

OPTIMAL FUND

FUND DETAILS AT 30 APRIL 2008

Sector: Domestic AA - Targeted Absolute Return
Inception date: 1 October 2002
Fund manager: Delphine Govender
Fund objective:
 The Fund aims to exceed the return of the Daily Call Rate of FirstRand Bank Limited.

Suitable for those investors who:

- Seek absolute (i.e. positive) returns regardless of stockmarket trends.
- Are risk-averse and require a high degree of capital stability.
- Are retired or nearing retirement.
- Seek the diversification benefits of uncorrelated returns relative to shares or bonds.
- Wish to diversify a portfolio of shares or bonds.
- Wish to add a product with an alternative investment strategy to their overall portfolio.

Price: R 14.58
Size: R 986 m
Minimum lump sum: R 25 000
Minimum monthly: R 2 500
Subsequent lump sums: R 2 500
No. of share holdings: 49
Income distribution: 01/06/07 - 31/12/07 (cents per unit) Total 25.68
Annual management fee:

The annual management fee rate is dependent on the return of the Fund relative to its benchmark. The benchmark is the return on call deposits with FirstRand Bank Limited (for amounts in excess of R5m). The fee hurdle (above which a fee greater than the minimum fee of 1% is charged) is performance equal to the benchmark. The manager's sharing rate is 20% of the outperformance of the benchmark. The fee is uncapped, however a high watermark principle applies which means that should the Fund underperform it would first be required to recover the underperformance before any further performance fees are payable.

COMMENTARY

The Fund invests in a portfolio of equities and substantially reduces stockmarket risk and exposure by using equity derivatives. As a result the Fund's return should not be correlated with equity markets but it is dependent rather on the level of short-term interest rates and the ability of the Fund's equity portfolio to outperform the underlying benchmark equity index. Since inception the Fund has returned 65.8%, outperforming the benchmark return of 52%. For the past 12 months, the Fund has delivered 6.7% compared to the benchmark return of 9.2%. The main reason for the recent relative underperformance of the fund has been its underweight positions in Anglo American and BHP Billiton, despite these two holdings being the largest holdings in absolute terms. We believe the current earnings for these two companies have components which are exceptionally high as a result of current all-time high prices for certain commodities (copper, nickel and iron ore) in both companies' baskets. If, in our opinion, more sustainable commodity prices are used we believe the underlying value of these companies is below the current high share prices. Accordingly we believe these underweight positions in Anglo American and BHP Billiton will be a source of positive performance in the future.

Looking at the market as a whole, we maintain the position that volatility is a key characteristic. Following an exceptional run in equities since early 2003, we have been cautioning our clients for some time to temper their return expectations from the market. One of the principal reasons for this caution is that we believe the overall level of company earnings and profitability is unsustainably high. We continue to believe there is considerable risk of capital loss from the market as a whole for 2008. In this environment, we therefore believe that the Optimal Fund's very low net equity exposure and corresponding potential to deliver long-term absolute returns, uncorrelated with overall equity markets, is a particularly compelling one.

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TOP 10 SHARE HOLDINGS AT 31 MARCH 2008*

Company	% of portfolio
Anglo American	13.8
Billiton Plc	10.9
SABMiller	7.9
Richemont	7.4
MTN Group	6.5
Sasol	5.8
Remgro	4.2
Anglogold Ashanti	3.3
Impala Platinum	3.0
Harmony Gold Mining Co Ltd	1.8

* The 'Top 10 Share Holdings' table is updated quarterly.

TOTAL EXPENSE RATIO*

Total expense ratio	Included in TER			
	Trading costs	Performance component	Fee at benchmark	Other expenses
1.63%	0.23%	0.21%	1.14%	0.05%

*A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. It is expressed as a percentage of the average value of the portfolio, calculated for the year to the end of March 2008. Included in the TER is the proportion of costs that are incurred by the performance component, fee at benchmark, trading costs (including brokerage, VAT, UST, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. The information provided is applicable to class A units.

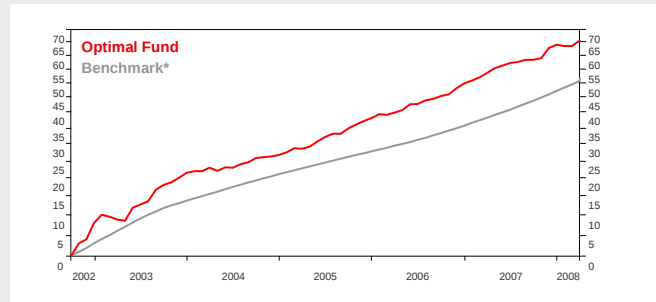
ASSET ALLOCATION

Asset class	% of fund
Net SA equities	1.7
Hedged SA equities	84.8
Listed property	1.1
Money market and cash	12.4
Total	100.0

PERFORMANCE

Fund performance shown net of all fees and expenses as per the TER disclosure.

Long-term cumulative performance (log scale)



% Returns	Fund	Benchmark*
Since inception (unannualised)	65.8	52.0
Latest 5 years (annualised)	8.8	7.3
Latest 3 years (annualised)	8.7	7.2
Latest 1 year	6.7	9.2
Risk measures (Since inception month end prices)		
Maximum drawdown**	-2.2	n/a
Percentage positive months	85.1	100.0
Annualised monthly volatility	2.9	0.6

* The return on call deposits with FirstRand Bank Limited (for amounts in excess of R5m).
 Source: FirstRand Bank, performance as calculated by Allan Gray as at 30 April 2008.

** Maximum percentage decline over any period.

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