

Capital Preservation Fund

As at 30 September 2011

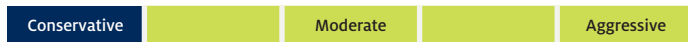
Portfolio objective

This portfolio is for the investor whose policy has matured or is nearing maturity and has no tolerance for risk, or needs a short-term, tax efficient investment vehicle. The portfolio is invested into a diversified portfolio of approved money market instruments issued by South African Government parastatals, corporates and banking institutions. This portfolio seeks to maximise interest income, preserve the portfolio's capital and provide immediate liquidity. Returns are associated with deposits and should normally be higher than call accounts.

Portfolio facts

Fund Managers	STANLIB Wealth Management
Underlying Managers	STANLIB Asset Management
Launch Date	1 November 1998
Fund size	R 178 361 913.14
Classification	Onshore Cash
Benchmark	3 month STEFI
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	0%
Recurring Charges	
Liberty Active Management Fee p.a.	0.75%
Fund Manager's Management Fee p.a.	0.75%
Maximum Shareholders' Participation in Surplus	0%
Guarantee	
At Maturity	Return of premiums
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)

Ansie van Rensburg
STANLIB Asset Management

During the quarter under review the Reserve Bank elected to keep the repo rate unchanged, this was in line with market expectations.

The Governor's speech after the May MPC meeting made reference to the fact that the Reserve Bank is expecting the upper limit of the inflation target to be breached in the final quarter of 2011 and to peak at 6.3% in the first quarter of 2012. Inflation is expected to return within range by the second quarter of 2012. This pressure on inflation is expected to come from administered price increases, according to the Reserve Bank the main risks to the inflation outlook continue to emanate from cost push pressures. The Governor highlighted the bank will monitor closely the second round effects which can result in more generalised inflation. The market will watch closely the Governor's comments after the July MPC meeting 21st July.

The forward rate agreements are pricing in the expectation of a rate hike in the last quarter of 2010.

With inflation fears the longer the Money Market curve has adjusted to price in a rate hike. The shorter end has remained flat. Floating rate notes and shorter dated instruments are currently more favourable.

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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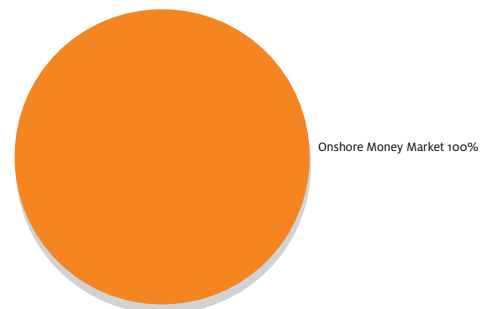
Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	5.43%	2.24%	3.48%	4.18%
Retirement	7.03%	4.14%	5.97%	6.95%
Annual Premium Policies				
Endowment	4.53%	2.24%	3.03%	3.71%
Retirement	6.52%	4.14%	5.32%	6.33%
Monthly Premium Policies				
Endowment	4.44%	2.18%	2.79%	3.61%
Retirement	6.47%	4.06%	4.97%	6.20%

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.

Asset allocation



Top holdings

Money Market Portfolio managed by STANLIB

100%