

Excelsior Multi-Manager Investec Portfolio

As at 28 February 2010

Portfolio objective

This portfolio invests into Investec Asset Management's local best view strategy. Investec is primarily a top-down house, allowing its macro-economic view of the world to drive its asset allocation and sector selection. This is coupled with a bottom-up share selection process to choose the underlying shares in the portfolio. The asset manager has historically had a greater Growth orientation in its portfolio than most other South African managers. Simply defined, it prefers to hold shares in companies that are going to grow earnings at a rate superior to the market. Investec is the third largest asset manager in South Africa in terms of assets under management.

Portfolio facts

Portfolio manager	Investec Asset Management
Administered by	STANLIB Multi-Manager
Portfolio type	Single-Manager
Launch date	March 2006
Classification	Domestic Asset Allocation Prudential Medium Equity
Benchmark	100% SA Large Manager Watch Survey Median

Risk profile

Conservative Moderate Aggressive

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 the portfolio designed to achieve

Investment horizon to achieve expected return	Expected Returns*
5 years	CPI + 3% p.a.

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 (4th quarter)

Investec was significantly below the benchmark for the quarter, with the underperformance stemming mainly from the equity component. At an asset-allocation level, the net effect was neutral as the underweight to equities was offset by the overweight to bonds. The manager aggressively reduced its equity exposure during October and November by selling shares into the recent market rally and up-weighting its bond position. Shares were reduced across the board but Investec continues to prefer its more defensive shares in this environment. Most of the pain in the performance came in December when the markets rallied and the fund was underweight equity. The manager is comfortable with its overweight to bonds, believing they will offer better returns than cash in 2010. Investec's performance was predominantly the result of poor share selection within the equity component, with the large underweight to Basic Materials detracting value. The manager retains the view that once the leading indicators turn down, Resources tend to underperform. Poor choices within Basic Materials detracted significant value, specifically an overweight to ArcelorMittal, Gold Fields and Exxaro. 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. Poor share selection within Industrials, specifically Construction & Materials, also dragged significantly on performance. Being overweight Wilson Bayley, Basil Read and Group Five detracted value, although Investec significantly reduced the overweight to this sector over the past two quarters. Construction struggled as post-World Cup fears escalated. The sluggishness of the SA recovery has led to a widespread concern that the boost to the sector given by World Cup preparations may not have traction beyond the event.

Notes

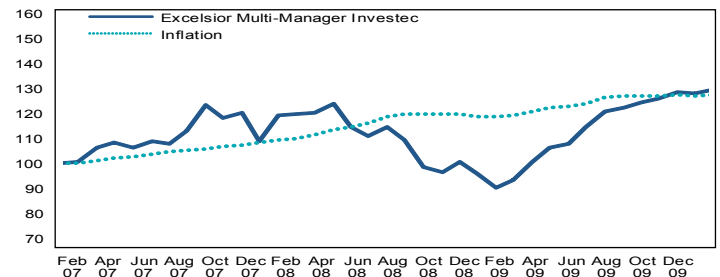
As from 28th October 2008 the portfolio's foreign investment exposure might exceed the restrictive limit of 20%, or as amended from time to time, as a result of the inward listed British American Tobacco ("BAT") shares received as part of a corporate de-merger. The South African Reserve Bank has allowed 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.

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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Performance

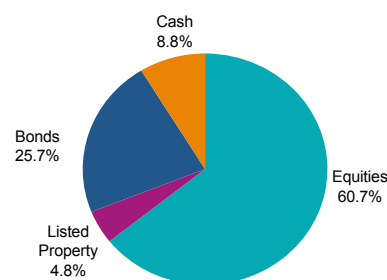


*3 year cumulative performance based on untaxed fund class.

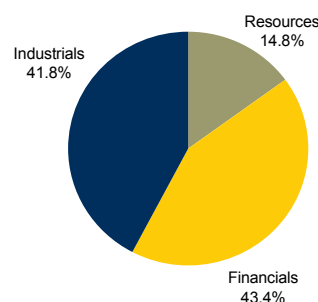
Returns

	3 Months	6 Months	1 Year	2 Years	3 Years
Taxed	2.69%	7.24%	41.80%	4.20%	8.70%
RA	2.75%	7.41%	43.06%	4.29%	8.92%
Untaxed	2.75%	7.41%	43.06%	4.29%	8.92%
Company	2.64%	7.08%	40.61%	4.31%	8.63%
Inflation	0.51%	0.70%	7.86%	7.96%	8.39%

Asset allocation



Sector allocation



Top 10 equity holdings

STANDARD BANK GROUP LTD	7.98%
FIRSTRAND LTD	6.76%
ABSA GROUP LIMITED	6.09%
STEINHOFF INTERNTL HLDGS	5.08%
SABMILLER PLC	4.97%
CLICKS GROUP LTD / ORD	4.94%
SASOL LTD. / ORD	4.45%
INVESTEC PLC	4.25%
COMPAGNIE FIN RICHEMONT	4.14%
DIMENSION DATA HLDGS PLC	3.83%
PERCENTAGE OF TOTAL EQUITY HOLDINGS	52.49%