

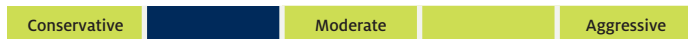
Portfolio objective

This portfolio invests in equities and secure, high yielding fixed interest instruments, both domestic and offshore. The emphasis is on high quality shares and bonds providing an excellent balance between risk and return. The objective of the portfolio is to provide the investor with a balanced high calibre investment with security of capital. STANLIB Asset Management manages this portfolio.

Portfolio facts

Fund Managers	STANLIB Asset Management
Underlying Managers	STANLIB Asset Management
Launch Date	1 January 1989
Fund size	R1 674 374 989,51
Classification	Onshore Managed
Benchmark	Conventional Balanced Fund
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	0%
Recurring Charges	
Liberty Active Management Fee p.a.	1,50%
Fund Manager's Management Fee p.a.	0%
Maximum Shareholders' Participation in Surplus	10%
Guarantee	
At Maturity	Return of allocations plus 3% p.a.
On Death before Maturity	The greater of: Return of premiums; or Return of allocations plus 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)

STANLIB Asset Management

Over the quarter most of the alpha generation in our balanced funds came from stock selection within the domestic equity block, although overall asset allocation was also a contributor.

The strategy was directionally unchanged in the third quarter of 2011 whereby, from a tactical asset allocation perspective, the underweight domestic equity and bond position was maintained, given the continued macro uncertainty surrounding peripheral Europe, as well as the sovereign debt downgrade risk in greater Europe and potential slowdown in China. However, the domestic equity underweight was increased and bond underweight reduced given the increasing risk to a growth slowdown both in SA and globally. The overweight offshore equity position was maintained given the relative attractiveness of offshore equity markets relative to the domestic market. The prudence in equity stock selection was retained given the continued uncertainty as to the longevity and sustainability of the global economic recovery, together with the risk of margins peaking at record levels in many sectors and therefore earnings being close to peak levels for this business cycle.

The weighting to cash also remained overweight and given the expectation for income generation the manager was "fully" invested in property.

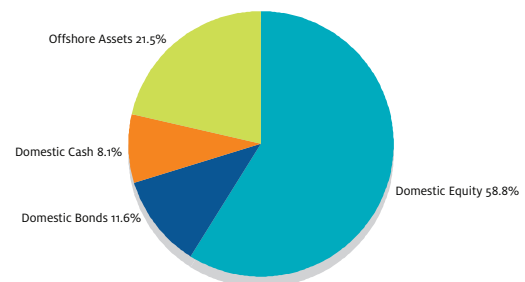
Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	14,02%	7,80%	8,13%	5,67%
Retirement	15,51%	8,70%	9,22%	6,31%
Annual Premium Policies				
Endowment	12,57%	7,80%	7,82%	5,49%
Retirement	13,84%	8,70%	8,88%	6,24%
Monthly Premium Policies				
Endowment	12,40%	10,00%	9,27%	5,61%
Retirement	13,63%	11,18%	10,52%	6,37%

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	10.0%
Sasol Ltd	6.9%
Billiton Plc	6.7%
British American Tob	5.0%
Sab Miller Plc	5.0%
Anglo American Plc	5.0%
First Rand Ltd	3.8%
Steinhoff Int. Holdi	3.6%
Tiger Brands Limited	3.4%
Compagnie Fin Richem	3.0%

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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