



VFPF CPI PLUS 4 Fund of Funds

MONTHLY FEEDBACK - 31 August 2011

Portfolio Objective

The portfolio aims to generate positive returns over the short term while beating inflation by four percent over a three-year rolling period. The portfolio will be managed to achieve stable growth and will comply with the Prudential Investment Guidelines at all times.

Investable Universe of Portfolio

In order to achieve this objective, the assets normally included in the portfolio will consist of assets in liquid form and participatory interests of portfolios of collective investment schemes or other similar schemes in equity, bond, money or property markets, registered in the Republic of South Africa, or portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa. The portfolio will predominantly invest in multi-asset class portfolios and is not limited to certain asset classes. The manager will be permitted to invest on behalf of the portfolio in offshore investments as permitted by legislation. The portfolio will aim to achieve a minimum of 40% and a maximum of 50% in equity exposure.

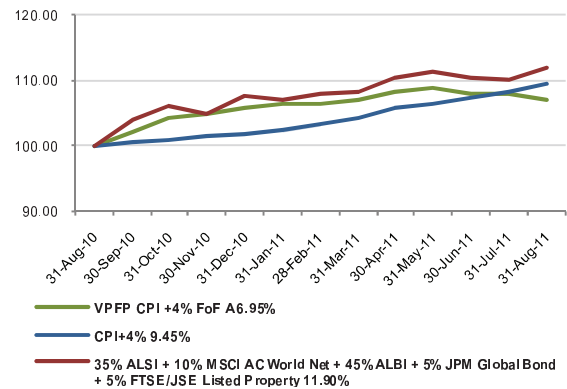
Portfolio Manager

Celtis Capital - Tom Barlow

Portfolio Comments

Global Markets continued on a downward slope in August. We saw a material correction in equity markets on fears of a double dip recession in the US and lingering concern over EU sovereign debt woes. The MSCI All Country World Index lost 7.30% as Emerging Markets and Developed Markets fell by 8.94% and 7.05% respectively. Global Bonds extended gains, advancing a further 2.07%. The US raised its debt ceiling on 2 August in order to avoid a sovereign default. However on 5 August, Standard & Poor's cut the long term US credit rating for the first time ever from AAA to AA+ on concerns of growing budget deficits. US unemployment dropped unexpectedly as non-farm payrolls rose above expectations. CPI remained above target, and Q2 GDP was revised down to 1.00% from a downwardly revised 0.4% in Q1. Interest rates were kept on hold, with indications that there would be no hike until at least mid-2013. The local market fared much better than its global counterparts, recording a loss of 0.65%, held up by a positive 1.10% from Financials, while Industrials and Resources declined by 1.80% and 1.54% respectively. Local bonds gained 3.54% on unrelenting foreign inflows. The rand reversed a portion of its gains against the US dollar, weakening 4.08%. CPI rose to 5.3% and PPI increased much higher than expected at 8.9%, mainly due to higher electricity prices. Q2 GDP disappointed at 1.3% from 4.8% in Q1. Offshore equities are attractively valued at current levels and we feel it is a good buying opportunity. We have therefore further increased offshore exposure in the local funds, and maintain an overweight position in global equity within the offshore funds. We have reduced our underweight local property position to neutral on strong yield opportunities relative to bonds.

Investment Performance as at 31 August 2011

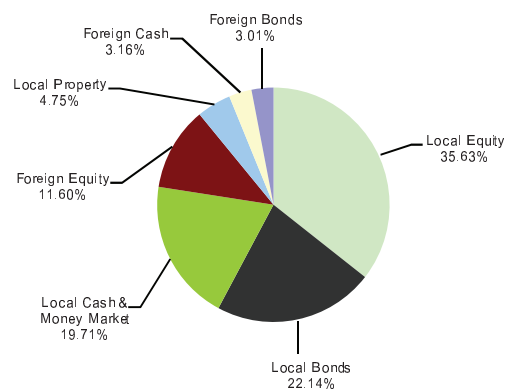


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Medium Equity
Portfolio Benchmark	CPI +4% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 937.9 million
Launch Date	12/05/2008
Inception Date	18/04/2008
Minimum Investment	Lump Sum R 10 000 Monthly R 1 000
Initial Management Fee - Class A	0.00% (incl. VAT)
Annual Management Fee - Class A	0.798% (incl. VAT)
Total Expense Ratio*	1.42%

* 01 July 2010 to 30 June 2011

Asset Allocation as at 31 August 2011



Risk Classification

Risk	Low	Low-Mod	Mod	Mod-High	High
Term	1-3mths	3mths-1yr	1-3 yrs	3-5yrs	5+yrs



Distribution to Investors (CPU) **	
	30/06/2011
Dividend	0.3054
Interest	1.2946
Distribution	1.6

Distributions take place in June and December

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