Excelsior Multi-Manager Sanlam Portfolio

December 2009

About the portfolio

Portfolio manager	STANLIB Multi-Manager
Launch date	March 2006
Classification	Domestic Asset Allocation Prudential Medium Equity
Risk Profile	Moderate
Benchmark	100% (SA Large Manager Watch Survey Median)

Risk profile

The 10 largest equity holdings

MTN GROUP LTD	6.95%
SASOL LTD. / ORD	5.50%
ANGLO AMERICAN PLC	5.37%
STANDARD BANK GROUP LTD	5.35%
SABMILLER PLC	4.83%
BHP BILLITON PLC	4.67%
NASPERS LTD -N-	3.33%
COMPAGNIE FIN RICHEMONT	3.13%
BIDVEST LTD ORD	3.12%
RMB HOLDINGS LTD	2.69%
Percentage of total equity holdings	**44.94%**

Disclosure

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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Note

As from 28th October 2008 the portfolio's foreign investment exposure might exceed the restrictive limit of 20%, or as amended from time to time, as a result of the inward listed British American Tobacco ("BAT") shares received as part of a corporate de-merger. The South African Reserve Bank has allowed some institutional investors a grace period of 2 years to rebalance their portfolios to adhere to the foreign investment limit. The grace period for BAT expires on 27 October 2010. Records of foreign investment exposure for BAT are available upon request.

Portfolio commentary for the fourth quarter 2009

The manager outperformed in October and November but underperformed in December, resulting in it performing in line with the benchmark for the quarter.

At an asset allocation level, the net effect was negative as a result of the marginal underweight to equities (which returned 11% for the quarter) and overweight to bonds (which returned 1.1%). This was marginally offset by its overweight to property.

Sanlam's performance was predominantly driven by share selection within the Resource and Financial sectors. Being overweight Anglos and underweight NewGold and Harmony added to performance. The gold price reached a new record above $1 200/oz, but the strength of the local currency meant the rand gold price fell well short of its record high of over R10 000/oz reached in March 2009. Despite the strong rise in the gold price, the metal's equities languished due to manager concern over operational issues. Resources were supported by strong foreign interest. This led to anomalous behaviour by this sector because foreign interest was a significant factor in strengthening the rand and also Resources. A strong rand usually results in a weaker performance by the sector. Foreign interest in Resources was a result of the recovery in the global economy led by emerging markets. Stronger emerging market growth implies higher commodity prices and SA's attractiveness is consequently its Resource sector. This was offset by an overweight to Financials, specifically Investec and Liberty International.

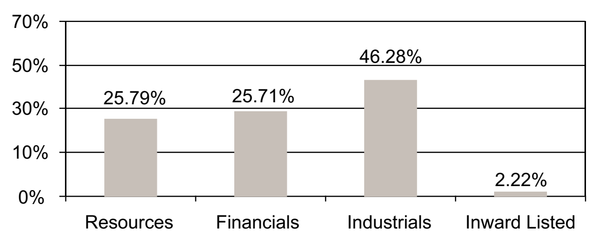
Investment strategy

This portfolio invests into Sanlam Investment Management's local best view balanced strategy. As one of the largest asset managers in the country, Sanlam also has one of the largest investment teams. The company employs a combination of macro-economic and share-specific research to construct portfolios. The house has no particular preference for a Value or Growth investment style, tending to be style-neutral over time. Equities are split into economic clusters and analysts give a buy, hold or sell recommendation on each of the shares within these clusters. The sector selections and asset allocations are derived from a combination of this bottom-up research and the input from a strategy team.

Investment returns

	3 Months	6 Months	1 Year	2 Years	3 Years
Taxed	5.83%	18.78%	24.02%	-0.03%	3.60%
RA	5.99%	19.37%	24.80%	-0.03%	3.70%
Untaxed	5.99%	19.37%	24.80%	-0.03%	3.70%
Corporate	5.68%	18.23%	23.27%	0.16%	3.62%

FTSE/JSE economic sector weighting



Effective asset allocation

Asset Class	**Weighting**
Equity	65.44%
Property	0.96%
Bonds	19.93%
Cash	12.16%
Inward Listed Shares	1.51%
Total	**100.00%**

Liberty Life Fund Fact Sheet