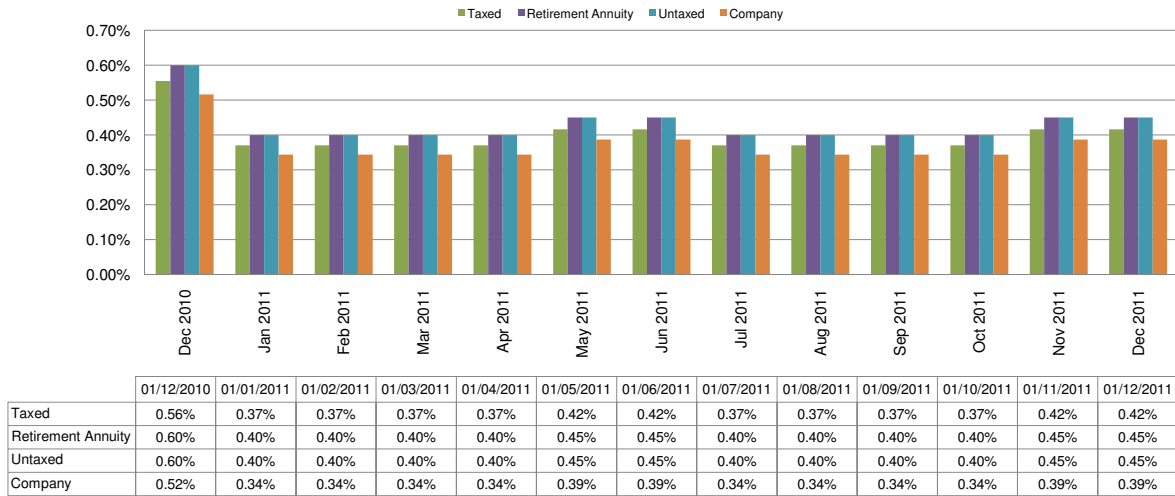


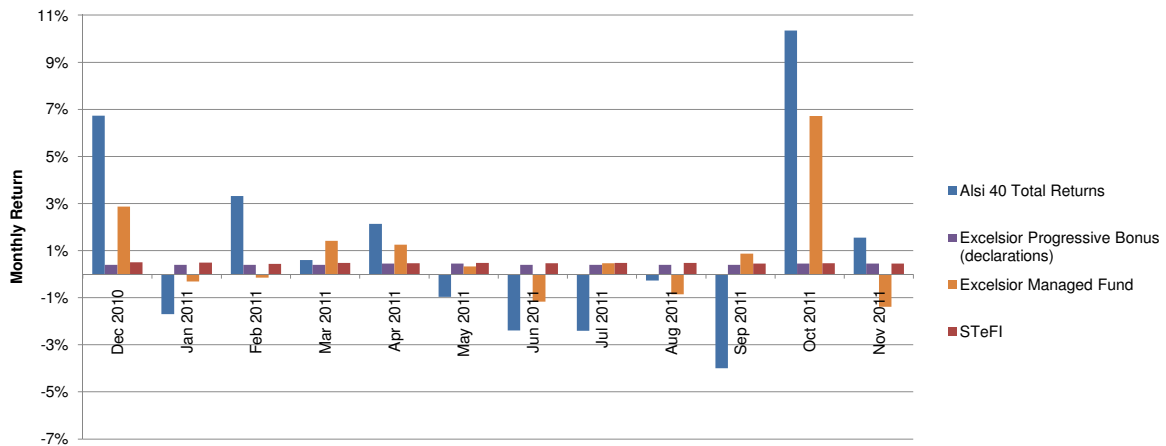
The portfolio aims to provide an equity-linked return with capital protection. The portfolio invests in derivatives to protect the investment value that use a collar strategy - a floor provides minimum downside protection, but the cost of this protection places a cap on the potential upside growth. Please see the next page for more detail on the portfolio.

The graph below illustrates the monthly Progressive Bonus returns from December 2010 to December 2011 after tax deduction, but before the deduction of charges and fees.



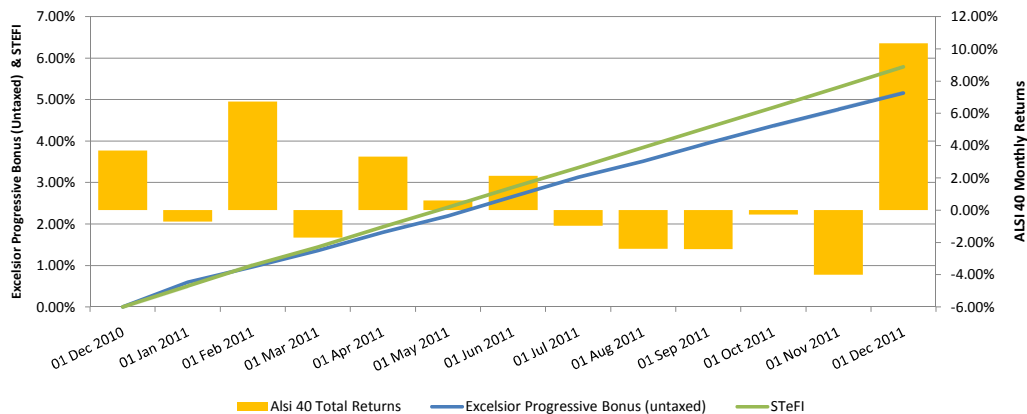
Source: Liberty Life

The following graph represents the monthly returns of the Progressive Bonus Portfolio, the JSE ALSI40, the STEFI Index and the Excelsior Managed Portfolio from December 2010 to November 2011 before deduction of tax, charges and fees.



Source: Liberty Life

The following graph represents the one year cumulative returns for the Progressive Bonus Portfolio and the SteFI before deduction of any taxation, charges and fees measured on the left axis, and the monthly JSE ALSI40 returns measured on the right axis. It clearly shows how the portfolio achieves stable returns while the market is very volatile.



About The Portfolio

Portfolio Manager:	The Excelsior Progressive Bonus Portfolio is managed by STANLIB.
Risk Profile:	The secure and stable investment returns offered by this portfolio are suitable for conservative investors.
Asset Allocation:	The portfolio consists of 100.0% invested in protected equity and the rest in cash.
Investment Objectives:	The portfolio objective is to provide monthly vesting bonuses that are linked to equity returns while providing capital protection.
Benchmark:	The portfolio benchmark is an average of a basket of monthly fully vesting portfolios offered by other similar companies excluding Liberty Life.
Bonus Declarations:	Bonuses are declared monthly in advance and are guaranteed to never be negative. Once added to the investment it vests fully.
Guarantees:	At portfolio level the monthly bonuses vest and are guaranteed never to be negative. At contract level the portfolio provides a return of allocation guarantee at all times. No guarantee charge is levied for this guarantee. The guarantee excludes the impact of ongoing advice fees and withdrawals.
Fees:	At portfolio level the fund manager levies an investment fee of 0.1% p.a. which is implicitly deducted in the unit pricing of the portfolio. The monthly vesting bonus is declared net of this fee. At contract level the inherent product fees and charges apply.
How does the portfolio work?	<p>This portfolio invests into the equity market via a combination of two derivative structures known as a "floor" and a "cap". This combination is referred to as a "collar".</p> <p>When markets go down. The derivative structure called a "floor" protects the investment value in times of negative market movement and provides the minimum downside protection that guarantees the portfolio bonuses will never be negative.</p> <p>When markets go up. The "cap" structure restricts the upside growth potential in the investment. The growth in excess of the "cap" is used to pay for the downside protection offered by the "floor" structure. The cost of this protection reduces the participation in potential upside growth of the equity market.</p> <p>These derivative structures provide protection for a specific period. The Progressive Bonus portfolio uses a number of derivative structures maturing at different times. The returns generated by these structures are captured at the maturity date and distributed via the monthly vesting bonuses. Once the maturity date of a derivative structure is reached, a new derivative structure is put in place to provide protection for a further interval. This results in natural smoothing of returns over time, while capital protection remains in place.</p>
Availability of the portfolio:	<p>The Excelsior Progressive Bonus and LA Excelsior Progressive Bonus portfolios are available on selected products in the Growth and Builder Series Investment products. Consult the Portfolio Grid to confirm the availability of these portfolios on specific products.</p> <p>New investments can be allocated to the Excelsior Progressive Bonus portfolio from inception. Switches from existing contracts can only take effect from the commencement of the month subsequent to that during which the switch request has been received.</p>
Asset Allocation:	The Excelsior Progressive Bonus is currently invested in a combination of Cash and Equities. The equity portion is currently invested in the TOPI 40 index. The portion is protected by derivative structures that are based on the TOPI 40 index.
Benefits:	<ul style="list-style-type: none">• Smoothed Return. A smoothed equity-linked return is provided by using a dynamic protection strategy.• Vesting Bonus. Bonuses are declared monthly and are guaranteed to never be negative. Once added to the investment it vests fully.• Certainty. Bonuses declared give investors certainty about what they will earn in the month to come.• Guarantees. The portfolio construction guarantees that monthly bonuses will never be negative. The portfolio provides a return of allocations guarantee at all times. No guarantee charge is levied for the capital protection. The guarantee excludes the impact of ongoing advice fees and withdrawals.