

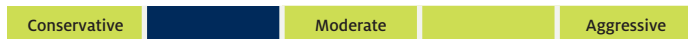
Portfolio objective

The portfolio targets real returns, while seeking to minimise the risk of loss. The portfolio consists of a carefully structured and well-diversified mix of quality equity, property, fixed interest and other assets. The portfolio aims to produce net returns of CPI plus 2% after tax and charges. It should suit investors who require a managed portfolio with all the advantages of a guaranteed assurance policy. STANLIB Asset Management manages this portfolio.

Portfolio facts

Fund Managers	STANLIB Wealth Management
Underlying Managers	STANLIB Asset Management
Launch Date	1 November 2003
Fund size	R 119 202 602.36
Classification	Managed
Benchmark	CPI
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	0%
Recurring Charges	
Liberty Active Management Fee p.a.	1.5%
Fund Manager's Management Fee p.a.	0%
Maximum Shareholders' Participation in Surplus	10%
Guarantee	
At Maturity	None
On Death before Maturity	The greater of: Return of premiums; Return of allocations plus 4.25% p.a.; 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)

Henry Munzara
STANLIB Asset Management

Fund Review

The muted YTD performance of the equity market has now brought valuations within reasonable range and we await opportunities to increase our exposure and thereby tilt the fund toward growth assets, whose performance we require to make good on the CPI+ target. However we will remain disciplined in our approach as our dual objective (capital preservation and inflation beating returns) requires that we only increase exposure to growth assets and when we believe that we will be adequately compensated for the risk (capital loss). As for the other growth asset-listed property- we remain positive and retain our current holding. Within the fixed income space (defensive assets) our preference is for cash and JIBAR linked instruments as we believe that bonds remain expensive. We also retain our offshore exposure as it remains fund "insurance" in the event of ZAR weakness.

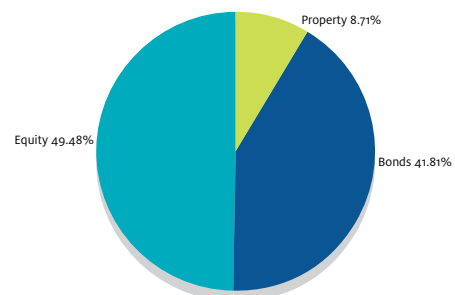
Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	7,31%	0,84%	4,62%	4,47%
Retirement	9,19%	1,75%	7,20%	6,49%
Annual Premium Policies				
Endowment	5,49%	0,84%	3,55%	3,63%
Retirement	7,54%	1,75%	6,01%	5,79%
Monthly Premium Policies				
Endowment	5,26%	0,77%	4,50%	3,63%
Retirement	7,29%	2,25%	7,11%	5,83%

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

MTN Group Limited	11.22%
Sasol Ltd	7.77%
Anglo American Plc	6.63%
Billiton Plc	4.89%
SAB Miller Plc	4.10%
British American Tobacco Plc	3.98%
Compagnie Fin Richemont	3.88%
First Rand Ltd	3.80%
New Gold	3.43%
Steinhoff Int. Holdings	3.41%

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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