

## Who should invest

The portfolio is constructed along very similar lines to the existing Prudential Balanced Fund in South Africa.

## Investment objective

The Prudential Namibian Balanced Fund conforms to the regulations governing retirement fund investments. The Fund aims to achieve steady growth of capital and income through global asset allocation and superior stock selection across all industry sectors.

## Tax:

- Capital growth on Unit Trusts is currently tax free in Namibia.
- Dividends from Unit Trusts are currently tax free in Namibia.
- Interest from Unit Trusts is subject to a 10% withholding tax from 1 March 2009 in Namibia.

## Annualised performance (A Class)

Date	Fund
1 year	14.3%

Source: Morningstar (net of fees)

## Fund commentary

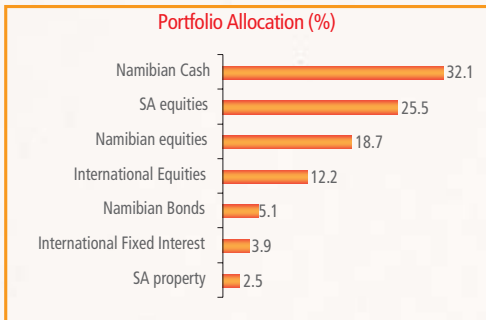
The Fund returned -2.2% as equities suffered yet another disappointing month.

The quarter was marked with renewed fears around the general health of the global economic recovery. Market commentators have expressed concern that Chinese driven demand is slowing, while simultaneously questions about the sustainability of a consumer led recovery in the US and ongoing fears about the spill over effect of the Greek credit crisis in the Euro zone has resulted in a general lack of demand to own risky assets.

In equities significant detractors to the fund's performance over the quarter were Anglo American and Billiton, which ended down 16% and 20% respectively. On the positive side, the Fund's core holdings in stocks in which we have confidence that earnings will remain resilient in these uncertain times, performed well. Woolworths, Spar, Adcock Ingram, Astral Foods and British American Tobacco all delivered positive contributions to the fund's performance over the quarter. Although the Fund's global equity component's return was negative for the month, it outperformed the benchmark MSCI World Index.

The Fund's offshore fixed interest holdings are almost exclusively orientated towards corporate bonds and some cash. Corporate bond spreads remain elevated in a global context against a backdrop of stronger non-financial corporate balance sheets. In the medium term we would expect these spreads to return to a more normal level, and therefore corporate bonds remain, relative to government bonds at least, attractive.

## Portfolio details



**Top 10 holdings**

Company	Percentage (%)
1. Anglo American Plc Namibia	12.1%
2. BHP Billiton Plc	7.7%
3. SAB Miller	3.7%
4. Sasol	3.5%
5. Standard Bank Group Namibia	3.5%
6. MTN Group	3.0%
7. Old Mutual Namibia	2.5%
8. Richemont	2.4%
9. Firstrand Namibia	1.6%
10. Naspers	1.3%

**Industry holdings**

Industry	Percentage (%)
Cash & Equivalents	32.0%
Basic Materials	20.1%
Offshore Equities	12.2%
Financials	11.8%
Consumer Goods	5.9%
Government Bonds	5.1%
Offshore Cash	3.7%
Oil & Gas	3.0%
Telecommunications	2.9%
Consumer Services	2.1%
Industrials	1.0%
Health Care	0.2%



## Fund information

### Risk profile:



### Sector:

Prudential Fund

### Benchmark:

Alexander Forbes Global Large Manager Watch (Namibia)- median

### Launch date:

1 August 2008

### Fund size:

N\$1 889 374

### Fund Manager:

Prudential (Namibia) Unit Trusts Limited

### Min lumpsum:

A Class : N\$10 000

B Class : N\$5 million

### Min debit order:

N\$500pm

### Income declaration:\*(A Class) (B Class)

01.07.09 - 30.06.10 : 2.83cpu : 0.29cpu

### Fees (excl VAT)

Initial fee : 3.00%

Initial Manco : 0.50%

(retail investors only)

### Annual management fee:

(A Class) (B Class)

Fee : 1.25% : 0.75%  
(of which 0.50% is the annual IFA fee for A Class)

### How to Invest

Cheques are to be made payable to 'Prudential Namibian Balanced Fund' and deposited into the following bank account: Bank: First National Bank, PNB Client Account, Account number: 621 8929 9904, Branch Code: 281972. Application form number to be quoted on all deposit slips.

Application forms, ID and proof of deposit may be faxed to 061 259 224 or posted to PO Box 25743, Windhoek, Namibia. Website address:

www.prudential.com.na

An electronic copy of this document is available at [www.prudential.co.za](http://www.prudential.co.za).

#### Namibian Disclaimer:

Prudential (Namibia) Unit Trusts Limited is an approved Management Company in terms of the Unit Trusts Control Act, 1981. Unit Trusts are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. A schedule of fees and charges and maximum commissions is available on request from the Management Company. Commission and incentives may be paid and if so, would be included in the overall costs. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Different classes of units may apply to the portfolio and are subject to different fees and charges. Unit prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Fund valuations take place at approximately 14h30 Namibian time each day and forward pricing is used. Purchase and repurchase requests must be received by the Manager by 13h30 (10h30 for the Money Market Fund) Namibian time each business day. In calculating performance figures initial charges are not taken into account. Annual service charges are deducted in all calculations. Performance figures are sourced from Morningstar and are based on lumpsum investments using NAV prices with gross income reinvested.



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