

Excelsior Dynamic Return Portfolio



Own your life

As at 31 October 2011

Portfolio objective

The Portfolio aims to achieve long term capital growth as well as some level of capital protection. In the short-term, the portfolio aims to profit from rising markets whilst offering some protection to investors against capital losses in weak markets. It targets a return of CPI + 4% (over 3-year rolling periods) after the deduction of tax but before the deduction of ongoing management fees. The portfolio's risk target is to avoid negative returns over 12-month rolling periods with a capital protection level of 90%.

Portfolio facts

Portfolio manager	Eben Mare
Management company	STANLIB
Launch date	December 2005
Portfolio type	Single Manager
Portfolio size	R 54,779,951
Benchmark	SA Inflation rate as measure by the Consumer Price Index (CPI) per annum over any 3-year period

The performance of the portfolio benchmark over time provides the basis against which the portfolio manager will be measured.

Please consult the current portfolio grid for any current restrictions on the availability of portfolios for new business and switching.

Who should invest in this portfolio

This portfolio is suited to the investor who:

- wants to achieve real returns of 2% p.a. over rolling 3-year periods after the deduction of tax but before any Liberty Life charges and fees have been deducted
- protects against negative returns over rolling 12-month periods with a capital protection level of 90%
- is prepared to accept fluctuations in returns from year to year

Risk profile

Conservative	Moderate	Aggressive
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No adjustment has been made to the above risk profile for the guaranteed version of the portfolio. If a guarantee is selected on the portfolio, then the risk profile will be lower, provided the investor remains in the guaranteed portfolio for the duration of its guaranteed term.

What return is this portfolio designed to achieve?

Expected return*	CPI + 2%
Investment horizon	3 years

The Consumer Price Index (CPI) measures the increase in the price of the basket of goods an average family would buy over a specified period of time.

* Expected return is after the deduction of tax but before any Liberty Life charges and fees have been deducted.

Quarterly commentary (3rd quarter)

Fund review

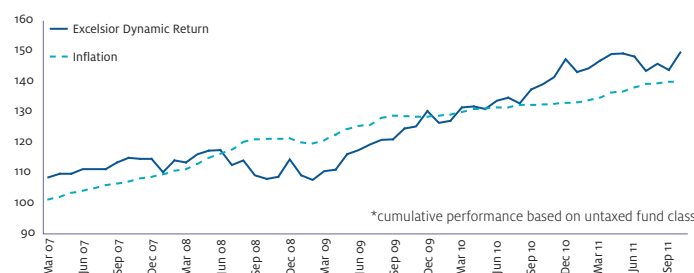
In the last quarter of 2010 we saw continued positive momentum in equity returns – the total return on the All Share index amounted to 9.5% for the quarter and 19% for the year. The Dynamic Return fund gained 4.5% for the quarter and achieved total return of 14.1% for the year – measured against a target return for the year of 9.4%.

The fund performance remains a function of equity market performance as indicated in the table below. Our current equity positioning remains conservative with exposure mainly to the SWIX index.

Looking Ahead

The global economy is still in recovery mode. In nearly all major economies growth has reverted to pre-crisis levels. Momentous policy challenges, however, still remain with policies being addressed to pursue these. Key investor questions for 2011 will be whether the economic recovery remains on track, potential debt defaults in the euro-zone, inflationary expectations and the impact thereof on interest rates, especially in the US and China. Our fund positioning reflects a positive expect

Performance

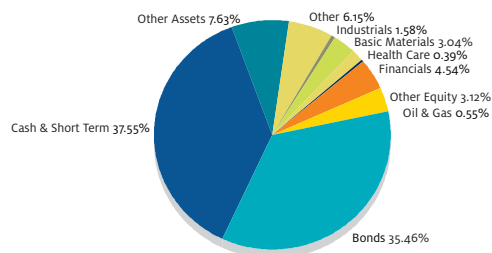


Returns

	3 Months	6 Months	1 Year	2 Years	3 Years
Taxed	3.96%	2.16%	8.57%	9.11%	10.61%
Retirement Annuity	4.23%	0.34%	7.64%	9.62%	11.50%
Untaxed	4.23%	0.34%	7.64%	9.62%	11.50%
Company	3.72%	2.19%	8.37%	8.87%	10.31%
Benchmark	1.02%	2.84%	5.95%	4.67%	5.07%
Inflation	1.45%	2.68%	5.69%	4.33%	4.93%

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. They are applicable to single contributions and are for Excelsior 300 and 500 Series products for the periods above. Investment returns for periods less than one year are not annualised.

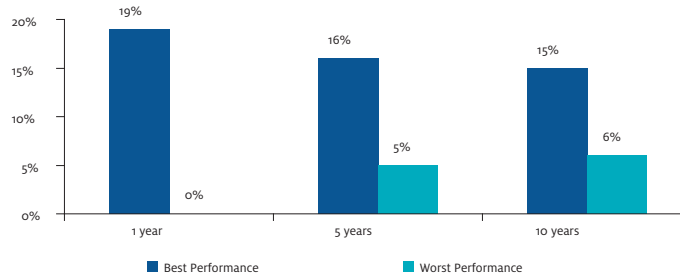
Sector allocation



*asset allocation based on untaxed fund class

Return volatility

The graph below indicates the volatility of annual investment returns for an investor in this portfolio. The highest and lowest annual returns over 1, 5 and 10 year intervals have been shown based on the portfolio being invested in the benchmark. The calculations are based on investment returns during the 20 years to 01/01/2007.



No allowance has been made for the impact of tax or charges and fees in calculating these returns.

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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