

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

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

**INVESTMENT MANAGER**

Absa Investment Management Services (AIMS)

**LAUNCH DATE**

26 June 2008

**TOTAL EXPENSE RATIO**

1.42%

**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

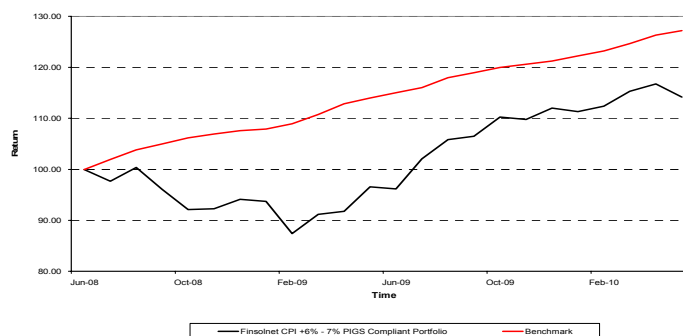
**FUND COMMENT**

The portfolio underperformed its benchmark during the 3-month period, returning 1.59% against the benchmark return of 3.26%. The portfolio continues to underperform its benchmark since inception.

Over the 3-month period to the end of May 2010, the FTSE/JSE All Share Index returned 2.29%, the All Bond Index returned 2.96%, cash returned 1.78% and the South African Property Index returned 3.72%. During the same period, international equities returned -5.09% and international fixed interest returned -2.63%. Local property was the best performing asset class followed by local bonds. The Rand appreciated by 0.38% against the US dollar over the period having a negative impact on the international equity exposure within the portfolio.

**PERFORMANCE**

Portfolio	Inception (26/06/2008)	3 Month	1 Year AGR	2 Year AGR	3 Year AGR	5 Year AGR
Allan Gray Balanced B		1.57%	12.38%	3.89%	3.76%	14.50%
Coronation Balanced Plus A		1.69%	20.30%	5.57%	5.25%	16.11%
Nedgroup Inv Managed A		2.70%	18.81%	11.72%	4.61%	13.28%
Investec Opportunity A		0.49%	18.55%	3.02%	5.92%	14.25%
ABSA Capital Gains Tax Fund		1.75%	7.32%	9.44%	9.72%	8.85%
<b>Targeted Return Strategy CPI +6-7 PIGS Compliant (since inception)</b>	14.18%	1.59%	18.23%	-	-	-
Benchmark	27.23%	3.26%	11.61%	-	-	-
CPI	12.77%	1.64%	4.80%	6.57%	7.94%	6.75%

**PERFORMANCE GRAPH**

**EFFECTIVE ASSET ALLOCATION**

Asset Class	%
Equities	47.57%
Protected Equities	0.27%
Bonds	10.24%
Property	1.71%
Cash	21.93%
International Equity	13.78%
International Fixed Interest	4.51%

**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	10.91%

CPI ended the month at 4.80% and remained below the target range set by the SARB.