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# INFLATION (CPI) PLUS 6-7 PIGS COMPLIANT TARGETED RETURN STRATEGY

**Monthly Fund Report – For portfolio over rolling 60-month period as at 31 January 2010**

## INVESTMENT MANAGER

Absa Investment Management Services (AIMS)

## LAUNCH DATE

26 June 2008

## TOTAL EXPENSE RATIO

1.26%

## STRATEGY BENCHMARK

Inflation (CPI) plus 6%-7%

## STRATEGY OBJECTIVE

The objective of this strategy is to target an annual return of CPI 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

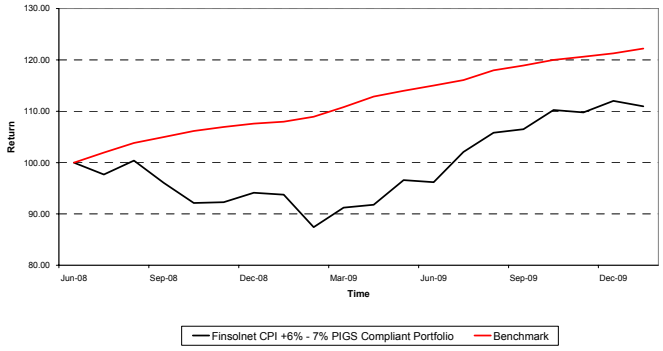
- The purposeful application of a sound investment philosophy
- Selection of the most appropriate underlying investment managers
- Strategic asset allocation based on the investment houseview
- Blending of the various investment styles in accordance with market circumstances
- Monthly portfolio and investment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

## FUND COMMENT

The portfolio underperformed its benchmark during the 3-month period, returning 0.65% against the benchmark return of 1.87%. The portfolio continues to underperform its benchmark since inception.

Over the 3-month period to the end of January 2010, the FTSE/JSE All Share Index returned 1.43%, the All Bond Index returned 1.57%, cash returned 1.83% and the South African Property Index returned 1.70%. During the same period, international equities returned -1.28% and international fixed interest returned -3.24%. Local cash was the best performing asset class followed by local property. The Rand appreciated by 2.46% against the US dollar over the period having a negative impact on the international equity exposure within the portfolio.

## PERFORMANCE GRAPH




## EFFECTIVE ASSET ALLOCATION

| Asset Class | % |
|---|---|
| Equities | 48.66% |
| Protected Equities | 0.30% |
| Bonds | 8.17% |
| Property | 1.18% |
| Cash | 23.57% |
| International Equity | 13.43% |
| International Fixed Interest | 4.70% |

## UNDERLYING FUNDS

| Portfolio | Weighting |
|---|---|
| Allan Gray Balanced B | 24.25% |
| Coronation Balanced Plus A | 24.25% |
| Nedgroup Inv Managed A | 24.25% |
| Investec Opportunity A | 24.25% |
| ABSA Capital Gains Tax Fund | 3.00% |

| | |
|---|---|
| Volatility | 11.74% |

CPI ended the month at 6.33% and moved above the target range set by the SARB.

## PERFORMANCE

| Portfolio | Inception (26/06/2008) | 3 Month | 1 Year AGR | 2 Year AGR | 3 Year AGR | 5 Year AGR |
|---|---|---|---|---|---|---|
| Allan Gray Balanced B | | 0.56% | 10.95% | 6.68% | 5.99% | 15.83% |
| Coronation Balanced Plus A | | 1.61% | 24.05% | 8.56% | 6.61% | 17.13% |
| Nedgroup Inv Managed A | | -0.44% | 16.39% | 10.03% | 5.60% | 13.05% |
| Investec Opportunity A | | 2.26% | 19.32% | 7.50% | 7.54% | 15.22% |
| ABSA Capital Gains Tax Fund | | 1.75% | 8.45% | 10.12% | 9.96% | 8.87% |
| **Targeted Return Strategy CPI +6-7 PIGS Compliant (since inception)** | 10.97% | 0.65% | 18.38% | - | - | - |
| Benchmark | 22.24% | 1.87% | 13.24% | - | - | - |
| CPI | 10.64% | 0.28% | 6.33% | 8.25% | 8.37% | 6.80% |

Unit trusts are medium to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available from the management company / scheme. Different classes of units apply to this fund and are subject to different fees and charges. Commission and incentives may be paid and if so, would be included in the overall costs. It should also be noted that as a result of the nature of wrap fund portfolios, an investor's underlying portfolio holdings and/or portfolio performance may differ slightly from the information reflected above. Therefore, performance figures presented on the fact sheet are approximate figures and may differ from actual performances of client accounts.