

VPFP CPI Plus 2 Fund of Funds

MONTHLY FEEDBACK - 31 OCTOBER 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

Dramatic declines in global equity prices continued during the first three weeks of October. These were offset somewhat during the last week of the month as evidence that a now more coordinated approach to easing liquidity constraints is showing signs of working. Evidence of a shift of investor focus to more fundamental drivers such as GDP growth rates as opposed to simple fear, is starting to appear in global markets.

Domestic markets sold off in line with their international counterparts but it is perhaps in the rand exchange rates that global risk aversion was most evident. The month of October 2008 represented the most volatile month ever for the Rand exceeding that of December 2001. On a positive note, evidence that the SA inflationary environment has peaked was demonstrated by the report that PPI, CPI and CPIX declined in the month of September and in most cases the decline was greater than analyst expectations. A key inflationary factor however remains the Rand exchange rate relative to major global currencies.

Given the dramatic declines in equity prices and a clear focus of the international central banks to ease global liquidity, we commenced increasing the risk of the portfolios during the latter part of October. We should point out that the portfolios remain underweight equities but not to the extent they were in the early part of the month. We will continue to assess fundamental data prior to making further adjustments.

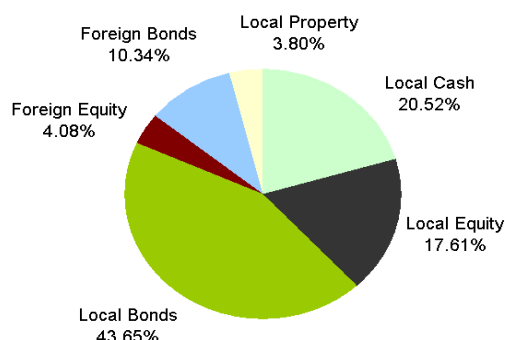
Investment Performance as at 31 October 2008

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 359.2 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 October 2008



Price History

	31/07/08	31/08/08	30/09/08	31/10/08
NAV	97.900	99.840	99.310	98.960

Distribution to Investors (CPU) **

	30/06/2008
Dividend	-
Interest	0.01
Distribution	0.01

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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