

VPFP CPI PLUS 4 Fund of Funds

MONTHLY FEEDBACK - 31 July 2012

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.

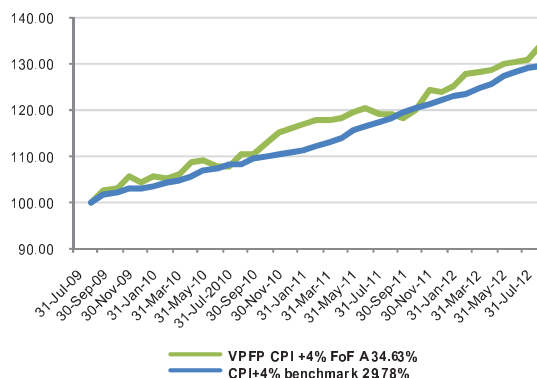
Portfolio Manager

Tom Barlow

Portfolio Comments

Global equities returned 1.82% and Global bonds returned 1.58% in Rand terms this month as the Rand weakened 1.34% against the Dollar. Global markets reacted positively when Europe's major central banks delivered a further round of monetary stimulus with the European Central Bank cutting its key lending rate to 0.75%. The Bank of England increased its asset purchase programme to £375 billion and the Bank of China cut their one-year lending rate to 6.0%. The additional stimulus provided the SARB with scope to cut SA's Repo rate to 5%. However, volatility remains and market tension mounted as the IMF/ECB/European Commission debated on whether to keep Greece hooked onto its €130bn lifeline and how to recapitalise Spain's failing banks and finance its debt. Spain's 10 year government bond yield spiked to a new high of 7.59%. The flight to safety was reflected in record-low yields in Germany and the US at 1.16% and 1.40% respectively. UK GDP collapsed to -0.80% from -0.20% in the second quarter of 2012 caused by weakness in the manufacturing and construction sectors. US GDP also slowed to 1.50% over the same period but the US Earnings Season which kicked in this month has not shown any red flags so far. China GDP slumped to 7.60%. Domestic equities gained 2.71% led by Industrials and Financials rising 5.51% and 3.79% respectively while Resources lost 1.78%. Local bonds gained 3.98%. We maintain a cautious approach in an environment of rising uncertainty and believe that adopting a more active approach will add value to our portfolios. We remain underweight Government fixed interest.

Investment Performance as at 31 July 2012

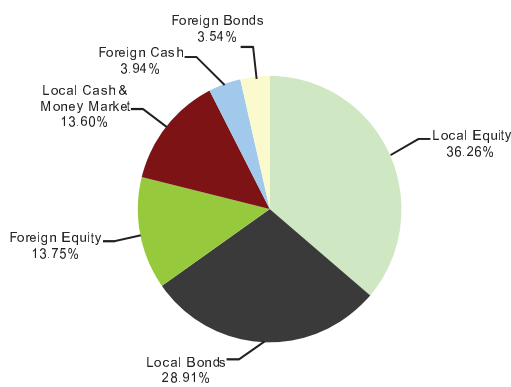


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Medium Equity
Portfolio Benchmark	CPI +4% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 1.1 billion
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*	1.59%

*01 April 2011 to 31 March 2012

Asset Allocation as at 31 July 2012



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) **	
	30/06/2012
Dividend	0.163
Interest	0.588
Distribution	0.910

Distributions take place in June and December

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