

Portfolio objective

This is a low risk portfolio with stable returns. A high quality property portfolio invested mainly in prime retail sites, offices, hotels and industrial developments. The investor can reduce investment risk with steady returns, underlying guarantees and also diversification from volatile equities. The portfolio is managed by the Liberty Group.

Portfolio facts

Fund Managers	Liberty Life Properties
Launch Date	1 January 1985
Fund size	R299 001 376,17
Classification	Onshore Property
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%
Fund Manager's Management Fee p.a.	0%
Maximum Shareholders' Participation in Surplus	10%
Guarantee	
At Maturity	Return of allocation plus 3% p.a.
On Death before Maturity	The greater of: Return of allocations plus 3% p.a.; or The value of investments

Risk profile

Conservative		Moderate		Aggressive
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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 2011)

Liberty Properties

- The portfolio has successfully navigated 2009 and 2010, the years that were thought to have been most affected by recessions and further residual impacts of the recession.
- The income portion of the return provided stability once again despite property users having to incur soaring operating costs from non-controllable utilities, property rates and taxes.
- Better capital appreciation in 2010 than 2009 was due to continual improvement and resilience in our quality portfolio.
- The 2010 returns on the Liberty Property portfolio managed to handsomely outperform cash returns and inflation for the year.
- The portfolios listed property performance contributed favourably to returns in 2010, but the cash holding, while reducing risk at portfolio level, held back performance.
- Vacancies are very low at 2.5% of the total portfolio in comparison to competitors and other property offerings in market as the demand for space at our premier shopping centres remains high.
- Lower returns than prior years are more than offset by structurally lower inflationary environment resulting in sound real returns. The performance target of CPI plus 5% over 5 years is being comfortably achieved.
- Taking global factors into account as well as the sustained volatility in the local equity markets, the Liberty Property portfolio provided a good risk-adjusted return for all policyholders, across all product structures for 2010.
- Looking forward, and taking into account the recovery of the consumer and the rejuvenation of some of our key assets –the outlook for the portfolio, over the 3-5 year horizon is positive.

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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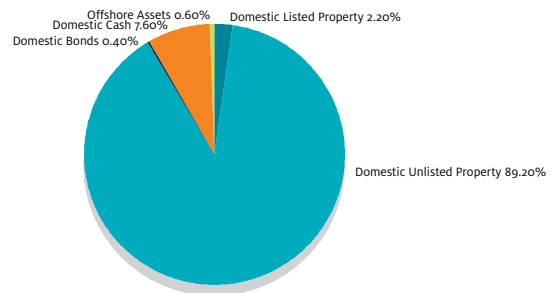
Returns

Rand returns

	1 Year	3 Years	5 Years	10 Years
Single Premium Policies				
Endowment	5.13%	6.50%	8.61%	9.28%
Retirement	6.61%	8.37%	10.71%	11.04%

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

Eastgate Shop Centr	22.14%
Sandton City	18.78%
Nelson Mandela Sq	4.82%
Liberty Midlands Mal	4.56%
Greenacres	3.91%
Liberty Promenade	2.03%
Alberton City	1.65%
The Atrium	0.15%
Game Sandton	0.10%
Nelson Mandela Sq	0.08%