

VPFP CPI Plus 2 Fund of Funds

MONTHLY FEEDBACK - 31 DECEMBER 2008

Portfolio Objective

The portfolio aims to generate positive returns over the short term while beating inflation by two 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 the Republic. 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 20% and a maximum of 30% in equity exposure.

Portfolio Manager

Celtis Capital - Tom Barlow

Portfolio Comments

The extreme financial events of 2008 resulted in a quiet December month for the bulk of asset classes despite numerous interest rate cuts from monetary authorities around the globe. The MSCI World Index recorded a positive return of 0.48%. Global market participants continue to monitor promises of "new" economic stimulus packages (particularly evident from in-coming President Obama's rhetoric) while simultaneously bracing themselves for poor quarter 4 earnings reports.

Domestic markets followed a similar pattern to their international counterparts with the JSE All Share Index delivering a positive return of 2.62%. Rand strength in conjunction with South Africa's first interest rate cut for some time resulted in the All Bond Index delivering a positive return of 7.02% for the month.

The coming year looks as though it will present an extremely challenging environment for global money managers. Managing the two extremes of poor economic fundamentals in conjunction with massive global fiscal stimulus packages will prove testing for the most robust of investment processes.

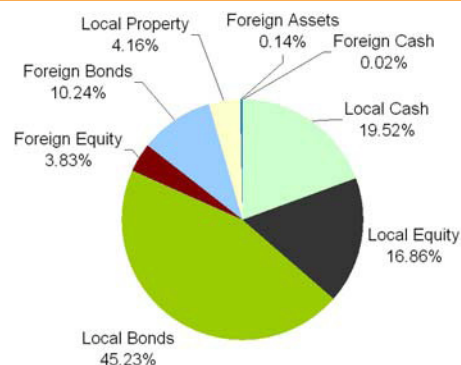
Investment Performance as at 31 December 2008

Performance returns are not permitted for portfolios less than 1 year old.

Portfolio Data

ACI Classification	Asset Allocation - Prudential Low Equity
Portfolio Benchmark	CPIX +2% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 417. 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 (TER)	N/A

Asset Allocation as at 31 December 2008



Price History

	30/09/08	31/10/08	30/11/08	31/12/08
NAV	99.310	98.960	100.140	103.170

Distribution to Investors (CPU) **

	31/12/2008
Dividend	0.55
Interest	1.98
Distribution	2.53

Distributions take place in June and December

Risk Classification

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