

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

### Monthly Fund Report – For portfolio over rolling 60-month period As at 31 October 2007

**INVESTMENT MANAGER**

Absa Investment Management Services (AIMS)

**LAUNCH DATE**

1 December 2003

**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**

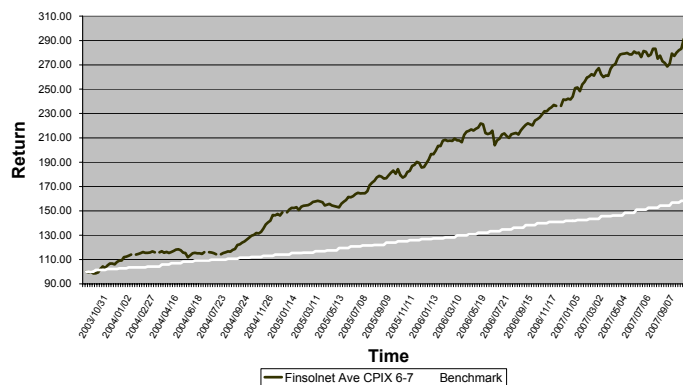
- The purposeful application of a sound investment philosophy
- Selection of the most appropriate underlying investment managers
- Strategic asset allocation based on the investment houseview
- Blending of the various investment styles in accordance with market circumstances
- Monthly portfolio and investment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

**FUND COMMENT**

The portfolio outperformed its benchmark during the 3-month period, returning 6.36% against the benchmark return of 3.76%. The portfolio continues to outperform its benchmark since inception.

Over the 3-month period to the end of October 2007, the FTSE/JSE All Share Index returned 10.77%, the All Bond Index returned 4.66%, cash returned 2.37% and the South African Property Index returned 12.46%. During the same period, international equities returned -1.08% and international fixed interest returned -2.58%. Local property was the best performing asset class followed by local equity. The Rand appreciated by 7.90% against the US dollar over the period negatively impacting the international assets within the portfolio.

All of the underlying funds outperformed the benchmark during the 3-month period.

**PERFORMANCE GRAPH**

**EFFECTIVE ASSET ALLOCATION**

Asset Class	%
Equities	63.86%
Bonds	1.76%
Property	1.45%
Cash	19.73%
International Equity	6.52%
International Fixed Interest	6.68%

**UNDERLYING FUNDS**

Portfolio	Weighting
Coronation Market Plus Fund	32.33%
RMB Balanced Fund	32.33%
Investec Opportunity Fund	32.34%
Absa Capital Tax Fund	3.00%

Volatility	7.17%
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Markets continue to show large intra-month volatility. Much of this volatility is being driven by the international markets. Although local market conditions are still conducive to further growth, the risks are starting to become evident and earnings growth is expected to slow potentially having a negative impact on equity valuations.

**PERFORMANCE**

Portfolio	Inception (22/09/2003)	3 Month	1 Year AGR	2 Year AGR	3 Year AGR	5 Year AGR
Coronation Market Plus Fund		8.14%	31.16%	29.78%	32.33%	29.63%
RMB Balanced Fund		4.79%	24.93%	27.49%	28.61%	-
Investec Opportunity Fund		6.17%	22.68%	23.84%	26.52%	25.89%
Absa Capital Tax Fund		2.44%	9.25%	8.17%	7.80%	8.82%
<b>Targeted Return Strategy CPIX +6-7 (since inception)</b>	195.20%	6.36%	26.23%	27.04%	29.67%	-
Benchmarks	60.11%	3.76%	13.63%	12.76%	12.33%	-

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.