

Offshore Equity Fund

As at 30 September 2011

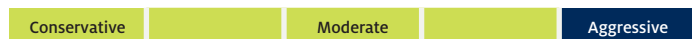
Portfolio objective

This portfolio is suitable for the investor whose policy has matured and wishes to participate in the offshore equity market without using his/her foreign exchange allowance. This portfolio aims to achieve capital growth from a worldwide portfolio of equities including major markets and smaller emerging markets. International asset allocation is based on the relative attractiveness of individual markets but is unlikely to vary significantly from the index neutral weights. Local portfolio managers select holdings within individual markets, based on the attractions of individual companies.

Portfolio facts

| | |
|--|---|
| Fund Managers | STANLIB Wealth Management |
| Underlying Managers | Fidelity Investments |
| Launch Date | December 1998 |
| Fund size | R 2 271 093.43 |
| Classification | Offshore Equity |
| Benchmark | 100% MSCI World Index |
| 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 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)

Kent Grobbelaar
STANLIB Asset Management

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 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.

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Returns

Rand returns

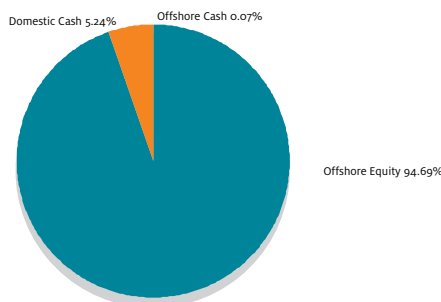
| | Since inception | 1 Year | 3 Years | 5 Years |
|---------------------------------|-----------------|--------|---------|---------|
| Single Premium Policies | | | | |
| Endowment | 1.40% | 9.13% | -1.44% | -1.96% |
| Retirement | 1.60% | 9.91% | -1.23% | -1.78% |
| Annual Premium Policies | | | | |
| Endowment | 1.22% | 9.13% | 2.09% | -0.85% |
| Retirement | 1.53% | 9.91% | 2.47% | -0.60% |
| Monthly Premium Policies | | | | |
| Endowment | 1.06% | 0.89% | 3.84% | -0.74% |
| Retirement | 1.37% | 1.24% | 4.36% | -0.47% |

Dollar returns

| | Since inception | 1 Year | 3 Years | 5 Years |
|---------------------------------|-----------------|---------|---------|---------|
| Single Premium Policies | | | | |
| Endowment | -1.24% | -6.18% | -2.31% | -5.03% |
| Retirement | -1.05% | -5.51% | -2.11% | -4.85% |
| Annual Premium Policies | | | | |
| Endowment | -1.42% | -6.18% | 1.18% | -3.94% |
| Retirement | -1.12% | -5.51% | 1.57% | -3.71% |
| Monthly Premium Policies | | | | |
| Endowment | -1.58% | -13.26% | 2.92% | -3.84% |
| Retirement | -1.27% | -12.96% | 3.43% | -3.58% |

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

| | |
|-----------------------------------|--------|
| STANLIB High Alpha Origin Class B | 94.69% |
| Cash | 5.31% |