

Excelsior Property Portfolio



As at 31 October 2011

Portfolio objective

This Portfolio provides the investor with exposure to high quality direct property investments. This Portfolio is mainly invested in prime properties owned by Liberty Life and allows an investor to participate in the returns of a prime property portfolio, which includes property developments such as Sandton City and Eastgate, for a relatively small monthly investment. The substantial rental portion of the total return earned on the underlying properties means the investor can expect a relatively stable long-term yield from this Portfolio.

Portfolio facts

Portfolio manager	Liberty Properties
Management company	Liberty
Launch date	January 1985
Portfolio type	Single Manager
Portfolio size	R 18,267,655,321
Benchmark	100% Investment Property Databank All Property Index (South Africa)
Guarantee available	An optional guarantee is available on this portfolio

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 invest in a high quality property portfolio
- wants to achieve a real return of 3% p.a. over their investment horizon after the deduction of tax but before any Liberty Life charges and fees have been deducted
- has an investment horizon of at least 5 years
- wants to achieve a relatively stable return 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 + 3%
Investment horizon	5 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)

- The 2010 Gross Return before fees and tax was 11.91%, Income- 7.29% and Capital- 4.62%, compared to the 2009 return of 11.49%.
- The portfolio has successfully navigated 2009 and 2010, the years that were thought to have been most affected by recessions and further residual impacts of the recession.
- The income portion of the return provided stability once again despite property users having to incur soaring operating costs from non-controllable utilities, property rates and taxes.
- Better capital appreciation in 2010 than 2009 was due to continual improvement and resilience in our quality portfolio.
- The 2010 returns on the Liberty Property portfolio managed to handsomely outperform cash returns and inflation for the year.
- The portfolios listed property performance contributed favourably to returns in 2010, but the cash holding, while reducing risk at portfolio level, held back performance.
- Vacancies are very low at 2.5% of the total portfolio in comparison to competitors and other property offerings in market as the demand for space at our premier shopping centres remains high.
- Lower returns than prior years are more than offset by structurally lower inflationary environment resulting in sound real returns. The performance target of CPI plus 5% over 5 years is being comfortably achieved.
- Taking global factors into account as well as the sustained volatility in the local equity markets, the Liberty Property portfolio provided a good risk-adjusted return for all policyholders, across all product structures for 2010.
- Looking forward, and taking into account the recovery of the consumer and the rejuvenation of some of our key assets – the outlook for the portfolio, over the 3-5 year horizon is positive.
- An interim bonus of 8.25% (gross of fees and tax) has been declared for 2011.

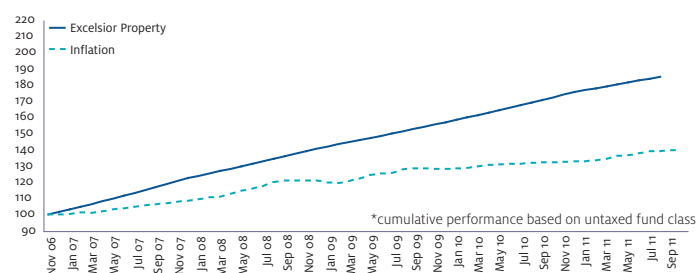
Disclaimer

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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Performance

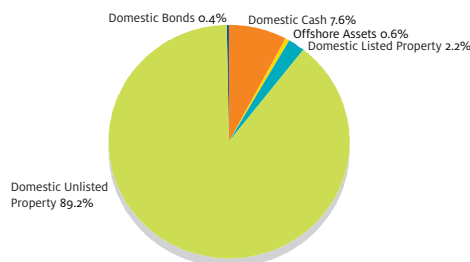


Returns

	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	8 Years
Taxed	1.54%	3.10%	6.87%	8.24%	8.69%	11.16%	11.99%
Retirement Annuity	2.00%	4.04%	8.85%	10.34%	10.91%	13.70%	14.25%
Untaxed	2.00%	4.04%	8.85%	10.34%	10.91%	13.75%	14.74%
Company	1.53%	3.08%	6.79%	8.12%	8.56%	10.86%	11.61%
Inflation	1.45%	2.68%	5.69%	4.33%	4.93%	6.98%	5.71%

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.

Asset allocation



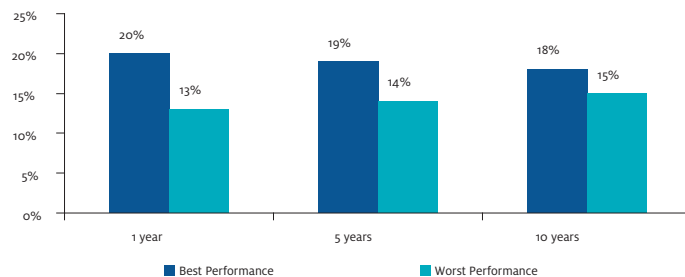
*asset allocation based on untaxed fund class

Top ten equity holdings

Eastgate Shop Centr	22.14%
Sandton City	18.78%
Nelson Mandela Sq	4.82%
Liberty Midlands Mal	4.56%
Greenacres	3.91%
Liberty Promenade	2.03%
Alberton City	1.65%
The Atrium	0.15%
Game Sandton	0.10%
Nelson Mandela Sq	0.08%

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.

Info & Queries: factsheets@liberty.co.za