

Excelsior Multi-Manager Flexible Property Portfolio



Own your life

As at 30 September 2011

Investment strategy

This portfolio is a specialist income portfolio with a bias to property securities. The investment objective of this portfolio will be to generate a reasonably high level of current income as well as the potential for moderate capital growth. Investments normally to be acquired for this portfolio will consist of financially sound property related securities and other securities listed on exchanges, which is considered consistent with the portfolio's primary objective. The portfolio must have exposure to property shares and property related securities of at least 40% (forty percent) of the portfolio with a maximum exposure of 85%.

The portfolio will further be permitted to make investments in non-equity securities and any other securities which are consistent with the portfolio's investment policy, and which will include but will not be limited to preference shares. The portfolio may increase liquidity to 60% (sixty percent) if it is deemed necessary by the manager. The portfolio's exposure to non-equity securities shall be limited to a minimum of 15% (fifteen percent) and a maximum of 60% (sixty percent) of the portfolio. The portfolio may not have any direct and/or indirect foreign exposure.

Portfolio facts

Portfolio manager	Malcolm Holmes	
Management company	STANLIB Multi-Manager	
Launch date	December 2004	
Classification	Domestic Real Estate-General	
Income declaration	31 Mar, 30 Jun, 30 Sep, 31 Dec	
Class of units	A	B1
Minimum investment	Lump sum R 2,000	Debit order R 500 pm
Benchmark	FTSE/JSE SA Listed Property Index (SAPY)	
Fund size	R1421.74 million	

This portfolio is suited to the investor who:

- wants access to a well diversified portfolio of domestically listed property securities as well as some exposure to other income producing asset class
- wants a reasonably high and sustainable level of income
- wants exposure to property between 40% to 85%
- has an investment horizon of at least 5 years

Risk profile

Conservative	Moderate	Aggressive
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Income distribution

Total paid during 2007	9.05 cpu
As a % of a year-end price	4.63 %
2007 year-end price (ex-div)	162.68

Please note: To existing Excelsior investors, income is earned through the declaration of new units and not paid in cash. The distributions are before an allowance for any applicable tax has been deducted.

Quarterly commentary (3rd quarter)

The listed property market continued its positive run in Q3 despite a slump in global stock markets. This was primarily driven by macro-economic fundamentals rather than company specific issues. Interest rate sensitive asset classes continued to climb with the market focusing on growth concerns likely keeping interest rates lower for longer. SA Bonds were up 2.8% and property gained 2.2% in contrast to a loss on the ALSI of 5.8%. SA listed property shares continue to be a positive beneficiary of the softening global growth story because the market has read this to imply a dovish stance from the SARB on interest rates.

The Fund marginally underperformed the SAPY for the quarter, but was well ranked relative to its fully invested peers. The exposure to property in the Fund bottomed out at 66% in February 2011 and has subsequently risen to 76.3%. This is perhaps reflective of the dynamic described above as the managers have actively increased exposure to property (at the expense of cash and income) given that interest rates are likely to remain low for longer. Exposure to longer dated bonds also increased accordingly. Coronation was the key driver of the increase in property exposure in September, whilst STANLIBAM preferred to gain exposure to falling yields via an increase in bond exposure. Both managers performed well for the quarter, and have become more cautious post quarter end.

The Portfolio distributed 2.81c per unit to investors for the quarter bringing the total distribution for the past 12 months to 10.28c per unit. This represents a historic income yield of 5.7% after portfolio fees and was in line with our expectations. We are expecting income growth of 5% over the next 12 months, making the forward yield of the portfolio around 6.0% using current prices. The Fund has produced a 7.7% total return for investors over the past 12 months (13.8% per annum over the last 5 years). We believe this portfolio is relatively well placed to navigate the likely macroeconomic events of the next 12 months, particularly any changes in the interest rate cycle that present themselves.

Disclaimer

The information contained in this document does not constitute advice by Liberty Life. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Liberty Life cannot be held responsible for any errors that may occur. Past performance cannot be relied on as an indicator of future performance. Investment performance will depend on the growth in the underlying assets, which will be influenced by inflation levels in the economy and prevailing market conditions. Source: Liberty Life, STANLIB.

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Returns

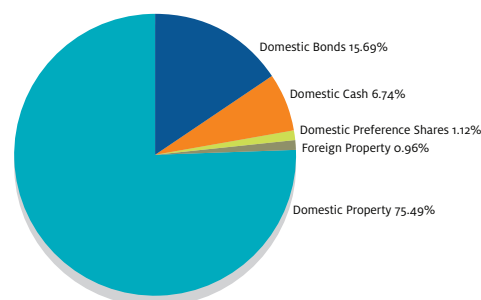
	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years
Taxed	1,52%	6,54%	5,56%	12,41%	12,23%	11,60%
Retirement Annuity	2,02%	7,63%	7,43%	14,85%	14,57%	13,94%
Untaxed	1,53%	6,75%	5,62%	13,01%	13,34%	13,21%
Company	1,50%	6,35%	5,51%	12,06%	11,91%	11,31%
Inflation	1,46%	3,50%	5,34%	4,09%	4,84%	6,93%

Please Note: The above investment returns are after four-fund tax has been deducted but before any Liberty Life charges have been deducted, with applicable distributions reinvested and are on a sell-to-sell basis. The performances above are inclusive of any underlying manager charges. They are applicable to single contributions and are for Excelsior 200, 300 and 500 Series products (where applicable) for the periods above. Investment returns for periods less than one year are not annualised.

Underlying portfolio investment managers

Coronation
STANLIB Asset Management

Local income maturity allocation



Top ten equity holdings

Growthpoint Properties	10.77
STANLIB Inst. Property Fund B3	9.81
Redefine Income Fund Ltd	9.20
Capital Property Fund	7.49
Acucap Property Ltd	4.87
Fortress Income Fund A	4.55
Resilient Property Income Fund	4.49
Hospitality Property Fund Ltd - A Linked Units	3.43
Fountainhead Property Trust	3.41
Hyprop Investments	2.65

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