



VFPF CPI PLUS 4 Fund of Funds

MONTHLY FEEDBACK - 31 December 2011

Portfolio Objective

The portfolio aims to generate positive returns over the short term while beating inflation by four 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 South Africa. 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 40% and a maximum of 50% in equity exposure.

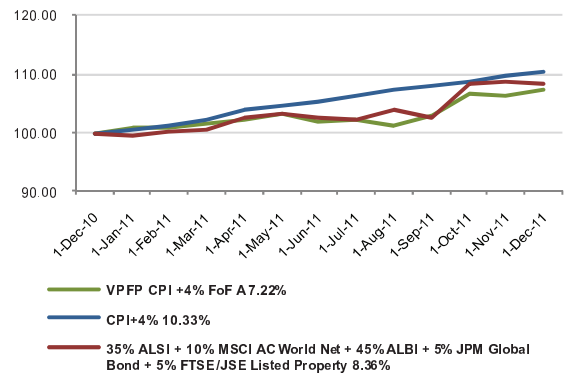
Portfolio Manager

Celtis Capital - Tom Barlow

Portfolio Comments

Global Markets continued their downward trend through December given sustained volatility around the European debt situation. Emerging Markets led the decline by 1.21%, steering a 0.20% drop in the MSCI AC World Index, while Developed Markets lost a mere 0.06%. Global bonds fared well amid uncertainty, gaining 0.86%. It was a reasonably quiet month in markets with movements to the up- or downside being driven primarily by news surrounding the EU. The ECB has cut rates a second time, decreasing the lending rate back to 1.00%, effectively reversing the 50bps hike during 2011. Commentary surrounded a possible further cut by the European Central Bank (ECB) in the near-term, as the Euro Zone moves towards recession. A different scenario plays out in China, as CPI declined further to 4.20% from 5.50%, as measures by the People's Bank of China (PBOC) to curb the overheating economy come to fruition. The local market was not left unscathed, with the All Share Index losing 2.52%, headed by a 5.52% dip in Resources. Industrials declined 0.15%, while Financials rose 1.65%. The All Bond Index added 0.70% and the rand strengthened 0.61% to the US dollar. Domestic CPI continued to increase climbing to 6.10% in November. Food inflation continued to pick up, increasing to 11.1%. Rising transport costs also added to inflationary pressure. PPI declined to 10.10%. We maintain our overweight offshore equity position and remain underweight fixed interest.

Investment Performance as at 31 December 2011

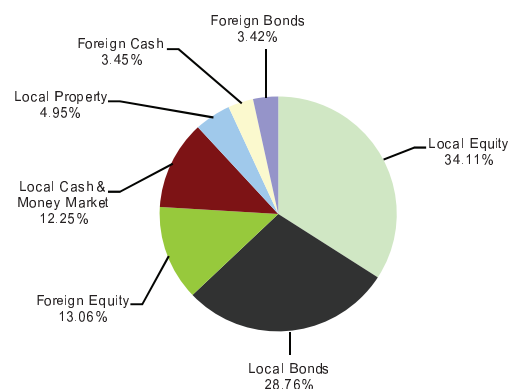


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Medium Equity
Portfolio Benchmark	CPI +4% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 1.03 billion
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*	1.48%

* 01 October 2010 to 30 September 2011

Asset Allocation as at 31 December 2011



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	0.26983
Interest	1.06517
Distribution	1.335

Distributions take place in June and December

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