

As at 28 February 2019

# Liberty

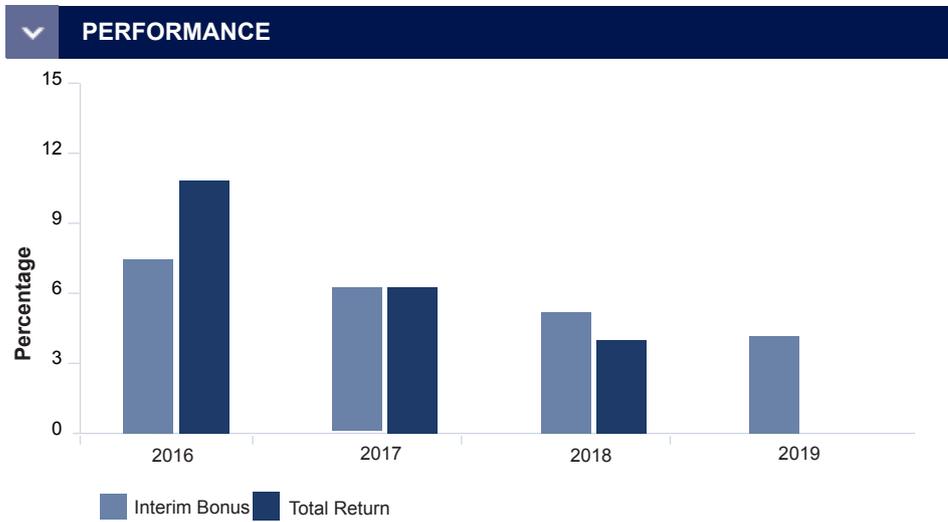
## Property Managed Portfolio



FUND INFORMATION			
Portfolio Manager	2 Degrees Properties	Portfolio Size	R 248 m
Asset Manager	2 Degrees Properties	Reg 28 Compliance	Not Applicable
Launch Date	January 1985	Guarantee Available	No
Benchmarks	CPI + 5% p.a. over rolling 5 years		

INVESTOR PROFILE	
Risk Profile	
<input checked="" type="radio"/> Moderate	
<input type="radio"/> Conservative <input type="radio"/> Moderately Conservative <input type="radio"/> Moderate <input type="radio"/> Moderately Aggressive <input type="radio"/> Aggressive	
This portfolio is suited to the investor who:	
<ul style="list-style-type: none"> <li>wants exposure to high quality unlisted properties that are not as sensitive to fluctuations in interest rates and market sentiment as their listed counterparts</li> <li>wants a portfolio that is prudently managed and aims to generate sustainable inflation- beating returns</li> <li>has an investment horizon of at least 5 years</li> </ul>	

The performance of the portfolio benchmark over time provides the basis against which the portfolio manager will be measured. This may be changed from time to time. Benchmark performance is gross of all fees.

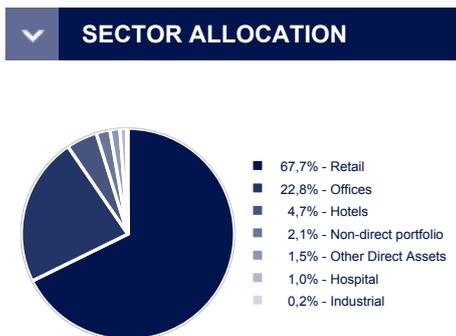


FUND OBJECTIVE	
<p>The portfolio's primary objective is to provide the investor with steady, inflation beating returns over the long term. This portfolio consists of high quality direct property investments owned by Liberty Life and allows the investor to participate in the rental income and capital returns generated from the underlying assets, for a relatively small investment amount. Some of these assets include the likes of Sandton City and Eastgate Shopping Centre. Non direct property assets are held in the portfolio for liquidity purposes and can increase to a maximum of 30% of the fund, based on the discretion of the fund manager.</p> <p>Previous fund name: Liberty Active Property Managed Fund</p>	

### 1 Year

Taxed	2,15%
Retirement Annuity	3,80%
Benchmark	9,05%
Inflation	4,05%

The single premium investment returns shown above are gross of Liberty product charges but net of implicit portfolios fees and shareholder participation (where applicable). The performance graphs do not reflect property bonuses accrued. Individual investor performance may differ as a result of initial fees, the actual investment date and/or the date of reinvestment. Past performance is not indicative of future performance.



TOP 10 HOLDINGS	
Eastgate Shopping Centre	25,9%
Sandton City Shopping Centre	24,8%
Liberty Midlands Mall	7,8%
Liberty Promenade	5,4%
Sandton City Tower	4,4%
Atrium on 5th	4,1%
Melrose Arch Office	3,5%
Nelson Mandela Square	3,2%
Nelson Mandela Square Office	2,9%
Garden Court Sandton City	1,9%

Date: 31 Dec 2018

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### ▼ FUND COMMENTARY

The return achieved on the portfolio was lower than the average return achieved on the portfolio over prior years which was mainly impacted by a lower capital growth on the direct property. The market values of the direct property were impacted by valuation assumptions aligned to the general market conditions as a result of the current economic environment, and the impact of large tenant failures like Stuttafords in 2017. Eastgate shopping centre was particularly impacted by the closure of Stuttafords, as well as the municipal re-valuation of the shopping centre resulting in a significant increase in assessment rates, where the rate per square meter increased from R38/m<sup>2</sup> to R86/m<sup>2</sup>. The hotel sector struggled throughout the year with discretionary spend being under pressure. There has been some green shoots in the slowing of trading density declines. The portfolio has a high exposure to the retail sector comprising of quality assets. The team remains positive and committed to the SA focused portfolio.

Date: 31 Dec 2018

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