

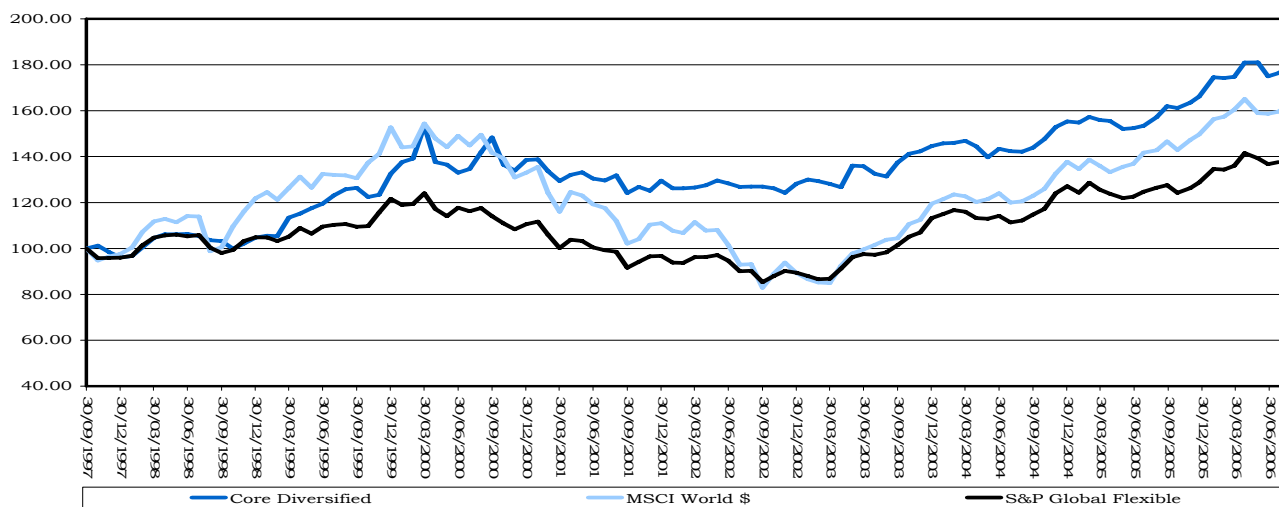
Portfolio Activity

- The fund was down 0.7% for the month of September versus positive returns of 1.2% for the MSCI. Losses for the month were driven by commodities and Japanese equities, as higher beta assets continue to be sold off in the wake of poor housing numbers in the US.
- We have been concerned about US growth for some time now and hence have been repositioning the fund to reflect this view. Changes over the last few months have entailed increasing our bond holdings, switching from small cap funds to large cap funds and holding a healthy amount of cash.
- We have made some changes to the fund during the month, with the first being the purchase of Polar Capital's global technology fund. This might appear at odds with our more defensive positioning of our fund over the last few months, but it has merits for the following reasons:
 - Firstly the technology sector is extremely unloved and under-owned; hence it appeals to our contrarian philosophy. Secondly technology companies are no longer the blue sky investments they once were in 2000, with many technology companies now generating profits. PE ratios have also contracted and tech companies are no longer as expensive as they used to be. Lastly; as productivity starts to fall in the US, cash-flush corporations will once again look to increase their technology expenditure in order to improve margins, hence we see them as being non-cyclical.
 - Another purchase that we made during the month was the Pictet Water Fund. Water demand has far outpaced population growth over the last few years and is not dependent on business cycles for its returns. The water sector is also an ideal way to profit from global warming and growing pollution in third world countries. Despite it being a great investment story, we are nervous about valuations and have thus only bought a small holding, with the intention of buying more if prices should come off.
 - In terms of currencies we have kept our dollar exposure at 70% of the fund, as the currency market remains range bound and we see no persuasive reason to reduce this exposure.



Performance Charts

Relative performance for September 1997 to September 2006

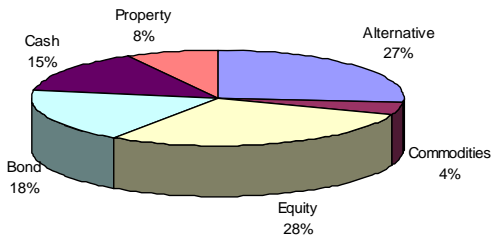


Absolute Performance Including Fund Manager's Track Record

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
1997	USD										1.2%	-2.8%	-2.3%	-3.8%
1998	USD	0.6%	3.9%	4.1%	1.5%	0.1%	0.1%	-0.9%	-1.7%	-0.4%	-3.1%	2.2%	2.6%	8.9%
1999	USD	0.8%	-0.2%	7.7%	1.5%	2.1%	1.6%	3.0%	2.2%	0.5%	-3.1%	0.8%	7.4%	26.6%
2000	USD	3.8%	1.1%	10.3%	-10.3%	-0.8%	-2.6%	1.3%	5.3%	4.6%	-8.0%	-1.8%	3.4%	4.5%
2001	USD	0.2%	-3.7%	-3.2%	2.0%	0.8%	-2.1%	-0.6%	1.7%	-5.9%	2.2%	-1.3%	3.5%	-6.5%
2002	USD	-2.6%	0.0%	0.3%	0.8%	1.6%	-1.0%	-1.2%	0.1%	0.0%	-0.6%	-1.5%	3.2%	-1.0%
2003	USD	1.4%	-0.5%	-0.9%	-1.1%	7.5%	-0.2%	-2.4%	-0.8%	4.6%	2.8%	0.7%	1.7%	12.8%
2004	USD	0.8%	0.1%	0.6%	-1.7%	-3.3%	2.7%	-0.7%	-0.2%	1.2%	2.6%	3.5%	1.6%	7.4%
2005	EUR	-0.3%	1.5%	-1.0%	-0.4%	-2.4%	0.1%	0.5%	2.2%	2.8%	-0.6%	1.29%	1.44%	5.1%
	USD	-0.3%	1.5%	-0.8%	-0.3%	-2.2%	0.2%	0.7%	2.5%	3.0%	-0.5%	1.49%	1.62%	7.0%
2006	GBP	-0.2%	1.6%	-0.7%	-0.2%	-2.1%	1.4%	0.7%	2.5%	3.0%	-0.4%	1.54%	1.66%	9.0%
	EUR	4.9%	-0.4%	0.2%	3.3%	-0.3%	-3.6%	0.1%	0.8%	-1.7%				3.0%
2006	USD	5.0%	-0.2%	0.3%	3.5%	0.1%	-3.4%	0.8%	1.9%	-0.7%				7.4%
	GBP	5.1%	-0.2%	0.3%	3.5%	-0.1%	-3.5%	0.5%	1.2%	-1.4%				5.3%

*.Note that data to Feb 2002 is the performance of the Appleton Balanced Fund. Old Mutual Optimal Diversified Fund is used from Feb 2002 to Dec 2004 thereafter actual performance is shown

Asset Allocation



Top 10 Holdings

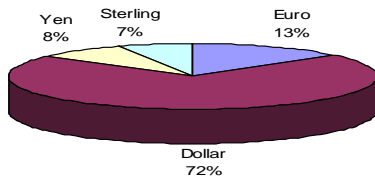
Pimco Inst. Euro Hedged Bond	6.96%
IShares Lehman 7-10 Yr Treasury	5.55%
Thames River Capital Nevsky	5.52%
Odyssey Alternative Strategy	5.51%
Morgan Stanley Asian Property	4.22%
GAIM European Fund	4.20%
Polar Capital Japan Fund	4.01%
Wellington US Core Bond	3.36%
Wellington Global	3.24%
Gold Bullion	3.19%

Fund Facts

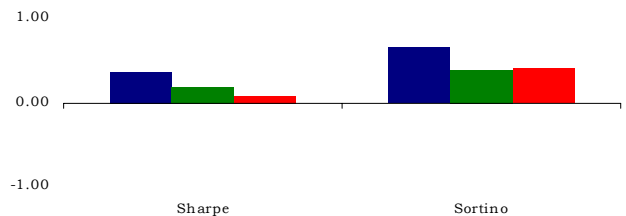
Fund Size	\$91.8m
Identifiers – USD:	B02STH1 (SEDOL); GB00B02STH18 (ISIN)
Identifiers – EUR:	B02T2P3 (SEDOL); GB00B02T2P38 (ISIN)
Identifiers – GBP:	B02T2Q4 (SEDOL); GB00B02T2Q45 (ISIN)
Minimum Investment	\$5000
Upfront Fee	5%

Frequency Dealing	Wednesday
Annual Management Charge:	1.75%
Performance Fee:	10% (High Water Mark)
Dealing Service	+ 44 1481 715 167
Price as at 29th August 06	\$115.4686

Currency



Risk Ratio September 1997 to Date



Investment Objective & Fund Strategy

The objective of the Fund is to achieve long term growth and absolute returns, with limited volatility, diversifying across cash, bonds, equities, alternative strategies and property using a multi manager approach.

The Fund Management Team

Scott Campbell, the lead fund manager was formerly Chief Investment Officer of Appleton International before forming Optimal Fund Management in July 2002. Co-manager Joanne Baynham joined the team in 2004. MitonOptimal was voted Best Newcomer Group 2004/5 by Multi- Manager Magazine.

Investment Manager: MitonOptimal Guernsey Ltd, Barclays Court, Les Echelons, St. Peter Port, Guernsey, GY1 6AW

Fund & Administration Manager: Bordeaux Services (Guernsey) Ltd, Barclays Court, Les Echelons, St. Peter Port, Guernsey, GY1 6AW

Trustee: Northern Trust (Guernsey) Ltd

The Fund is authorised as a Class "B" Scheme by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987 and the rules made there under. Units in the Fund are not available for sale and may not be offered for sale, directly or indirectly, in South Africa or the United Kingdom, or any state or jurisdiction in which such offer or sale would be prohibited. Please note, the Fund has not been registered, nor will be registered, under the United States Investment Company Act of 1940 and the units have not been registered, nor will be registered, under the United States of America Securities Act of 1933 (as amended). None of the units may be offered or sold, directly or indirectly. Subscriptions will only be received and units issued on the basis of the current prospectus for the Fund. It is intended solely for the use of the person to whom it is sent. It is not an invitation to subscribe and is for information purposes only. Please note that the value of funds and assets (and the income from them) may go down as well as up and may be affected by, amongst other things, changes in rates of exchange. Past performance is not indicative of future performance and the success of the Fund will be dependent on the performance of Optimal Fund Management. An investor may not get back, on redemption or otherwise, the amount invested. Performance is calculated on a total return basis in the currency of the Fund. The Fund size quoted is a total of all classes in the Fund. Risk characteristics are calculated on the basis of monthly investment returns.