

# Focused Fund of Funds

As at 31 October 2011

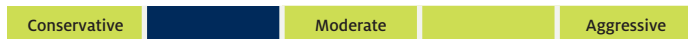
## Portfolio objective

The portfolio comprises high quality equity and fixed interest funds. The manager ensures ongoing assessment of local markets, adjusting the composition constantly to take advantage of changing economic conditions. The portfolio is actively managed for optimum growth. It should suit investors who require a managed, high growth South African portfolio with all the advantages of a guaranteed assurance policy. STANLIB Wealth Management manages this portfolio.

## Portfolio facts

<b>Fund Managers</b>	STANLIB Wealth Management
<b>Underlying Managers</b>	Stanlib Asset Management
<b>Launch Date</b>	1 July 1995
<b>Fund size</b>	R74 739 979,95
<b>Classification</b>	Onshore Managed
<b>Benchmark</b>	70% FTSE/JSE All Share Index 20% All Bond Index 10% Alex Forbes Money Market Index
<b>Once-off Charges</b>	
Allocation Charges and Policy Fees	As per policy quote/available on request
Bid-offer Spread	1%
<b>Recurring Charges</b>	
Liberty Active Management Fee p.a.	0.75%
Fund Manager's Management Fee p.a.	1%
Maximum Shareholders' Participation in Surplus	10%
<b>Guarantee</b>	
At Maturity	None
On Death before Maturity	The greater of: Return of allocations at 3% 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 (3rd quarter)

### Fund Review

One of the star performers during the quarter was the Fund's investment in the New Gold ETF. The global debt crisis coupled to a structural increase in the demand for gold plus a weaker South African Rand was positive for the New Gold ETF. We have not altered our bond exposure in the Fund. We have a dovish view on interest rate hikes in South Africa and believe that rates will remain flat late into 2012. The Fund's weighting in SA equities remains relatively unchanged quarter to quarter. We continue to be cautious on the SA equity market with a preference for global equities, which in our opinion offers better value.

We changed the Resource exposure of the Fund, continuing to favour the diversified commodity shares over the single commodity stocks. The two resource trades made were the sale of Exxaro (coal play) into Anglo American and the reduction in the Sasol holding to increase the Fund's weighting in BHP Billiton. Both Anglo American and BHP Billiton are attractive relative to historical valuations, while Sasol is fully valued given its project pipeline and earnings growth profile. We maintained our large exposure to consumer related shares being of the opinion that the consumer will be the driver of South African economic performance over the next few years. Thus the Fund has large exposures to telecoms, retailers and healthcare. A large portion of the Fund is invested in MTN and Vodacom. Telecoms shares are cash generative with decent dividend payout ratios. Retailing shares such as Woolies, Shoprite and Mr Price provide the Fund with direct exposure to the SA consumer. Healthcare remains an overall theme and the Fund's exposure to Aspen, Life Healthcare and Netcare will provide the necessary exposure to the sector. FirstRand and Nedbank remain our preferred banking shares.

### Looking Ahead

Going into the 4th quarter of 2011, our view is that global equities will continue to outperform domestic equities. We continue to position the Fund for moderate SA GDP growth that remains consumer driven. The Fund's SA equity holdings target companies that are exposed to the global commodity cycle and the SA consumer. Our commodity exposure is a hedge against continued global volatility and the European debt situation.

## 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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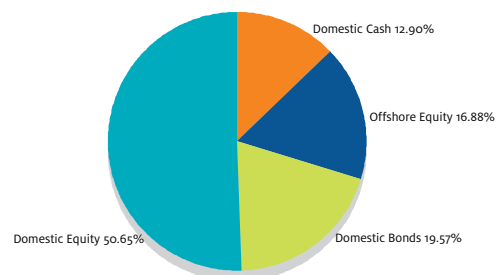
## Returns

### Rand returns

	Since inception	1 Year	3 Years	5 Years
<b>Single Premium Policies</b>				
Endowment	8.60%	10.08%	10.24%	6.38%
Retirement	9.24%	10.66%	10.93%	6.90%
<b>Annual Premium Policies</b>				
Endowment	8.86%	10.08%	10.45%	6.41%
Retirement	9.54%	10.66%	11.08%	6.91%
<b>Monthly Premium Policies</b>				
Endowment	8.93%	10.86%	12.39%	6.50%
Retirement	9.61%	11.48%	13.07%	6.99%

**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 High Alpha Origin Class B	13.98%
Republic of South Africa 6.75% March 2012	5.98%
BHPBilliton Plc	5.34%
STD PLFD-3.03=5.97% FM 28032012	4.96%
Anglo American Plc	4.69%
MTN Group Limited	4.67%
R207 7.25% 15/01/2020	3.87%
RSA R186 10.50% 21/12/2026	3.23%
British American Tobacco PLC	2.90%
New Gold	2.89%