

VFPF CPI Plus 2 Fund of Funds

MONTHLY FEEDBACK - 30 June 2012

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.

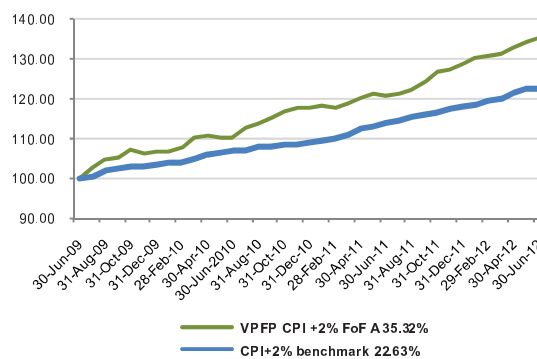
Portfolio Manager

Tom Barlow

Portfolio Comments

Global equity markets returned only 0.31% and Global bonds lost 2.04% in Rand terms this month as the Rand strengthened 4.25% against the Dollar. The situation in Europe remained shaky as the Spanish banking bailout added to market nerves. Within the span of two weeks, Mariano Rajoy – the current Prime Minister of Spain – went from publicly denying that Spain would require a bailout to begging the EU to permit funds to be delivered to ailing Spanish financials. It finally accepted a bailout of €100 bn from the EU. EU governments breathed a sigh of relief as the right-wing, pro-austerity candidates – New Democracy – won the Greek elections. China surprised economists with a cut in interest rates of a quarter point, the first cut in rates since 2008, underlying heightened concern among policymakers that the EU's deepening debt crisis is threatening global economic growth. Government bond yields reached new record lows as investors sought safety. The US and German 10-year Government Bond Yield sank to 1.47% and 1.17% respectively. The price of Brent crude oil dipped as low as \$91 a barrel easing CPI around the world. China CPI declined to 3%, US to 1.70%, UK to 2.8% and local CPI to 5.70%. Domestic equities gained 1.85% led by Financials at 2.97%, followed by Industrials and Resources rising 1.40% and 1.02% respectively. Local bonds gained 3.32%. We maintain a cautious approach in an environment of rising uncertainty. We are currently slightly underweight local equity and neutral offshore equity amid short term volatility. We remain underweight Government fixed interest.

Investment Performance as at 30 June 2012

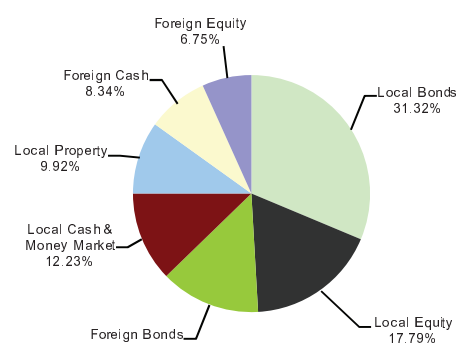


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Low Equity
Portfolio Benchmark	CPI +2% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 806.2 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*	1.61%

*01 April 2011 to 31 March 2012

Asset Allocation as at 30 June 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	0.094
Interest	0.819
Distribution	0.992

Distributions take place in June and December

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