

VPFP CPI Plus 2 Fund of Funds

MONTHLY FEEDBACK - 31 March 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.

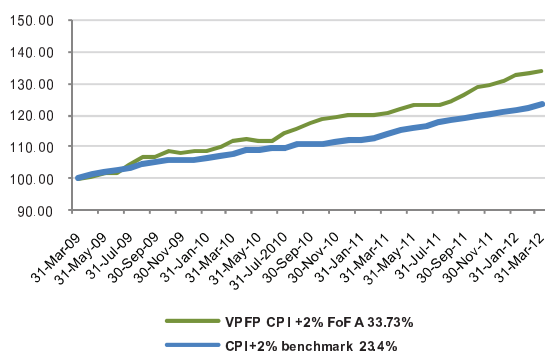
Portfolio Manager

Tom Barlow

Portfolio Comments

The offshore market rally slowed this month as Global markets gained a mere 0.41%. Developed markets improved by 1.02% while Emerging markets declined by 3.52%. Global bonds lost a further 1.01%. Greece triggered the biggest sovereign debt restructuring of all time as it sought to reduce national debt to 120% of GDP by 2020. Banks and private creditors were asked by the Greek Government to take a 53.5% loss on their Greek sovereign bond holdings. Greece received its first tranche of aid a day before it had to repay €14.5bn in maturing debt, and an “uncontrolled” default was averted. The ECB kept interest rates unchanged at 1%, which was largely expected amidst optimism generated by two three-year Long-Term Refinancing Operations (LTRO's). On the downside, the lower PMI manufacturing number of 47.7 released in Europe elevated worries over a European recession and the health of the global economy. EU unemployment increased to 10.7% while US unemployment remained at 8.3%. EU and US CPI remained constant at 2.7% and 2.9% respectively, while China CPI eased to 3.2% from 4.5%. China swung into a huge trade deficit of \$31.48bn as oil imports rocketed. The oil price shot up to \$126.6 per barrel on concerns of possible Iranian atomic activities. Domestic equities were down 2.16%. Industrials and Financials returned 3.40% and 0.83% respectively but the performance was offset by a 9.03% loss in Resources. CPI unexpectedly decreased to 6.10% with core CPI unchanged at 4.3%. The Repo rate remained at 5.5% and the Rand weakened by 2.55% against the US dollar. We proceed with greater caution going forward. We continue to favour offshore equity and we remain underweight Government fixed interest both locally and internationally.

Investment Performance as at 31 March 2012

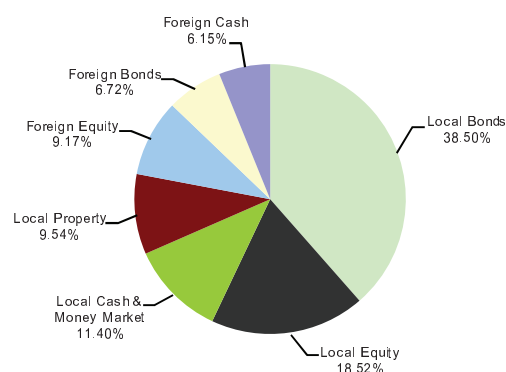


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Low Equity
Portfolio Benchmark	CPI +2% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 754.5 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*	1.59%

* 01 January 2011 to 31 December 2011

Asset Allocation as at 31 March 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) **	
	31/12/2011
Dividend	0.16113
Interest	1.66187
Distribution	1.823

Distributions take place in June and December

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