



JACQUES MALAN
CONSULTANTS & ACTUARIES



Benchmark Retirement Fund

Quarterly investment report
as at 31 December 2011



February 2011

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APPENDIX A: Salary Replacement Ratios

1. Introduction

This document has been compiled with the aim of providing members of the Benchmark Retirement Fund with an overview of the investment options offered to enable them to make informed decisions regarding the investment of their retirement assets.

The following portfolios are offered to members:

Portfolio	Risk Profile	Manager Benchmark	Return Objective (gross of fees)
Allan Gray Namibia Investment Trust	Moderate	Average Manager	CPI + 6%
Investec Managed Fund Namibia	Moderate	Average Manager	CPI + 6%
AF Namibia Balanced Growth Fund	Moderate	Internal Benchmark	CPI + 6%
Old Mutual Namibia Profile Balanced Fund	Moderate	Internal Benchmark	CPI + 6%
Prudential Namibia Balanced Fund	Moderate	Average Large Manager	CPI + 6%
Sanlam Namibia Managed Prudential Fund	Moderate	Average Medium Equity Unit Trust	CPI + 6%
Standard Bank Namibia Managed Fund	Moderate	Average Large Manager	CPI + 6%
Benchmark Retirement Fund Default Portfolio	Moderate-low	Inflation + 5%	CPI + 5%
NAM Coronation Capital Plus Fund ¹	Moderate-low	Inflation + 4%	CPI + 4%
Prudential Namibia Inflation Plus Fund	Moderate-low	Inflation + 4%	CPI + 4%
Investec High Income Fund Namibia	Low	BEASSA 1-3 year All Bond Index	CPI + 2%
Money Market Fund	Capital Preservation	Bank of Namibia 7 day Repo Rate	CPI + 1%

1. **Please note:** The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.

A brief description of the risk profiles is as follows:

The aggressive risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 6% net of fees (7% gross of fees) over a rolling 3 year period.
- Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these type of portfolios in order to achieve the return objective

The moderate risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 5% net of fees (6% gross of fees) over a rolling 3 year period.
- Aims to achieve this return with as minimal risk as possible, although to achieve this target, the portfolio will have a large exposure to growth assets (e.g. shares) and as such short term negative returns are possible.

The moderate-low risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 3% to 4% net of fees (4% to 5% gross of fees) over a rolling 3 year period.
- Aims to achieve this return objective with minimal negative returns over a rolling 12 month period.

The low risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 1% to 2% net of fees (2% to 3% gross of fees) over a rolling 3 year period.
- Aims to achieve this return objective with minimal negative returns over a rolling 12 month period.

The capital preservation portfolios have the following return and risk objectives:

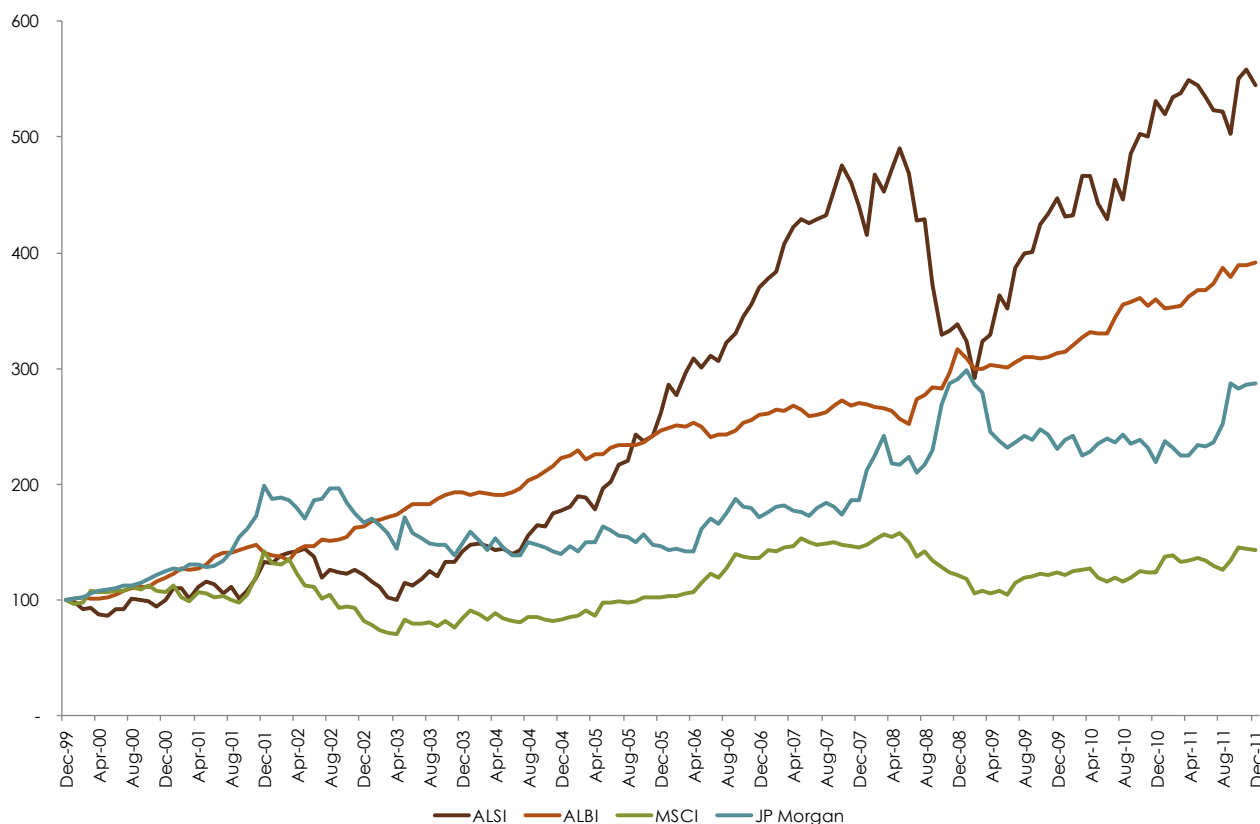
- A return objective of inflation net of fees (inflation plus 1% gross of fees).
- No capital loss over a rolling 12 month period.

The Trustees do not currently offer aggressive risk portfolios, but will make them available when suitable portfolios have been identified. All portfolios are compliant with the prudential investment guidelines of regulation 28 of the Pension Funds Act.

2. Market overview

2.1. Long-term market performance

The following graph represents the cumulative performance of some market indices for the period **1 January 2000 to 31 December 2011**.



2.2. Medium term market performance

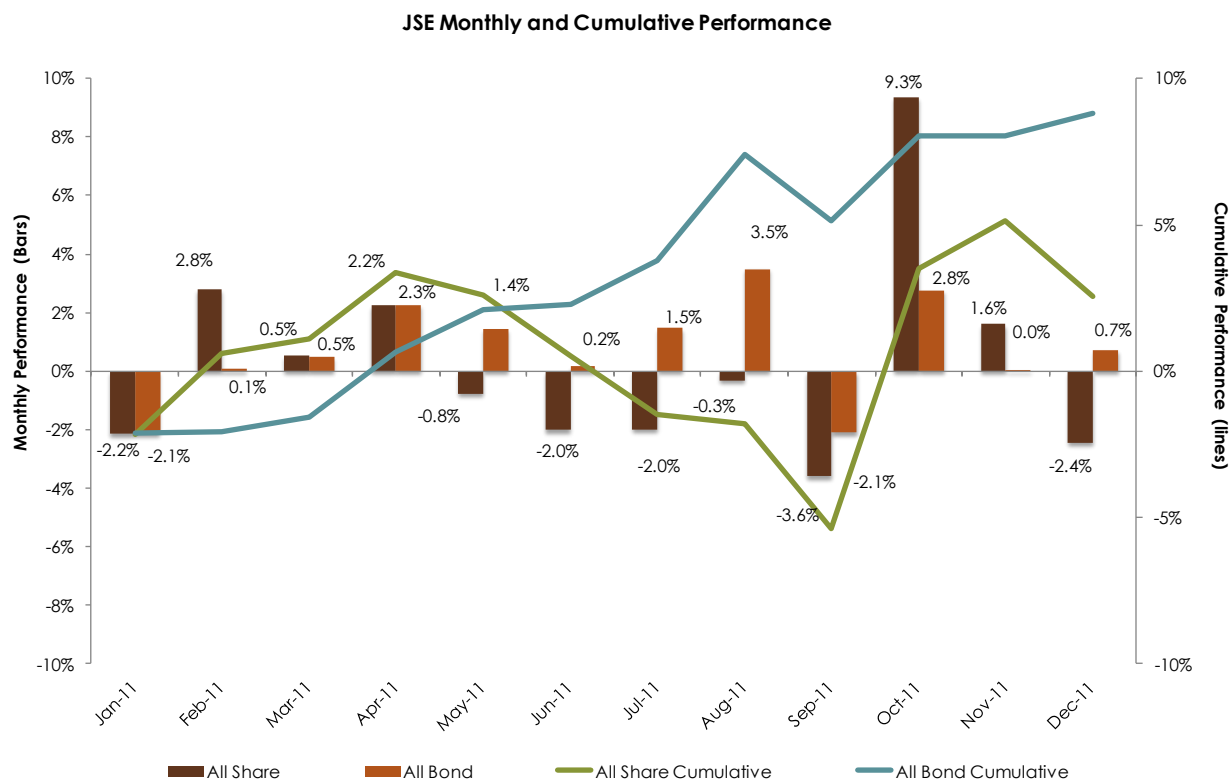
The following table presents the performance of various market indices to **31 December 2011**.

	2009	2010	2011 Q4	2011	Three Years
All Share (SA)	32.1%	19.0%	8.4%	2.6%	17.3%
JSE: Financials	28.0%	16.5%	8.7%	7.4%	17.0%
JSE: Industrials	30.5%	27.4%	9.2%	9.2%	22.0%
JSE: Resources	35.4%	12.3%	7.3%	-6.5%	12.4%
All Bond(SA)	-1.0%	15.0%	3.5%	8.8%	7.4%
STeFI(SA)	9.1%	6.9%	1.4%	5.7%	7.3%
MSCI World	1.6%	0.5%	7.4%	15.8%	5.7%
JP Morgan World Bond	-20.8%	-4.8%	-0.2%	30.7%	-0.5%
Rand/Dollar	-22.3%	-10.6%	-0.3%	21.9%	-5.4%
CPI(SA)	6.9%	3.5%	0.9%	6.1%	5.5%

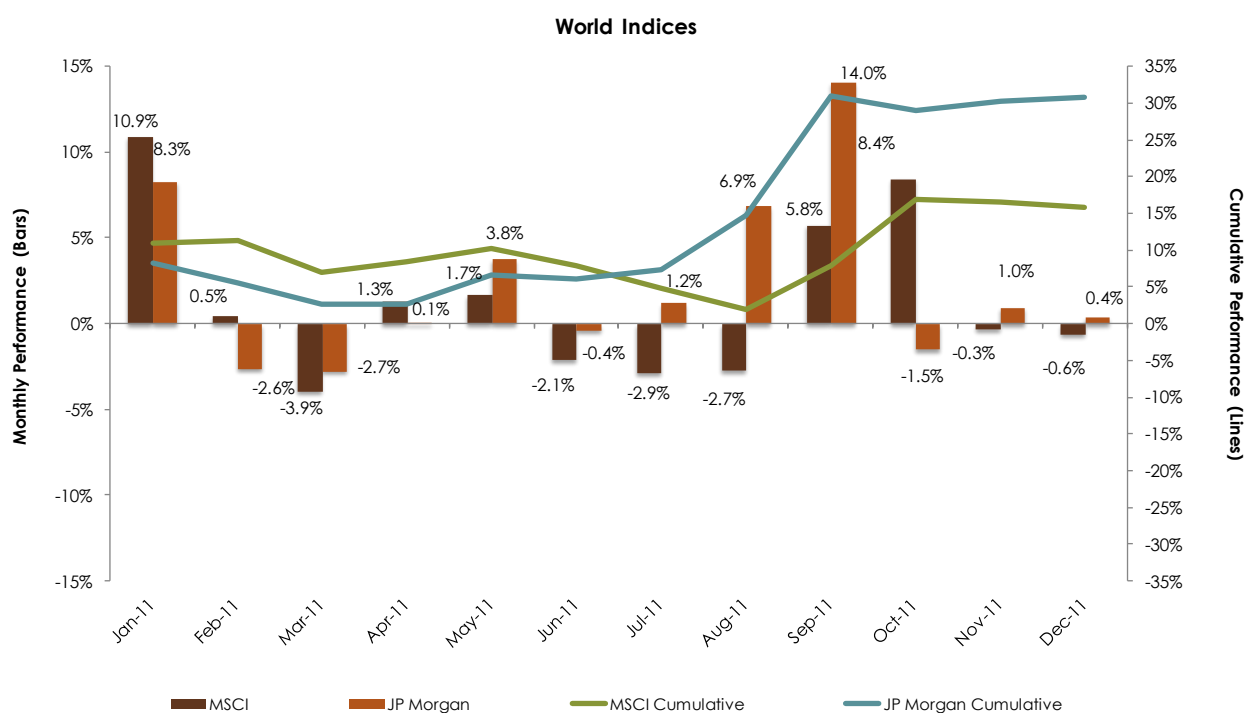
2.3. Short-term market performance

The following graphs represent the monthly performance of various market indices for the year ending **31 December 2011**.

2.3.1. South Africa



2.3.2. World



Market commentary:

Global equity markets surged during the first two months of the quarter as yet another Eurozone agreement improved investor sentiment, however concerns spread with Italy's bond yield rising above 7%. This swinging of the year-to-date performance from positive to negative indicates the extent of volatility in the global economy.

Despite the recent improvement in markets, the IMF's outlook on the global economy remains negative. Christine Lagarde, Managing Director of the IMF, warned that, should the Euro debt problem continue, the world could face another great depression.

The US department of Labour announced yet another improvement in the unemployment rate to 8.5%, the lowest it has been in nearly 3 years. In contrast the UK unemployment rate is sitting at its highest levels with this rate expected to reach 8.8% in 2012 (as announced by the Chartered Institute of Personnel and Development).

The European Central Bank (ECB) experienced record cash deposits during the second half of 2011. Banks pay 1% interest on loans and only receive 0.25% from this deposit facility. This indicates the lack of confidence between European banks, as they would rather pay a premium for the safety of the deposit facility.

Rating Agency Fitch downgraded 7 major Banks during December including Deutsche Bank, BNP Paribas and Credit Suisse, whilst Standard & Poors have also threatened to downgrade 15 of the Eurozone governments including France and Germany who currently have AAA ratings.

The South African year-on-year inflation increased to 6.1% end of December 2011. The price of Brent Crude Oil increased by 1.2% and ended the quarter at US\$107.22 a barrel, while Gold dropped by 4.5% to \$1 539.43 per ounce.

Equities

The JSE All Share (ALSI) improved by 8.4% during the quarter. This was mainly due to 9.3% growth during October; however the ALSI fell by 2.4% during December as economic conditions in the developed world remain a concern. The Resource sector was the main detractor from performance, falling by 5.5% during December and only returning 7.3% over the quarter. Financials and Industrials returned 8.7% and 9.2% respectively during the quarter.

Bonds

The All Bond Index (ALBI) returned 3.5% during the quarter, while the JP Morgan Bond index (in Rand terms) lost 0.2% during the quarter.

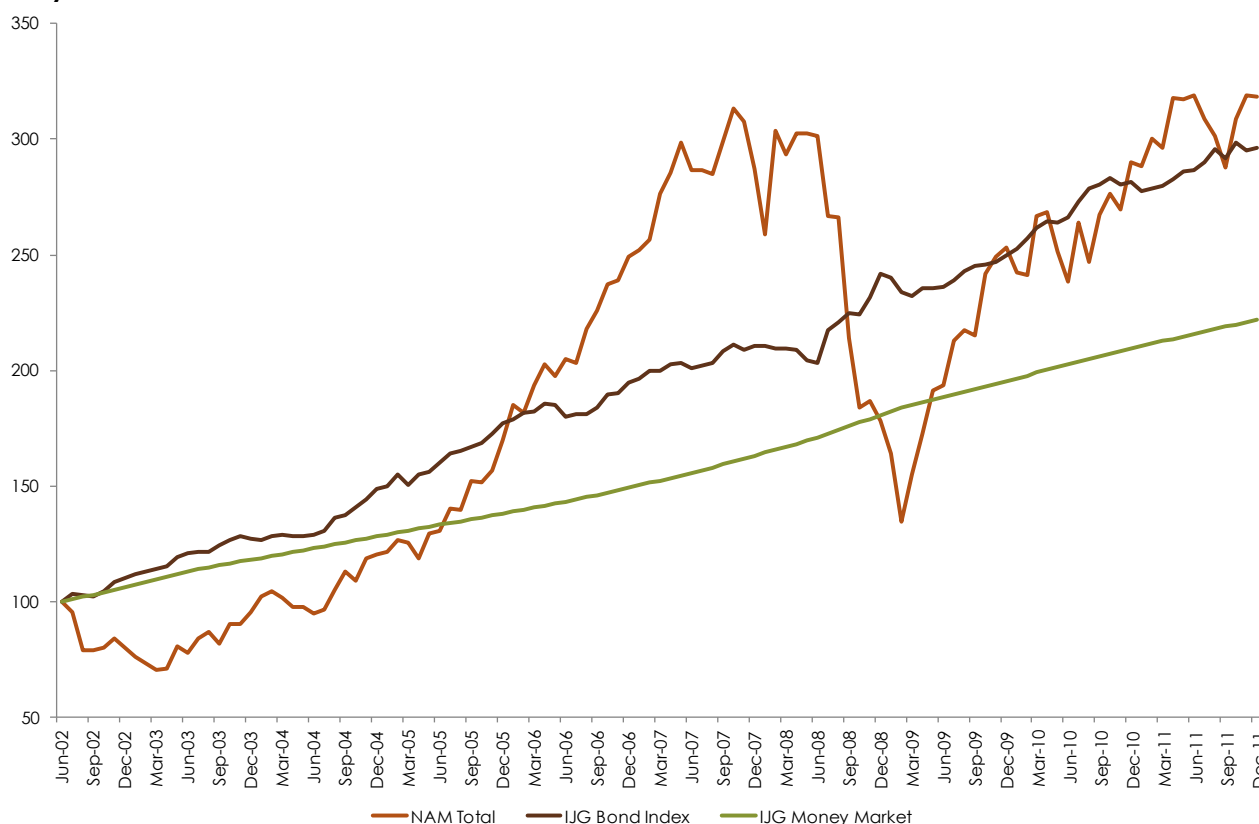
Currency

The rand strengthened against all major currencies during the quarter, closing at R8.07/\$, R10.46/€ and R12.53/£. Over the quarter it strengthened by 0.3% to the Dollar, 3.4% to the Euro and 0.6% to the Pound.

2.4. Namibia

2.4.1. Long term market performance

The following graph represents the cumulative performance of some market indices for the period **1 July 2002 to 31 December 2011**.



2.4.2. Medium term market performance

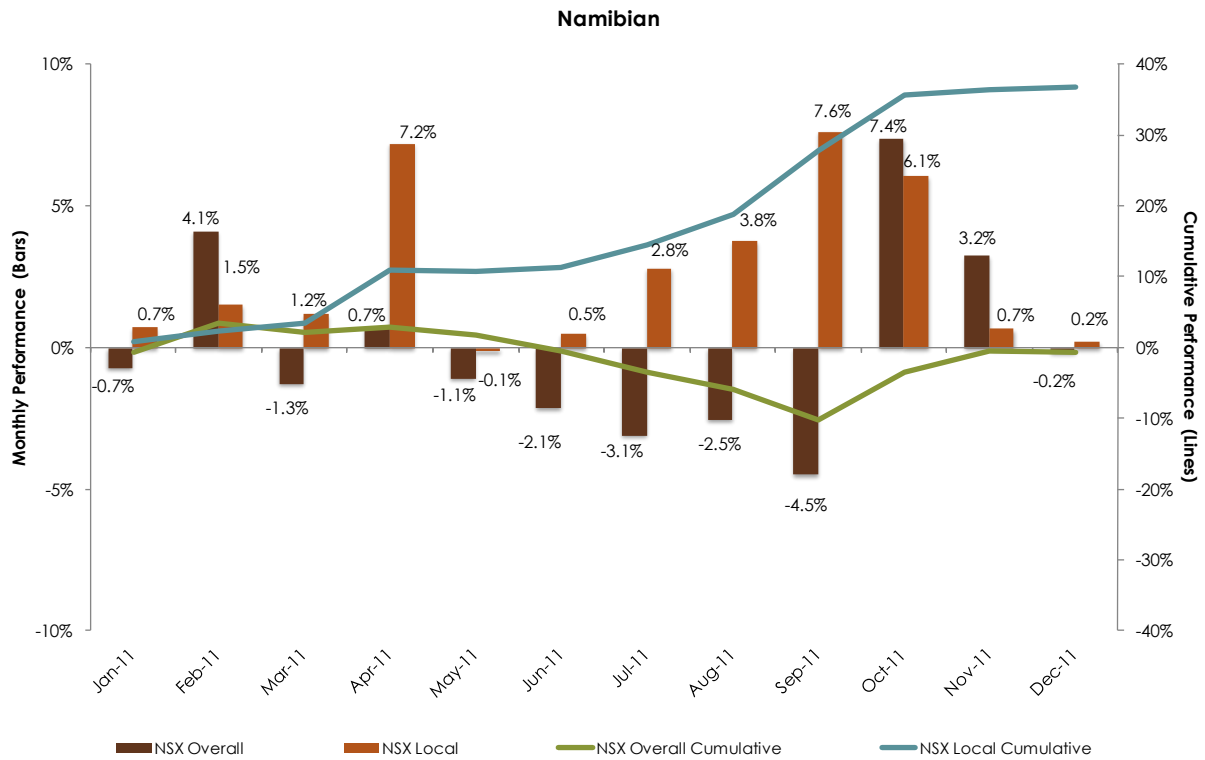
The following table presents the performance of various market indices to **31 December 2011**.

	2009	2010	2011 Q4	2011	Three Years
NAM Total	41.9%	14.8%	10.7%	-0.6%	17.4%
NAM Local	4.1%	18.7%	7.0%	36.7%	19.1%
NAM CPI	7.0%	3.1%	1.7%	7.2%	5.7%
IJG Bond Index	3.3%	12.8%	1.6%	5.3%	7.0%
IJG Money Market	8.2%	7.1%	1.4%	6.0%	7.1%

After the good news of the Eurozone Agreement in October 2011, global markets surged with the MSCI World index in Namibian dollar terms increasing by 7.4% for the last quarter of 2011. The Namibian Total Share Index participated in the rally increasing by 10.7% for the quarter bringing the year to date return for the NSX Total index to -0.6% for the 12 months ending 31 December 2011 from -10.2% for the 9 months as at the end of September 2011. Namibian inflation was 7.2% for 2011 compared to South African Inflation of 6.1%. The Namibian repo rate has been kept constant at 6.0% since it was revised downwards from 6.75% in November 2010. South African Prime Rate is currently 5.5%.

2.4.3. Short term market performance

The following graph represents the monthly performance of various market indices for the year ending **31 December 2011**.



3. Performance comparison as at 31 December 2011

3.1. Moderate portfolios

3.1.1. Asset allocation

The figures below reflect the asset allocation of the moderate portfolios as at **31 December 2010 (12 months ago)**

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Balanced	Prudential Balanced	Sanlam Namibia Managed Prudential	Standard Bank Managed
Namibia Equities	13.6%	20.1%	17.8%	13.0%	18.6%	13.0%	13.2%
Namibia Bonds	6.8%	9.9%	8.8%	5.0%	5.0%	8.0%	6.3%
Namibia Cash	16.5%	14.9%	8.3%	16.4%	23.1%	15.2%	23.0%
Namibia Property	1.8%	0.2%	-	-	-	3.7%	-
South Africa Equities	26.3%	31.0%	29.2%	38.2%	32.2%	33.2%	38.4%
South Africa Bonds	-	-	3.7%	3.3%	9.3%	9.5%	1.1%
South Africa Cash	4.1%	0.2%	4.3%	0.3%	-	0.2%	-
South Africa Property	-	3.4%	3.6%	4.3%	4.1%	-	-
Offshore	29.6%	20.3%	19.7%	19.5%	7.7%	17.2%	18.0%
Other	1.3% ¹	-	4.6% ²	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Other represents Gold ETF's

2. Other represents SA Hedge Funds

The figures below reflect the asset allocation of the moderate portfolios as at **31 December 2011**

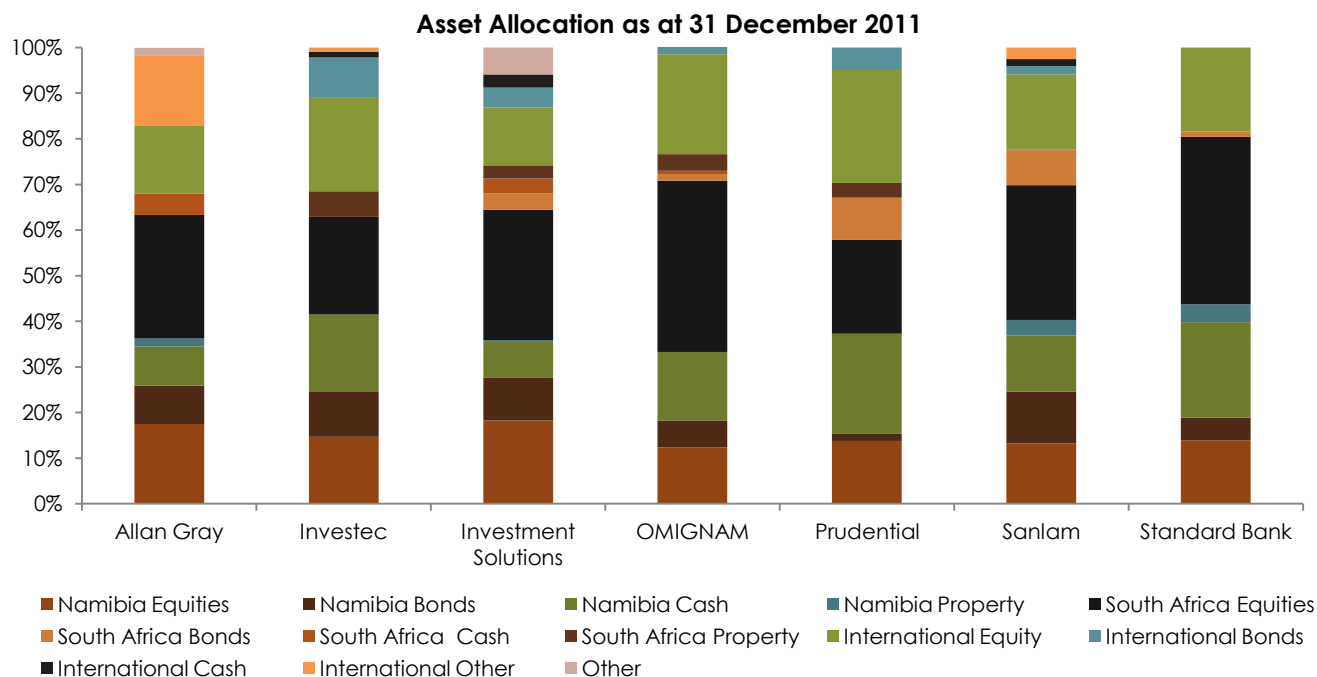
	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Balanced	Prudential Balanced	Sanlam Namibia Managed Prudential	Standard Bank Managed
Namibia Equities	17.5%	14.7%	18.3%	12.4%	13.8%	13.2%	13.9%
Namibia Bonds	8.4%	9.8%	9.3%	5.9%	1.5%	11.4%	5.0%
Namibia Cash	8.6%	17.0%	8.1%	15.0%	22.0%	12.3%	20.9%
Namibia Property	1.7%	-	0.2%	-	-	3.4%	3.9%
South Africa Equities	27.1%	21.4%	28.5%	37.4%	20.5%	29.5%	36.7%
South Africa Bonds	-	-	3.6%	1.5%	9.3%	7.6%	1.2%
South Africa Cash	4.7%	-	3.3%	0.7%	-	0.2%	-
South Africa Property	-	5.6%	2.9%	3.6%	3.2%	-	-
International Equity	14.9%	20.5%	12.7%	21.9%	24.8%	16.5%	18.4%
International Bonds	-	8.8%	4.3%	1.6%	4.9%	1.8%	-
International Cash	-	1.3%	2.9%	-	-	1.6%	-
International Other	15.5% ¹	0.9%	-	-	-	2.5% ⁴	-
Other	1.6% ²	-	5.9% ³	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Other represents Offshore Hedge Funds.

2. Other represents Gold ETF's

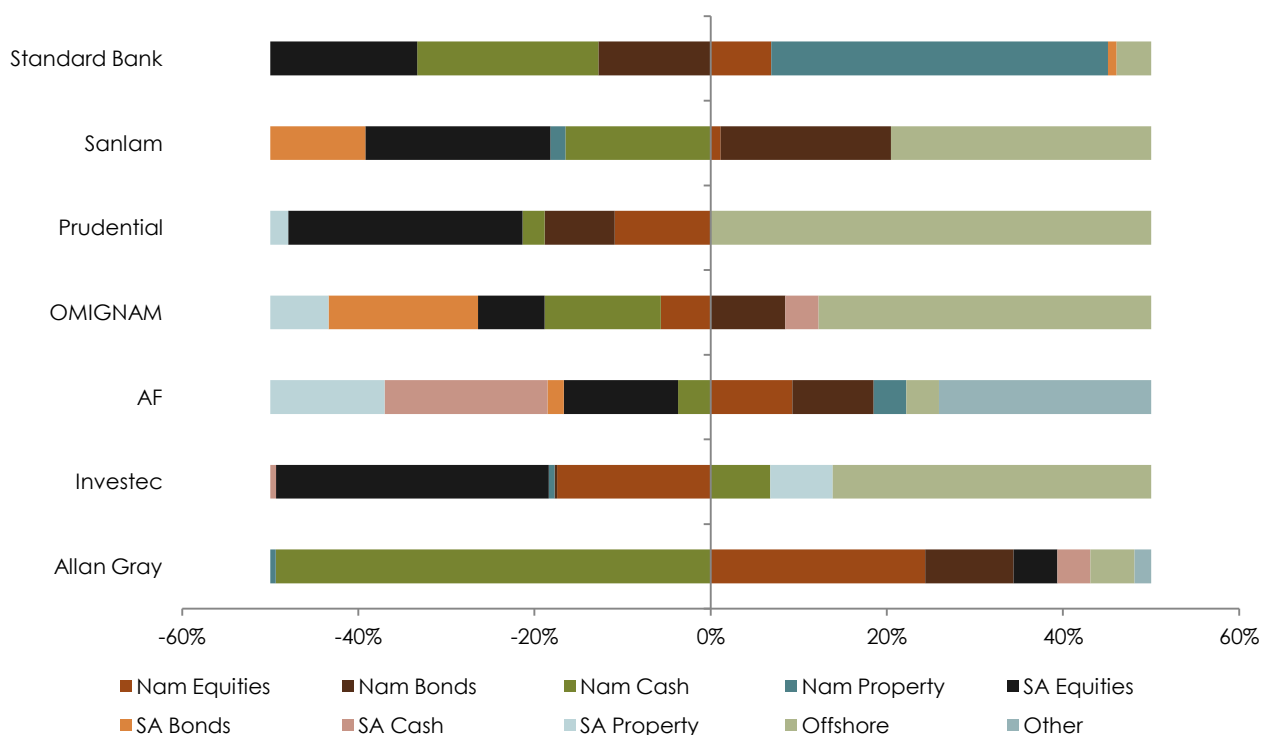
3. Other represents SA Hedge Funds

4. Other represents International Property



3.1.2. Change in Asset Allocation

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 December 2011**. In the event that the allocation to a asset class was decreased, the change would be indicated on the left hand side of the vertical axis.



3.1.3. Geographical Split as at 31 December 2011

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Balanced	Prudential Balanced	Sanlam Namibia Managed Prudential	Standard Bank Managed
Namibia	36.2%	41.5%	35.8%	33.2% ¹	37.3%	40.2%	43.6%
South Africa	33.4%	27.0%	44.2%	43.3%	33.0%	37.4%	38.0%
International	30.4%	31.5%	20.0%	23.5%	29.7%	22.4%	18.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. The non-compliance of the OMIGNAM portfolio is being queried.

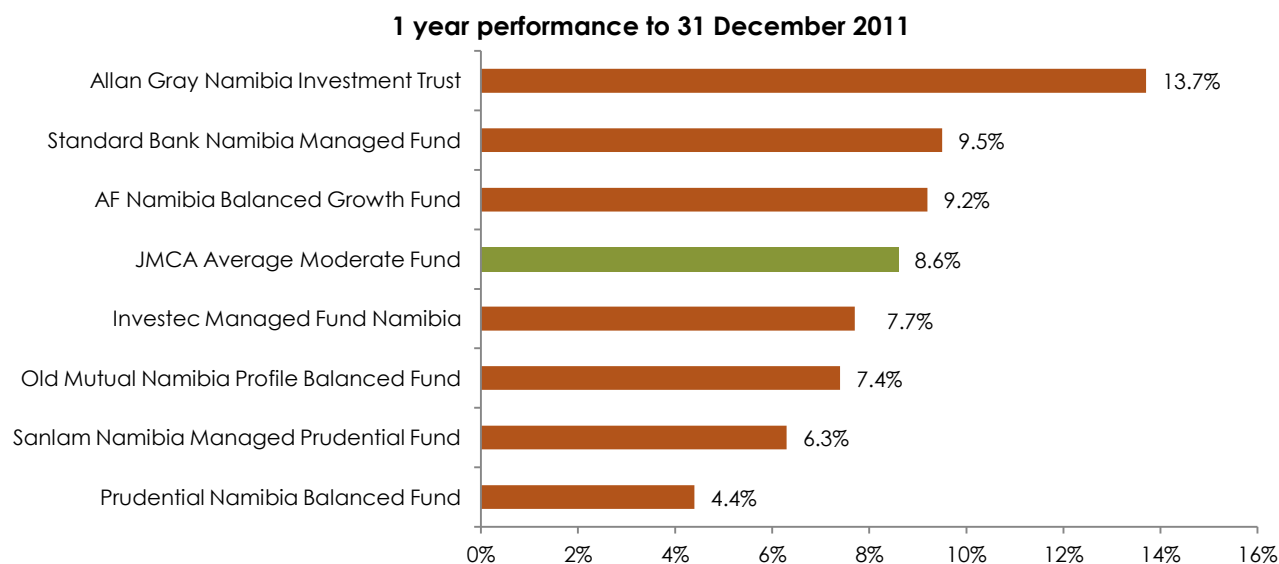
3.1.4. Time weighted returns

Listed below are the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

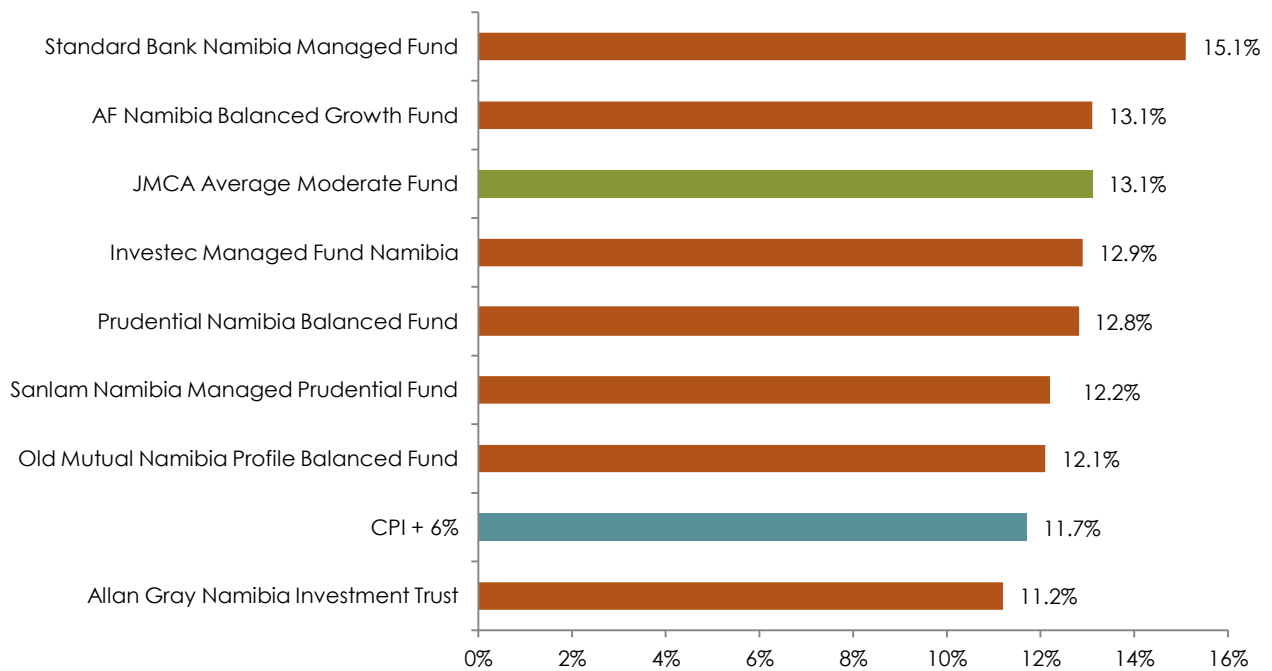
Investment Portfolio	1 yr	3 yrs (annualised)	5 yrs (annualised)	10 yrs (annualised)
Allan Gray Namibia Investment Trust	13.7%	11.2%	11.0%	17.7%
Investec Managed Fund Namibia	7.7%	12.9%	9.8%	14.0%
AF Namibia Balanced Growth Fund ¹	9.2%	13.1%	8.2%	-
Old Mutual Namibia Profile Balanced Fund	7.4%	12.1%	7.1%	13.9%
Prudential Namibia Balanced Fund	4.4%	12.8%	-	-
Sanlam Namibia Managed Prudential Fund	6.3%	12.2%	5.7%	-
Standard Bank Namibia Managed Fund	9.5%	15.1%	10.7%	13.2%
Average Moderate Portfolio²	8.6%	13.1%	8.5%	14.1%
All Share (JSE)	2.6%	17.3%	8.1%	15.1%
Inflation	7.2%	5.7%	7.0%	6.4%
Target: Inflation + 6%	-	11.7%	13.0%	12.4%

- Returns prior to April 2009 were for the Investment Solutions Focused Growth Fund. The fund's name changed to AF Balanced Growth in March 2009.
- Average of the Jacques Malan Consultants and Actuaries Survey for Moderate Balanced portfolios.

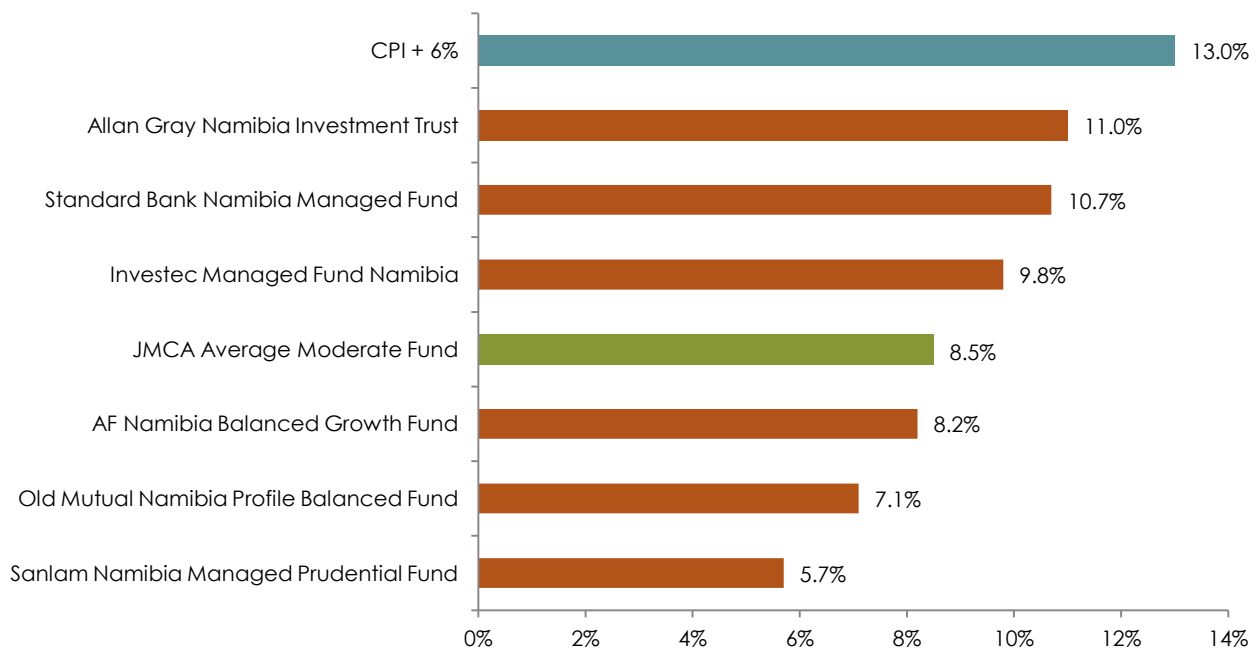
The following graph reflects the investment returns achieved for each period graphically:



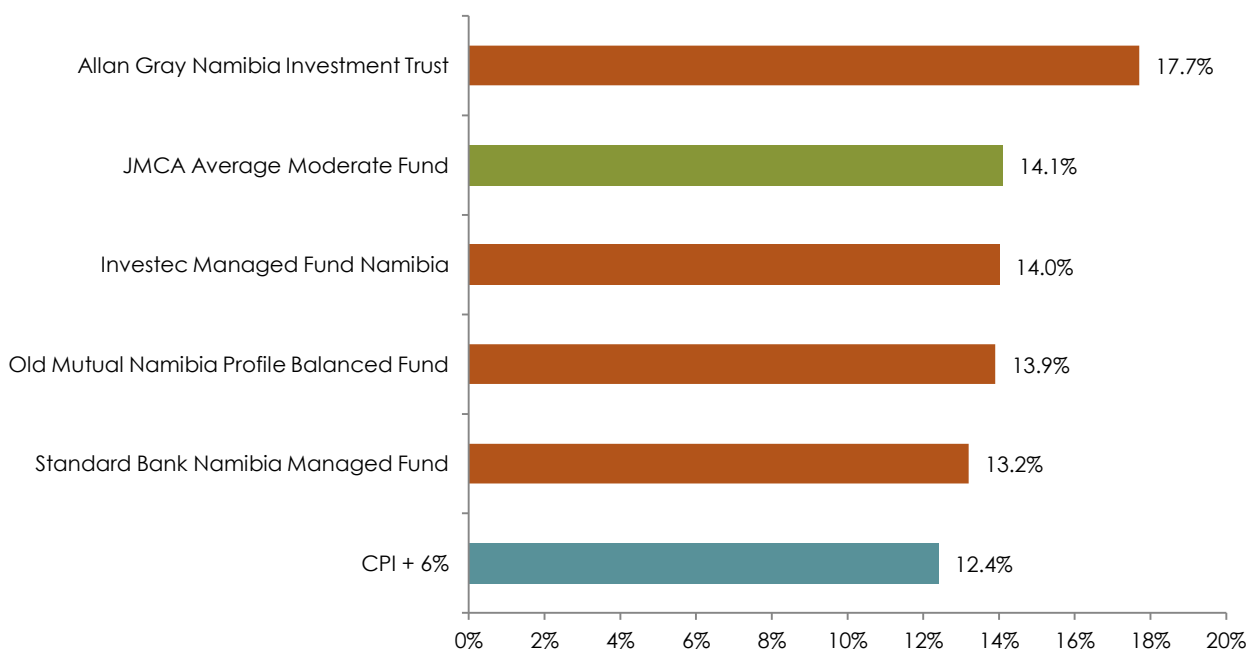
3 year performance for the period ending 31 December 2011



5 year performance for the period ending 31 December 2011

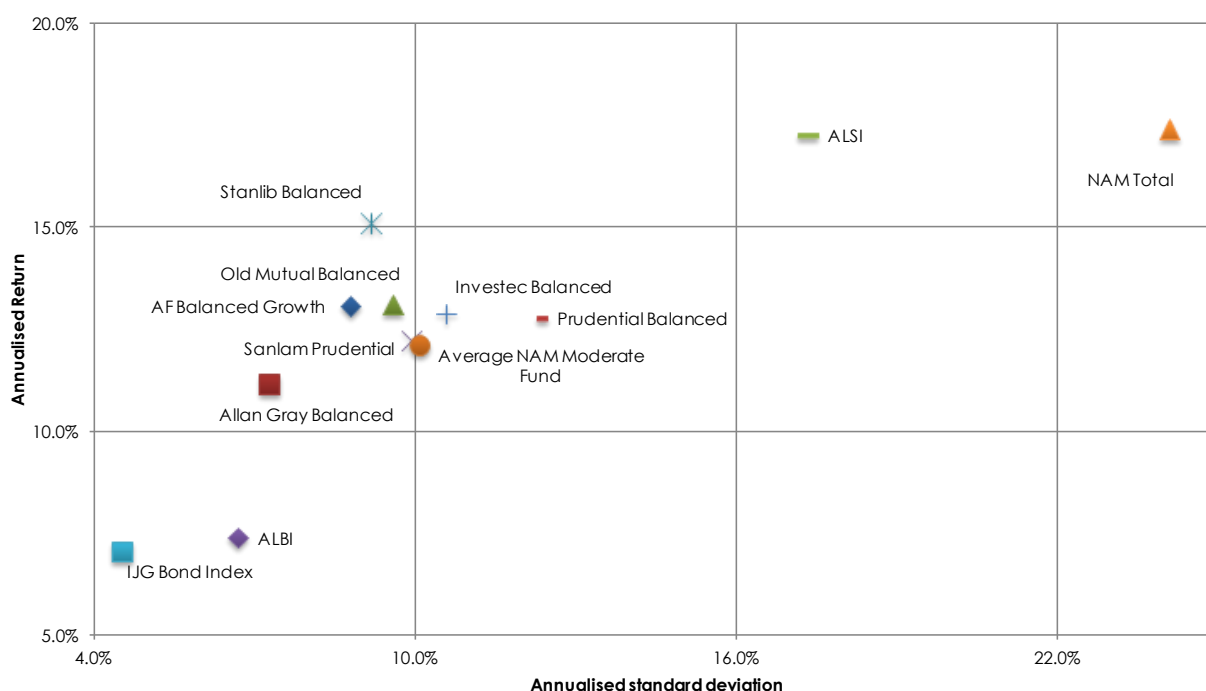


10 year performance for the period ending 31 December 2011



3.1.5. Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate portfolios for a 3 year period ending **31 December 2011**. These returns are also **gross** of all investment charges.



3.2. Moderate-low portfolios

3.2.1. Asset allocation

The figures below reflect the asset allocation of the moderate-low portfolios as at **31 December 2010 (12 months ago)**

	Nam Coronation Absolute	Prudential Inflation Plus	Default Portfolio
Nam Equities	6.8%	12.9%	13.2%
Nam Bonds	16.1%	10.4%	8.6%
Nam Cash	16.9%	18.1%	17.3%
Nam Property	-	1.6%	1.7%
SA Equities	33.8%	2.2%	13.9%
SA Bonds	22.8%	23.4%	12.0%
SA Cash	0.1%	-	2.0%
SA Property	3.0%	6.0%	3.1%
Offshore	0.5%	25.4%	27.5%
Other	-	-	0.7% ¹
Total	100.0%	100.0%	100.0%

1-Other represents Gold ETF's

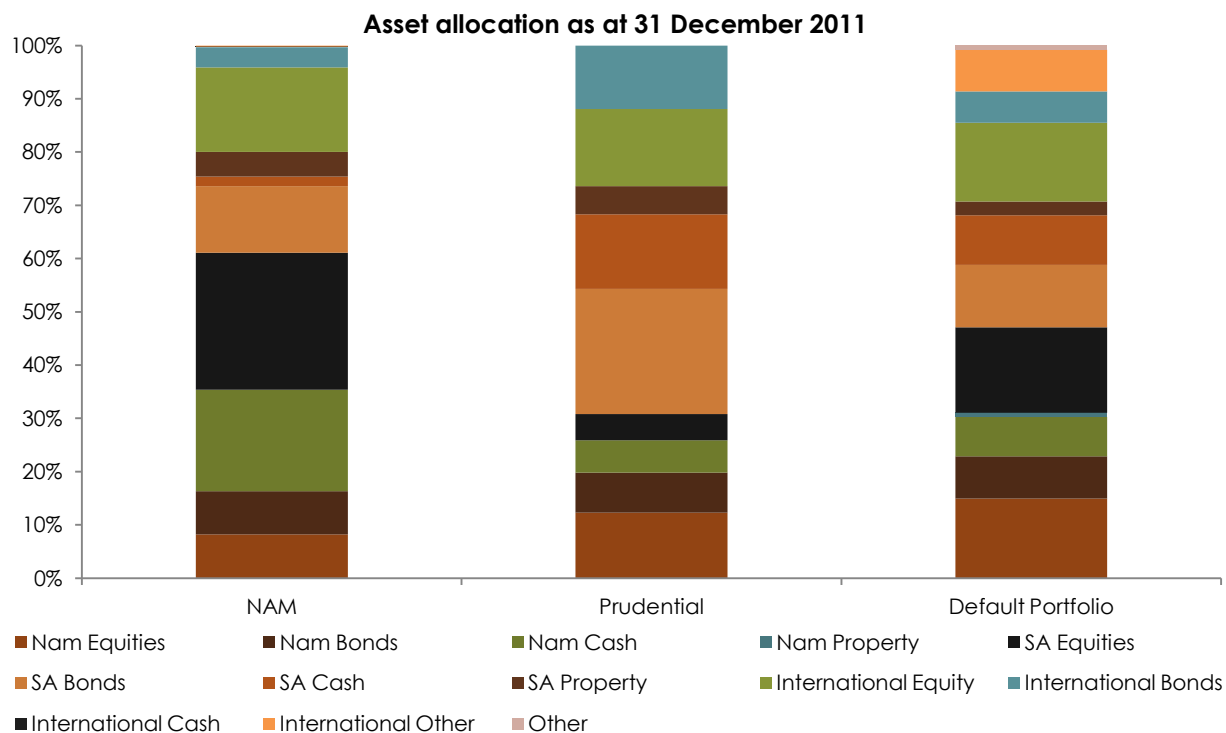
The figures below reflect the asset allocation of the moderate-low portfolios as at **31 December 2011**

	NAM Coronation Capital Plus	Prudential Inflation Plus	Default Portfolio
Nam Equities	8.2%	12.3%	15.1%
Nam Bonds	8.1%	7.5%	7.9%
Nam Cash	19.1%	6.1%	7.4%
Nam Property	-	-	0.8%
SA Equities	25.7%	4.9%	16.0%
SA Bonds	12.5%	23.5%	11.7%
SA Cash	1.8%	14.0%	9.3%
SA Property	4.6%	5.3%	2.6%
International Equity	15.9%	14.5%	14.7%
International Bonds	3.8%	11.9%	5.9%
International Cash	0.1%	-	-
International Other ¹	0.2%	-	7.8%
Other ²	-	-	0.8%
Total	100.0%	100.0%	100.0%

1. Other represents Hedge Funds

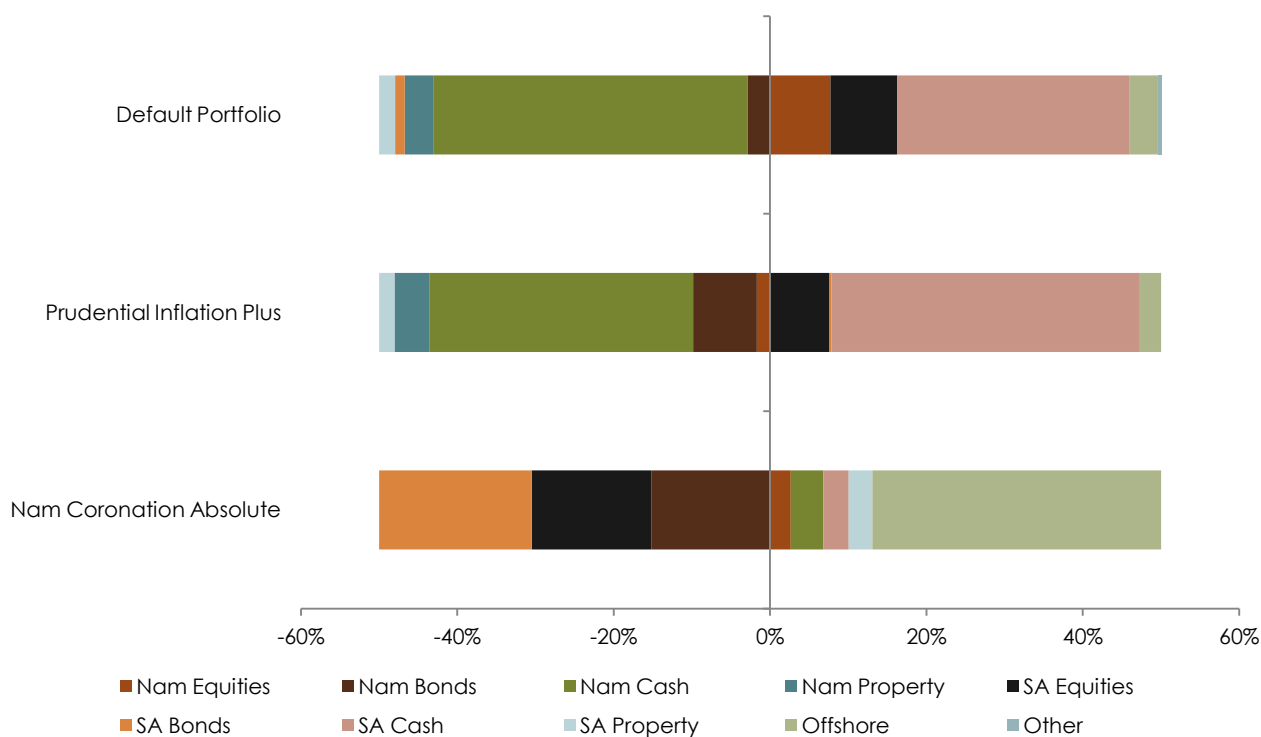
2. Other represents Gold ETF's

Please note: The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.



3.2.2. Change in Asset Allocation

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 December 2011**. In the event that the allocation to a asset class was decreased, the change would be indicated on the left hand side of the vertical axis.



3.2.3. Geographical Split

	Nam Coronation Capital Plus	Prudential Inflation Plus	Default Portfolio
Namibia	35.4%	25.9% ¹	31.1%
South Africa	44.6%	47.7%	40.5%
International	20.0%	26.4%	28.4%
Total	100.0%	100.0%	100.0%

1. The Asset Manager confirmed the non-compliance is due to unsettled cash.

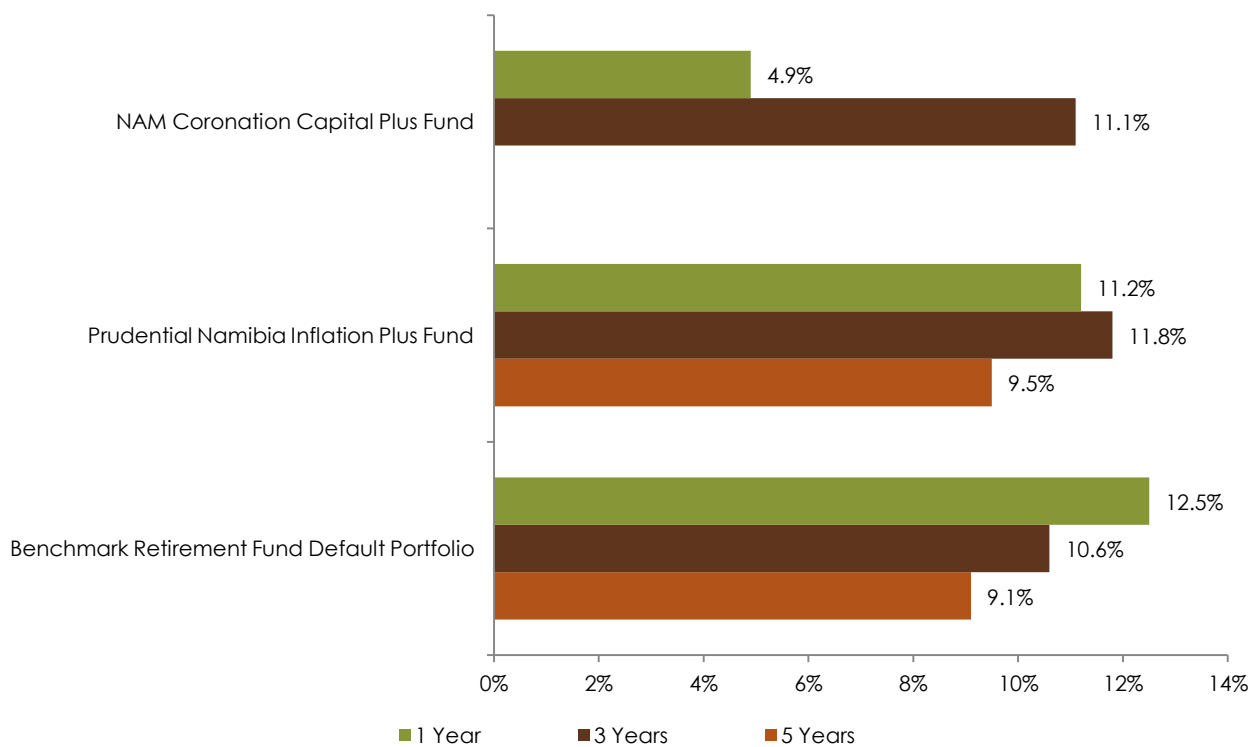
3.2.4. Time weighted returns

Listed below are the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

Investment Portfolio	1 yr	3 yrs (annualised)	5 yrs (annualised)
NAM Coronation Capital Plus Fund	4.9%	11.1%	-
Prudential Namibia Inflation Plus Fund	11.2%	11.8%	9.5%
Benchmark Retirement Fund Default Portfolio	12.5%	10.6%	9.1%
Inflation	7.2%	5.7%	7.0%
Target: Inflation + 4% to 5%	-	9.7% to 10.7%	11.0% to 12.0%

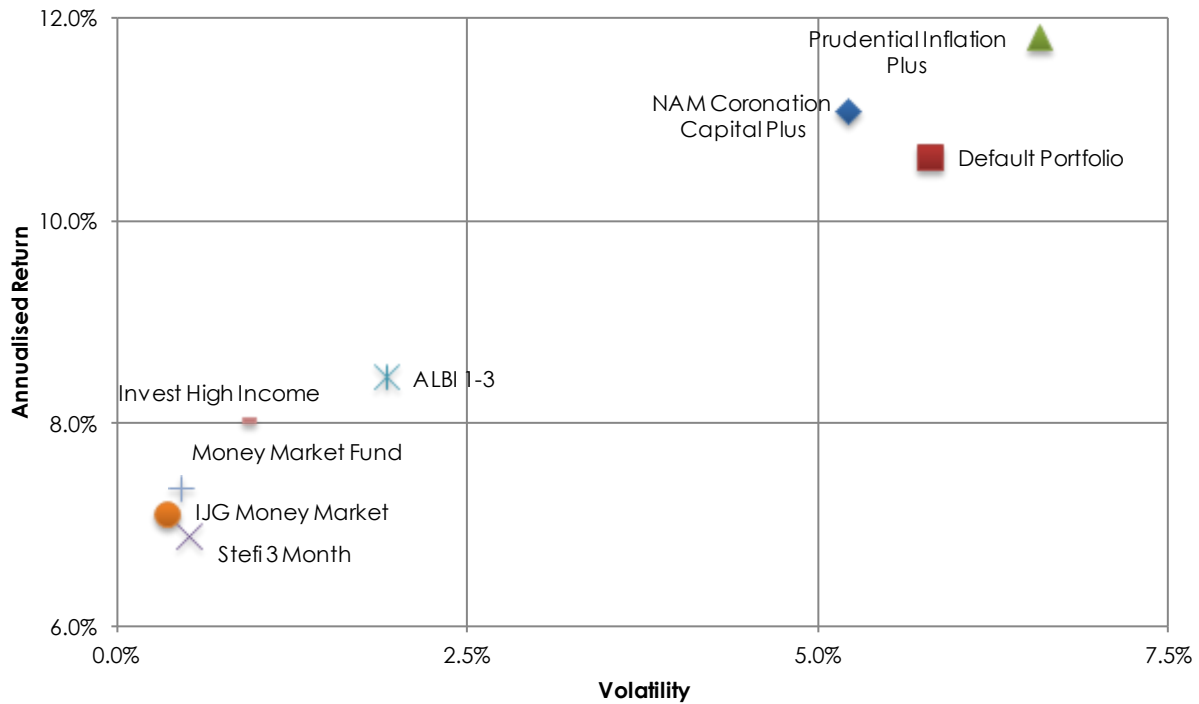
Please note: The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.

The following graph reflects the investment returns achieved for each period graphically:



3.2.5. Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate-low portfolios for a 3 year period ending **31 December 2011**. These returns are also **gross** of all investment charges.



3.3. Low Risk and Capital Preservation Portfolios

3.3.1. Asset allocation

The figures below reflect the asset allocation of the low risk portfolios.

Investec High Income Fund			
	31 December 2011	31 December 2010	Changes
Nam Equities	-	-	-
Nam Bonds	14.7%	17.2%	-2.5%
Nam Cash	22.1%	18.9%	3.2%
Nam Property	-	-	-
SA Equities	-	-	-
SA Bonds	27.5%	49.5%	-22.0%
SA Cash	35.7%	14.4%	21.3%
SA Property	-	-	-
Offshore	-	-	-
Other	-	-	-
Total	100.0%	100.0%	-

3.3.2. Time weighted returns

Listed below are the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

Low risk portfolios

Investment Portfolio	1 yr	3 yrs (annualised)	5 yrs (annualised)
Investec High Income Fund Namibia	6.3%	8.0%	9.1%
ALBI 1-3 year Index	8.9%	8.5%	9.1%
Inflation	7.2%	5.7%	7.0%
Target: Inflation + 2% to 3%	-	7.7% to 8.7%	9.0% to 10.0%

Capital Protection Portfolios

Investment Portfolio	1 yr	3 yrs (annualised)	5 yrs (annualised)
Money Market Fund	5.9%	7.4%	8.7%
IJG Money Market Index	6.0%	7.1%	8.3%
Target: Inflation + 1%	-	6.7%	8.0%

4. Fund fact sheets

Allan Gray Namibia Investment Trust

Risk Profile: Moderate**Size:** N\$2.1bn**Portfolio Description**

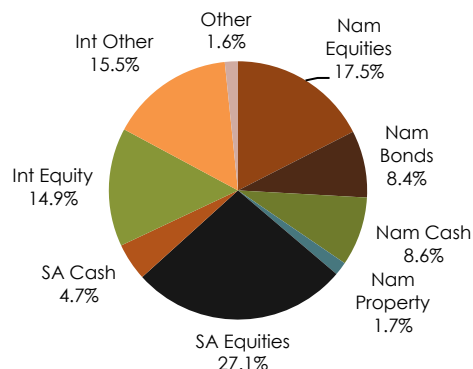
The Allan Gray Namibia Investment Trust is a market-linked balanced portfolio which represents Allan Gray's best investment view for balanced mandates.

Inception: Aug-99**CIO:** Ian Liddle**Portfolio Manager**

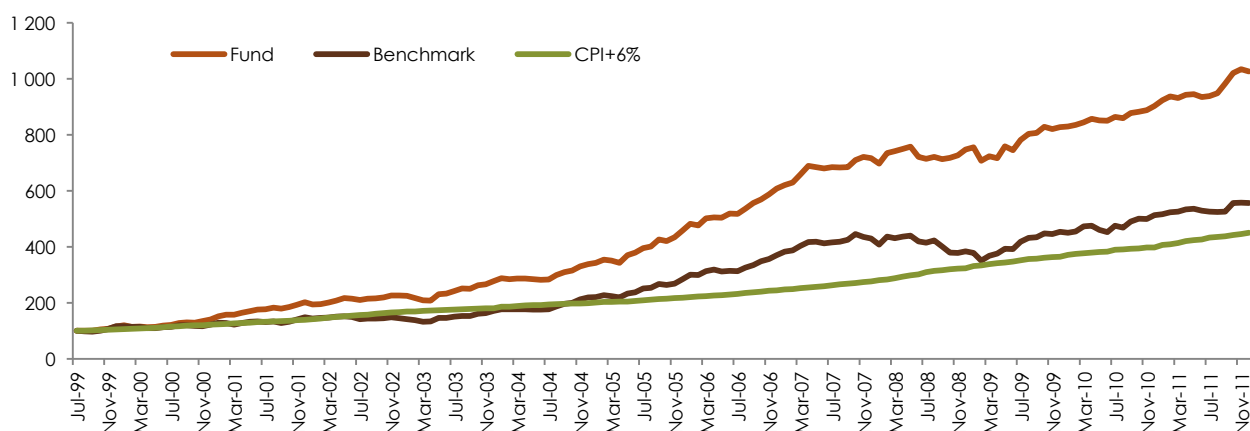
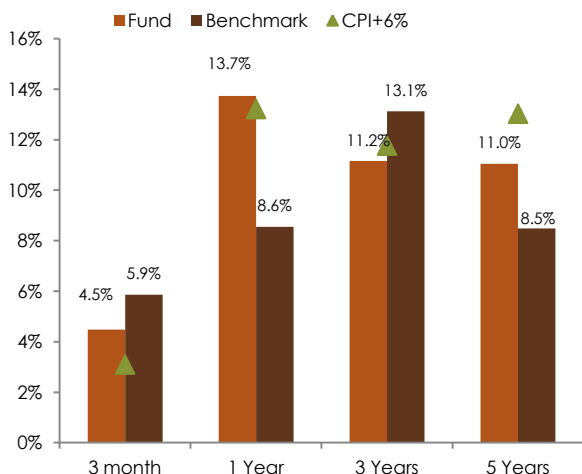
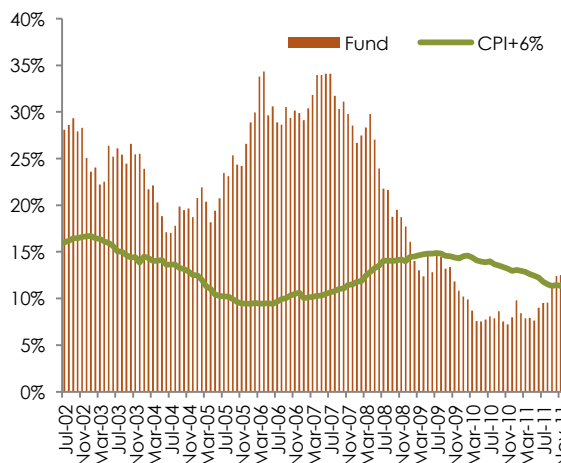
Ian Liddle, Duncan Artus, Andrew Lapping, Simon Raubenheimer

Benchmark

The benchmark for the fund is the average of the Alexander Forbes Namibia Survey for Retirement Funds. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

Fees: 0.75% p.a.**Asset Allocation as at 31 December 2011****Top 10 Equities**

Share		% of Portfolio	Share		% of Portfolio
1	Sasol	5.7%	6	Anglogold	2.2%
2	British American Tobacco	4.8%	7	Standard Bank Group Namibia	2.1%
3	SABMiller	4.6%	8	Sanlam Namibia	2.0%
4	FNB Namibia	3.4%	9	Bidvest Namibia	1.9%
5	Remgro	2.7%	10	Impala Platinum	1.4%

Cumulative Performance vs Benchmark since inception**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Investec Managed Fund Namibia

Risk Profile: Moderate**Size:** N\$563m**Portfolio Description**

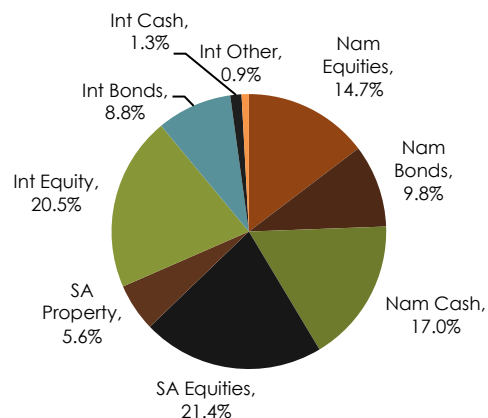
The Investec Managed Fund is market-linked balanced portfolio which aims to achieve stable returns over the longer term by investing in all asset classes. This portfolio represents Investec's best investment view.

Inception: May-97**CIO:** John McNab, Mimi Ferrini**Portfolio Manager**

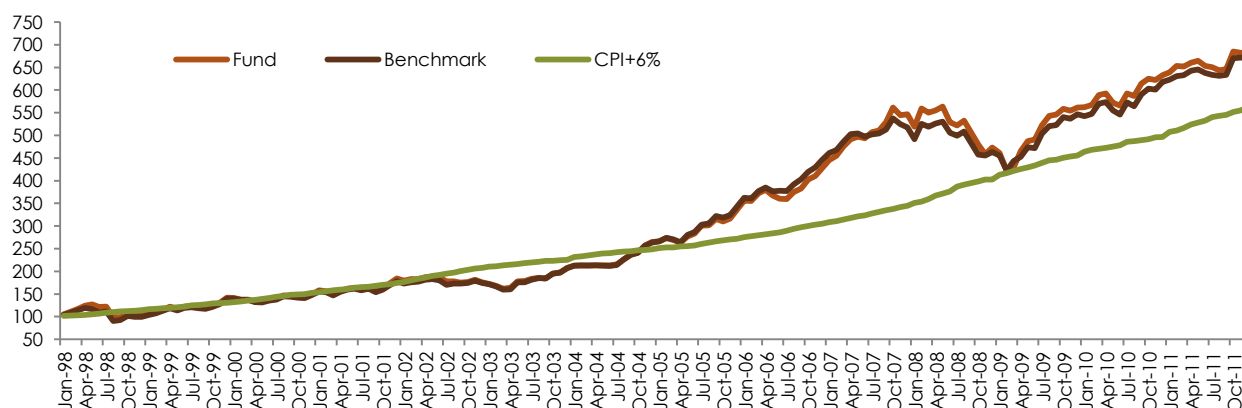
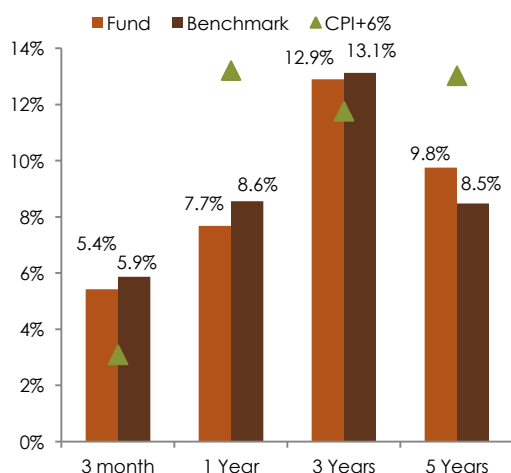
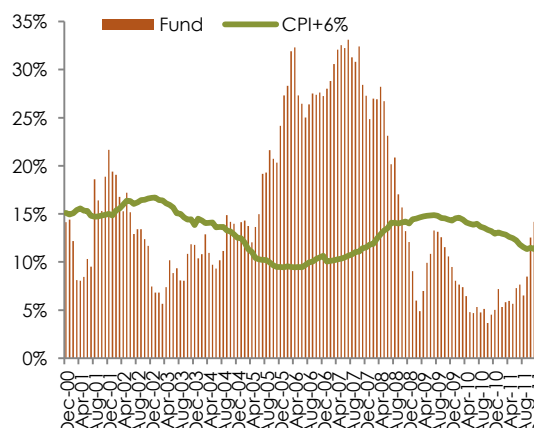
James Hatuikulipi and Chris Freund

Benchmark

The benchmark for the fund is to outperform the average of the manager's peer group. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

Fees: 0.70% p.a.**Asset Allocation as at 31 December 2011****Top 10 Equities**

Share		% of Equities		Share		% of Equities	
1	Anglo American	11.4%	6	Richemont	5.6%		
2	Sasol	9.0%	7	Barloworld	5.1%		
3	MTN Group	6.8%	8	Nedbank	5.1%		
4	Anglogold	6.5%	9	Firstrand	5.0%		
5	SABMiller	6.0%	10	Capital Property Fund	4.8%		

Cumulative Performance vs Benchmark since January 1998**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

AF Namibia Balanced Growth Fund

Risk Profile: Moderate**Size:** N\$832m**Portfolio Description**

The AF Namibia Balanced Growth portfolio is a multi-managed, market-linked balanced portfolio which represents Investment Solutions' best investment view for balanced mandates. The portfolio invests in all asset classes and focus on reducing volatility by diversifying among managers with different investment styles.

Inception: Apr-09**CIO:** Mark Lindheim**Portfolio Manager:** Suniti Naran**Benchmark**

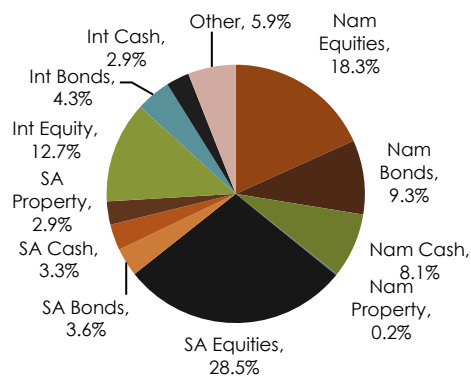
The portfolio has an internal benchmark. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark

Fees: 0.8% p.a. domestic
0.9% p.a. international

Please note: Investment Solutions were only able to provide Top 5 equities as at 31 December 2011 at time of finalising the report

Underlying Managers:

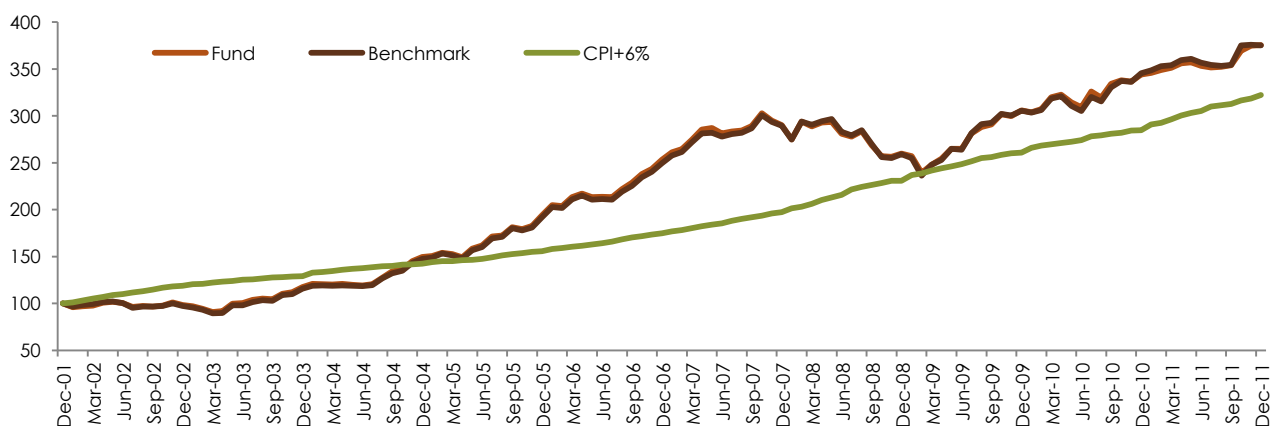
Allan Gray, Coronation, Kagiso, Prescient, Absa, Foord, Oasis, Element, Afena, Caveo, Sanlam, Stanlib, Catalyst, OMIGSA

Asset Allocation as at 31 December 2011

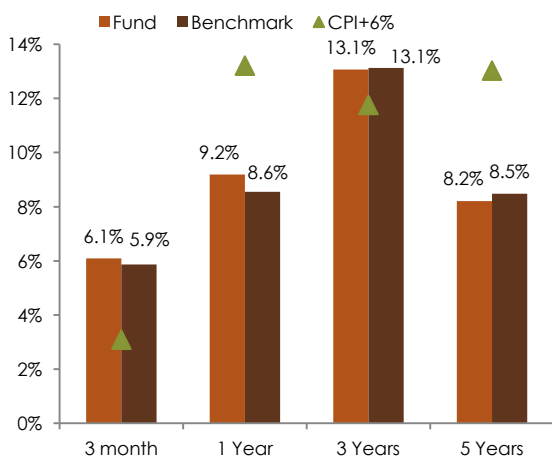
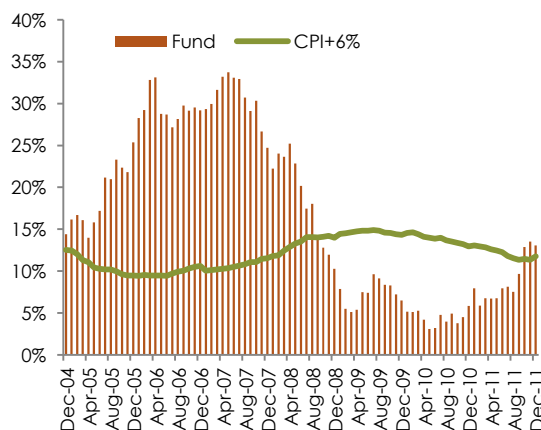
Other represents SA Hedge Funds.

Top 5 Equities as at 31 December 2011

	Share	% of Equities
1	Old Mutual Namibia	4.0
2	Sasol	3.9
3	MTN Group	3.3
4	Standard Bank Group Namibia	3.3
5	Firststrand Namibia	3.2

Cumulative Performance vs Benchmark since inception

Please note: Returns prior to April 2009 were for the Investment Solutions Focused Growth Fund. The fund's name changed to AF Balanced Growth in March 2009.

Historical performance as at 31 December 2011**3-year rolling performance vs CPI target**

Old Mutual Namibia Profile Balanced Fund

Risk Profile: Moderate**Size:** N\$249m**Portfolio Description**

The Old Mutual Namibia Profile Balanced Portfolio is a market-linked balanced portfolio which places emphasis on asset allocation across all asset classes. The portfolio represents OMIGNAM's best investment view for a moderate balanced mandate. The portfolio aims to achieve consistent real returns over the longer term.

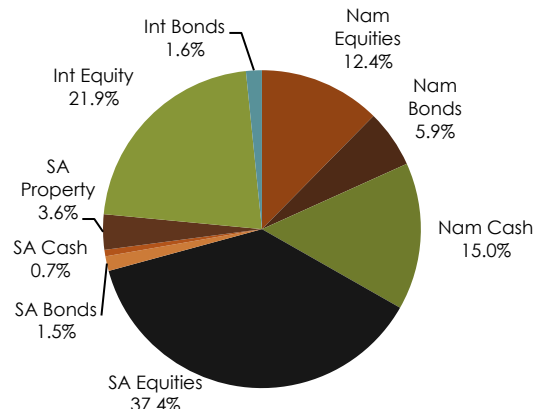
Inception: Apr-98**CIO:** Peter Brooke**Portfolio Manager**

Peter Brooke and Tyrone van Wyk

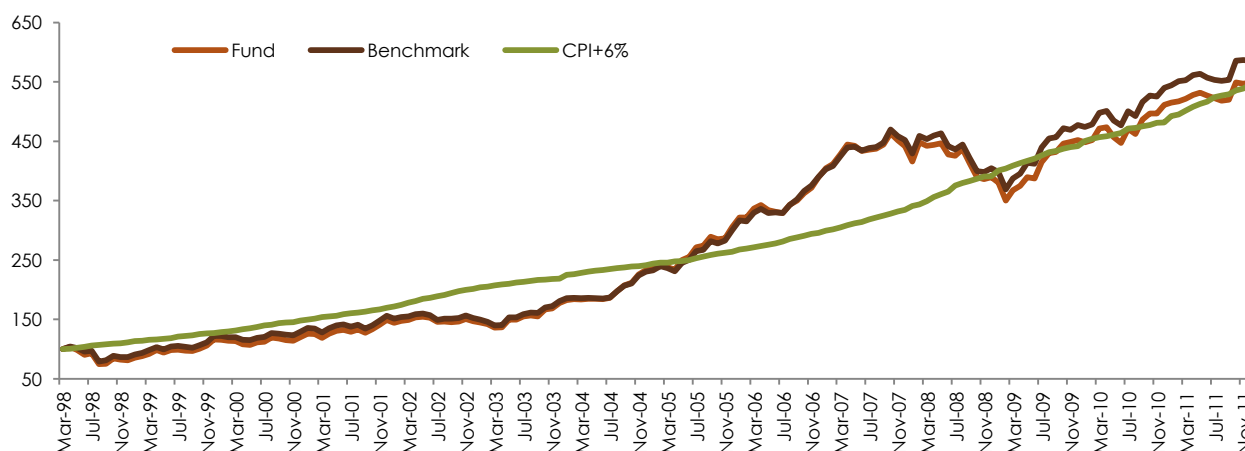
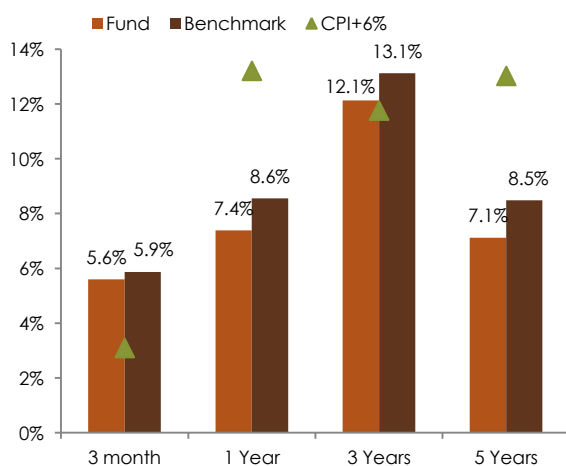
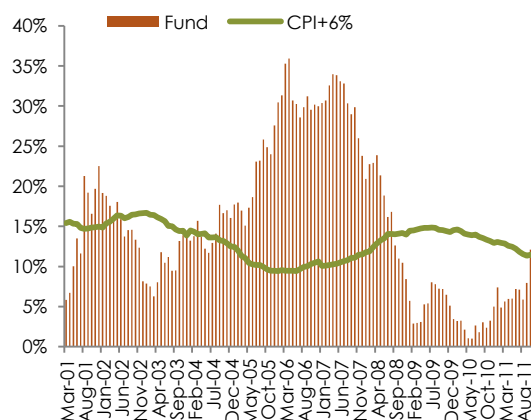
Benchmark

The OMIGNAM Profile Balanced Portfolio has an internal benchmark. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

Fees: 0.55% p.a. domestic assets
0.80% p.a. international assets

Asset Allocation as at 31 December 2011**Top 10 Equities**

Share		% of Equities		Share		% of Equities	
1	MTN Group	7.6%	6	British American Tobacco	5.3%		
2	Sasol	7.1%	7	Firstrand	4.8%		
3	Anglo American	5.9%	8	Investec	3.8%		
4	Standard Bank Group	5.7%	9	SABMiller	2.4%		
5	BHP Billiton	5.6%	10	Naspers	1.8%		

Cumulative Performance vs Benchmark since inception**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Prudential Namibia Balanced Fund

Risk Profile: Moderate**Size:** N\$12.4m**Portfolio Description**

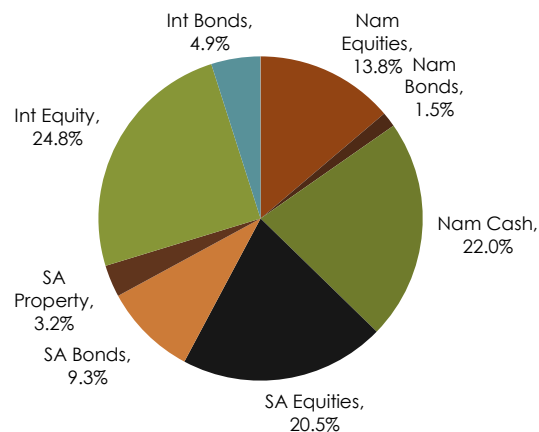
The Prudential Namibia Balanced portfolio is a market-linked balanced portfolio which aims to achieve consistent growth of capital and income by maintaining a superior stock selection across all industries relative to the benchmark and across all asset classes. The portfolio represents Prudential's best investment view.

Inception: Aug-08**CIO:** Marc Beckenstrater**Portfolio Manager**

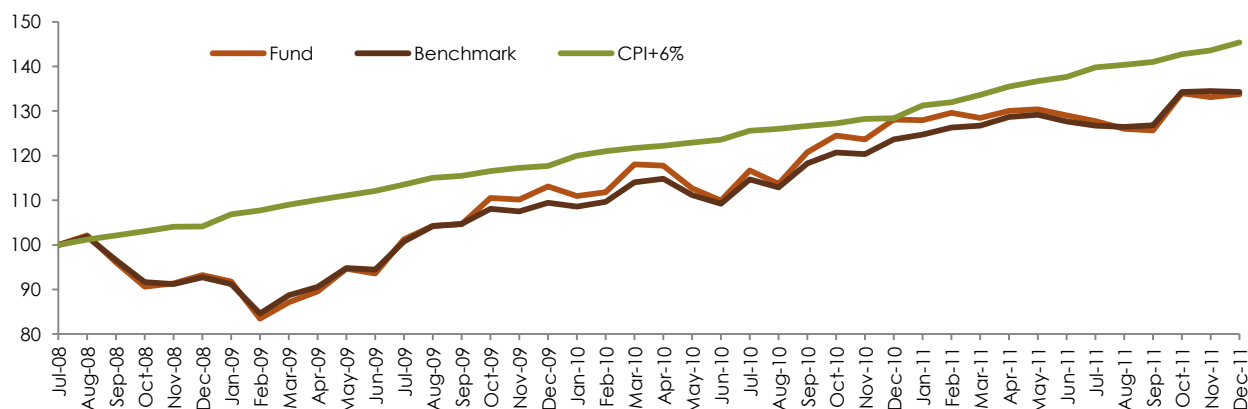
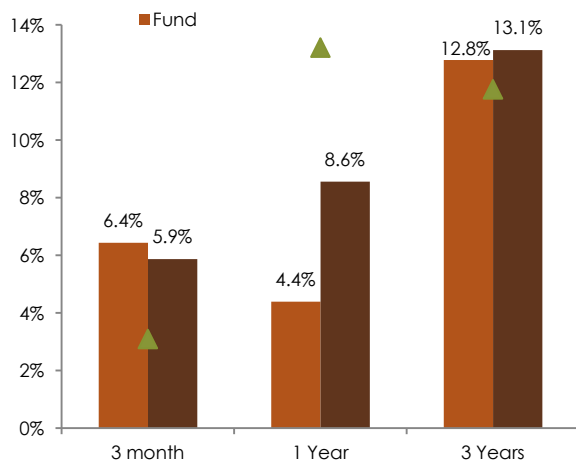
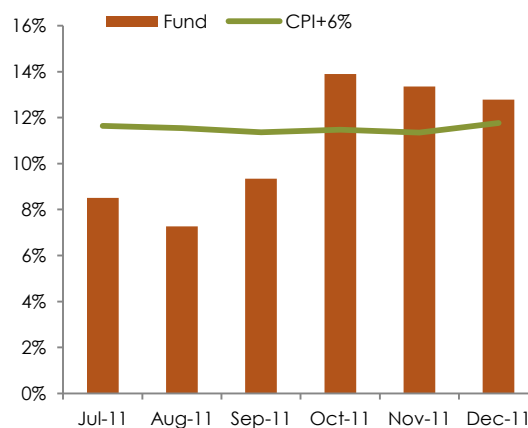
Michael Moyle and Marc Beckenstrater

Benchmark

The benchmark for the portfolio is the Alexander Forbes Global Large Manager Watch (Namibia). For comparative purposes the JMCA Average Moderate Fund will be used as benchmark

Fees: 0.75% p.a.**Asset Allocation as at 31 December 2011****Top 10 Equities**

Share		% of Total Fund	Share		% of Total Fund
1	MTN Group	3.0%	6	Sasol	1.9%
2	Anglo American	2.6%	7	Old Mutual Namibia	1.7%
3	BHP Billiton	2.3%	8	SABMiller	1.6%
4	Standard Bank Group	2.2%	9	Truworths	1.2%
5	Firststrand Namibia	2.0%	10	Exxaro	1.2%

Cumulative Performance vs Benchmark since inception**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Sanlam Namibia Managed Prudential Fund

Risk Profile: Moderate**Size:** N\$113m**Portfolio Description**

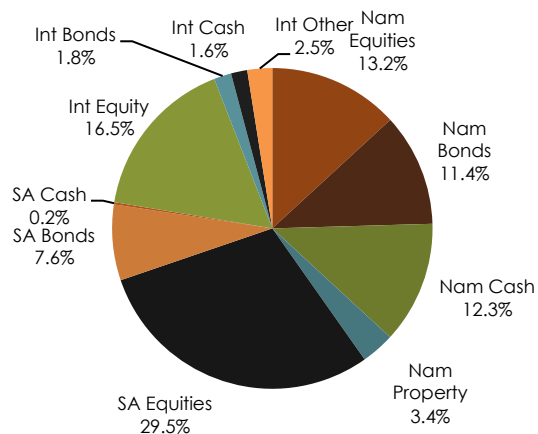
The Sanlam Namibia Managed Prudential Fund is a market-linked Balanced Unit Trust portfolio which invests in all asset classes, aiming to achieve maximum returns over the longer term. The Fund is closely aligned with Sanlam's best investment view and is suitable for investors seeking capital growth over the long term.

Inception: Jul-05**CIO:** Andre Roux**Portfolio Manager**

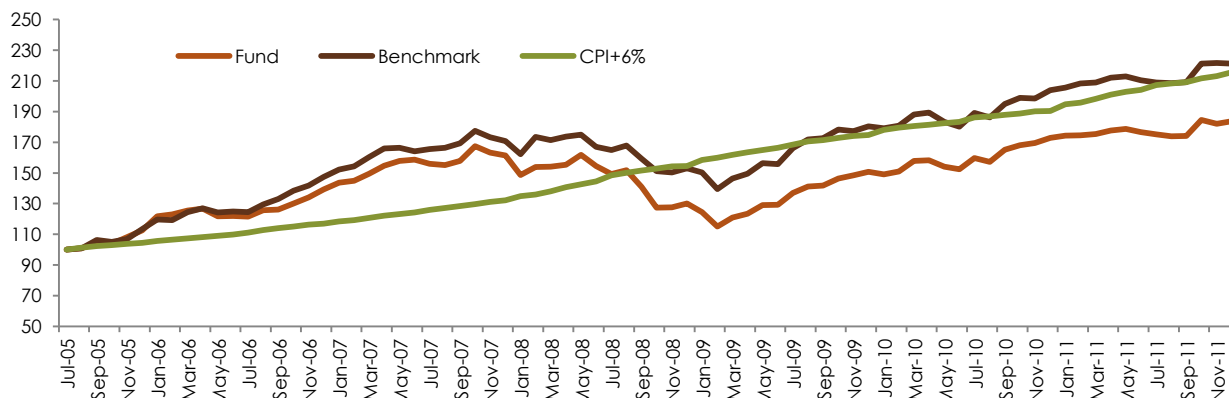
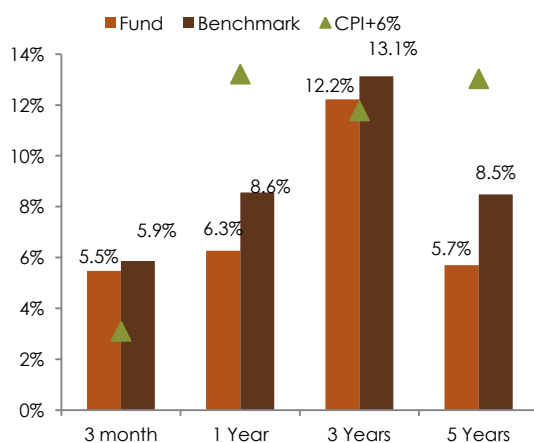
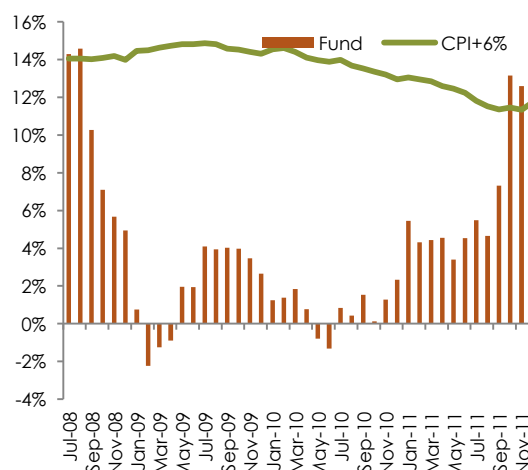
Gerhard Cruywagen

Benchmark

The benchmark of the portfolio is the average of the Standard&Poor's Micropal Asset Allocation Prudential Medium Equity category. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

Fees: 0.75% p.a.**Asset Allocation as at 31 December 2011****Top 10 Equities**

	Share	% of Equities		Share	% of Equities
1	Anglo American	9.2%	6	BTI Group	6.3%
2	Sasol	9.1%	7	Old Mutual	4.9%
3	Standard Bank Group	8.6%	8	Bidvest	3.4%
4	BHP Billiton	6.9%	9	SABMiller	2.4%
5	MTN Group	6.4%	10	Imperial	2.4%

Cumulative Performance vs Benchmark since July 2005**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Standard Bank Namibia Managed Fund

Risk Profile: Moderate**Size:** N\$103 m**Portfolio Description**

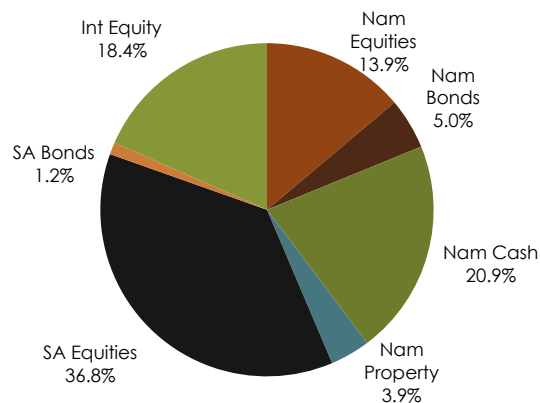
The Standard Bank Namibia Managed Fund is a market-linked balanced portfolio which invests in all asset classes. The fund includes the combined investment view's of STANLIB(SA&NAM). The portfolio aims to achieve capital growth over the longer-term.

Inception: Apr-98**CIO:** Brown Amuenje**Portfolio Manager**

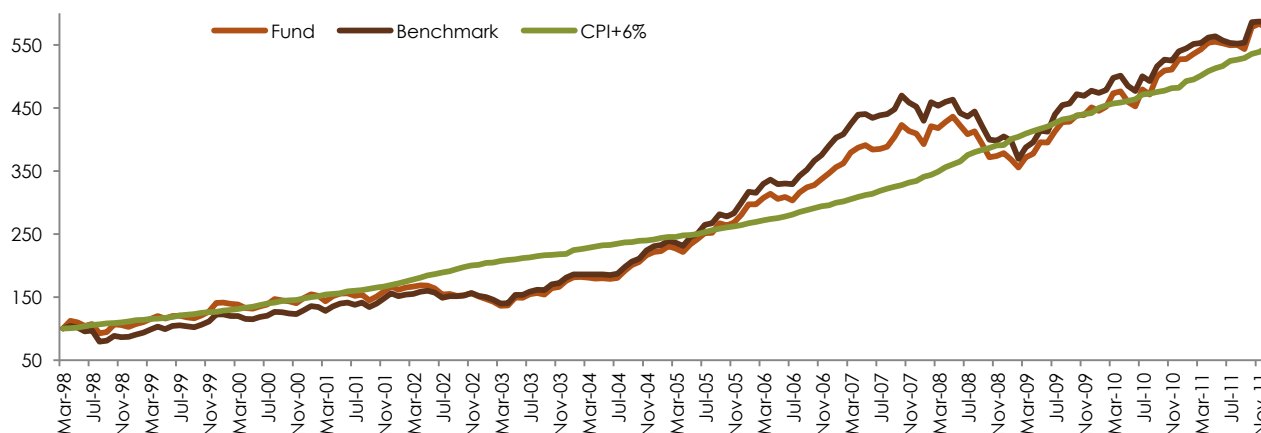
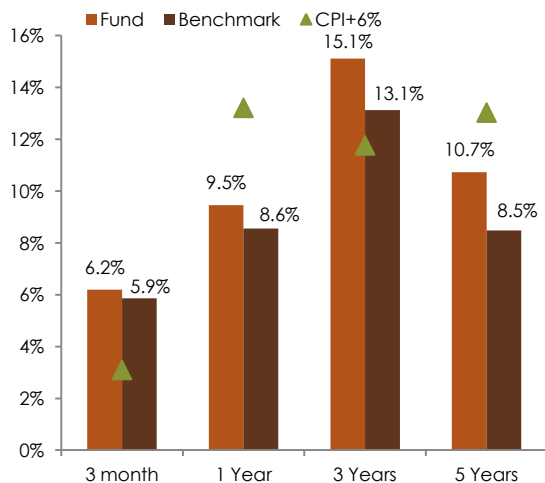
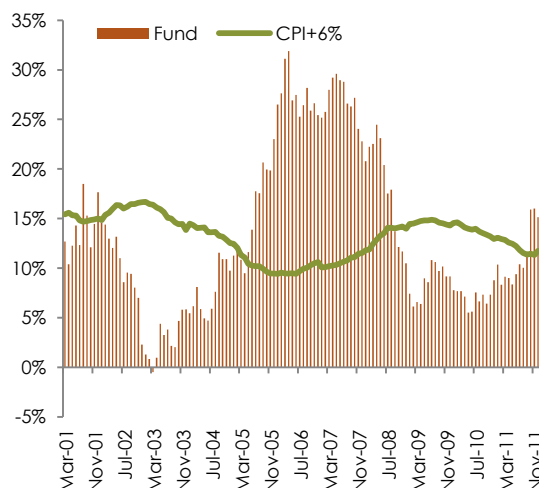
Brown Amuenje

Benchmark

The benchmark for this fund is the Alexander Forbes Large Manager Watch. For comparative purposes the JMCA average Moderate Fund will be used as benchmark.

Fees: 0.5% p.a.**Asset Allocation as at 31 December 2011****Top 10 Equities as at 31 December 2011**

		Share	% of Portfolio			Share	% of Portfolio
1	Anglo American Namibia		9.1%	6	Shoprite		4.6%
2	MTN Group		8.2%	7	Richemont		3.7%
3	BHP Billiton		7.6%	8	British American Tobacco		3.6%
4	Standard Bank Namibia Property Unit Trust		6.8%	9	African Rainbow Minerals		3.2%
5	Woolworths		4.7%	10	Firststrand Namibia		3.1%

Cumulative Performance vs Benchmark since inception**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

NAM Coronation Capital Plus Fund

Risk Profile: Moderate-low**Size:** N\$ 299.5m**Portfolio Description**

The NAM Coronation Capital Plus ClassA Fund (previously Absolute Fund) is suitable for members with a lower risk tolerance. It is an actively managed, moderate-low risk fund with exposure to all asset classes. The fund aims to achieve consistent positive real returns with a primary focus on offering downside protection and preserving capital in real terms over any rolling 12 month period.

Inception: Nov-07**CIO:** Eino Emvula**Portfolio Manager**

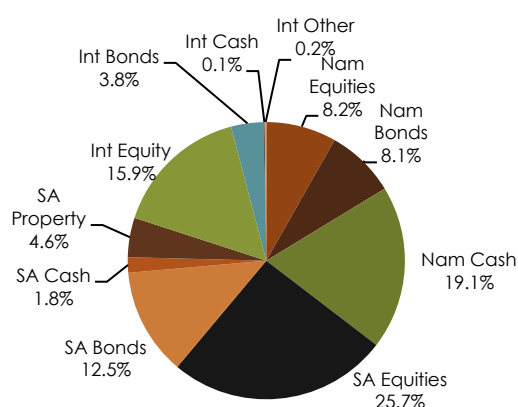
Louis Stassen and Henk Groenewald

Benchmark

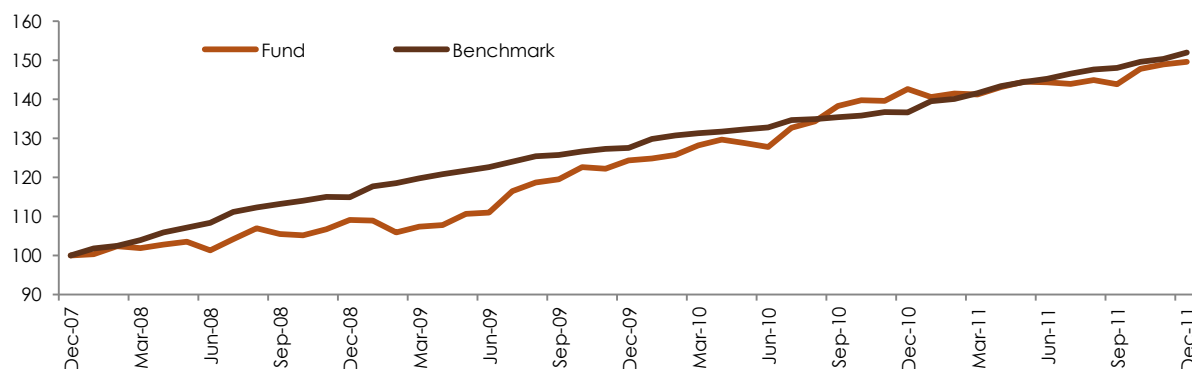
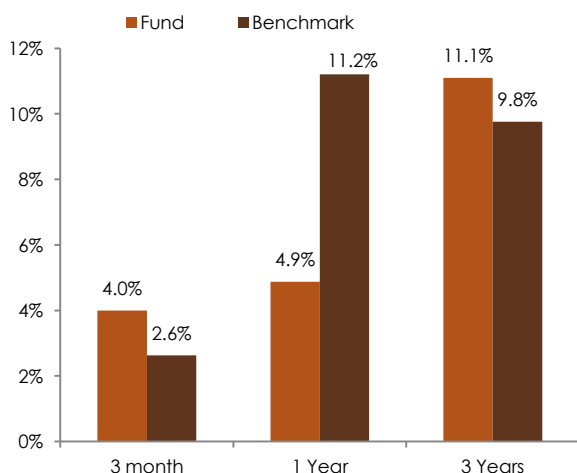
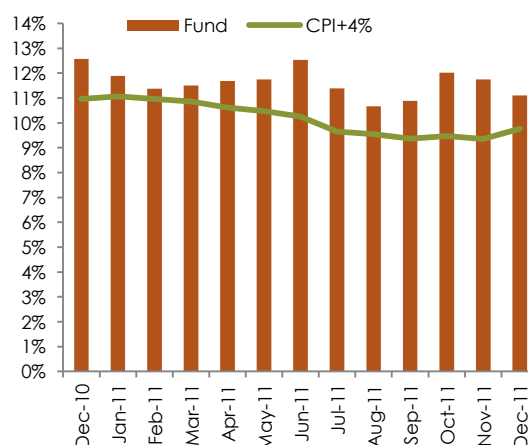
The benchmark for the fund is Namibia Headline Inflation plus 4.0% over a rolling three year period.

Fees: 0.95 % p.a. + 10% ouperformance to maximum of 2.25% p.a.

Please note: The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.

Asset Allocation as at 31 December 2011**Top 10 Equities**

Share		% of Equities	Share		% of Equities
1	Coronation Global Equity FoF	7.9%	6	Coronation Global Managed Fund	1.9%
2	Coronation Global Capital Plus	5.9%	7	Anglo American	1.9%
3	Coronation Absolute World Opportunities	4.2%	8	MTN Group	1.7%
4	Standard Bank Group	2.9%	9	Bidvest	1.4%
5	Remgro	2.0%	10	Sasol	1.3%

Cumulative Performance vs Benchmark since inception**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Prudential Namibia Inflation Plus Fund

Risk Profile: Moderate-low

Size: N\$ 242m

Portfolio Description

The Prudential Namibia Inflation Plus Fund is a conservative market-linked portfolio which aims to produce stable real returns. The fund invests predominantly in inflation linked bonds and other interest-bearing securities and equities.

Inception: Sep-99

CIO: Marc Beckenstrater

Portfolio Manager

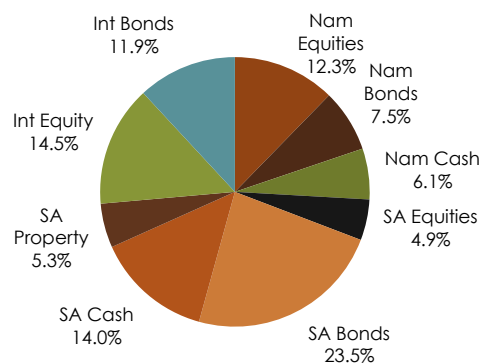
Michael Moyle, Albert Arntz

Benchmark

The benchmark for the fund is Namibia Headline Inflation plus 4% over a rolling three year period.

Fees: 0.75% p.a.

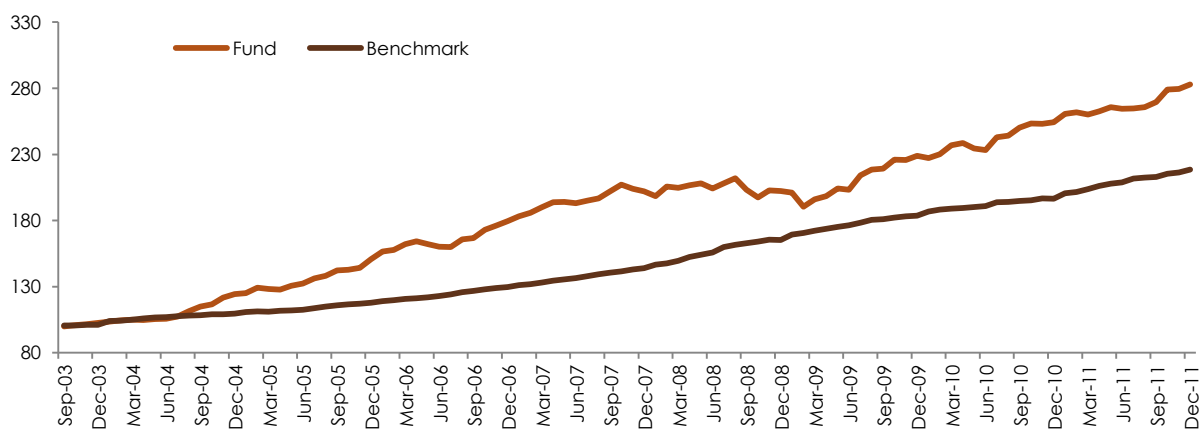
Asset Allocation as at 31 December 2011



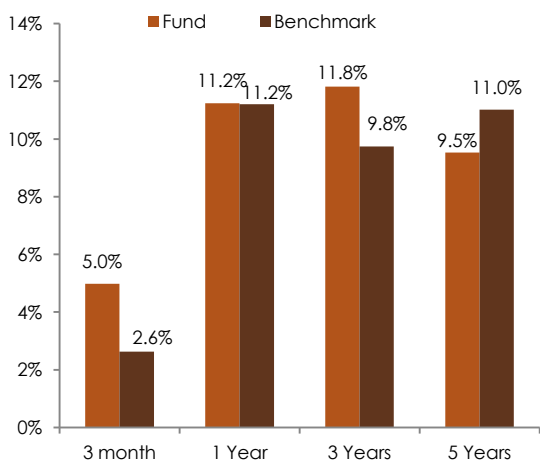
Top 10 Equities

Share		% of Portfolio		Share		% of Portfolio	
1	Standard Bank Group	2.6%	6	MTN Group	0.8%		
2	Anglo American	2.1%	7	Investec Namibia	7.0%		
3	Firstrand Namibia	1.5%	8	Sasol	0.5%		
4	Old Mutual Namibia	1.3%	9	BHP Billiton	0.5%		
5	Truworths Namibia	1.0%	10	Nedbank Namibia	0.5%		

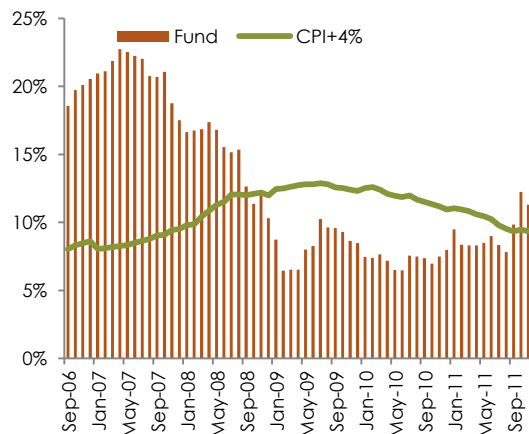
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2011



3-year rolling performance vs CPI target



Benchmark Retirement Fund Default Portfolio

Risk Profile: Moderate-low
Size: N\$ 216m
Inception: Aug-99

Portfolio Description

The Default Portfolio has the following objectives:

- To reduce volatility of returns
- To achieve a real return of 4% (net of fees) over a rolling 3 year period
- To reduce risk of large negative returns over rolling 12 months
- To reduce risk by spreading assets between more than one investment manager

The Default Portfolio has a risk profile lower than that of the moderate risk portfolios and as such the expected long term returns should also be lower. The Trustees use their absolute discretion in selecting the best manager offering and reserve the right to appoint or replace Asset Managers at any time.

Benchmark

The benchmark for this fund is Namibian Headline inflation +5% over a rolling three year period.

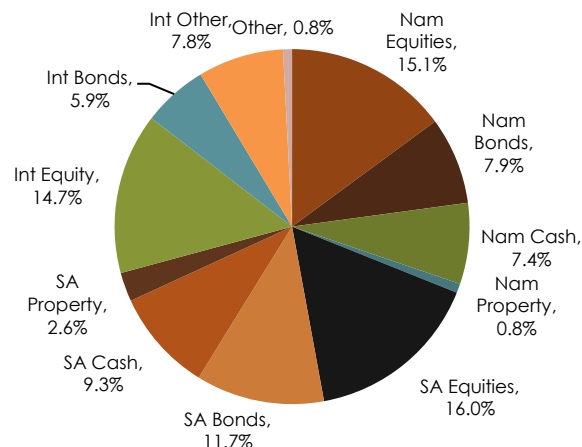
Fees: 0.75%p.a.

Portfolio Mix as at 31 December 2011

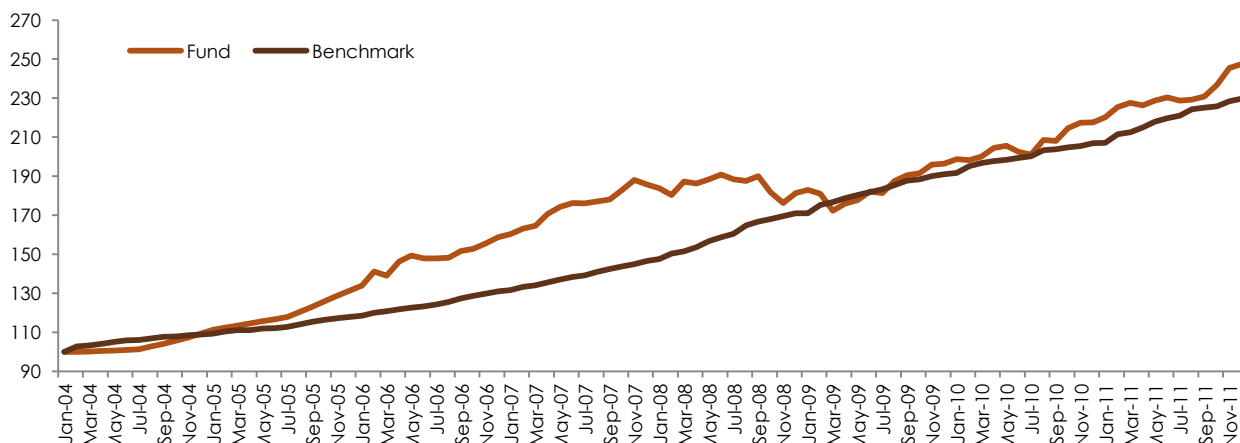
Allan Gray Namibia Investment Trust
 Prudential Namibia Inflation Plus

For the period from January 2004 to July 2007 the Default portfolio assets were invested 100% in the Metropolitan Absolute Return Fund. As from July 2007 the Trustees decided to add the Prudential Namibia Inflation Plus Fund to the default portfolio. It was decided to replace the Metropolitan Absolute Return Fund with the Allan Gray Namibia Investment Trust as from 1 January 2011. Cash Flows would be split equally between the two portfolios.

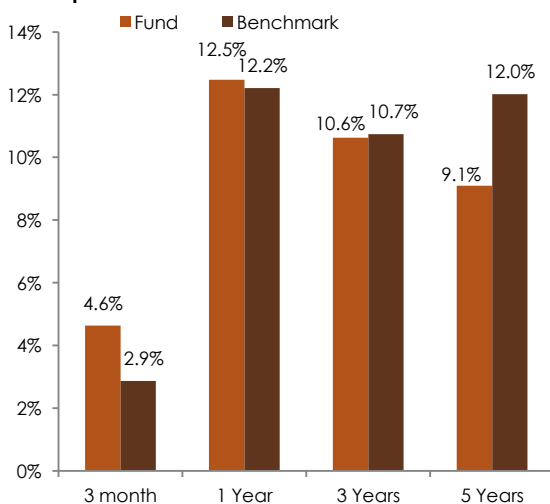
Asset Allocation as at 31 December 2011



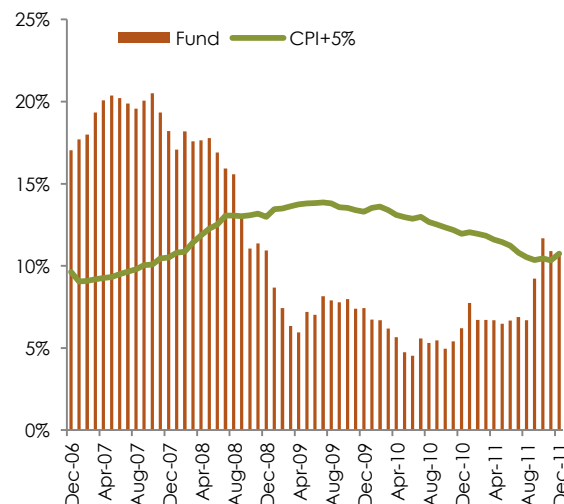
Cumulative Performance vs Benchmark since January 2004



Historical performance as at 31 December 2011



3-year rolling performance vs CPI target



Investec High Income Fund Namibia

Risk Profile: Low
Size: N\$460 m

Portfolio Description

The Investec High Income Fund is an actively managed portfolio and invests in both South African and Namibia high-yielding fixed interest instruments.

Inception: May-2000

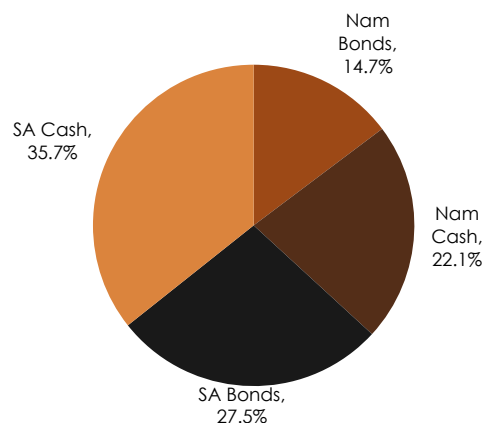
CIO: John McNab, Mimi Ferrini

Portfolio Manager: Vivienne Taberer

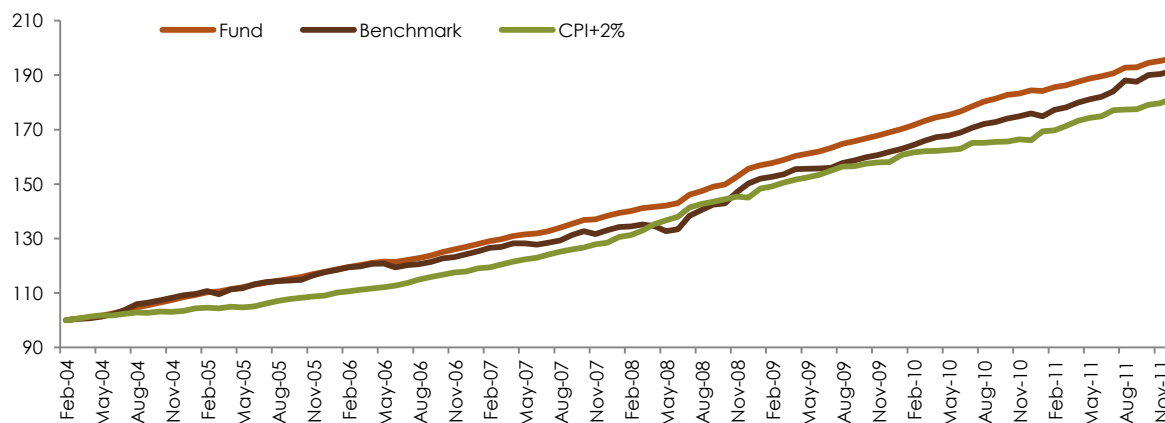
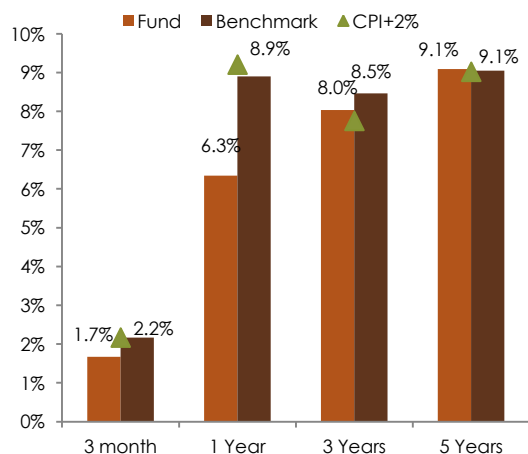
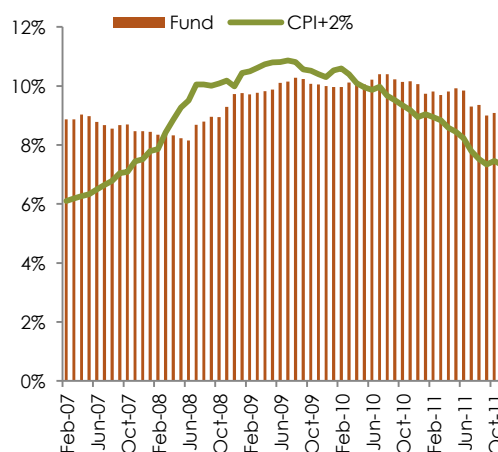
Benchmark

The benchmark for this portfolio is the BEASSA 1-3 year All Bond Index.

Fees: 1.0% p.a.

Asset Allocation as at 31 December 2011**Top 10 Bonds**

Bond		% of Bonds	Bond		% of Bonds
1	NAMGOV GC12	8.7%	6	Namibia GC14	2.8%
2	RSA R203	8.3%	7	NAMGOV GC15A	2.6%
3	RSA R206	6.5%	8	RSA R157	2.5%
4	RSA R204	3.2%	9	ABSA	2.1%
5	NAMGOV GC18	3.0%	10	INVBK IV03	2.1%

Cumulative Performance vs Benchmark since February 2004**Historical performance as at 31 December 2011****3-year rolling performance vs CPI target**

Money Market

Risk Profile: Capital Preservation
Size: N\$4.2bn

Portfolio Description

The Money Market Fund aims to achieve stable and secure returns for the risk averse investor by investing in a diversified combination of liquid money and capital market instruments. The underlying investment is the Bank Windhoek Investment Fund.

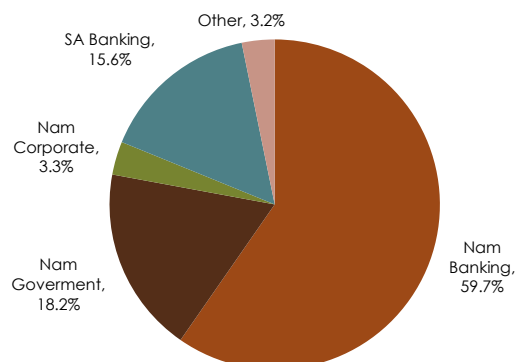
Inception: Feb-02
CIO: Ian Erlank
Portfolio Manager: Capricorn Asset Managers (Tertius Liebenberg)

Benchmark

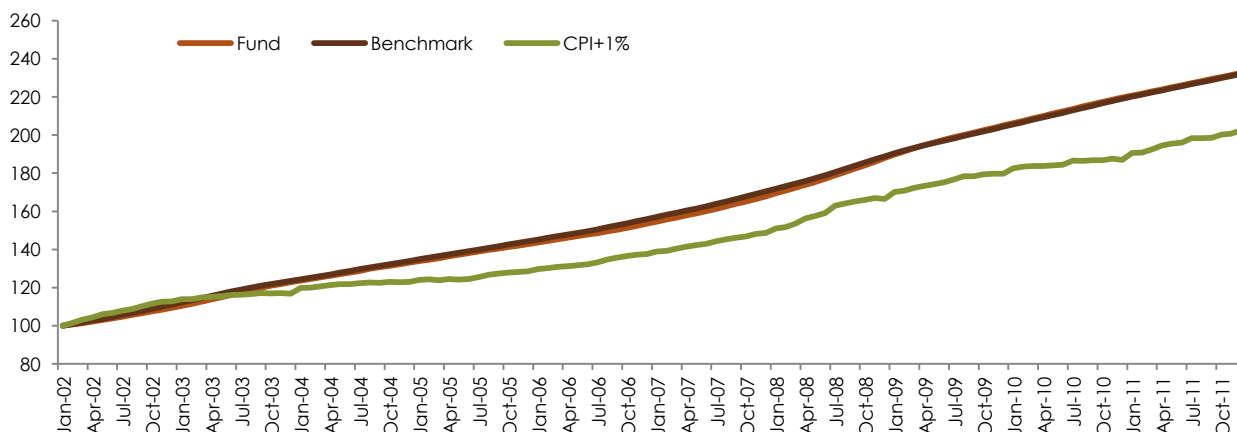
The benchmark for this portfolio is the Bank of Namibia 7 day Repo Rate. For comparative purposes the IJG Money Market Index has been used as benchmark

Fees: 0.5% p.a.

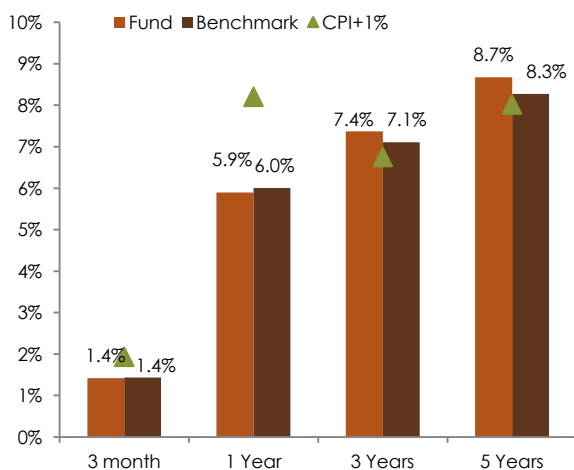
Asset Allocation as at 31 December 2011



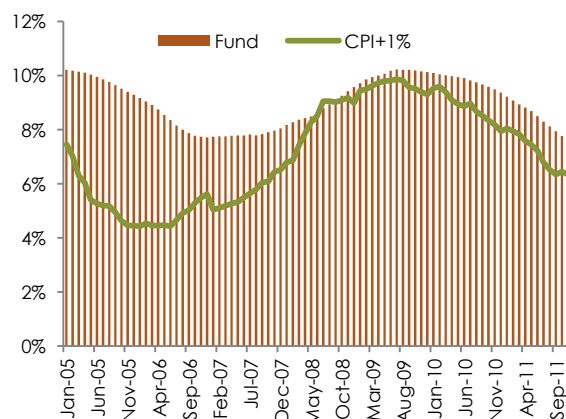
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2011



3-year rolling performance vs CPI target



5. Glossary

Asset Allocation: The weighting of assets in an investment portfolio amongst different asset classes (shares, bonds, property, cash, and international investments).

BEASSA All Bond Index (ALBI): Bond Exchange Actuarial Society of South Africa Index.

Balanced Fund: An investment portfolio that spreads its holdings over a range of asset classes, which typically include shares, fixed interest, property, international securities, and cash.

Benchmark: An index or other market measurement that is used by a fund manager as a yardstick to assess the risk and performance of a portfolio; for example, the All Share Index is a commonly used benchmark for Domestic Equity portfolios.

Bottom-up Analysis: A form of security analysis that begins with forecasting returns for individual companies, then moves to industries and, finally, the economy as a whole.

Capital Preservation Portfolio: Portfolios that provide investors with a 100% Capital Guarantee (ie. initial investments + contributions + percentage of bonuses received).

FTSE/JSE All Share Index (ALSI): A “basket” of shares representing all the shares on the JSE. This index is used as a measurement to indicate price movements in the market.

Growth Style: Growth style managers identify companies with above average earnings growth, which they believe will be reflected by the price in future. These shares usually have a higher P/E ratio as the price is higher due to earnings being generated at a fast pace.

Growth at a Reasonable Price: An investment style in which the manager selects shares where the company is growing profits, but the share price is not over-priced relative to that growth or shares of which the P/E ratio is below that of the index.

Inflation (CPI): The consumer price index represents the increase in the price of a “basket” of basic goods and services e.g. food, petrol. It provides an indication as to how fast prices are increasing in the economy.

Institutional Investor: An organisation whose primary purpose in investment markets is to invest its own assets or those that it holds in trust for others. Institutional investors include fund managers, life companies, retirement funds, banks, etc.

JMCA: An abbreviation for Jacques Malan Consultants and Actuaries.

JP Morgan Global Bond Index: An index which can be used to measure global bond market movements. Countries' bonds across the globe form part of the index, each carrying a certain weight in the index.

Market Value Adjustment: A term used with smooth bonus products. All disinvestments which are not for benefit payment (ie switches, terminations) will be paid out at the lower of book or market value. Genuine benefit payments are defined to be payments iro resignation, death and retirement.

Median: The middle value that exceeds half of the values in the sample and which is exceeded by the other half. For example, if five items cost R20, R80, R100, R300, and R500 respectively, the median value would be R100, whereas the mean would be R200.

MSCI World Equity Index: An index which can be used to measure global market movements. Countries across the globe form part of the index, each carrying a certain weight in the index.

NSX Index: A “basket” of shares representing all the shares on the Namibian Stock Exchange. This index is used as a measurement to indicate price movements in the market.

Price Earnings Ratio: A stock's market price divided by its current or estimated future earnings per share. The PE ratio is used by the investing public as a measure of the attractiveness of a particular share versus all other shares. The lower the ratio relative to the average of the share market, the lower the market's profit growth expectations.

Prudential Unit Trust: A unit trust which complies with Regulation 28 of the Pension Fund Act.

Regulation 28: The regulation in the Pension Fund Act providing guidelines for the investments of retirement funds.

Strategic Asset Allocation: The composition of an asset mix within a portfolio, constructed with the aim of meeting the long-term objectives of a fund, rather than being based on short-term views of relative performance of the various asset classes. Usually a benchmark is derived in this fashion.

STeFI: Short Term Fixed Interest Index. An index used to measure performance for short term (cash) investments.

Top Decile: A statistical measure dividing a sample into ten numerically equal groups. Thus, 'top decile' means the top 10% of a given sample.

Top-Down Analysis: A form of security analysis that begins with forecasting broad macroeconomic trends, then assessing the impact on industries and, finally, on individual companies.

Tactical Asset Allocation: A process by which the asset allocation of a fund is changed on a short-term basis to take advantage of perceived differences in relative values of the various asset classes. TAA can also be described as the variation of asset allocation around the strategic asset allocation.

Upper Quartile: A statistical measure dividing a sample into four numerically equal groups. Thus, 'upper quartile' means the top 25% of a given sample.

Value Style: Asset managers who have a value style identify shares which trade below intrinsic value in the belief that the share price will return to its intrinsic value. These securities usually have low prices relative to book value or earnings.

Volatility: A measure used to define risk which refers to the degree of fluctuation of returns over a specified period (normally short-term). The higher the volatility, the higher the fluctuation of returns which is associated with greater uncertainty of expected returns. This scenario is defined as being high risk.

Appendix A

The following table represents some salary replacement ratios:

NET contribution towards retirement i.e. AFTER all costs for risk and administration etc (as % of pensionable salary)					
Investment Return for 30 years before retirement (after fees)	8%	10%	12%	14%	16%
CPI + 5%	43%	54%	65%	75%	86%
CPI + 4%	36%	45%	54%	63%	72%
CPI + 3%	30%	38%	45%	53%	60%

The Trustees consider an appropriate post retirement income to be 60% of pre-retirement pensionable income after 30 years of service (assuming that 2% accumulates for each year of service). This ratio is defined as the salary replacement ratio. The above table stipulates a range of ratios for various net retirement funding contribution rates and assuming retirement at age 60. Other assumptions are:

- **Real rate of return before retirement is dependent on the investment portfolio chosen;**
- Investment return after retirement age is 3% real for all scenarios;
- Pension payable as long as member lives after retirement (assumed average of 20 years);
- Inflation rate assumed is 7% per annum;
- Annual pension increase of 75% of inflation assumed;
- No break in service or 100% preservation of accumulated fund credit where there is a change of employer;
- Full fund credit available on retirement (one-third and two-thirds) is used to generate the pension;
- Effect of tax is not taken into account.