



## INFLATION (CPIX) PLUS 4-5 TARGETED RETURN STRATEGY

### Monthly Fund Report – For portfolio over rolling 36-month period As at 30 September 2007

**INVESTMENT MANAGER**

Absa Investment Management Services (AIMS)

**LAUNCH DATE**

1 December 2003

**STRATEGY BENCHMARK**

Inflation (CPIX) plus 4%-5%

**STRATEGY OBJECTIVE**

The objective of this strategy is to target an annual return of CPIX plus 4%-5% over a rolling 36-month period and not to lose capital over a rolling 24-month period, while at all times remaining within Prudential guidelines.

**AIMS MULTI MANAGEMENT INVESTMENT METHODOLOGY**

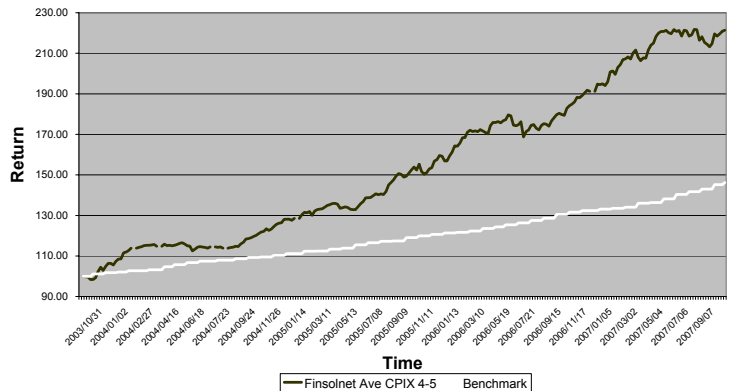
- The purposeful application of a sound investment philosophy
- Selection of the most appropriate underlying investment managers
- Strategic asset allocation based on the investment houseview
- Blending of the various investment styles in accordance with market circumstances
- Monthly portfolio and investment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

**COMMENTARY**

The portfolio underperformed its benchmark during the 3-month period, returning 1.21% against the benchmark return of 3.14%. The portfolio continues to outperform its benchmark since inception.

Over the 3-month period to the end of September 2007, the FTSE/JSE All Share Index returned 6.71%, the All Bond Index returned 3.35%, cash returned 2.33% and the South African Property Index returned 3.20%. During the same period, international equities returned -0.30% and international fixed interest returned 4.84%. Local equity was the best performing asset class followed by local property. Rand strength tempered against the US dollar reduced the performance of the international asset classes.

**PERFORMANCE GRAPH**



**EFFECTIVE ASSET ALLOCATION**

Asset Class	%
Equities	49.18%
Bonds	3.88%
Property	1.44%
Cash	33.68%
International Equity	9.93%
International Fixed Interest	1.89%

**UNDERLYING FUNDS**

Portfolio	Weighting
Coronation Absolute Fund	24.25%
Allan Gray Balanced Fund	24.25%
RMB High Tide Fund	12.13%
RMB Moderate Fund	12.12%
Investec Cautious Managed	24.25%
Absa Capital Gains Tax Fund	3.00%
Volatility	5.14%

The RMB and Allan Gray funds were the main detractors from the overall performance with the Allan Gray fund returning -0.03% for the 3-month period. All of the funds underperformed the benchmark during this period.

**PERFORMANCE**

Portfolio	Inception (22/09/2003)	3 Month	1 Year AGR	2 Year AGR	3 Year AGR	5 Year AGR
Allan Gray Balanced Fund		-0.03%	22.17%	23.82%	28.96%	26.18%
Coronation Absolute Fund		1.28%	25.91%	23.75%	28.11%	-
RMB High Tide Fund		0.71%	23.77%	23.40%	29.92%	28.46%
RMB Moderate Fund		2.04%	18.97%	19.90%	-	-
Investec Cautious Managed		2.66%	11.99%	-	-	-
Absa Capital Gains Tax Fund		2.35%	9.05%	8.01%	7.72%	8.86%
<b>Targeted Return Strategy CPIX +4-5 (since inception)</b>	121.39%	1.21%	20.25%	19.42%	22.03%	-
Benchmark	46.22%	3.14%	11.08%	10.40%	10.09%	-

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.