

# Aggressive Fund of Funds

As at 30 September 2011

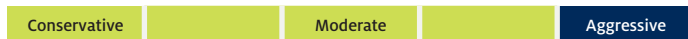
## Portfolio objective

The portfolio aims to provide investors with access to a fully invested equity portfolio managed on a segregated basis by pooling the best equity asset managers in the industry into a style neutral portfolio. This process ensures more predictable returns over time and significantly reduces volatility. The portfolio seeks to achieve growth in capital and income. STANLIB Multi-Manager manages the underlying assets.

## Portfolio facts

<b>Fund Managers</b>	Stanlib Asset Management
<b>Underlying Managers</b>	Stanlib Multi-Manager
<b>Launch Date</b>	1 November 1998
<b>Fund size</b>	R 8 258 255.70
<b>Classification</b>	Onshore Equity
<b>Benchmark</b>	100% FTSE/JSE All Share Index
<b>Once-off Charges</b>	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	0.85%
<b>Recurring Charges</b>	
Liberty Active Management Fee p.a.	0.425%
Fund Manager's Management Fee p.a.	1.425%
Maximum Shareholders' Participation in Surplus	10%
<b>Guarantee</b>	
At Maturity	None
On Death before Maturity	The greater of: Return of premiums; or The value of investments

## Risk profile



The risk profile of this portfolio has been adjusted to reflect the applicable investment guarantee. The risk profile applies, provided the investor remains in the portfolio for the duration of its guaranteed term.

## Quarterly commentary (2nd quarter)

**Malcolm Holmes**  
STANLIB Multi-Manager

Local equities were essentially flat for the quarter and have not advanced for the year to date. This consolidation was perhaps to be expected given the huge rally in the Q5 2010 and the onset of some rather disappointing macro-economic news in 2011.

Following the Japanese tsunami in Q1, focus shifted back to the sovereign debt problems within Europe and the "soft patch" emerging in the US economic growth path. With solid earnings growth coming through from companies, shares were re-rated during the quarter and on pure valuation grounds now look attractive assuming forecast earnings growth is delivered. In South Africa non-resource rand hedge shares (SAB, BTI and Richemont) performed well, as did interest rate sensitive consumer shares on the expectation that the first interest rate hike has been pushed into the Q1 2012. Large cap resources were the key detractor from returns during the quarter as economic sensitive assets struggled in a soft economic environment. Whilst only producing a small negative return, the fund ranked poorly relative to peers for the quarter. This has detracted from the longer term alpha, which has now in line with peers over the past 12 months.

At manager level, our largest manager in the fund (ABSA) performed best demonstrating a welcome return to form. The two other more defensive managers (ABAX and OASIS) also produced positive returns for the quarter. Albeit to a smaller weighting in the fund, our more aggressive mandates struggled due to bigger exposures to resources and large cap shares which performed poorly. A lack of exposure to SAB, BTI and Richemont detracted from returns in the Electus (OMIGSA) portfolio for the quarter, and holdings within the beta portfolio were insufficient to avoid underperformance at a total fund level. We think the environment is good for active managers and as such up weighted ABAX by 2% during the quarter. ABAX have significantly bolstered their team, have an excellent investment culture and are extremely well incentivised to continue delivering strong results for us going forward.

Looking forward, on valuation grounds, we maintain our positive/constructive stance on equities but fear that further de-rating may occur as markets digest whether or not the current soft patch is something more sinister. Whilst it is impossible to forecast the exact path of macroeconomic variables, based purely on valuations we believe that equities can deliver between 10% and 15% returns over the next 21 months. Assuming that it is driven by resource shares, as we suspect it will, the fund is well placed to deliver improved relative returns in the months ahead.

## Disclaimer

The information contained in this document does not constitute advice by Liberty. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Liberty 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, STANLIB.

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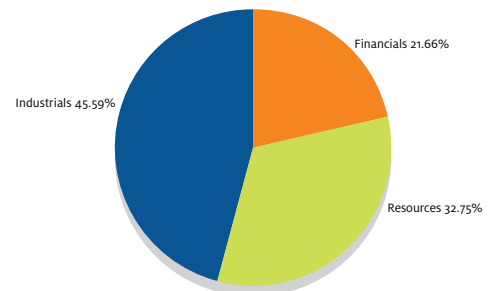
## Returns

### Rand returns

	Since inception	1 Year	3 Years	5 Years
<b>Single Premium Policies</b>				
Endowment	9.53%	1.42%	6.48%	5.09%
Retirement	10.24%	1.68%	6.94%	5.49%
<b>Annual Premium Policies</b>				
Endowment	10.24%	1.42%	6.10%	4.35%
Retirement	11.05%	1.68%	6.53%	4.73%
<b>Monthly Premium Policies</b>				
Endowment	10.11%	-6.64%	7.93%	4.22%
Retirement	10.92%	-6.62%	8.45%	4.60%

**Please Note:** Returns in this report are calculated on a sell-to-sell basis. Sell-to-sell returns apply to allocation (investment) amounts and are gross of any bid-offer spreads. These returns are net of tax, management fees and shareholder profit participation.

## Sector allocation



## Top 10 holdings

Anglo American	7.64%
MTN Group Limited	6.64%
BHP Billiton	6.03%
Sasol	5.81%
Standard Bank Group Limited	4.13%
Naspers	4.10%
Absa Group Ltd	3.35%
Old Mutual Plc	2.67%
British American Tobacco Holding	2.39%
Mr Price Group Limited	2.17%

## Underlying Portfolio's Investment Managers

ABAX Investments (Rainmaker)
ABSA Select Equity
Oasis Asset Managers
OMIGSA Select Equity
SMM Passive

Info & Queries: [factsheets@liberty.co.za](mailto:factsheets@liberty.co.za)