3
UK Corporate (investment grade)	Merrill Lynch Sterling Non Gilts TR	**GBP**	-0.9	-0.8	1.5
Euro Government Bonds	Citigroup EMU GBI TR	**EUR**	0.3	0.7	1.1
Euro Corporate (investment grade)	Barclays Capital Euro Aggregate Corporate TR	**EUR**	-0.2	0.1	1.7
Euro High yield	Merrill Lynch Euro High Yield 3% constrained TR	**EUR**	-1.0	-1.2	2.2
Japanese Government	JP Morgan Japan Government Bond Index TR	**JPY**	0.1	-0.1	-0.1
Australian Government	JP Morgan Australia GBI TR	**AUD**	-0.5	-0.3	1.1
Global Government bonds	JP Morgan Global GBI	**USD**	-0.5	-0.5	0.0
Global Bonds	Citigroup World Broad Investment Grade (WBIG) TR	**USD**	-0.4	-0.6	-0.5
Global Convertible bonds	UBS Global Convertible Bond	**USD**	0.4	-0.4	-2.0
Emerging Market Bonds	JP Morgan EMBI +	**USD**	0.8	0.1	0.0

Source: RMB Asset Management / Bloomberg / Lipper Hindsight. February 2010.

Returns to 12 February 2009

Asset Class/Region	Index	Currency	Week	Month to date	Year to date
Property					
US Property securities	MSCI US REIT TR	**USD**	-0.6	-0.9	-6.3
UK Property securities	FTSE EPRA/NAREIT United Kingdom TR	**GBP**	-0.3	-0.6	-7.6
Europe ex UK Property securities	FTSE EPRA/NAREIT Developed Europe ex UK TR	**EUR**	-2.8	-3.2	-3.2
Australian property securities	FTSE EPRA/NAREIT Australia TR	**AUD**	0.8	0.8	-2.0
Asia Property securities	FTSE EPRA/NAREIT Developed Asia TR	**USD**	3.0	0.9	-5.9
Global Property securities	FTSE EPRA/NAREIT Developed CR	**USD**	0.4	-1.0	-6.8
Currencies					
Euro		**USD**	-0.4	-2.1	-5.1
Sterling		**USD**	0.0	-2.4	-3.1
Yen		**USD**	-0.7	0.7	3.4
Australian Dollar		**USD**	2.0	-0.8	-1.9
Rand		**USD**	-0.1	-2.3	-4.6
Commodities					
Commodities	RICI TR	**USD**	4.0	1.4	-6.6
Agricultural Commodities	RICI Agriculture TR	**USD**	3.4	2.0	-5.8
Oil	Brent Crude Index (ICE) CR	**USD**	-1.1	1.1	-6.2
Gold	Gold index	**USD**	2.3	0.3	-3.8

Source: RMB Asset Management / Bloomberg / Lipper Hindsight. February 2010.

Important notes

RMB Asset Management is the trading name for RMB Asset Management International Limited. This document does not constitute an offer or solicitation to any person in any jurisdiction in which it is not authorised or permitted, or to anyone who would be an unlawful recipient, and is only intended for use by original recipients and addressees. The original recipient is solely responsible for any actions in further distributing this document, and should be satisfied in doing so that there is no breach of local legislation or regulation. The information is intended solely for use by our clients or prospective clients, and should not be reproduced or distributed except via original recipients acting as professional intermediaries. This document is not for distribution in the United States.

Prospective investors should inform themselves and if need be take appropriate advice regarding applicable legal, taxation and exchange control regulations in countries of their citizenship, residence or domicile which may be relevant to the acquisition, holding, transfer, redemption or disposal of any investments herein solicited.

Any opinions expressed herein are those at the date this material is issued. Data, models and other statistics are sourced from our own records, unless otherwise stated herein. We believe that the information contained is from reliable sources, but we do not guarantee the relevance, accuracy or completeness thereof. Unless otherwise provided under UK law, RMB Asset Management does not accept liability for irrelevant, inaccurate or incomplete information contained, or for the correctness of opinions expressed.

We caution that the value of investments in discretionary accounts, and the income derived, may fluctuate and it is possible that an investor may incur losses, including a loss of the principal invested. Past performance is not generally indicative of future performance. Investors whose reference currency differs from that in which the underlying assets are invested may be subject to exchange rate movements that alter the value of their investments.

Our investment mandates in alternative strategies and hedge funds permit us to invest in unregulated funds that may be highly volatile. Although alternative strategies funds will seek to follow a wide diversification policy, these funds may be subject to sudden and/or large falls in value. The illiquid nature of the underlying funds is such that alternative strategies funds deal infrequently and require longer notice periods for redemptions. These Investments are therefore not readily realisable. If an alternative strategies fund fails to perform, it may not be possible to realise the investment without further loss in value. These unregulated funds may engage in the short selling of securities or may use a greater degree of gearing than is permitted for regulated funds (including the ability to borrow for a leverage strategy). A relatively small price movement may result in a disproportionately large movement in the investment value. The purpose of gearing is to achieve higher returns associated with larger investment exposures, but has concomitant exposure to loss if positive performance is not achieved. Reliable information about the value of an investment in an alternative strategies fund may not be available (other than at the fund's infrequent valuation points).

Under our multi-management arrangements, we selectively appoint underlying sub-investment managers and funds to actively manage underlying asset holdings in the pursuit of achieving mandated performance objectives. Annual investment management fees are payable both to the multimanager and the manager of the underlying assets at rates contained in the offering documents of the relevant portfolios (and may involve performance fees where expressly indicated therein).

RMB Asset Management International Limited (Company Registration No. 3733094) is a member of the FirstRand Group, and has its registered office at 20 Gracechurch Street, London, EC3V 0BG

RMB Asset Management International Limited is authorised and regulated by the Financial Services Authority in the United Kingdom, and is an authorised Financial Services Provider pursuant to the Financial Advisory and Intermediary Services Act 37 of 2002 in South Africa.