

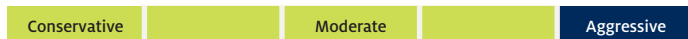
Portfolio objective

This portfolio takes a more conservative approach, in foreign currency terms, to providing capital growth through investment in a combination of equity and bond funds. The bond fund element in the portfolio should result in lower level of volatility compared to a 100% equity portfolio. It should appeal to investors seeking capital growth but wanting a lower level of risk than a purely equity portfolio would provide.

Portfolio facts

Fund Managers	STANLIB Asset Management
Underlying Managers	Fidelity Investments
Launch Date	1 June 1998
Fund size	R 392 700 337.68
Classification	Offshore Managed
Benchmark	65% MSCI World Index 25% SSB World Govt Bond Index 10% JP Morgan Cash
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	1%
Recurring Charges	
Liberty Active Management Fee p.a.	0.75%
Fund Manager's Management Fee p.a.	1%
Maximum Shareholders' Participation in Surplus	10%
Guarantee	
At Maturity	None
On Death before Maturity	The greater of: Return of allocations; 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)

Fund review

Equity markets moved broadly sideways though the second quarter, with a very strong rally in the final week of the month tipping the score into positive territory. The MSCI World index rose by 0.7% in US Dollar terms, leaving it up 5.6% for 2011 so far. From a sector perspective, in very broad terms cyclically sensitive areas tended to underperform, led on the downside (inter alia) steel, energy and mining, while defensive sectors like pharmaceuticals and foods led on the upside.

While the travails of the Eurozone continued to dominate the headlines, the specific impact of European news flow was, as regional performances suggest, less easy to discern in the markets, save perhaps for the month-end rally which coincided with a supposed "deal" agreed between EU Governments and Greece's creditors together with the passing of the next round of austerity measures in the Greek parliament. Even so it's probably just as plausible to attribute the end-quarter rally to a technical rally as much as to anything especially fundamental.

Looking ahead

Certainly one of the more encouraging features of the year has been investor willingness to see the world as a glass half-empty rather than half-full, suggesting the that there is plenty of cash still on the sidelines. Indeed, with US equity mutual fund outflows continuing at a hefty pace, it is difficult to describe sentiment as anything other than cautious- a good sign from a contrarian point of view! Given that equity valuations appear reasonable there remains scope for any positive economic and/or earnings surprise to be taken very positively by the market. We shall see what earnings season brings us.

The overall shape of the portfolio has once again not changed markedly over the past quarter. The Manager continues to favour emerging markets, especially relative to continental Europe and the UK. Sector and industry positions also remain largely unchanged. IT and high quality industrial cyclical sectors continue to provide best ideas while the Manager struggles to find many good ideas among the world's major banks.

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.

Liberty Group Limited - an Authorised Financial Services Provider in terms of the FAIS Act. (license no. 2409)

Liberty Active Limited reg. No. 1984/011344/06, a wholly owned subsidiary of Liberty Group Limited.

Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	4.57%	7.37%	-0.22%	-0.10%
Retirement	4.67%	8.36%	-0.36%	-0.23%

Annual Premium Policies

Endowment	2.70%	7.37%	2.08%	0.62%
Retirement	2.81%	8.36%	2.31%	0.61%

Monthly Premium Policies

Endowment	2.56%	7.94%	3.50%	0.79%
Retirement	2.68%	9.02%	3.85%	0.74%

Dollar returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	1.10%	-7.69%	0.38%	-0.99%
Retirement	1.19%	-6.84%	0.24%	-1.11%

Annual Premium Policies

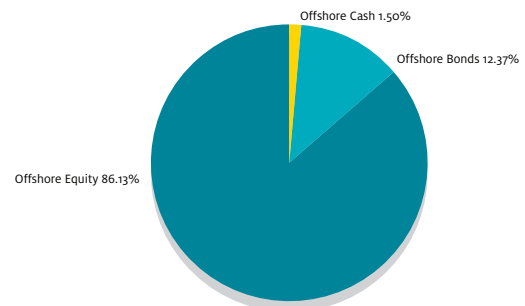
Endowment	-0.71%	-7.69%	2.70%	-0.27%
Retirement	-0.60%	-6.84%	2.93%	-0.28%

Monthly Premium Policies

Endowment	-0.85%	-7.20%	4.13%	-0.10%
Retirement	-0.74%	-6.27%	4.48%	-0.15%

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 10 holdings

STANLIB International Aggressive Fund Of Fu	33.66%
STANLIB International Balanced Fund Of Fund	20.28%
Fidelity Funds- International Bond Fund	12.37%
STANLIB Global Equity Feeder Fund (Class R)	8.61%
Fidelity Funds- Portfolio Selector Global G	6.77%
Fidelity Funds- International Fund USD	6.62%
Fidelity Funds- Global Sector Fund A Accumu	5.94%
STANLIB Multi-Manager Global Equity Feeder	2.15%
Fidelity Funds- Global Focus Fund USD Share	2.09%
Fidelity USD Fund : Accumulating Shares	0.85%