

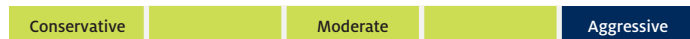
Portfolio objective

This portfolio takes a more conservative approach, in foreign currency terms, to providing capital growth through investment in a combination of equity and bond funds. The bond fund element in the portfolio should result in lower level of volatility compared to a 100% equity portfolio. It should appeal to investors seeking capital growth but wanting a lower level of risk than a purely equity portfolio would provide.

Portfolio facts

Fund Managers	STANLIB Asset Management
Underlying Managers	Fidelity Investments
Launch Date	1 June 1998
Fund size	R 405 946 893,22
Classification	Offshore Managed
Benchmark	65% MSCI World Index 25% SSB World Govt Bond Index 10% JP Morgan Cash
Once-off Charges	
Allocation Charges and Policy Fees	As per policy quote
Bid-offer Spread	1%
Recurring Charges	
Liberty Active Management Fee p.a.	0.75%
Fund Manager's Management Fee p.a.	1%
Maximum Shareholders' Participation in Surplus	10%
Guarantee	
At Maturity	None
On Death before Maturity	The greater of: Return of allocations; 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)

Equity markets again fell sharply in September as fears of a return to global recession combined with continued turbulence in the Eurozone to drive investors away from all risky assets, even the previous "safe haven" of gold.

As you might expect, analysts have – after the market fall of course – become far more cautious on corporate earnings prospects, with upgrade/downgrade ratios heading rapidly to "recessionary" sub-30% levels, even though the quantum of average downgrade is at this stage still modest. Valuations have thus fallen to historically low levels with the world index currently trading at 11x 2011 earnings and (if the forecasts are to be believed) below 10x 2012.

Our approach has continued to suffer through this sharp market correction. One reason is our bias towards mid-cap companies at a time when investors are flocking to the "safety" of the largest stocks. At the same time the market has punished a large number of undervalued cyclical names without any evidence that their business prospects are materially deteriorating. Where the evidence has indeed been deteriorating we have of course already been selling. Looking ahead, investors should eventually refocus on those companies which are able to maintain high profitability and growth, which of course is what we shall continue to do.

The overall shape of the portfolio has changed somewhat over the past month with a reduction in industrial exposure in favour of consumers and services. Our largest overweight position remains in technology with a continuing substantial underweighting of financials. Our largest regional position remains our overweighting of North America, while we remain underweight in Europe and the UK.

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	4.73%	8.39%	1.23%	0.89%
Retirement	4.84%	9.45%	1.30%	0.81%

Annual Premium Policies

Endowment	3.02%	8.39%	3.40%	1.71%
Retirement	3.16%	9.45%	3.71%	1.74%

Monthly Premium Policies

Endowment	2.89%	10.87%	5.28%	1.84%
Retirement	3.04%	12.15%	5.81%	1.90%

Dollar returns

	Since inception	1 Year	3 Years	5 Years
Single Premium Policies				
Endowment	1.27%	-5.29%	8.70%	-1.61%
Retirement	1.38%	-4.37%	8.77%	-1.69%

Annual Premium Policies

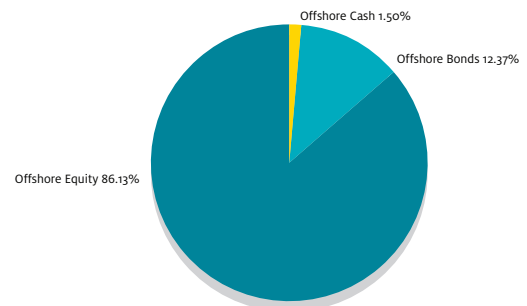
Endowment	-0.39%	-5.29%	11.03%	-0.81%
Retirement	-0.25%	-4.37%	11.37%	-0.78%

Monthly Premium Policies

Endowment	-0.51%	-3.13%	13.05%	-0.68%
Retirement	-0.37%	-2.01%	13.61%	-0.63%

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 International Aggressive Fund Of Fu	33.66%
STANLIB International Balanced Fund Of Fund	20.28%
Fidelity Funds- International Bond Fund	12.37%
STANLIB Global Equity Feeder Fund (Class R)	8.61%
Fidelity Funds- Portfolio Selector Global G	6.77%
Fidelity Funds- International Fund Usd	6.62%
Fidelity Funds- Global Sector Fund A Accumu	5.94%
STANLIB Multi-Manager Global Equity Feeder	2.15%
Fidelity Funds- Global Focus Fund Usd Share	2.09%
Fidelity Usd Fund : Accumulating Shares	0.85%