

VPFP CPI Plus 2 Fund of Funds

MONTHLY FEEDBACK - 31 JANUARY 2009

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

World markets adopted a negative trend in January. Corporate earnings and economic data continued to disappoint and general consensus seems to be that the depressed economic conditions may dominate the global investment landscape into 2010. The MSCI World Index was down 7% for the month. Global sovereign bonds also demonstrated their vulnerability (JP Morgan Global Bond Index down 1.8%) as investors start focusing on the funding of the stimulus packages and the inevitability of increased government debt.

Domestic markets also followed a negative pattern with the JSE All Share Index down 4.3% and the All Bond Index down 2.4%. Domestic inflation data now confirms that South Africa will benefit from further interest cuts in 2009. It should also be noted that 2009 is an election year. With the current volatile political landscape, the risk of political uncertainty will have to be carefully assessed.

We have and will continue to further reduce the nominal bond exposure as we believe that the expected interest rate cuts have been factored into the bond prices. We will maintain the proceeds in cash and increase the risk of the portfolio as opportunities arise. We will also further increase the active management of the domestic equity component of the portfolios.

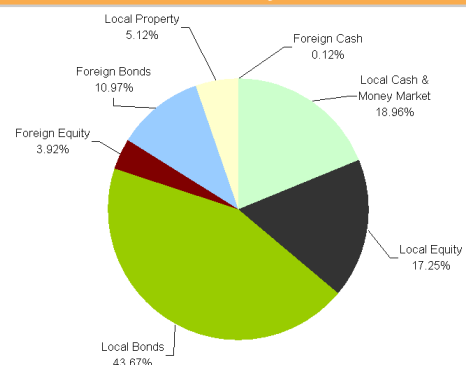
Investment Performance as at 31 January 2009

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 436.6 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)	1.36%

Asset Allocation as at 31 January 2009



Price History

	31/10/08	30/11/08	31/12/08	31/01/09
NAV	98.960	100.140	103.170	100.450

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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