

## INFLATION (CPIX) PLUS 6-7 TARGETED RETURN STRATEGY

### Monthly Fund Report – For portfolio over rolling 60-month period as at 31 October 2009

**INVESTMENT MANAGER**

Absa Investment Management Services (AIMS)

**LAUNCH DATE**

22 September 2003

**TOTAL EXPENSE RATIO**

1.07%

**STRATEGY BENCHMARK**

Inflation (CPIX) plus 6%-7%

**STRATEGY OBJECTIVE**

The objective of this strategy is to target an annual return of CPIX plus 6%-7% over a rolling 60-month period and not to lose capital over a rolling 36-month period, while at all times remaining within Prudential guidelines.

**AIMS MULTI MANAGEMENT INVESTMENT METHODOLOGY**

- The purposeful application of a sound investment philosophy
- Selection of the most appropriate underlying investment managers
- Strategic asset allocation based on the investment houseview
- Blending of the various investment styles in accordance with market circumstances
- Monthly portfolio and investment manager performance analysis

**FUND COMMENT**

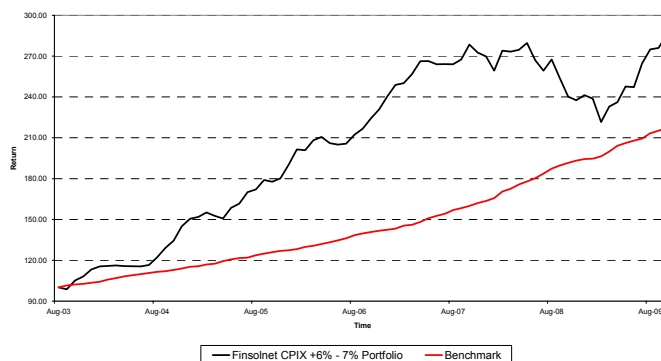
The portfolio outperformed its benchmark during the 3-month period, returning 8.03% against the benchmark return of 3.67%. The portfolio continues to outperform its benchmark since inception.

Over the 3-month period to the end of October 2009, the FTSE/JSE All Share Index returned 9.68%, the All Bond Index returned 1.43%, cash returned 1.92% and the South African Property Index returned 6.14%. During the same period, international equities returned 6.38% and international fixed interest returned 5.51%. Local equity was the best performing asset class followed by global equity. The Rand depreciated by 0.47% against the US dollar over the period having a positive impact on the international equity exposure within the portfolio.

CPIX ended the month at 6.43% and remains above the

**PERFORMANCE**

Portfolio	Inception (22/09/2003)	3 Month	1 Year AGR	2 Year AGR	3 Year AGR	5 Year AGR
Coronation Optimum Growth A		7.58%	12.64%	-6.48%	0.58%	10.77%
Coronation Market Plus B2		7.74%	26.38%	1.40%	10.48%	18.98%
Nedgroup Inv Managed A		7.36%	23.48%	5.12%	8.84%	15.79%
Investec Opportunity A		6.80%	15.99%	3.88%	9.80%	16.93%
Absa Capital Gains Tax Fund		1.76%	9.75%	10.49%	10.07%	8.87%
<b>Targeted Return Strategy CPIX +6-7 (since inception)</b>	185.83%	8.03%	18.97%	1.31%	8.42%	16.28%
Benchmark	117.18%	3.67%	13.34%	16.53%	15.54%	13.99%
CPIX	46.51%	2.05%	6.43%	9.41%	8.49%	7.04%

**PERFORMANCE GRAPH**

**EFFECTIVE ASSET ALLOCATION**

Asset Class	%
Equities	50.18%
Protected Equities	0.00%
Bonds	4.52%
Property	1.48%
Cash	18.17%
International Equity	20.60%
International Fixed Interest	5.05%

**UNDERLYING FUNDS**

Portfolio	Weighting
Coronation Optimum Growth A	12.33%
Coronation Market Plus B2	20.00%
Nedgroup Inv Managed A	32.33%
Investec Opportunity A	32.34%
Absa Capital Gains Tax Fund	3.00%
Volatility	10.60%

target range set by the SARB. The portfolio is currently meeting all of its performance objectives.