

Excelsior Conservative Portfolio



As at 30 November 2011

Portfolio objective

The Portfolio aims to produce a risk/return profile consistent with that required by a conservative investor. Conservative investors are investors who want stability and are more concerned with protecting the current value of their investment than increasing its real value.

Portfolio facts

Portfolio manager	Robin Eagar
Management company	STANLIB
Launch date	June 2002
Portfolio type	Single Manager
Portfolio size	R 2,329,062,257
Benchmark	20% FTSE/JSE All Share Index 30% FTSE/JSE All Bond Index 20% SAPIX SA Property Owners Index 30% STeFI Index (Cash Index)
Guarantee available	An optional guarantee is available on this portfolio
Additional Information	The Excelsior Lifetime Phase 1 mirrors the performance of 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 preserve capital over rolling 18-month periods
- has an investment horizon of at least 3 years
- wants some growth over rolling 3 year periods, but with limited fluctuations from year to year

Risk profile



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 + 0.5%
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)

Equity performance has improved substantially over the past 12 months as increased risk aversion resulted in many of the high beta stocks retreating while the manager maintained a prudent stock selection strategy. Over the quarter, the overweight positions in BTI, NewGold and Food & Beverages, as well as underweight in Basic Resources and Retail, contributed to outperformance. The sectors detracting from quarterly performance were overweights in Industrial Goods & Services, Healthcare and underweights in Financial Services and Insurance. During the quarter, returns on bonds were largely driven by movements in the yield curve, with the long-end underperforming the other sectors. Exposure to credit has also contributed to the longer-term bond performance.

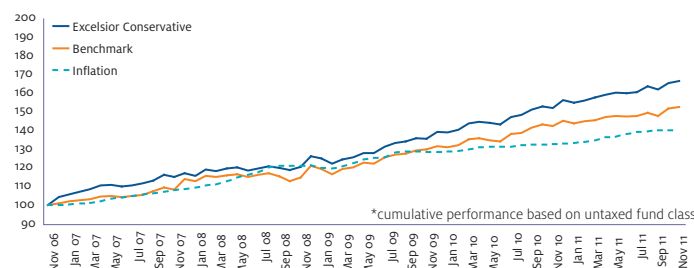
During the third quarter of 2011, the weighting in the long end of the yield curve was increased. Cash holdings were reduced to fund the purchase of term assets. Credit bonds holdings were retained at an overweight compared to the benchmark.

The modified duration was increased from 5.5 years to 6.1 years, which is marginally above the benchmark as domestic bond yields declined.

The SARB MPC left rates unchanged in both meetings during the quarter, changing their focus from being inflation oriented to being much more concerned about domestic growth and the deteriorating growth outlook from developed markets.

As stated, a tactical shift was implemented to lengthen duration. The long-term outlook for bonds does, however, remain volatile.

Performance

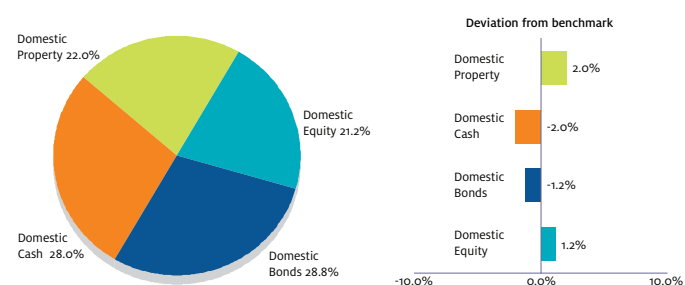


Returns

	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	8 Years
Taxed	1.64%	3.93%	8.67%	9.03%	9.54%	8.60%	10.55%
Retirement Annuity	1.70%	4.06%	9.59%	10.85%	11.42%	10.71%	12.48%
Untaxed	1.66%	3.94%	9.45%	10.75%	11.33%	10.69%	12.90%
Company	1.73%	3.78%	8.37%	8.90%	9.43%	8.55%	10.38%
Benchmark	2.05%	3.16%	9.90%	10.67%	11.47%	11.17%	13.54%
Inflation	1.10%	2.93%	6.04%	4.69%	5.10%	7.04%	5.86%

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



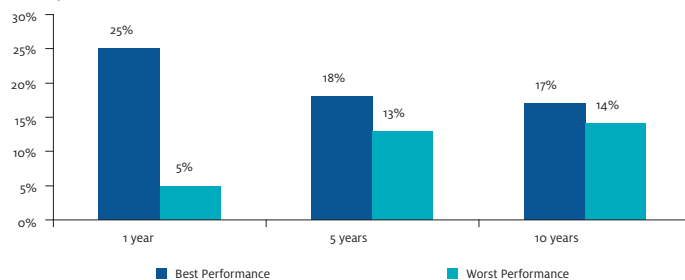
*asset allocation based on untaxed fund class

Top ten equity holdings

MTNGroup	10.4%
BHP Billiton Plc	6.5%
Sasol	5.5%
Anglo American Plc	4.9%
SAB Plc	4.7%
First Rand	3.8%
Tiger Brands	3.2%
Steinhoff	3.1%
Richemont	2.9%
Barlworld	2.5%

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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