

Balanced Fund of Funds

As at 30 November 2011

Portfolio objective

The investment is more balanced in nature and seeks to provide capital growth through investment in a combination of equity and bond funds. The bond element in the portfolio should result in a lower level of volatility, compared with a 100 per cent equity portfolio.

Portfolio facts

Fund Managers	STANLIB Wealth Management
Underlying Managers	Stanlib Multi-Manager
Launch Date	1 November 1998
Fund size	R 24 599 439,29
Classification	Onshore Managed
Benchmark	50% FTSE/JSE All Share Index 35% All Bond Index 15% Stefi Call Deposit 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	Return of allocations at 3% p.a.
On Death before Maturity	The greater of: Return of premiums; 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)

Malcolm Holmes STANLIB Multi-Manager

It was a rough quarter for global stock markets. Fears of a Greek default ran high culminating in a plunge in early August. Shares gyrated wildly thereafter, ultimately ending off near quarter lows. Weak data releases (manufacturing, confidence, employment) made markets question whether we were headed for another global recession and the negative impact this would have on corporate profitability. In reality there was a mixed bag of economic data, but the dour mood of the markets dominated. Ultimately we believe weak political leadership to be the core problem — US political bickering and the inability of eurozone leaders to take decisive action have severely dented market confidence. The All Share Index was down sharply (-5.8%) for the quarter, with resource stocks particularly hard hit. Interest rate sensitive asset classes continued to climb with the market focusing on growth concerns likely keeping interest rates lower for longer; income (+3.0%), bonds (+2.8%) and property (+2.2%) did well over the quarter, despite foreign investors dumping emerging market bonds in September. Cash returned 1.4%. In rand terms, global equities were down (-2.6%) with the loss mitigated by rand weakness; global bonds were up strongly (+19.4%) mainly due to rand weakness.

At quarter end, on a see-through basis, we were overweight both local and global equities relative to benchmark. We were slightly underweight our property building block, neutral our absolute income building block and underweight cash. We ended the quarter with our foreign exposure neutral relative to benchmark.

The Fund delivered a return of -1.6% for the quarter, lagging the mean peer by 0.7%. We ascribe this to disappointing performance from our equity building block (which we are in the process of reviewing) and our overweight to foreign equities relative to peers. On a pleasing note, Our Absolute Income fund continued its good performance, ranking 18/53 for the quarter. Over the past 3 years the Fund has delivered a return of 8.1% per annum, ranking 18/31, and in line with peers.

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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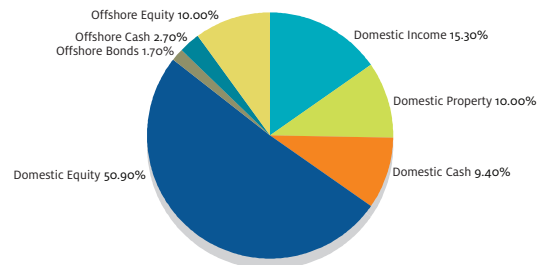
Returns

Rand returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	9.47%	3.98%	8.49%	5.04%
Retirement	10.23%	4.38%	9.23%	5.62%
Annual Premium Policies				
Endowment	8.86%	3.98%	7.36%	5.44%
Retirement	9.71%	4.38%	7.99%	6.01%
Monthly Premium Policies				
Endowment	8.66%	3.83%	7.64%	5.45%
Retirement	9.51%	4.31%	8.24%	6.02%

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 Multi-Manager Equity Fund B2 Class	45.82%
STANLIB Multi-Manager Real Return feeder B1	14.71%
STANLIB Multi-Manager Absolute Income Fund B2	9.92%
STANLIB Multi-Manager Global Equity Fund (USD)	9.66%
STANLIB Multi-Manager Property Fund B2	9.28%
Investment Solutions High Income Fund C	4.19%
Stanlib USD Short Term Money Market (USD)	2.03%
STANLIB Multi-Manager Global Bond Fund (USD)	1.68%
STANLIB USD Short Term Money Market (Eur)	0.66%

Effective manager exposure

Equity Managers

ABAX Investments (Rainmaker)
Absa Select Equity
SMM Passive
Oasis Asset Management
OMIGSA Select Equity

Real Return Managers

Coronation
Prescient
ABSA Capital
Omigsa Capital
Income Managers
Cadiz African Harvest
Cadiz African Harvest (High Yield)

Cash Managers

Investec
Prescient

Property Managers

Catalyst
STANLIB Asset Management

Bond Managers

Prescient
Investec
Coronation