IMPERIUM CAPITAL

RMB ASSET MANAGEMENT

Weekly Review

Week ending 18th June 2010

The biggest single piece of news for the week came on Saturday 19th at 19.00 hrs Beijing time as China signalled it will relax the Chinese Yuan's (CNY) fixed rate against the US Dollar. The impact of this event in the hours since has been moderate increases in Asian stock markets and Europe opening up. The relaxation of the peg may be taken as a sign that the Chinese believe that their economic recovery is adequately strong to allow an increase in their local currency. This may make life a little more difficult for Chinese exporters, as a strengthening currency effectively increases the cost of exported goods and services to those abroad. The People's Bank of China has suggested that the move should help to curb inflationary pressures throughout the world's third largest economy and shift investment toward service industries from export-manufacturing.

If the appreciation of the currency is plotted as in the graph below, the change may look marginal, but it is still significant as it is suggestive of greater openness on the subject of currency moves on the part of the People's Bank of China. This comes days before the G20 summit which is due to take place in Toronto on 26-27 June. The currency peg was introduced in 2008 to help exporters cope with the financial crisis and also to protect the local currency values of China's well documented USD2.4 trillion of foreign exchange reserves. Chinese authorities effectively restrained the Yuan against the Dollar following a 21% appreciation over three years after the previous peg was scrapped in 2005. Significant moves in the Yuan should not be expected, however, as the People's Bank of China will allow "flexibility", but has ruled out "large changes". The authorities have again moved to a managed float of the Yuan against a basket of currencies.

This move came after a better week in the markets, following a degree of consolidation after a difficult May. Global equity markets added 3.2% in US Dollar terms with continental Europe posting the strongest local currency returns of the major regions of 3.2%. Global emerging markets outperformed the developed markets by a small degree, returning 4.0%. The -2.6% year to date return of the emerging markets is also slightly ahead of the developed markets return of -3.5%. In the fixed income markets, both government paper and credit rallied in line with equity markets and the Citigroup WorldBIG gained 0.9% in US Dollar terms. This is essentially in line with the pure government paper return of 1.0%.

Property securities underperformed the broader equity markets, with global returns of 2.6% in US Dollars. Year to date this sector is ahead, however, with returns of -0.8%. In the currency markets, the US Dollar experienced some weakness against other majors which provided a tailwind to performance of global assets when expressed in USD terms. Commodities enjoyed a positive week, although their year to date returns are still behind global equities. Gold is an exception, up 11.6% year to date.

Source: RMB Asset Management / Bloomberg / JP Morgan / Lipper Hindsight. June 2010.

Returns to 18 June 2010

Asset Class/Region	Index	Currency	Week	Month to date	Year to date
Equities					
United States	S&P 500 NR	**USD**	2.4	2.7	0.9
United Kingdom	FTSE All Share TR	**GBP**	1.7	1.6	0.0
Continental Europe	MSCI Europe ex UK NR	**EUR**	3.2	5.4	1.2
Japan	Topix TR	**JPY**	2.1	0.5	-1.6
Australia	S&P/ASX 300 TR	**AUD**	1.1	2.9	-5.0
Global	MSCI World NR	**USD**	3.2	3.4	-3.5
Global emerging markets	MSCI World Emerging markets TR	**USD**	4.0	3.0	-2.6
Bonds					
US Treasuries	JP Morgan United States Government Bond Index TR	**USD**	0.0	0.6	4.6
US Treasuries (inflation protected)	Barclays Capital U.S. Government Inflation Linked TR	**USD**	0.4	0.8	3.8
US Corporate (investment grade)	Barclays Capital U.S. Corporate Investment Grade TR	**USD**	0.5	0.6	4.2
US High yield	Barclays Capital U.S. High Yield 2% Issuer Cap TR	**USD**	1.6	1.0	4.2
UK Gilts	JP Morgan United Kingdom Government Bond Index TR	**GBP**	-0.7	0.2	4.5
UK Corporate (investment grade)	Merrill Lynch Sterling Non Gilts TR	**GBP**	-0.4	0.0	4.8
Euro Government Bonds	Citigroup EMU GBI TR	**EUR**	-0.8	-0.9	2.1
Euro Corporate (investment grade)	Barclays Capital Euro Aggregate Corporate TR	**EUR**	-0.1	-0.1	3.2
Euro High yield	Merrill Lynch Euro High Yield 3% constrained TR	**EUR**	1.6	0.0	5.7
Japanese Government	JP Morgan Japan Government Bond Index TR	**JPY**	0.2	0.5	1.5
Australian Government	JP Morgan Australia GBI TR	**AUD**	0.2	0.2	3.6
Global Government bonds	JP Morgan Global GBI	**USD**	1.0	0.7	-1.0
Global Bonds	Citigroup World Broad Investment Grade (WBIG) TR	**USD**	0.9	0.7	-1.6
Global Convertible bonds	UBS Global Convertible Bond	**USD**	2.1	1.4	-2.4
Emerging Market Bonds	JP Morgan EMBI +	**USD**	1.5	1.9	5.0

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

Returns to 18 June 2010

Asset Class/Region	Index	Currency	Week	Month to date	Year to date
Property					
US Property securities	MSCI US REIT TR	**USD**	2.3	3.5	14.9
UK Property securities	FTSE EPRA/NAREIT United Kingdom TR	**GBP**	0.6	-0.4	-9.5
Europe ex UK Property securities	FTSE EPRA/NAREIT Developed Europe ex UK TR	**EUR**	3.4	5.2	0.1
Australian property securities	FTSE EPRA/NAREIT Australia TR	**AUD**	0.4	2.6	1.2
Asia Property securities	FTSE EPRA/NAREIT Developed Asia TR	**USD**	2.4	3.1	-5.2
Global Property securities	FTSE EPRA/NAREIT Developed CR	**USD**	2.6	3.3	-0.8
Currencies					
Euro		**USD**	2.4	0.9	-13.7
Sterling		**USD**	1.7	1.9	-8.3
Yen		**USD**	0.9	0.2	2.5
Australian Dollar		**USD**	2.4	3.7	-3.3
Rand		**USD**	2.8	2.4	-1.9
Commodities					
Commodities	RICI TR	**USD**	3.3	2.3	-7.9
Agricultural Commodities	RICI Agriculture TR	**USD**	2.9	2.1	-10.6
Oil	Brent Crude Index (ICE) CR	**USD**	5.1	5.4	1.2
Gold	Gold index	**USD**	3.0	4.0	11.6

Source: RMB Asset Management / Bloomberg / Lipper Hindsight. June 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.

© RMB Asset Management International Limited 2009