

Excelsior Managed Portfolio



As at 31 December 2011

Portfolio objective

This Portfolio is a managed portfolio. It provides diversified exposure to local equities, bonds and properties, as well as to equities and bonds denominated in foreign currencies.

Portfolio facts

Portfolio manager	Robin Eagar
Management company	STANLIB
Launch date	January 1989
Portfolio type	Single Manager
Portfolio size	R 2,482,000,467
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 a balanced high calibre investment with security of capital
- wants to invest in equities and secure high yielding fixed interest instruments, both domestic and offshore
- has an investment horizon of at least 8 years
- is prepared to accept high 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 + 3.5%
Investment horizon	8 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.

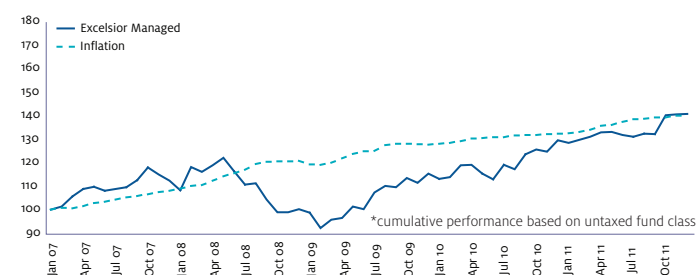
Quarterly commentary (3rd quarter)

Over the quarter most of the alpha generation in our balanced funds came from stock selection within the domestic equity block, although overall asset allocation was also a contributor.

The strategy was directionally unchanged in the third quarter of 2011 whereby, from a tactical asset allocation perspective, the underweight domestic equity and bond position was maintained, given the continued macro uncertainty surrounding peripheral Europe, as well as the sovereign debt downgrade risk in greater Europe and potential slowdown in China. However, the domestic equity underweight was increased and bond underweight reduced given the increasing risk to a growth slowdown both in SA and globally. The overweight offshore equity position was maintained given the relative attractiveness of offshore equity markets relative to the domestic market. The prudence in equity stock selection was retained given the continued uncertainty as to the longevity and sustainability of the global economic recovery, together with the risk of margins peaking at record levels in many sectors and therefore earnings being close to peak levels for this business cycle.

The weighting to cash also remained overweight and given the expectation for income generation the manager was "fully" invested in property.

Performance

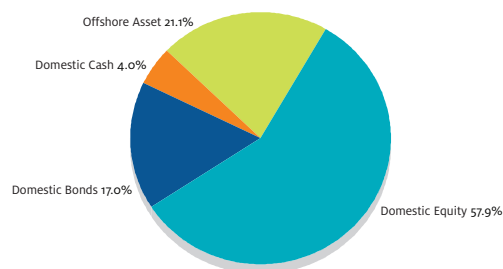


Returns

	3 Mths	6 Mths	1 Yr	2 Yrs	3 Yrs	5 Ys	8 Yrs	10 Yrs	Since inception
Taxed	6.12%	6.48%	8.69%	9.86%	11.12%	7.40%	15.09%	14.24%	-
Retirement Annuity	6.61%	6.99%	8.91%	10.69%	12.12%	7.77%	15.99%	15.09%	-
Untaxed	6.41%	6.74%	8.54%	10.47%	11.97%	7.75%	15.99%	15.09%	-
Company	5.77%	6.12%	8.37%	9.66%	10.82%	7.38%	15.00%	14.17%	-
Inflation	1.18%	2.66%	6.12%	4.84%	5.17%	7.11%	5.99%	6.08%	-

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

MTN Group	10.3%
BHP Billiton Plc	6.2%
British American Tob	5.2%
Sasol	5.1%
Anglo American Plc	4.9%
SAB Plc	4.8%
First Rand	4.0%
Tiger Brands	3.8%
Steinhoff	3.6%
OM Plc	3.2%

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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