

Lifestyle Balanced Bonus Portfolio



As at 30 September 2011

Portfolio objective

This Portfolio consists of a balanced mix of equities, bonds, property and cash investments. The balanced asset mix provides asset sector diversification, lowering the inherent risk profile of the Portfolio. Bonuses declared for this Portfolio are smoothed each year, providing the investor with more stable returns from year to year than under a market value portfolio. Over long periods, the bonuses on this Portfolio should reflect the performance of the underlying assets. The Portfolio provides a guaranteed minimum return at specific dates.

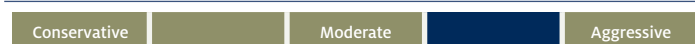
Portfolio facts

Management company	STANLIB
Launch date	December 1985
Portfolio type	Single Manager
Portfolio size	R 237,211,810
Guarantee available	An optional guarantee is available on this portfolio

The performance of the portfolio benchmark over time provides the basis against which the portfolio manager will be measured.

Please consult the current portfolio grid for any current restrictions on the availability of portfolios for new business and switching.

Risk profile



No adjustment has been made to the above risk profile for the guaranteed version of the portfolio. If a guarantee is selected on the portfolio, then the risk profile will be lower, provided the investor remains in the guaranteed portfolio for the duration of its guaranteed term.

What return is this portfolio designed to achieve?

Expected return*	CPI + 3.5%
Investment horizon	8 years

The Consumer Price Index (CPI) measures the increase in the price of the basket of goods an average family would buy over a specified period of time.

* Expected return is after the deduction of tax but before any Liberty Life charges and fees have been deducted.

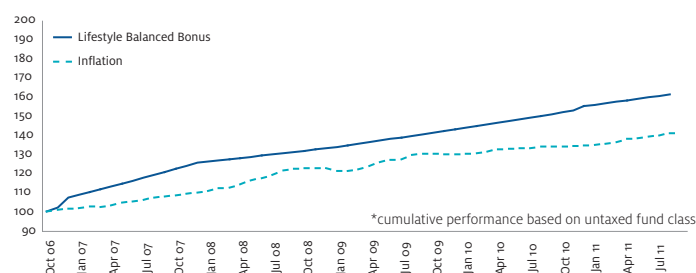
Quarterly commentary (2nd quarter)

The prudent stock selection strategy taken within the equity component has been the main detractor from longer dated performance, given the extent of high beta stocks outperformance over those periods. However, performance has improved substantially over the past 12 months as many of these high beta stocks retreated as risk aversion increased. Over the quarter, the portfolio was overweight International Equities (BTI) and Food & Beverages, as well as an underweight in Basic Resources and Retail, which were the main contributors to outperformance. The sectors that detracted from performance were overweight's in Industrial Goods & Services and underweight's in Financial Services and Media.

The 1 year return for the Bond portfolio was in line with that of the All Bond Index. A huge demand for credit bonds was seen over the last quarter, and this trend is expected to carry on in the third quarter. The 10 year RSA 2021 bond opened the quarter at 8.7%, the highest level for the period, and ended the quarter at 8.4%. There were some changes in the portfolio that were a result of changes in the cover position – see the below commentary for detail in this regard.

Global bonds outshined the other offshore asset classes over the 2nd quarter in Rand terms and as a result the underweight position to this asset class detracted from the overall performance of the portfolio. However, stock selection within the global equity portfolio contributed positively to returns, while the tactical stance to be overweight the asset class detracted from the portfolio's performance. The underweight hedge fund position and the higher cash allocation added to performance over the composite benchmark.

Performance

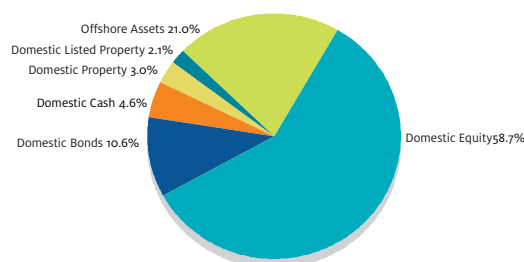


Returns

	3 Mths	6 Mths	1 Yr	2 Yrs	3 Yrs	5 Yrs	8 Yrs	10 Yrs
Taxed	1.23%	2.47%	5.62%	6.43%	6.32%	8.52%	10.84%	9.58%
Retirement Annuity	1.47%	2.96%	6.62%	7.43%	7.33%	9.73%	12.12%	10.67%
Inflation	1.46%	3.50%	5.34%	4.09%	4.84%	6.93%	5.61%	6.03%

The above investment returns are after four-fund tax and any ongoing management fees have been deducted, with applicable distributions reinvested and are on a sell-to-sell basis. They are applicable to single contributions and are for the periods above. Investment returns for periods less than one year are not annualised.

Asset allocation



*asset allocation based on untaxed fund class

Top ten equity holdings

Mtn Group Limited	10.1%
Sasol Ltd	7.6%
Anglo American Plc	4.7%
Sab Miller Plc	4.5%
Billiton Plc	4.3%
First Rand Ltd	4.0%
New Gold	3.9%
Steinhoff Int. Holdings	3.1%
Tiger Brands Limited	2.9%
Compagnie Fin Richemont	2.5%

Disclaimer

The information contained in this document does not constitute advice by Liberty Life. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Liberty Life 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 Life, STANLIB.

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