

Aggressive Fund of Funds

As at 31 October 2011

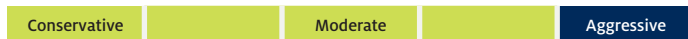
Portfolio objective

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

Fund Managers	Stanlib Asset Management
Underlying Managers	Stanlib Multi-Manager
Launch Date	1 November 1998
Fund size	R8 809 984,91
Classification	Onshore Equity
Benchmark	100% FTSE/JSE All Share Index
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	0.85%
Recurring Charges	
Liberty Active Management Fee p.a.	0.425%
Fund Manager's Management Fee p.a.	1.425%
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 (3rd quarter)

Malcolm Holmes
STANLIB Multi-Manager

Our fear of a market related de-rating on the back of a deteriorating global growth picture came to fruition in Q3. Not only was US growth revised downwards, but in a surprising move Standard and Poor's downgraded the fiscal prospects of the US and a lack of political leadership in Europe threatened to convert a spiraling European Debt crisis into a global recession. The whirlwind of economic noise created during the quarter contributed to significant uncertainty and weakness in risk assets. The depreciation of the rand and other EM currencies relative to the Dollar, the collapse in commodity prices, the drop in the US 10 year Treasury yield to below 2% and ultimately the 5.8% fall in the JSE All Share index were all indicative of this lack of confidence.

Albeit that the Fund outperformed the market for the quarter, it underperformed the peers primarily because we have a more sanguine view of the current economic environment (we are looking through the noise) and are positioned to benefit from continued corporate earnings growth (+15% over next 12 months) and attractive valuations (11x forward PE). On an earnings yield of 7.5%, we also find equities attractive relative to bonds. Signs of improved global environment are starting to emerge in the growth, employment and tax receipt statistics in the US and together with a rebound in Japan we are expecting 2nd half global growth to be better than the 1st half. We suspect that greater clarity on a more defined solution to the European debt crisis will emerge in the 4th quarter and should this transpire, then the overweight position in resources in the Fund will be well rewarded. This position is coming primarily from Polaris, although we note with interest that many equity managers in South Africa are finding this part of the market attractive on valuation grounds.

At a manager level, ABSA protected well, benefiting from a higher exposure to interest rate sensitive investments, whilst OMIGSA struggled given their greater exposure to economic sensitive assets like Anglos, Lonmin and Arcelor Mittal. Looking forward, and assuming our view on the world transpires, then we believe the overall portfolio is well positioned for a re-rating of equities.

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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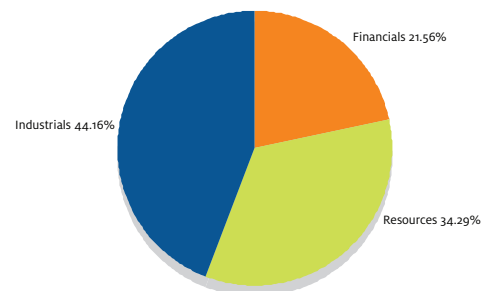
Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	10.04%	5.60%	12.09%	5.72%
Retirement	10.77%	5.99%	12.74%	6.14%
Annual Premium Policies				
Endowment	11.03%	5.60%	10.36%	6.37%
Retirement	11.86%	5.99%	10.94%	6.80%
Monthly Premium Policies				
Endowment	10.95%	5.67%	12.24%	6.77%
Retirement	11.78%	6.06%	12.88%	7.21%

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	7.61%
MTN Group Limited	6.98%
Sasol	6.30%
BHP Billiton	6.29%
Naspers	4.37%
Standard Bank Group Limited	3.94%
Absa Group Ltd	3.05%
Old Mutual Plc	2.82%
Remgro Ltd	2.38%
Anglogold Ltd	2.27%

Underlying Portfolio's Investment Managers

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

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