

Excelsior Multi-Manager Property Portfolio



Own your life

As at 30 November 2011

Investment strategy

This portfolio provides investors with access to listed property securities and aims to achieve both growth in capital and income. The focus is weighted more towards income yield than growth in income. The portfolio employs a multi-manager investment approach that should result in lower risk without diluting returns. Although the investment policy allows discretion for holding cash, it is the intention of the portfolio to be fully invested. This portfolio is not permitted to make any direct or indirect foreign investments.

Portfolio facts

Portfolio manager	Malcolm Holmes
Management company	STANLIB Multi-Manager
Launch date	December 2002
Classification	Domestic Real Estate-General
Income declaration	31 Mar, 30 Jun, 30 Sep, 31 Dec
Class of units	A B1
Minimum investment	Please consult the appropriate Liberty Excelsior product brochure
Benchmark	FTSE/JSE SA Listed Property Index (SAPY)
Fund size	R1721.68 million

This portfolio is suited to the investor who:

- wants access to a portfolio of listed property securities that aims to achieve both growth in capital and income, with the focus on income yield relative to income growth
- has an investment horizon of at least 8 years
- is prepared to accept significant fluctuations in returns from year to year

Risk profile

Conservative	Moderate	Aggressive
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Income distribution

	Paid in the last 12 months	Paid during 2010	2010 payments as a % of year end price
Class A	18.68 cpu	19.10 cpu	5.72%

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%. Given the global and local growth concerns, the SARB has become more dovish on interest rates and SA listed property shares benefited from the perceptions that the next decision from the SARB may be a cut in interest rates.

The Fund underperformed its benchmark for the quarter, but pleasingly the Fund outperformed the peer group sector average. Interestingly the average return of property unit trusts in SA was around 1.2% behind the benchmark for the quarter with only 1 out of 22 outperforming the benchmark. The underperformance relative to the benchmark relates largely to timing differences between the pricing of the Unit Trusts (typically 3pm) relative to the market close (5 pm). In the long term these anomalies normalize themselves.

Not surprisingly the passive component within the Fund provided the best return for the quarter underscoring the difficult environment it was for active managers. STANLIBAM has continued to do well for the quarter, however Catalysts was the key driver of returns in September, which was a month characterized by significant weakness in the property market.

For the quarter, the Portfolio distributed 6.68c per unit back to investors, bringing the total distribution for the past 12 months to 18.68c. This represents an historic income yield of 5.8% after portfolio fees. We are expecting income growth of 6% over the next 12 months, making the forward yield of the portfolio around 6.1% using current prices. The Fund has produced a 6.5% total return for investors over the past 12 months, but pleasingly a 16.2% return p.a. over the last 5 years. The property market will certainly benefit from any perceived or actual cut in interest rates over the coming months, however we are very cognizant that the listed property market (currently near its all time high) reflects this positive sentiment. Fundamentals are reflective of a weak growth environment and with the current income yield looking expensive relative to its own history we recommend that investors tread carefully with their property investments over the next 12 months.

Returns

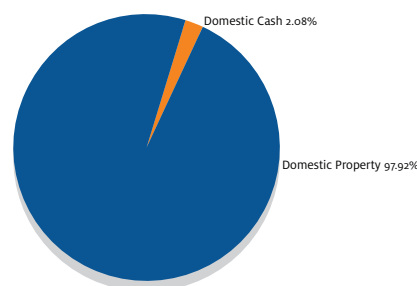
	3 months	6 months	1 Year	2 Years	3 Years	5 Years
Taxed	-1,25%	2,57%	3,61%	13,98%	14,83%	11,04%
Retirement Annuity	-0,57%	3,58%	5,52%	16,26%	17,33%	13,30%
Untaxed	-0,57%	3,58%	5,52%	16,26%	17,33%	13,30%
Company	-1,03%	2,71%	3,78%	13,80%	14,58%	10,95%
Inflation	1,10%	2,93%	6,04%	4,69%	5,10%	7,04%

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

Catalyst Fund Managers
STANLIB Asset Management
STANLIB Multi-Manager

Local income maturity allocation



Top ten equity holdings

Growthpoint Properties	21.96
Redefine Income Fund Ltd	15.44
Capital Property Fund	12.88
Resilient Property Income Fund	7.70
Hyprop Investments	7.08
Fountainhead Property Trust	6.65
Emira	4.57
Acucap Property Ltd	4.56
Fortress Income Fund A	3.17
SA Corporate Real Estate Fund	3.11

Disclaimer

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