



## VPFP CPI Plus 2 Fund of Funds

## MONTHLY FEEDBACK - 31 October 2011

### 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.

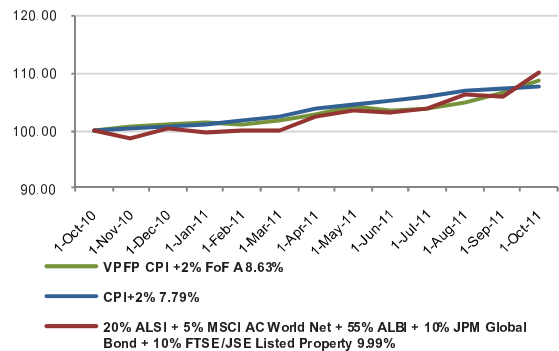
### Portfolio Manager

Celtis Capital - Tom Barlow

### Portfolio Comments

Following a bumpy start to the month, relief swept global markets as agreement was finally reached on the EU debt crisis. The MSCI AC World Index recovered 10.62% with Emerging Markets leading the way at 13.08% and Developed Markets close behind gaining 10.26%. Global bonds added 0.54%. On 26 October 2011, the EU finally reached agreement on a Greek rescue package. Private sector holders of Greek sovereign bonds agreed to accept a 50% write-down on nominal value. Recapitalization of EU banks will be supported by EFSF (European Financial Stability Facility) which is to be leveraged up to €1 trillion from the previous €440bn. Adding to this, markets looked favourably on stronger Q3 GDP out of the US (2.5%), which allayed some fear over the economic recovery in the world's largest economy. The JSE All Share Index tracked global markets higher, advancing 9.01%, led by a 10.71% improvement in Resources. Industrials and Financials gained 5.82% and 5.05% respectively. Local bonds returned 2.75% and the rand regained some composure, strengthening 1.76% to the US dollar as foreign inflows returned to the local bond market. Local CPI and PPI surprised on the upside at 5.70% and 10.50% respectively. Growth for 2011 was revised down at the Medium Term Budget Policy Statement to 3.10%. We continue to favour equities, particularly offshore, and maintain an overweight position in this asset class offshore. We continue to watch unfolding events closely for further direction and seek opportunities in these volatile and uncertain markets.

### Investment Performance as at 31 October 2011

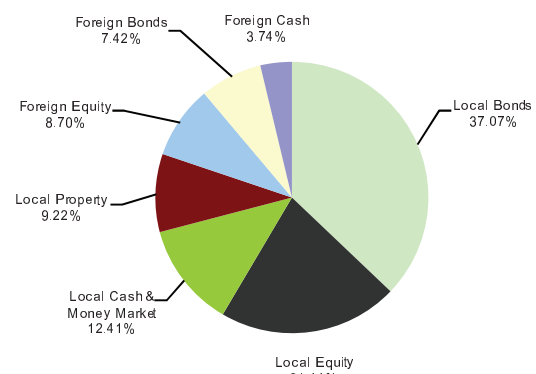


### Portfolio Data

<b>ASISA Classification</b>	Asset Allocation - Prudential Low Equity
<b>Portfolio Benchmark</b>	CPI +2% (after fees)
<b>Type of Portfolio</b>	Retail
<b>Portfolio Size</b>	R 702.3 million
<b>Launch Date</b>	12/05/2008
<b>Inception Date</b>	18/04/2008
<b>Minimum Investment</b>	Lump Sum R 10 000 Monthly R 1 000
<b>Initial Management Fee - Class A</b>	0.00% (incl. VAT)
<b>Annual Management Fee - Class A</b>	0.798% (incl. VAT)
<b>Total Expense Ratio*</b>	1.52%

\* 01 July 2010 to 30 June 2011

### Asset Allocation as at 31 October 2011



### Risk Classification

<b>Risk</b>	Low	Low-Mod	Mod	Mod-High	High
<b>Term</b>	1-3mths	3mths-1yr	1-3 yrs	3-5yrs	5+yrs



Distribution to Investors (CPU) **	
	30/06/2011
Dividend	0.16671
Interest	1.78229
Distribution	1.949

*Distributions take place in June and December*

### DISCLAIMER

Collective Investment Schemes (CIS) in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The Manager may borrow up to 10% of the market value of a portfolio to bridge insufficient liquidity. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions (brokerage, UST, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio, divided by the number of units in issue. A schedule of fees and charges and maximum commissions is available on request from Momentum Collective Investments ("the Manager"). Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. A Fund of Funds Portfolio only invests in other portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. Figures quoted are from Morningstar, for the period ending **31 October 2011**, for a [lump sum / monthly investment], using NAV-NAV prices with income distributions [reinvested / excluded]. The Manager reserves the right to close certain Portfolios from time to time in order to manage them more efficiently. Different classes of participatory interests apply to certain Portfolios, which are subject to different fees and charges. The TER of this class or portfolio will be higher than the quoted service charge of the manager. For the period 01 July 2010 to 30 June 2011 each TER is the annualized percent of the average Net Asset Value of the portfolio incurred as charges, levies and fees. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Certain portfolios or classes include a Performance Fee in the service charge, which forms part of the TER. The report is for information purposes only and is not to be viewed as an offer to purchase any specific product and is not to be construed as investment advice nor guidance in any form whatsoever. Investors and clients are encouraged to obtain independent professional investment and taxation advice from appropriately accredited financial advisors before investing in any of Momentum Collective Investments products. All references to companies and securities are only included for the purposes of illustration. Whilst all care has been taken in the preparation of the information contained herein, no liability or responsibility will be accepted for any losses incurred as a result of acting on the contents of this report.

Momentum Collective Investments portfolios are valued daily at 15h00. Instructions must reach Momentum Collective Investments before 13h00 to ensure same day value. Momentum Collective Investments (Reg No.1987/004287/06) (Private Bag 9959, Sandton, 2146). Momentum Asset Management is the Manager of the Momentum Collective Investments Scheme. The Standard Bank of South Africa Limited ((PO Box 54, Cape Town, 8000) is the Trustee of Momentum Collective Investments Scheme.