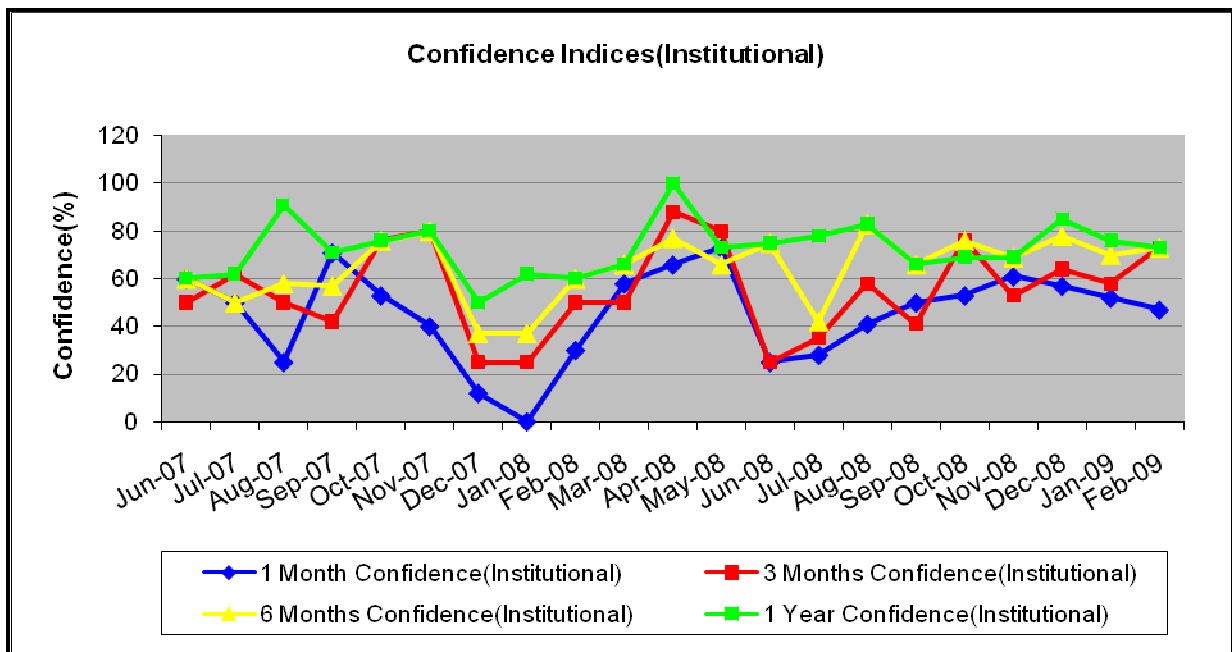


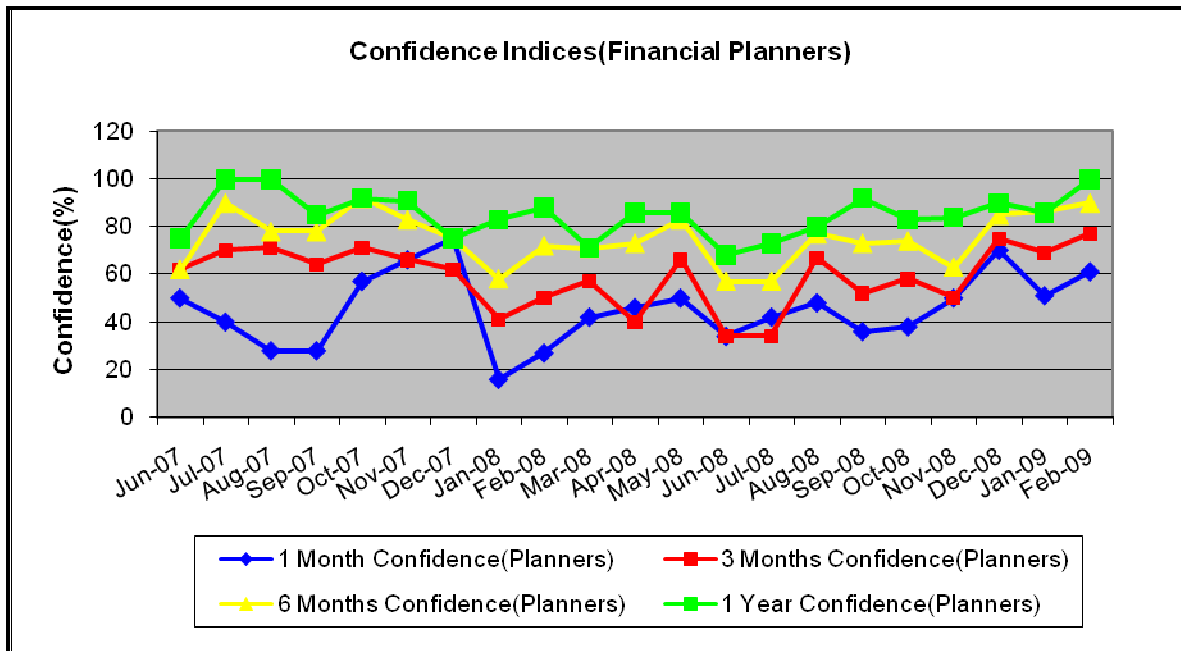
**INVESTOR CONFIDENCE RESULTS REFLECT CHRONIC UNCERTAINTY**

*February results: Sanlam Investment Management (SIM) Investor Confidence Index conducted by the Institute of Behavioural Finance*

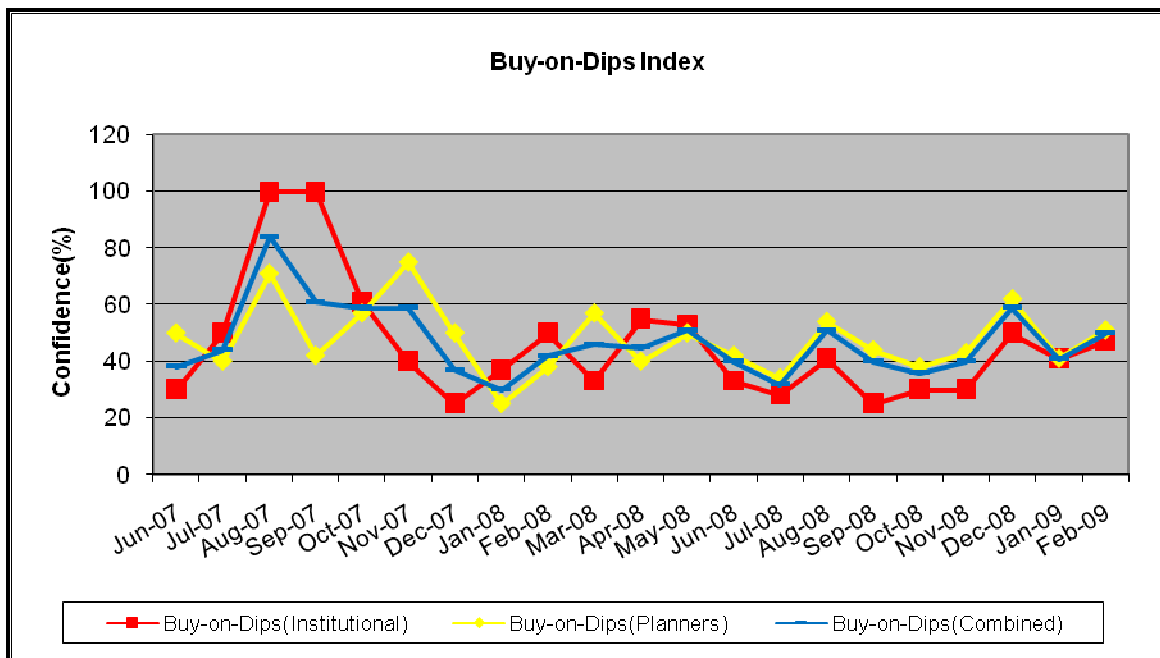
Cape Town, February 19, 2009: Despite news of a still-deteriorating global economy, doubts as to whether rescue plans would have the necessary impact, worldwide retrenchments and continued uncertainty about corporate earnings, South African investor confidence improved slightly in early February. However, on aggregate, a negative mood still persists among the financial advisers and investment professionals polled by Sanlam Investment Management (SIM) in its monthly Investor Confidence Index.

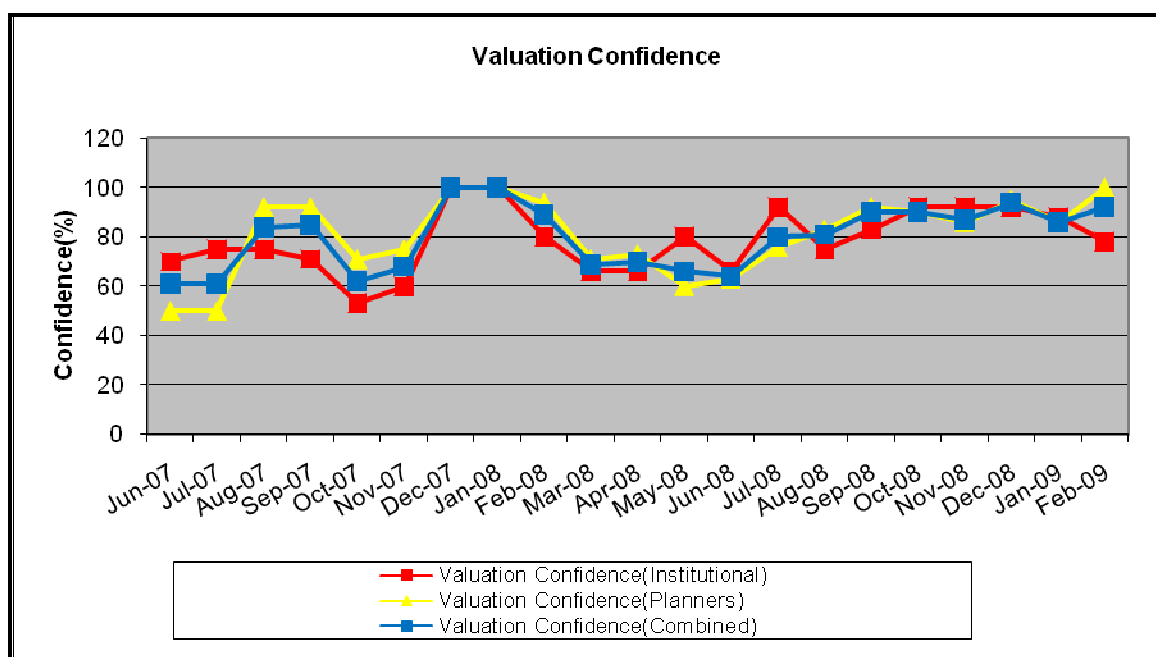
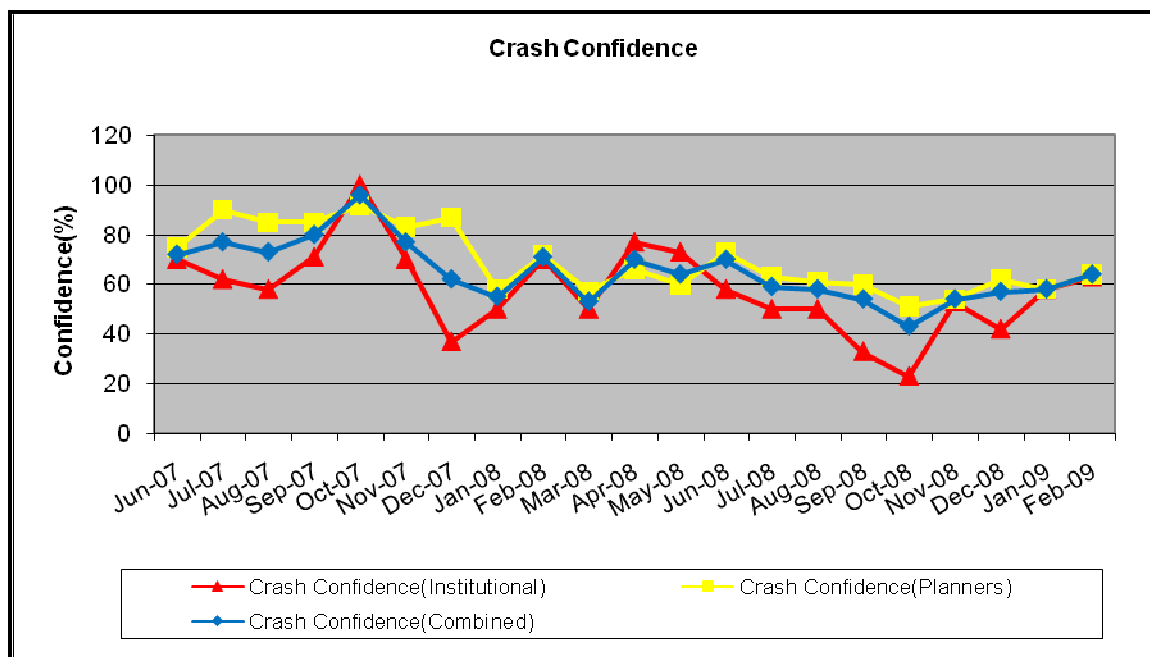
Frederick White, head of research and process at Sanlam Investment Management (SIM), explains that this was only the second time since the index was launched in October 2007, that all four indices surveyed improved slightly during the same month. “However, it was clear that investors remained hesitant to be overly optimistic on market returns.”





Local investors were more upbeat on the outlook for market returns, the value of the market, on the expected return on a day after a big decline in the market, as well as on the deemed probability of a severe market crash. Improvements among institutional investors, however, were not unanimous, with some deterioration amongst this group with respect to the outlook for 12 month returns.





White says, “On a 12 month basis, institutional investors now expect the index level to rise by only 5.1 percent, whereas financial advisors expect the index to rise by 10.7 percent. In contrast to the institutional investors, financial advisors surveyed expect positive results from the market over a 12 month period. Should advisors be correct in their average expectation, the 12 month total return from equities, including dividends, would be in excess of 15 percent nominal or nine percent real, assuming inflation returns to within the South African Reserve Bank’s target range.”

White believes that investors’ hesitance to be overly optimistic on market returns, despite their optimism with respect to valuation, is likely to be a symptom of continued uncertainty about corporate earnings. The deteriorating global economic conditions and uncertainty about whether rescue plans will turn the

tide, may have resulted in an inability to forecast write downs and the outlook for earnings developing into a chronic uncertainty. “Without an anchor for earnings, confidence in valuations cannot be high and investors are likely to be loath to act on the value they think the market might be offering,” says White.

Gerda van der Linde, executive director of the Institute of Behavioural Finance believes the survey results demonstrate a social mood of chronic uncertainty. She says, “A social mood is investors’ collective state of mind shared through the herding impulse which results from how investors feel and think about the market and the sensations they pick up from other individuals.”

Despite continuous reminders from the Minister of Finance and the Governor of the Reserve Bank that the South African financial markets will largely be unaffected by the global financial meltdown, uncertainty persists in the local markets. “Uncertainty about the relative value of investment options causes individuals to default to the herding option. The current social mood is fluctuating between flashes of optimism and pessimism, feeding the chronic uncertainty of the past months, causing the expectations for the one and three month periods to be less than two percent. In uncertain times, it is an emotionally satisfying impulse to herd, an unconscious behavior to reduce risk,” she explains.

“Against this background it is not hard to understand why the herding effect led investors and their financial planners to invest mainly in money market instruments through the various platforms offering investment opportunities in collective investment schemes or unit trusts, and ignore investments into funds offering equities,” says van der Linde.

She believes South African investors similarly need strong ethical leadership from their role models to lead the way in restoring confidence in our institutions and our markets, to break free from the mood of chronic uncertainty demonstrated in the results of the Sanlam Investment Management (SIM) Investor Confidence Index survey the past few months.

Ends

Visit <http://www.sim.sanlam.com/simnew/?sid=40> for more information.

Notes to editors:

### **About the Sanlam Investment Management Investor Confidence Index**

The index is reported in four main categories: One-Year Confidence Index, Buy-On-Dips Confidence Index, Crash Confidence Index, and Valuation Confidence Index. The One-Year Confidence Index relates to the expected percentage change in the JSE All-share Index for the periods of one month, the next three months, the next six months and the next year. The Buy-On-Dips Confidence Index gives participants a chance to estimate how the JSE All-Share Index will do the day after tomorrow if it were to drop by three percent tomorrow.

The results of the survey are published monthly at: [www.sim.sanlam.com/simnew/?sid=40](http://www.sim.sanlam.com/simnew/?sid=40)

### **About Sanlam Investment Management (SIM)**

Part of the Sanlam Investments cluster, SIM is the second largest asset manager in South Africa with more than R243 billion in assets under management. SIM is a multi-specialist asset manager consisting of six specialised boutiques which share a common research platform. The six boutique teams are Equities, Fixed Interest, Absolute Return, Liability Driven, Active Quants and Balanced. SIM provides traditional and alternative investment management services to third party institutional and retail clients as well as the Sanlam Group. For more information, visit [www.sim.sanlam.com](http://www.sim.sanlam.com)

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