

VFPF CPI PLUS 4 Fund of Funds

MONTHLY FEEDBACK - 29 February 2012

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.

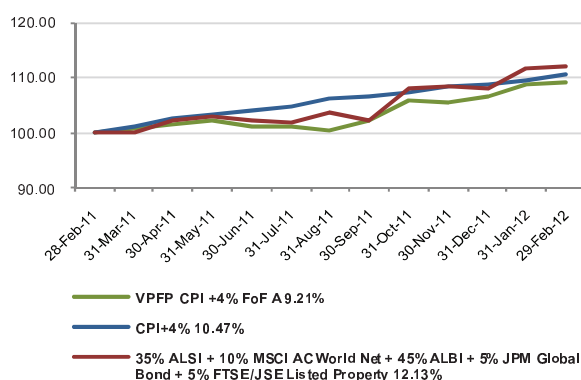
Portfolio Manager

Tom Barlow

Portfolio Comments

The rally in global equity markets powered ahead, with the MSCI AC World Index gaining 4.82%. Developed and Emerging markets rose 4.66% and 5.89% respectively. Global bonds declined by 0.95% in line with increased risk appetite. US unemployment declined to 8.3%, CPI continued to trend lower, consumer confidence rose sharply ahead of expectations and Q4 GDP was revised up to 3%. The BOE increased its Asset Purchase Programme by £50bn in a further attempt to stimulate the UK economy. Inflation continues its downward trend, while downward pressure on GDP remains. Despite a small uptick in Chinese CPI, the PBOC decreased the Reserve Requirement Ratio by 50bps, in its second move to help boost liquidity and support the economy. The ECB has allocated an additional €529.6bn in loans to euro-area banks. Agreement has been reached with Greece to implement the approved €130bn bailout package. China's central bank Governor said that China will continue to invest in European debt and remains confident in the euro. Domestic equities advanced only 1.49%. Industrials and Financials led gains by 5.40% and 4.01% respectively but performance was dampened by a 2.69% loss in Resources. Foreigners continued to buy local bonds on yield-appeal, leading to a 0.18% increase in the All Bond Index and an additional 4% strengthening of the rand/US dollar. The local unemployment rate declined to 23.9%, due to an increase in discouraged workers. CPI rose marginally above expectations, to 6.3% while PPI declined to 8.9%. Q4 GDP surprised on the upside at 3.2%, leading to a respectable 3.1% overall GDP growth for 2011. We maintain our overweight position in offshore equities, and seek alternatives to global fixed interest for diversification benefits and yield generation.

Investment Performance as at 29 February 2012

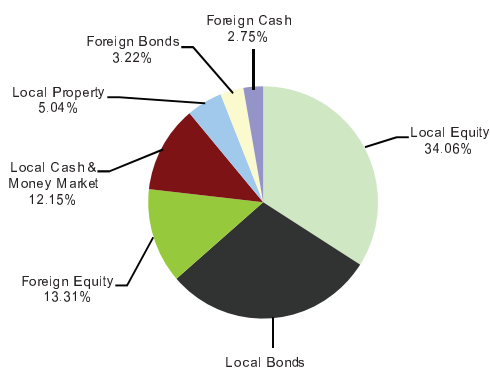


Portfolio Data

ASISA Classification	Asset Allocation - Prudential Medium Equity
Portfolio Benchmark	CPI +4% (after fees)
Type of Portfolio	Retail
Portfolio Size	R 1.06 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*	1.58%

* 01 January 2011 to 31 December 2011

Asset Allocation as at 29 February 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	0.26983
Interest	1.06517
Distribution	1.335

Distributions take place in June and December

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