

Excelsior Nationbuilder Portfolio



As at 30 November 2011

Portfolio objective

The Fund aims to generate capital growth over the medium to long term, with income generation as a secondary objective. The Fund will invest its assets in South African markets at all times and will be permitted to invest in a mix of equity securities, and when appropriate, other securities such as non-equity securities and preference shares, which are expected to benefit from both Government and private enterprise investment that is aimed at developing the South African economy and the expansion of South Africa's gross fixed capital formation. The fund will not be permitted to invest its assets in foreign investment markets.

Portfolio facts

Portfolio manager	Theo Botha
Management company	STANLIB
Launch date	January 2007
Portfolio type	Single Manager
Portfolio size	R 40,003,000
Benchmark	100% FTSE/JSE All Share Index
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 achieve real returns 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 10 years
- is prepared to accept significant 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 + 4.5%
Investment horizon	10 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

The fund delivered a 7% return in the fourth quarter of 2010, quite a way behind the 10% achieved by the All Share Index and the 8% delivered by the Industrial Index but ahead of the Financial Top 15 that had a 0% return for the quarter. The overweight in construction related shares together with the strong bias towards the Industrial sector were the key detractors from performance.

The best performing counters during the quarter were: Barloworld (+43%), Impala Platinum (+29%), Mr Price (+21%), Brait (+15%) and Exxaro (+13%).

The worst performing counters were: Murray and Roberts (-11%), Mazor (-6%), Esor (-5%), Standard Bank (-3%) and Aveng (-1%).

The building and construction related economy generally lags the consumer economy by 18 to 24 months. We are confident that we will see signs of a recovery in 2011. Share prices should recover post the bottoming of the earnings cycle in the first half of the coming year. During the quarter we increased our positions in Aveng, Murray and Roberts and Group Five.

Looking Ahead

In the 2010/2011 National Budget government recommitted itself to its R880bn infrastructure programme. That includes roads, power stations, dams etc. But delivery on this commitment is proving challenging due to funding constraints brought about by the global recession. The news flow on major project commencement should improve into next year starting with SANRAL awarding the N12 Winelands project in the first half of 2011. Many private sector projects shelved during the recession are being dusted off, especially post the strong rally in commodity prices and more optimism around consumer spending. There are long lead times for these projects but they will come to fruition.

We remain bullish on the SA Infrastructure roll-out. And at current valuation levels that's not too difficult. Construction shares are currently trading at a 35% forward discount to the industrial market. So we see upside in all the share prices. But that requires some patience because we will only see the bottom of the earnings cycle in the next 6 months or so.

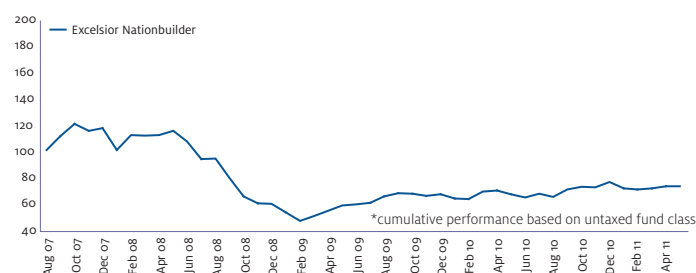
Disclaimer

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Performance

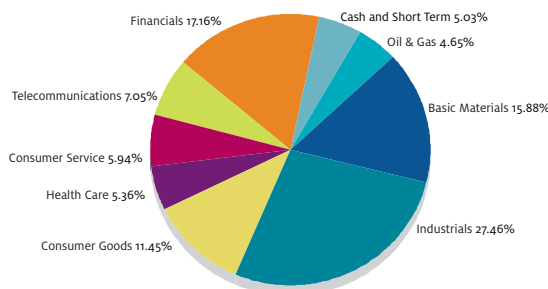


Returns

	3 Months	6 Months	1 Year	2 Years	3 Years
Taxed	3.18%	0.60%	1.69%	4.95%	6.09%
Retirement Annuity	3.55%	0.67%	1.88%	5.55%	6.87%
Untaxed	3.55%	0.67%	1.88%	5.55%	6.87%
Company	2.88%	0.55%	1.53%	4.47%	5.47%
Benchmark	7.58%	2.19%	12.72%	12.74%	17.93%
Inflation	1.10%	2.93%	6.04%	4.69%	5.10%

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

Top ten equity holdings

Life Healthcare Grp	5.6%
Avi Limited	5.6%
Anglo American Plc	5.5%
MTNGroup	5.1%
Aveng	5.1%
Sasol	4.9%
P P C	4.8%
Mr Price	4.8%
Bidvest	4.4%
Absa	4.3%

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