

Excelsior Industrials Portfolio

As at 31 December 2011



Portfolio objective

The Portfolio aims to achieve maximum growth of capital and income over the long-term. The Portfolio invests mainly in industrial shares listed on the FTSE/JSE.

Portfolio facts

Portfolio manager	Theo Botha
Management company	STANLIB
Launch date	June 2002
Portfolio type	Single Manager
Portfolio size	R 200,576,499
Benchmark	100% FTSE/JSE Industrial Index

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 primarily invest in companies, which are included in the industrial sectors of approved exchanges
- 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)

Industrials portfolio performed well during the quarter. The third quarter saw very divergent share price performances. Woolworths and BAT our top overweight positions, were the best performing shares during the quarter. On the negative side, the construction related shares gave away all the gains made in the second quarter, a good reflection on the current market volatility.

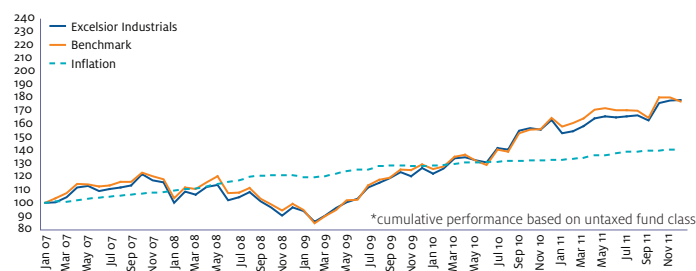
Contribution to performance came from overweight positions in Woolworths, British American Tobacco, Life Healthcare, Aspen and SAB Miller, together with underweight positions in Richemont, Telkom, Sun International, Barloworld and Naspers. Detractors to performance during the quarter were overweight positions in all the construction shares, Imperial, Netcare, Pick n Pay and underweight positions in Shoprite, Cashbuild, Vodacom, Tongaat and Pioneer Foods.

Major transactions included selling out of Altron and reducing our overweight position in Netcare, MTN, PPC, Group Five, Murray & Roberts, Pick n Pay and Woolworths. We added to our positions in Tiger Brands, Bidvest, Aspen and Naspers and Afgril. We also increased the Portfolio's position in Richemont.

An underweight to Industrials, Telecoms and Technology, and overweight Health Care and Consumer Services (Food & Drug Retailers) has been maintained.

The top performing stocks for the quarter were Woolworths (+17.6%), BTI (+15.9%), Shoprite (+13.5%), Life Healthcare (+9.7%) and Aspen (8.6%). The worst performers were Richemont (-18.2%) Group Five (-13.5%), Murray & Roberts (-13.3%) and PPC (-13.2%).

Performance

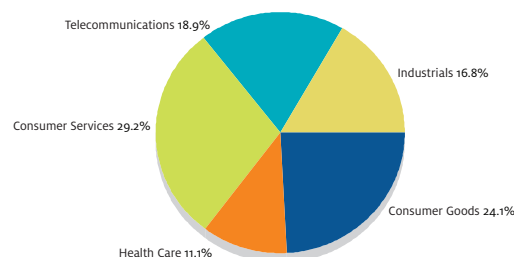


Returns

	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	8 Years
Taxed	9.48%	8.07%	9.50%	19.43%	22.72%	13.42%	22.90%
Retirement Annuity	9.82%	8.27%	9.63%	18.73%	22.81%	13.00%	23.33%
Untaxed	9.41%	7.94%	9.12%	18.70%	22.72%	13.21%	23.42%
Company	7.81%	7.01%	7.65%	19.62%	22.45%	13.45%	22.23%
Benchmark	3.73%	6.00%	8.93%	18.82%	17.22%	14.24%	23.15%
Inflation	1.18%	2.66%	6.12%	4.84%	5.17%	7.11%	5.99%

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



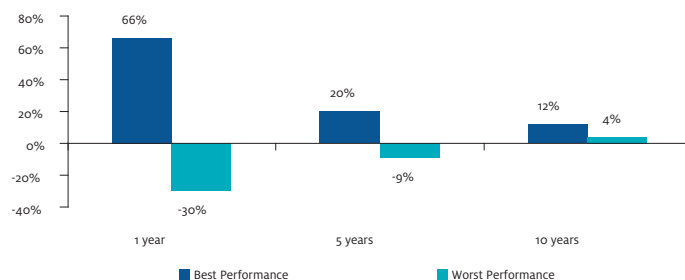
*asset allocation based on untaxed fund class

Top ten equity holdings

MTN Group	18.9%
SAB Plc	10.7%
Naspers -N-	8.1%
Bidvest	5.2%
Woolies	4.8%
Avi Limited	4.8%
Aspen	4.3%
British American Tob	4.2%
Imperial	3.5%
Tiger Brands	3.5%

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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