

February 2015

Prepared by
NMG Investments Monitoring Division

For



Benchmark Retirement Fund

Investment Report as at 31 December 2014

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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 trustees of the Fund have removed Sanlam Namibia Balanced and AF Namibia Balanced from the platform of the fund towards the end of 2014, whilst they have added the EMH Prescient Absolute Balanced Fund, the NAM Coronation Balanced Plus Fund and the Sanlam Namibia Inflation Linked Fund. These three funds were opened during this quarter.

The Chilli Factor indicates the level of risk undertaken by the manager to achieve the desired investment return.

The following portfolios are offered to members:

Investment Portfolio	Risk Categorisation	Asset Manager's Explicit Performance Objective (Before Fees)	Return Expectations derived from Historical Experience (Before Fees)	Chilli Factor
EMH Prescient Absolute Balanced Fund ²	Moderate	None	CPI + 5% to 6%	
Allan Gray Namibia Balanced Fund	Moderate	None	CPI + 5% to 6%	
Investec Managed Fund Namibia	Moderate	None	CPI + 5% to 6%	
Old Mutual Namibia Profile Pinnacle Fund	Moderate	None	CPI + 5% to 6%	
Prudential Namibia Balanced Fund	Moderate	None	CPI + 5% to 6%	
NAM Coronation Balanced Plus Fund ²	Moderate	None	CPI + 5% to 6%	
Standard Bank Namibia Managed Fund	Moderate	None	CPI + 5% to 6%	
Default Portfolio	Moderate-Low	-	CPI + 4% to 5%	
NAM Coronation Capital Plus Fund	Moderate-Low	CPI + 4% (1yr)	CPI + 4%	
Prudential Namibia Inflation Plus Fund	Moderate-Low	CPI + 4%	CPI + 4%	
Sanlam Namibia Inflation Linked Fund ²	Moderate-Low	CPI + 4%	CPI + 4%	
NAM Coronation Balanced Defensive Fund	Moderate-Low	IJG Money Market + 3%	CPI + 2% to 3%	
Sanlam Namibia Active Fund ¹	Low	1-3 year ALBI	CPI + 1% to 2%	
Money Market Fund	Capital Preservation	7-day repo rate	CPI to CPI + 1%	None

1. The Trustees of the Fund replaced the Investec High Income Fund with the Sanlam Namibia Active Fund with effect from 31 July 2012.
2. New Funds available on the platform.

Investment Returns

In order to achieve an adequate salary replacement ratio it is imperative that members achieve a real investment return, i.e. a return in excess of price inflation. Refer to Annexure A for an indication of the relationship between investment returns and the salary replacement ratio.

While a real investment return should ideally be set as the explicit performance objective of an investment portfolio, a number of investment portfolios that are suitable for retirement funds, do not have an explicit performance objective related to inflation. The member will therefore have to consider the historic performance experience of an investment portfolio in relation to inflation as a proxy of potential returns in order to link a specific investment portfolio to the salary replacement ratio. It must be noted that the historic performance experience is not guaranteed to be achieved in future. While each investment portfolio will have an internal benchmark as stated by the Investment Manager in the portfolio mandate, that benchmark may not be an explicit real investment return.

Risk

The risk rating of an investment portfolio gives an indication of how volatile investment returns may be and therefore is also an indication of the risk that the investment return per the investment mandate may not be achieved. The risk categories have the following meaning:

- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential investment guidelines laid down by the Pension Funds Act. Investment returns can be very volatile.
- **Moderate risk portfolios:** This type of portfolio will have large exposure to growth assets (shares and property) at times and as such short term negative returns are possible. Investment returns can be volatile.
- **Moderate-low risk portfolios:** This type of portfolio also has exposure to growth assets (shares and property) but typically at lower levels than the moderate risk portfolios. They aim to have minimal negative returns and therefore have a lower risk profile than the moderate risk portfolios. Investment returns can still be volatile.
- **Low risk portfolios:** This type of portfolio should have minimal negative returns over a rolling 12-month period.
- **Capital preservation portfolios:** There should be no risk of capital loss on a monthly basis.

Investment return and risk are correlated; while the correlation cannot be defined in absolute terms, it is generally accepted that an investor would require compensation in the form of investment returns in return for the investment risk taken.

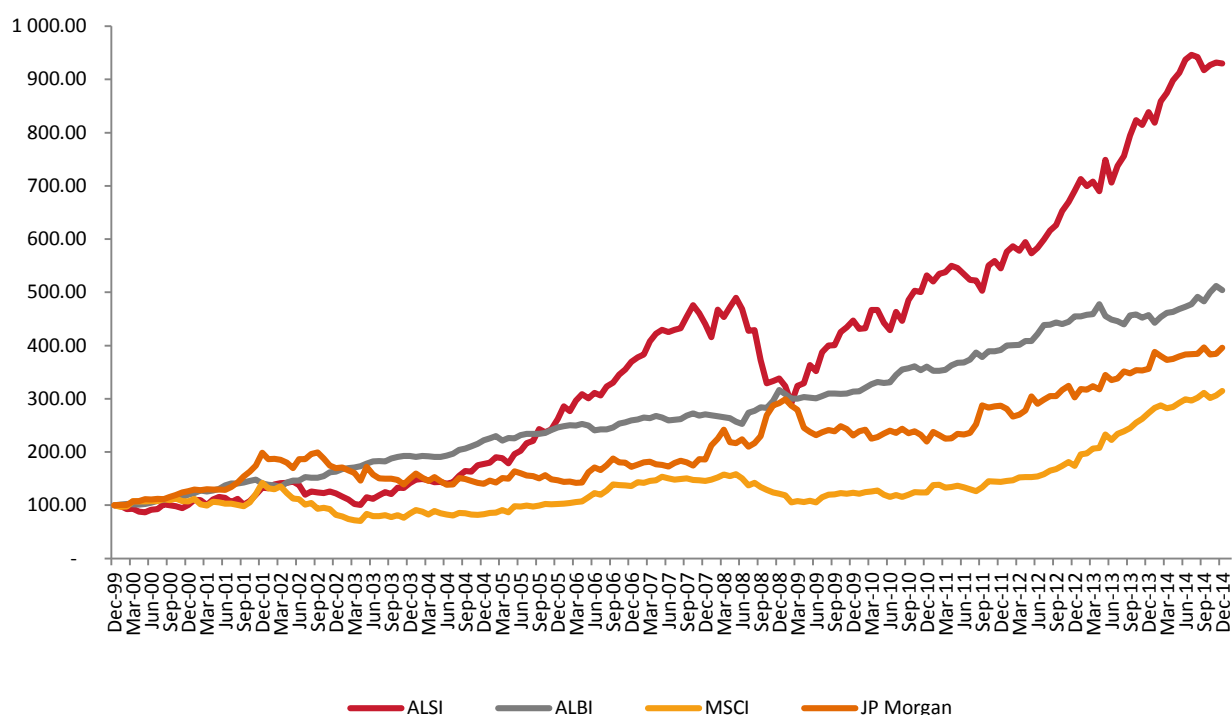
The Trustees do not currently offer aggressive risk portfolios, but will make them available when suitable portfolios have been identified.

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 **31 December 1999 to 31 December 2014**.



2.2 Medium Term Market Performance

The following table presents the performance of various market indices to **31 December 2014**.

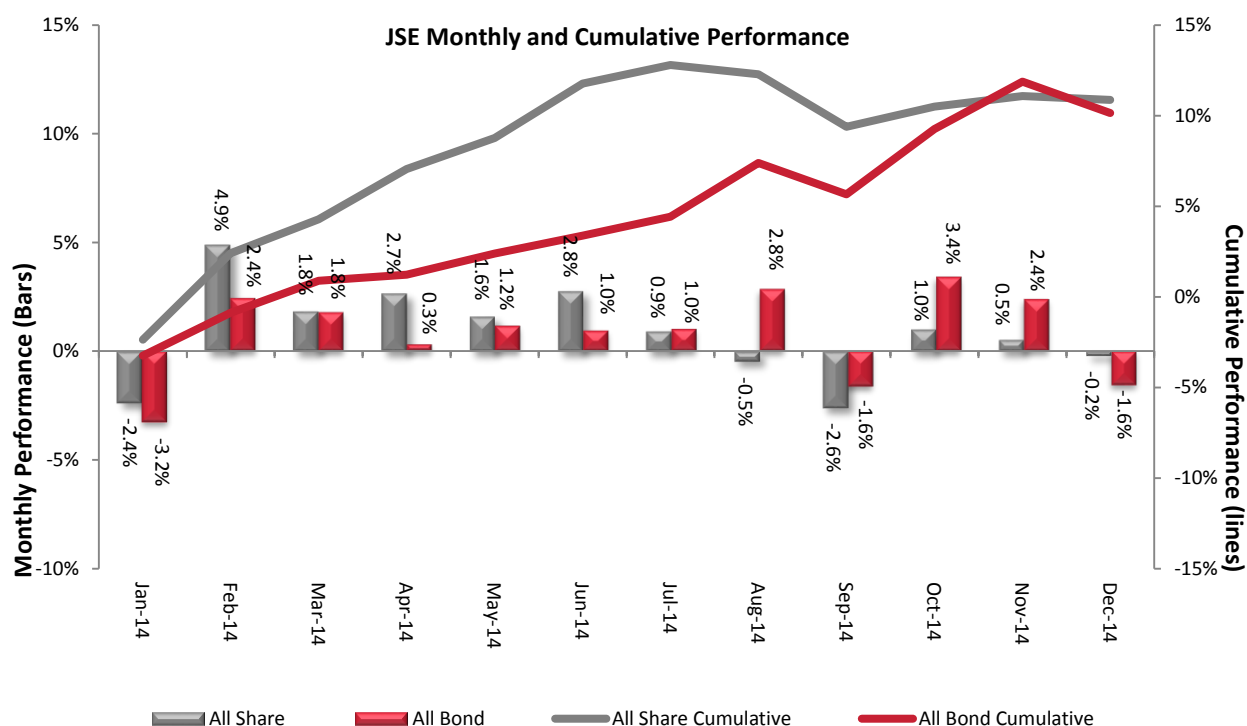
	2011	2012	2013	Q4 2014	One Year	Three Years
All Share (SA)	2.6%	26.7%	21.4%	1.4%	10.9%	19.5%
JSE: Financials	7.4%	38.1%	19.1%	10.8%	27.3%	27.9%
JSE: Industrial	9.2%	40.8%	35.0%	7.0%	16.8%	30.4%
JSE: Resources	-6.5%	3.1%	1.4%	-19.3%	-14.7%	-3.8%
All Bond (SA)	8.8%	16.0%	0.6%	4.2%	10.1%	8.7%
STeFI (SA)	5.7%	5.5%	5.2%	1.5%	5.9%	5.5%
MSCI World	15.8%	21.3%	57.0%	2.7%	16.7%	30.5%
JP Morgan Bond	30.7%	5.4%	17.6%	-0.2%	11.1%	11.3%
Rand/Dollar ¹	21.9%	4.1%	23.2%	1.5%	10.6%	12.4%
CPI (SA)	6.1%	5.7%	5.4%	0.0%	5.3%	5.5%

1. A positive percentage indicates a depreciation of the Rand relative to the Dollar, and vice versa.

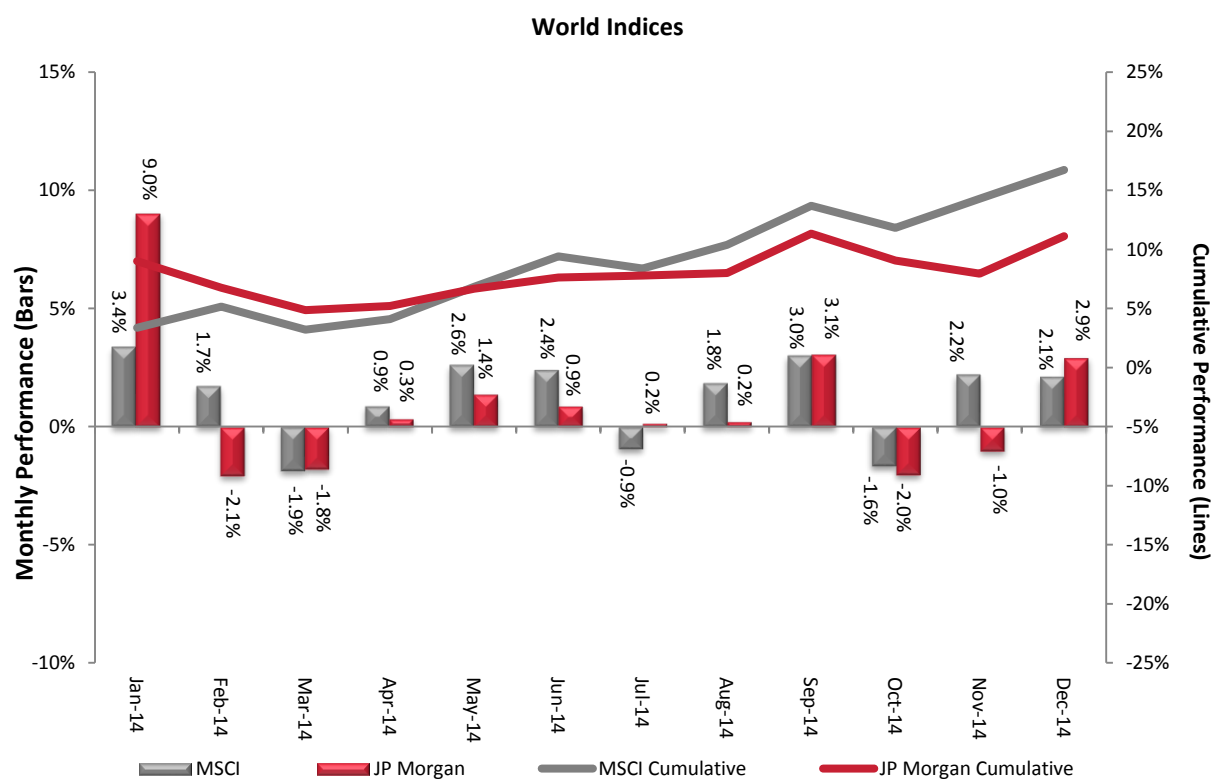
2.3 Short Term Market Performance

The following graphs represent the monthly performance of various market indices for the year ending **31 December 2014**.

2.3.1 South Africa



2.3.2 World



2.3.3 South African and International Market Commentary

The South African inflation rate reduced to 5.8% in November from 5.9% in the previous month, thus decreasing the pressure on the South African Reserve Bank to hike interest rates at its next meeting. The declining fuel price has been the main driver in lowering the inflation level. For 2015, the consensus view is that inflation is expected to decline. The power utility Eskom, has been struggling to supply the country with sufficient electricity, due to old infrastructure, technical problems and limited generating capacity. The rolling blackouts are expected to hurt not just the local economy but also the Rand. During December the Rand traded at R11.82 against the US dollar, with analysts forecasting that it could possibly further decline to R12.50 during 2015.

Data out of the US painted a mixed picture over January. US GDP for the fourth quarter of 2014 came in worse-than-expected at 2.6%, whilst the consensus view was an increase of 3.0%. The drop in oil and energy prices has led to a boost in consumer spending, with the figure rising by 4.3% during the last three months of the year. The world's biggest economy added 224,000 new jobs during December, topping analyst's expectations, however this increase in employment was accompanied by a decrease in wages. Falling wages imply that the new jobs are of a lower quality.

China has produced mostly poor data during December, adding to signs that the economy is declining. The final HSBC Purchasing Managers Index showed that manufacturing had experienced a contraction. The largest Asian economy achieved a growth rate of 7.3% for the third quarter, marking its worst quarterly growth since the peak of the recession. The Chinese central bank has also lowered its growth forecast for 2015, predicting a figure of only 7.1% for the year.

The Eurozone continues to experience a downturn in inflation, as the tumbling oil price weighs on consumer prices. Inflation dropped for the first time in more than five years, thus increasing the pressure on the European Central Bank to step up its stimulus measures. The ECB has started its monetary stimulus programme by Targeted Long-Term Refinance Operation (TLTRO). ECB president Mario Draghi, has announced the launch of a 60 billion Euro private and public bond-buying program.

The oil price concluded December on a low note, with many economists left guessing as to how much further it will decline. For 2014, commodities were the worst performing asset class driven mainly by the plummeting oil price. If the oil price continues on its downward trajectory, the South African economy stands to benefit, however this is dependent on whether the local economy is able to control the volatile labour situation and if the power supply can support the country.

Equities

The All Share index dropped by 0.2% for December, with Resources dragging the index into negative territory. Both Financials and Industrials achieved positive returns for the month. The MSCI World Index added 2.1% in Rand terms.

Bonds

The South African All Bond Index fell by 1.6% for the last month of the year, whilst the JP Morgan Global Bond index climbed by 2.9% in Rand terms.

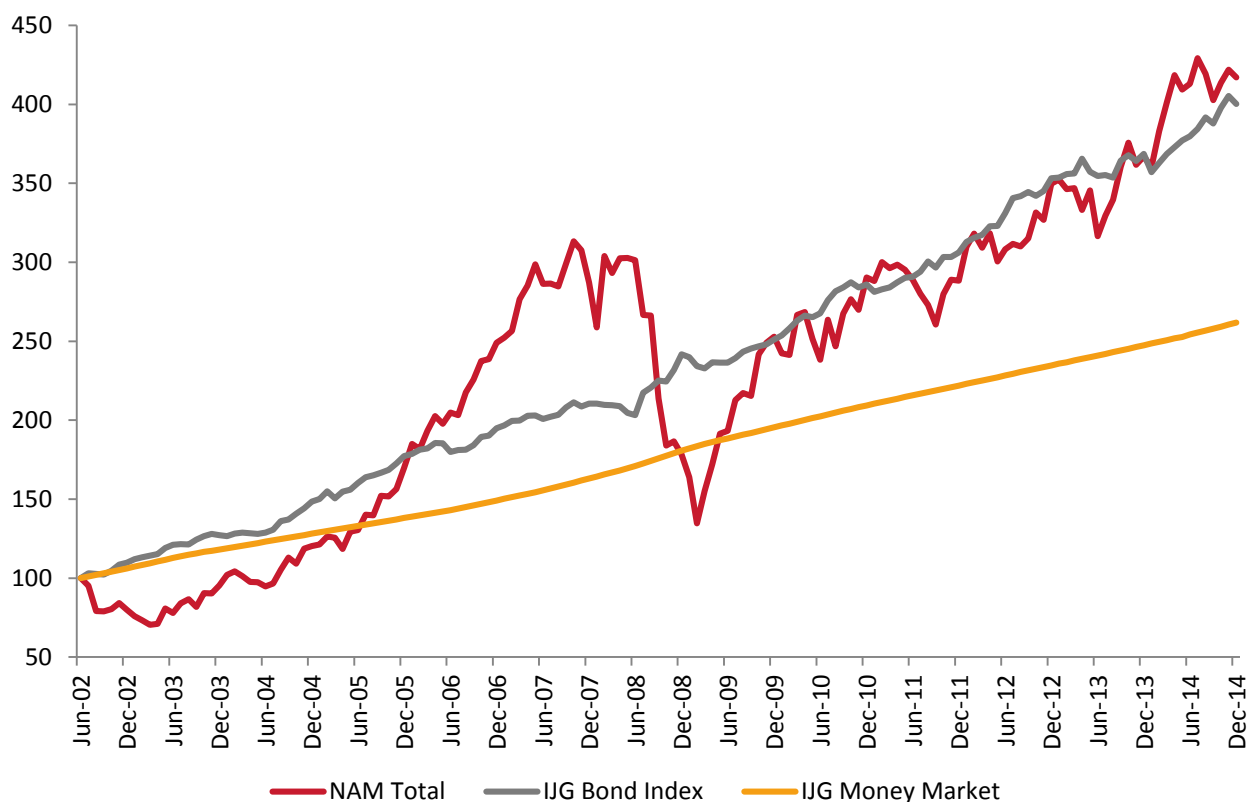
Currency

The local currency has experienced a decline, dropping to R11.45 against the US dollar.

2.4 Namibia

2.4.1 Long Term Market Performance

The following graph represents the cumulative performance of some market indices to 31 December 2014.



2.4.2 Medium Term Market Performance

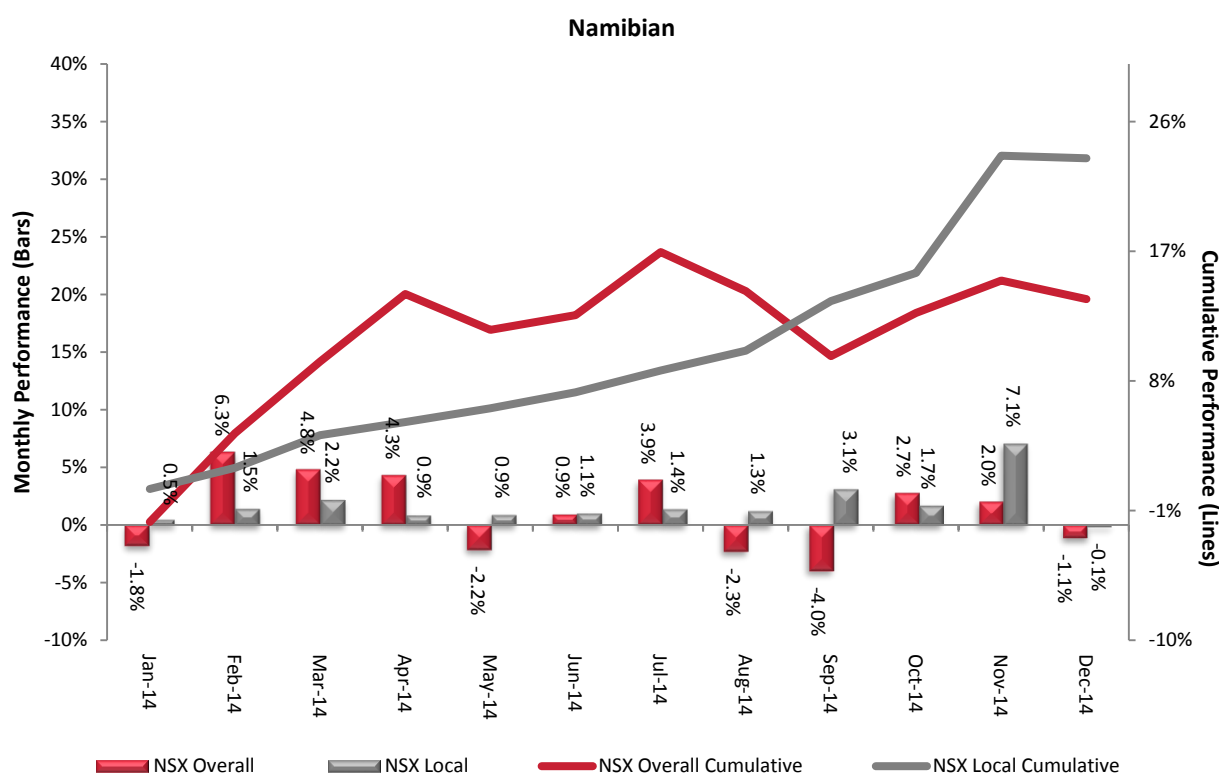
The following table presents the performance of various market indices to **31 December 2014**.

	2011	2012	2013	2014 YTD	One Year	Three Years
NAM Total	-0.6%	21.2%	4.8%	3.6%	13.7%	13.1%
NAM Local	36.7%	31.2%	27.7%	8.7%	23.5%	27.4%
NAM CPI	7.4%	6.4%	5.0%	0.2%	4.7%	5.3%
IJG Bond Index ¹	7.1%	15.4%	4.3%	3.2%	8.6%	9.3%
IJG Money Market	6.0%	5.7%	5.4%	1.5%	5.8%	5.7%

1. The historical performance of the IJG Bond Index has been revised to include Namibian Corporate bonds.

2.4.3 Short Term Market Performance

The following graph represents the monthly performance of various market indices for the year ending **31 December 2014**.



2.4.4 Namibian Market Commentary

Namibia experienced growth of 2.3% for the third quarter of 2014, down from the 14.8% that was attained during the same period in 2013. The slower growth was a result of declines in the primary and secondary sectors, whilst tertiary industries expanded. Clothing, vehicle and furniture sales all gained during this period. Analysts forecast that the Namibian economy will grow by 5.5% for 2015, with one of the few challenging factors being the rate of imports growth. The main contributing factor to the Namibian import market has been increased vehicle imports, mainly from South Africa.

Namibian Annual inflation dropped to 4.6% in December 2014, driven by prices in the categories of alcoholic beverages and tobacco and food and non-alcoholic beverages which have expanded by 7.1% and 7.0% respectively.

The amount of credit extended in the private sector increased by 2.3% during November, however on an annual basis credit extension decelerated to 16%.

3. Performance Comparison as at 31 December 2014

3.1 Moderate Portfolios

3.1.1 Asset Allocation

The figures below reflect the asset allocation of the moderate portfolios as at **31 December 2013 (12 Months ago)**

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Profile Pinnacle	Prudential Balanced	Sanlam Namibia Balanced	Standard Bank Managed
Namibia Equities	19.6%	15.8%	20.0%	12.7%	15.6%	16.2%	9.2%
Namibia Bonds	8.9%	12.4%	10.1%	7.5%	2.6%	7.4%	13.2%
Namibia Cash	6.6%	10.1%	7.6%	18.1%	19.0%	14.6%	22.1%
Namibia Property	2.2%	0.7%	-	2.4%	2.3%	0.5%	-
South Africa Equities	21.7%	22.4%	15.6%	22.5%	23.9%	26.1%	30.5%
South Africa Bonds	-	0.1%	5.5%	0.6%	7.1%	6.6%	0.6%
South Africa Cash	4.3%	-	5.9%	0.3%	-	-	-
South Africa Property	-	3.2%	1.9%	1.3%	-	-	-
International Equity	17.4%	25.0%	19.6%	33.0%	24.8%	18.6%	24.4%
International Bonds	-	7.5%	4.8%	1.6%	4.7%	1.8%	-
International Cash	-	2.0%	3.0%	-	-	4.6%	-
International Other	17.2% ¹	0.8%	0.5% ⁵	-	-	3.6% ⁴	-
Other	2.1% ²	-	5.5% 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 Commodity ETF's

3. Other represents SA Hedge Funds

4. Other represents International Property

5. Other represents commodities

The figures below reflect the asset allocation of the moderate portfolios as at **31 December 2014**.

	Allan Gray	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia Equities	21.0%	15.2%	16.4%	11.2%	7.1%	4.0%	12.3%
Namibia Bonds	9.4%	14.8%	22.8%	1.4%	-	12.9%	3.4%
Namibia Cash	3.3%	10.2%	-	13.9%	32.4%	14.6%	18.2%
Namibia Property	3.0%	0.4%	-	-	-	-	5.0%
South Africa Equities	25.1%	23.0%	23.3%	25.1%	27.3%	17.0%	19.7%
South Africa Bonds	-	0.5%	1.3%	-	-	-	10.0%
South Africa Cash	0.3%	0.4%	1.3%	-	1.1%	-	-
South Africa Property	-	2.5%	3.2%	-	-	13.8%	-
International Equity	16.2%	26.3%	31.7%	28.3%	15.9%	29.2%	25.2%
International Bonds	0.5%	0.6%	-	3.1%	2.6%	0.4%	6.0%
International Cash	2.6%	6.1%	-	4.1%	2.1%	1.9%	0.1%
International Other	15.4% ²	-	-	-	11.4% ³	1.0% ⁴	-
Other	3.2% ¹	-	-	12.8% ⁵	0.2% ¹	5.1% ¹	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Other represents Commodity ETF's

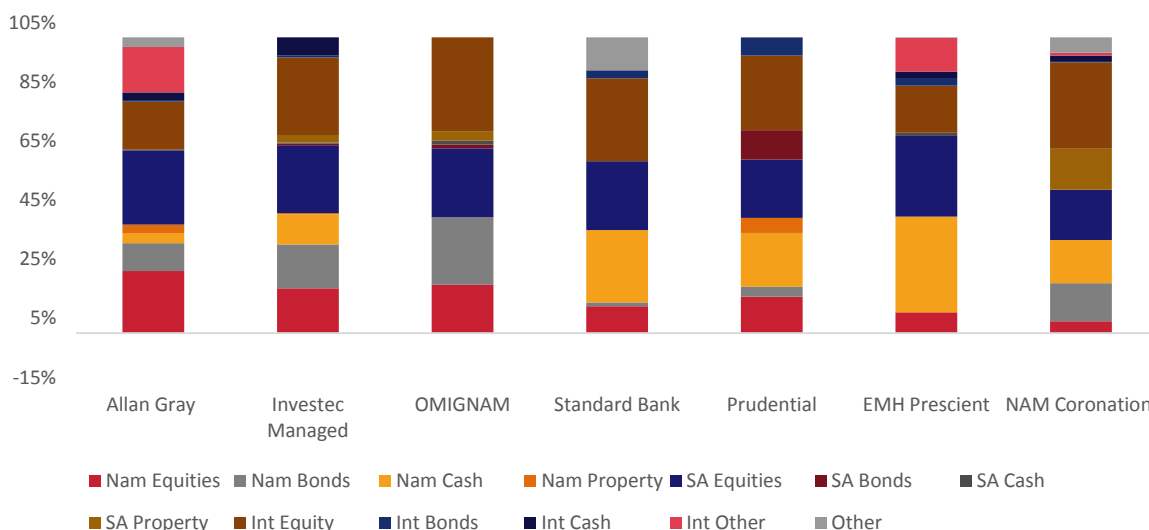
2. Other represents Hedge Funds

3. Other represents International Property & Hedged Equity

4. Other represents commodities

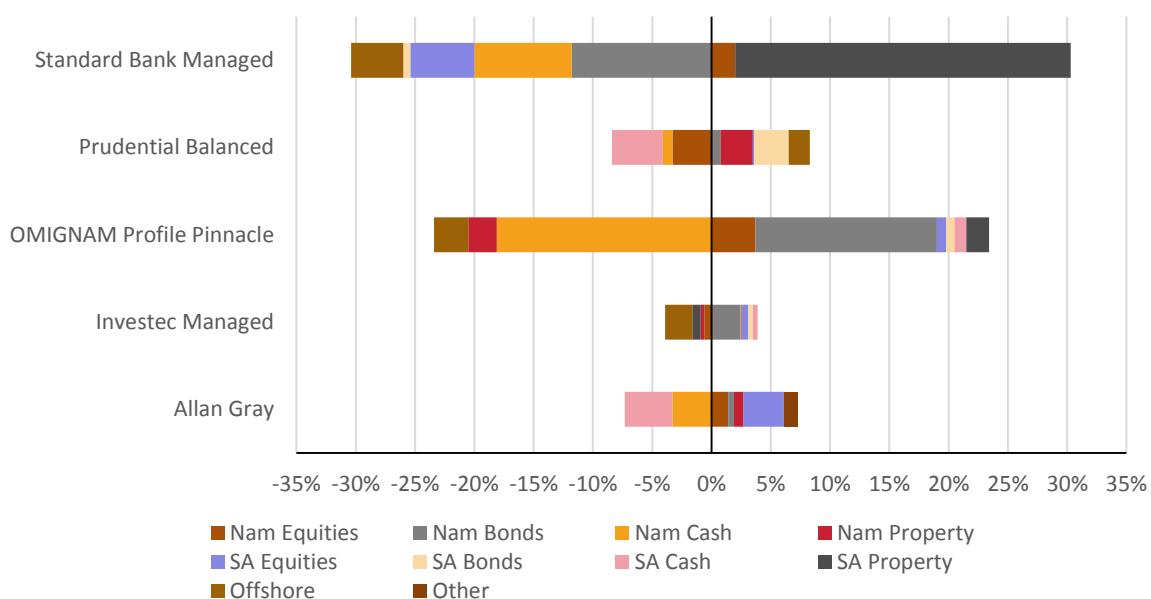
5. Other represents Standard Bank Namibia Income fund (12.1%) and Standard Bank Namibia Income Fund (ABIL retention) (0.7%)

Asset Allocation as at 31 December 2014



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 2014**. In the event that the allocation to an asset class was decreased, the change would be indicated on the left hand side of the vertical axis, and vice versa.



The graph indicates that OMIGNAM has made significant changes over the year. OMIGNAM down weighted Namibian cash whilst increasing Namibian bond exposure. Investec had the least change in its asset allocation over the past year, largely attributable to market movements. The asset allocation of Prudential did not vary greatly over the last year.

3.1.3 Geographical Split as at 31 December 2014

The Standard Bank Managed Fund is over the International limit due to market movements.

	Allan Gray	Investec Managed	EMH Prescient Absolute Balanced	OMIGNAM Pinnacle	Prudential Balanced	NAM Coronation Balanced Plus	Standard Bank Managed
Namibia	36.7%	40.6%	39.6%	39.2%	38.9%	36.5%	39.3%
South Africa	28.6%	26.4%	28.4%	29.2%	29.7%	30.9%	25.1%
International	34.6%	33.0%	32.0%	31.7%	31.3%	32.6%	35.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

3.1.4 Time Weighted Returns

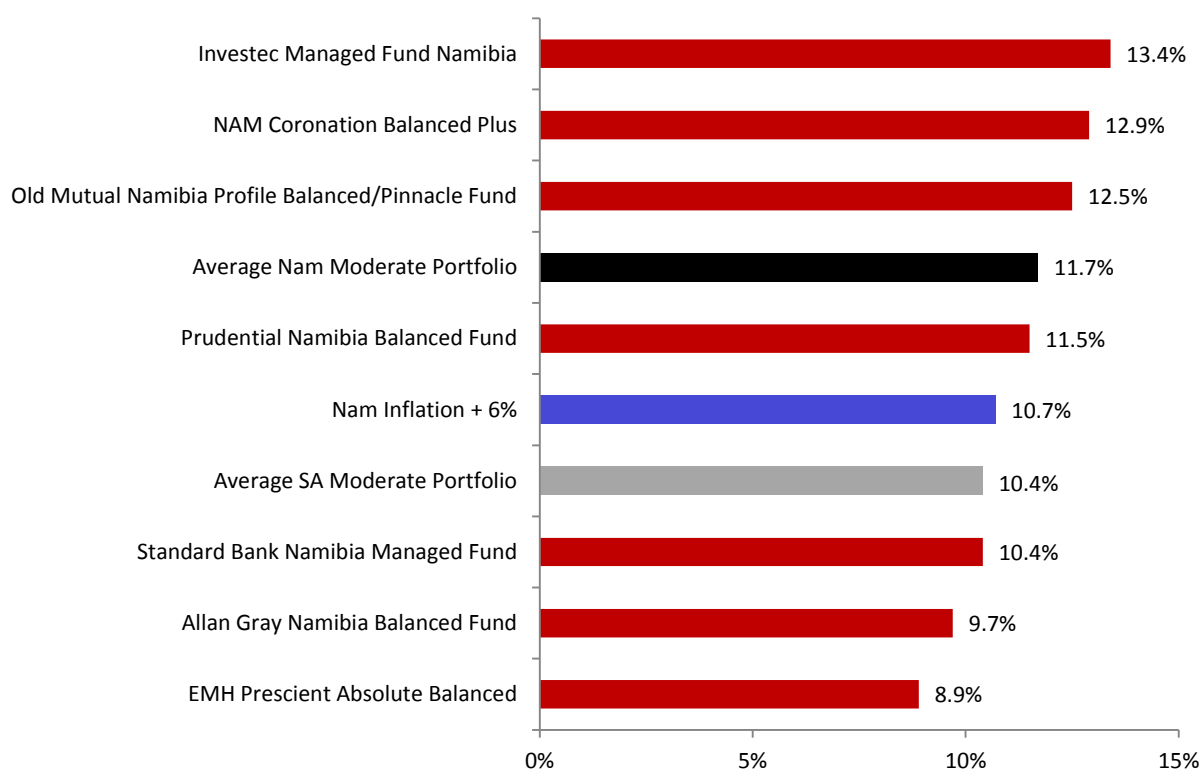
Listed below are the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

Investment Portfolio	One Year	Three Years (annualised)	Five Years (annualised)	Ten Years (annualised)
Allan Gray Namibia Balanced Fund	9.7%	17.5%	15.0%	17.3%
Investec Managed Fund Namibia	13.4%	17.9%	14.7%	15.5%
EMH Prescient Absolute Balanced	8.9%	-	-	-
Old Mutual Namibia Pinnacle Fund ²	12.5%	17.5%	14.6%	14.4%
Prudential Namibia Balanced Fund	11.5%	18.0%	14.2%	15.5%
NAM Coronation Balanced Plus	12.9%	19.4%	13.5%	15.2%
Standard Bank Namibia Managed Fund	10.4%	17.7%	15.9%	15.6%
Average SA Moderate Portfolio³	10.4%	16.8%	14.5%	15.0%
Average Nam Moderate Portfolio⁴	11.7%	18.1%	15.1%	15.4%
All Share (JSE)⁵	10.9%	19.5%	15.8%	18.8%
Nam Inflation	4.7%	5.4%	5.3%	6.1%
Nam Inflation + 6%	10.7%	11.4%	11.3%	12.1%

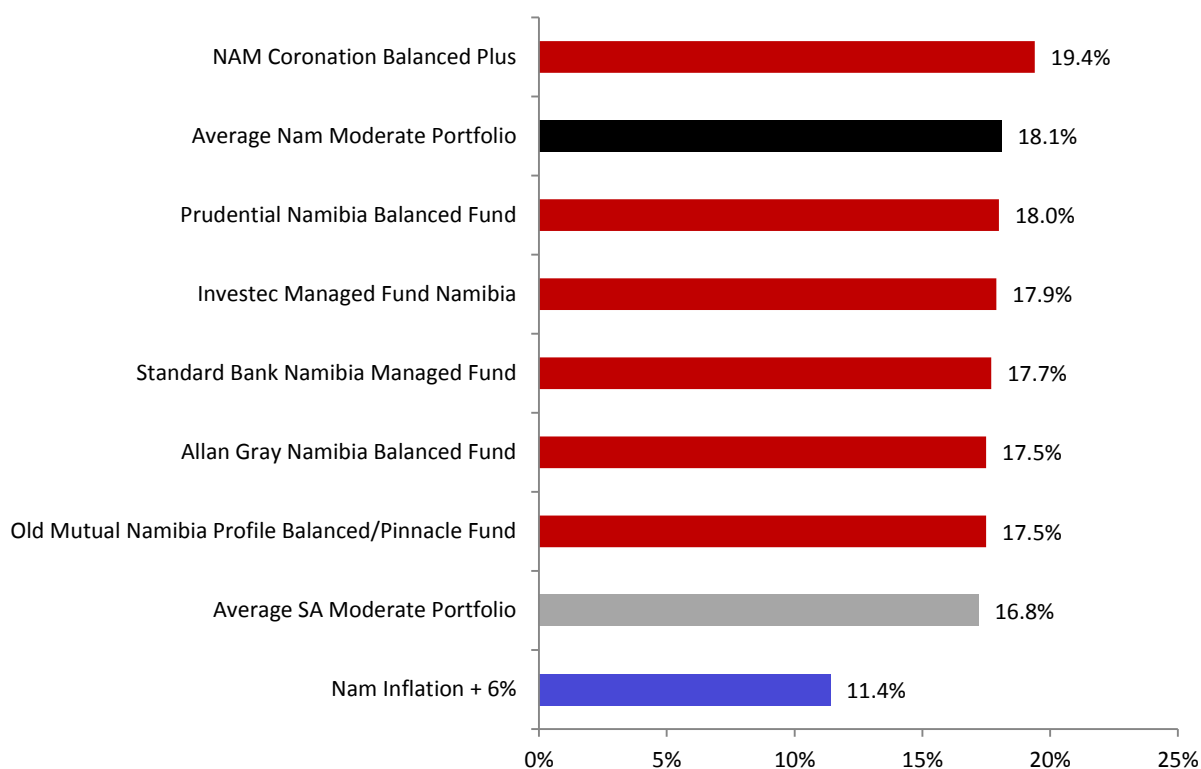
1. OMIGNAM Profile Balanced was closed and assets transferred to OMIGNAM Profile Pinnacle during September 2013.
2. Average of the NMG Consultants and Actuaries Survey for SA Moderate Balanced portfolios.
3. Average of the NMG Consultants and Actuaries Survey for Namibian Moderate Balanced portfolios.
4. Returns reflect the total return index.

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

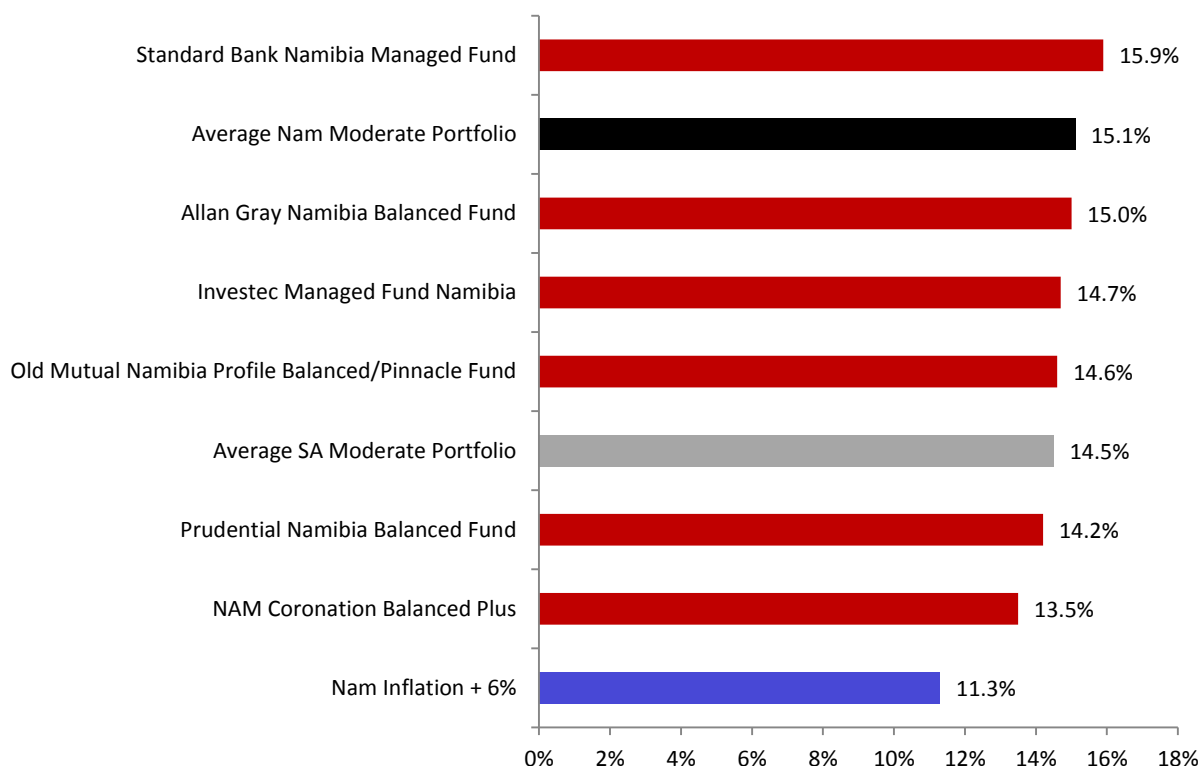
1 year performance for the period ending 31 December 2014



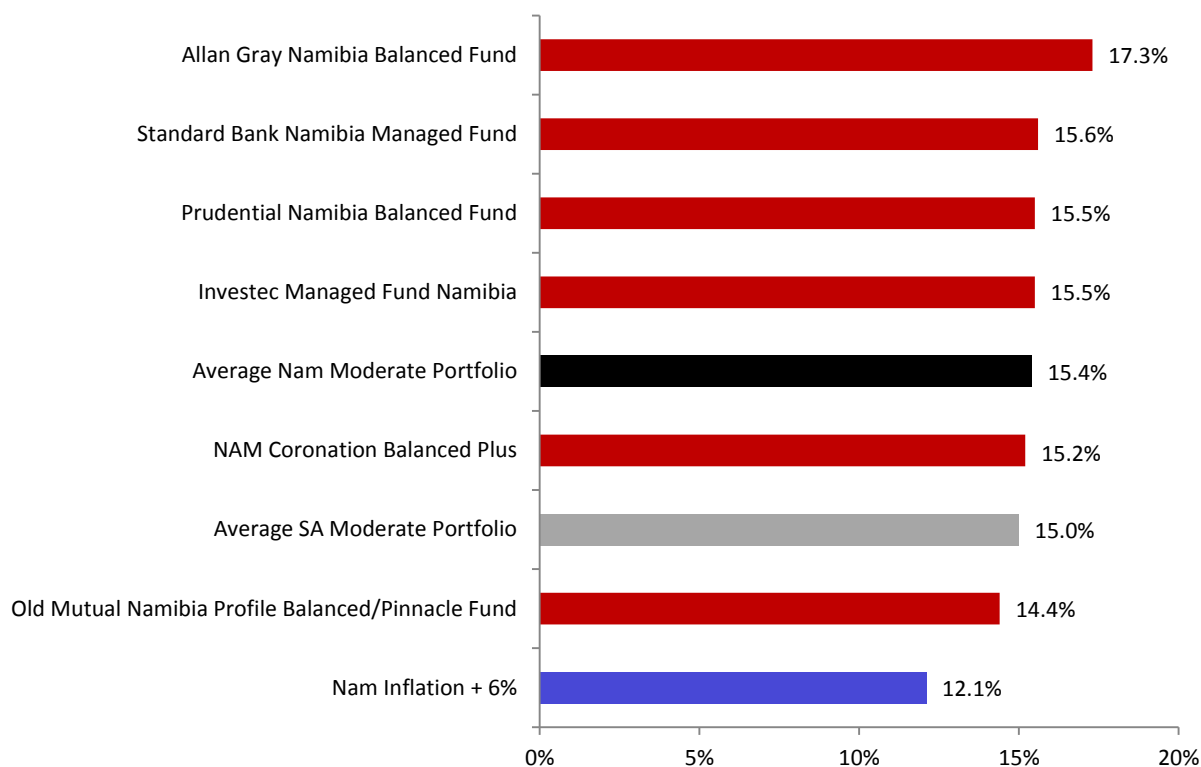
3 year performance for the period ending 31 December 2014



5 year performance for the period ending 31 December 2014

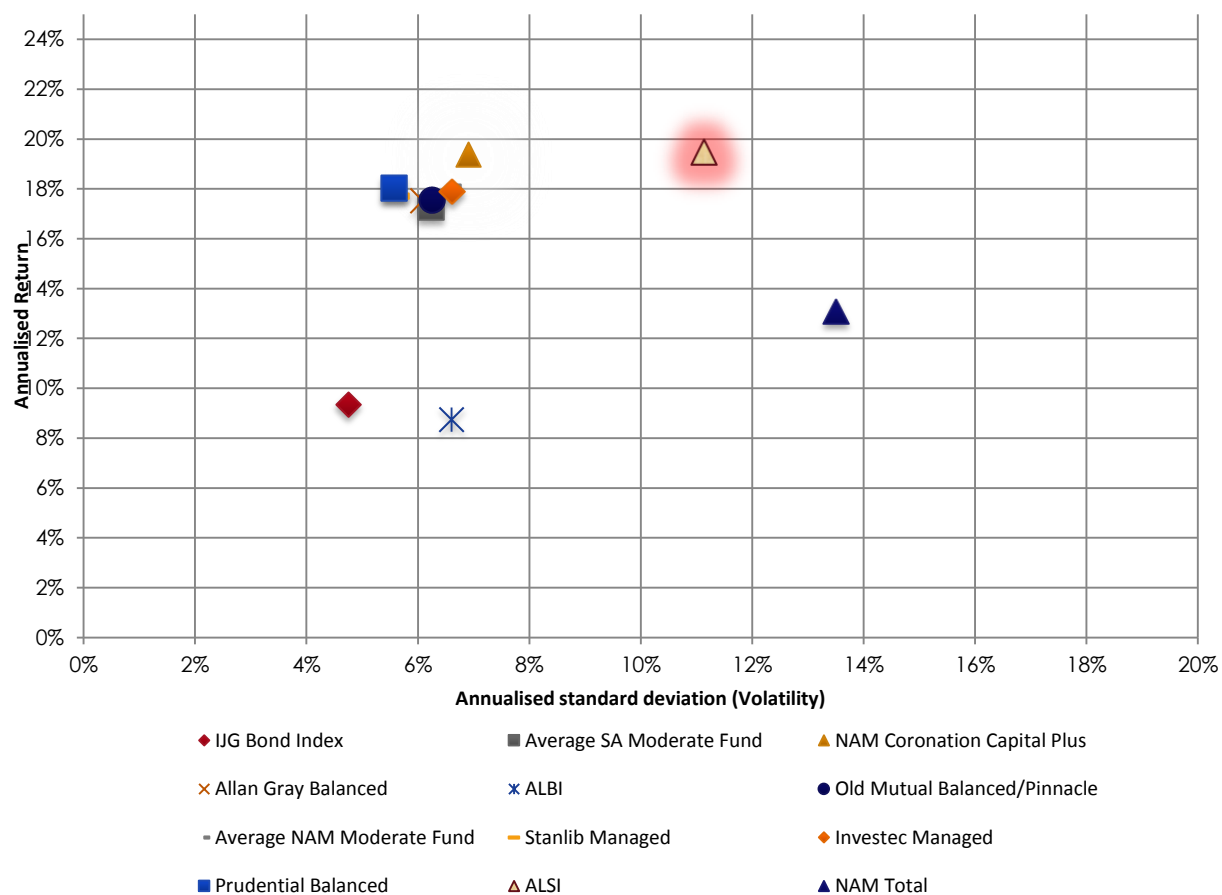


10 year performance for the period ending 31 December 2014



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 2014**. These returns are also **gross** of all investment charges.



3.2 Moderate – Low Portfolios

3.2.1 Asset Allocation

The table below reflects the asset allocation of the moderate-low portfolios as at **31 December 2013 (12 Months ago)**

	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Default Portfolio
Nam Equities	6.6%	2.5%	9.6%	14.6%
Nam Bonds	12.0%	3.4%	4.0%	6.5%
Nam Cash	24.8%	32.4%	21.5%	13.9%
Nam Property	-	0.1%	2.9%	2.6%
SA Equities	21.6%	7.9%	11.1%	16.5%
SA Bonds	5.9%	20.5%	18.3%	8.9%
SA Cash	-	1.7%	1.2%	2.8%
SA Property	4.1%	5.5%	4.2%	2.1%
International Equity	21.1%	21.0%	16.0%	16.7%
International Bonds	-	1.6%	11.2%	5.5%
International Cash	2.5%	0.6%	-	-
International Other ¹	-	-	-	8.8%
Other ²	1.4%	2.8%	-	1.1%
Total	100.0%	100.0%	100.0%	100.0%

1. Other represents Hedge Funds

2. Other represents Gold ETF's

The table below reflects the asset allocation of the moderate-low portfolios as at **31 December 2014**

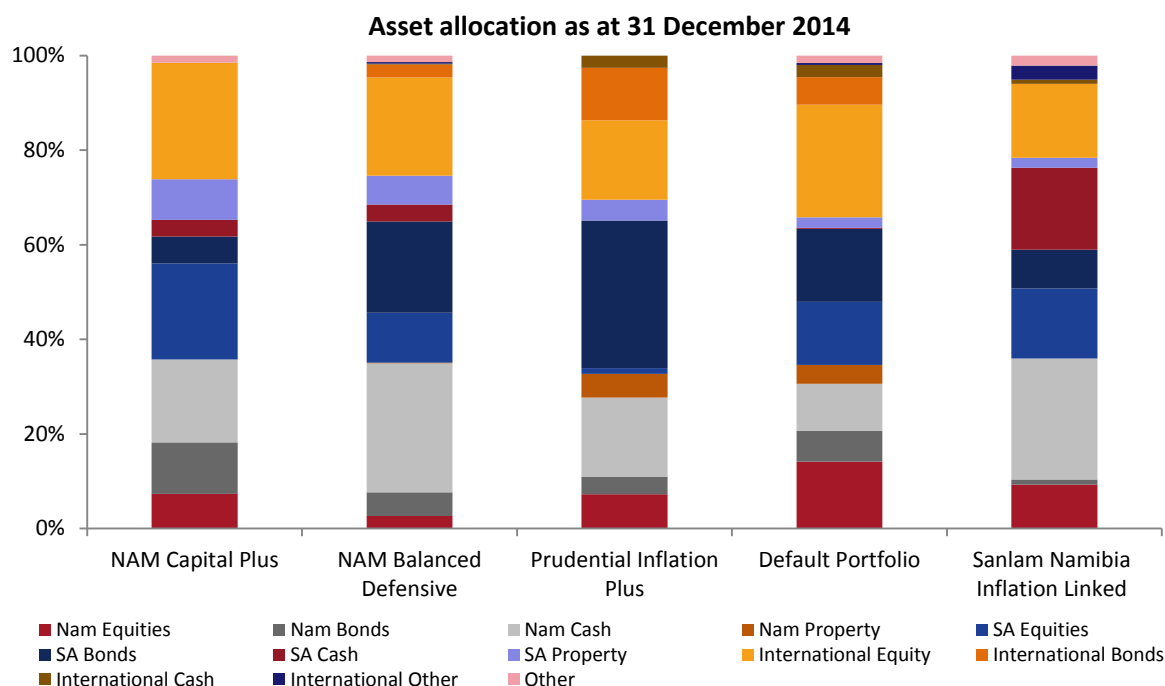
	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default Portfolio
Nam Equities	7.3%	2.7%	7.3%	9.3%	14.2%
Nam Bonds	10.9%	5.0%	3.6%	1.1%	6.5%
Nam Cash	17.5%	27.3%	16.8%	25.6%	10.0%
Nam Property	-	0.1%	5.0%	-	4.0%
SA Equities	20.3%	10.6%	1.2%	14.8%	13.3%
SA Bonds	5.7%	19.3%	31.2%	8.2%	15.5%
SA Cash	3.5%	3.6%	-	17.4%	0.2%
SA Property	8.6%	6.1%	4.4%	2.1%	2.2%
International Equity	24.6%	20.8%	16.8%	15.6%	23.9%
International Bonds	-	2.7%	11.1%	-	5.8%
International Cash	-	0.2%	2.6%	0.9%	2.6%
International Other ¹	-	0.3%	-	3.0%	0.4%
Other ²	1.5%	1.4%	-	2.1%	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. Other represents International Property

2. Other represents Commodities

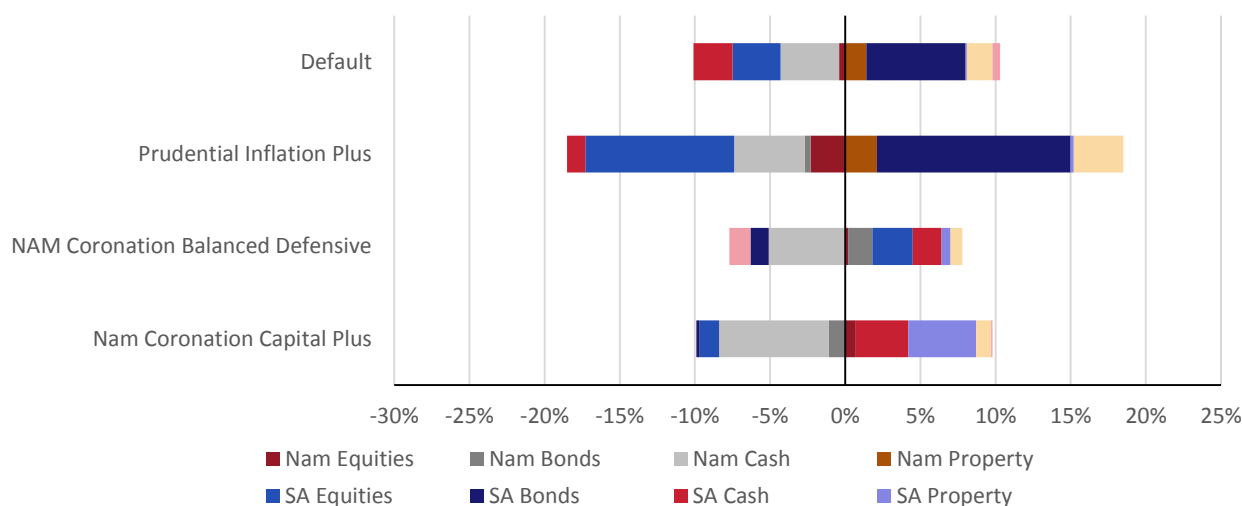
*Please note that the exposure to equities within the portfolio can be as high as 65.0% at times should the asset manager deem that to be appropriate.

The figures below reflect the asset allocation of the moderate-low portfolios as at **31 December 2014**.



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 2014**. In the event that the allocation to an asset class was decreased, the change would be indicated on the left hand side of the vertical axis and vice versa.



Prudential Inflation Plus and the Default portfolio down-weighted their level of SA equities. Both portfolios acquired more South African bonds, whilst NAM Coronation Balanced Defensive and NAM Coronation Capital Plus down-weighted Namibian cash to spread their asset allocation over various other asset classes.

3.2.3 Geographical Split

Listed below is the geographical split as at **31 December 2014**. The NAM Coronation Balanced Defensive Fund has temporarily exceeded the 35% limit required by Regulation 28 due to market movements. Prudential Inflation Plus is currently reconstructing their portfolio to realign the Namibian allocation.

	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default Portfolio
Namibia	35.7%	35.1%	32.7%	36.0%	34.7%
South Africa	39.6%	41.0%	36.8%	43.6%	32.7%
International	24.6%	24.0%	30.5%	20.4%	32.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

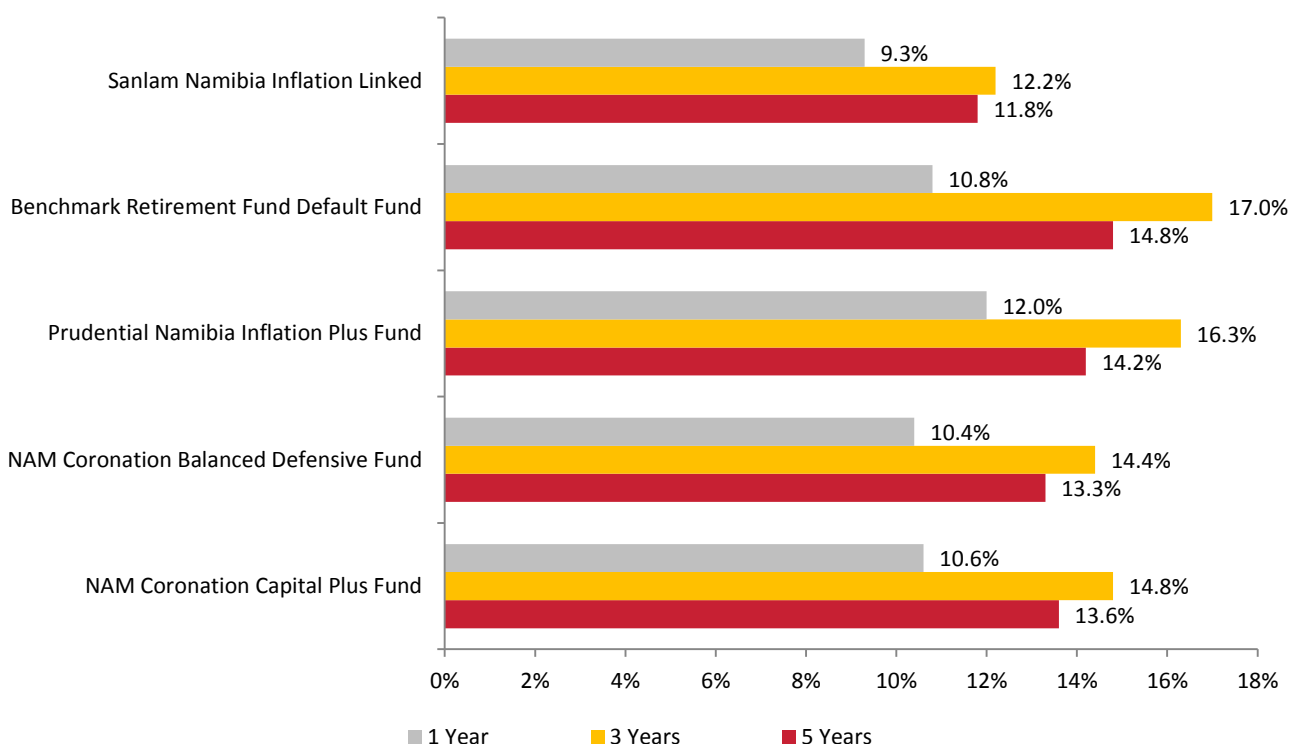
3.2.4 Time Weighted Returns

Listed below are the investment returns achieved for the specified periods to **31 December 2014**. Please note the returns are **gross** of fees.

Investment Portfolio	One Year	Three Years (annualised)	Five Years (annualised)	Ten Years (annualised)
NAM Coronation Capital Plus Fund ¹	10.6%	14.8%	13.6%	-
NAM Coronation Balanced Defensive Fund	10.4%	14.4%	13.3%	-
Prudential Namibia Inflation Plus Fund	12.0%	16.3%	14.2%	13.6%
Benchmark Retirement Fund Default Fund	10.8%	17.0%	14.8%	13.6%
Sanlam Namibia Inflation Linked	9.3%	12.2%	11.8%	-
Nam Inflation	4.7%	5.3%	5.3%	6.1%
Nam Inflation + 3% to 5%	7.7% - 9.7%	8.3% - 10.3%	8.3% - 10.3%	9.1% - 11.1%

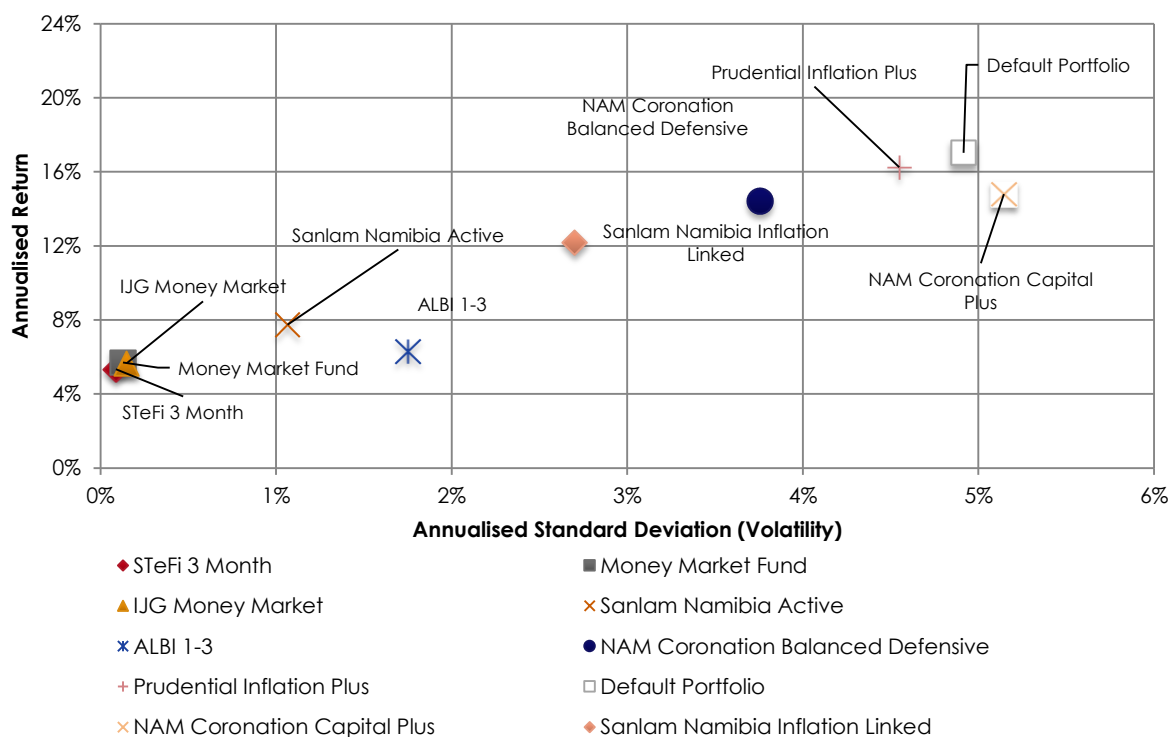
1. The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.

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 the 3 year period ending **31 December 2014**. 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.

Sanlam Namibia Active			
	31 December 2014	31 December 2013	Change
Nam Equities	-	-	-
Nam Bonds	1.0%	1.5%	-0.5%
Nam Cash	36.7%	37.5%	-0.8%
Nam Property	-	-	-
SA Equities	0.5%	-	0.5%
SA Bonds	13.2%	21.0%	-7.8%
SA Cash	47.3%	37.0%	10.3%
SA Property	1.4%	3.0%	-1.6%
Offshore	-	-	-
Other	-	-	-
Total	100.0%	100.0%	

The total Namibian exposure is 37.7% as at 31 December 2014.

3.3.1 Time Weighted Returns

Listed below are the gross investment returns achieved for the specified periods to **31 December 2014**. Please note the returns are gross of fees.

Low Risk Portfolios

Investment Portfolio	One Year	Three Years (Annualised)	Five Years (Annualised)
Sanlam Namibia Active Fund	8.1%	7.7%	8.4%
ALBI 1-3 Years Index	6.2%	6.3%	7.3%
Inflation	4.7%	5.3%	5.3%
Inflation + 1% to 2%	5.7-6.7%	6.3% - 7.3%	6.3% - 7.3%

Capital Protection Portfolios

Investment Portfolio	One Year	Three Years (Annualised)	Five Years (Annualised)
Money Market Fund ¹	6.1%	5.7%	6.0%
IJG Money Market Index	5.8%	5.7%	6.0%
Inflation + 1%	5.7%	6.3%	6.3%

1. The underlying portfolio for the Money Market Fund is the Bank Windhoek Investment Fund, which may be changed by the Trustees at any time.

4. Fund Fact Sheets

Allan Gray Namibia Unit Trust Management Limited

Risk Profile: Moderate

Size: N\$ 569 mn

Portfolio Description:

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

Inception: Aug-1999

CIO: Ian Liddle

Portfolio Manager

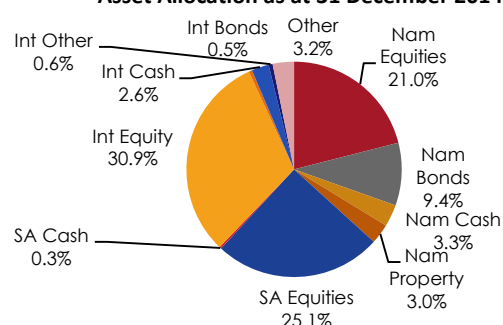
Ian Liddle, Duncan Artus, Andrew Lapping, Simon Raubenheimer

Benchmark

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

Fees: 0.75% p.a. on average month end market value

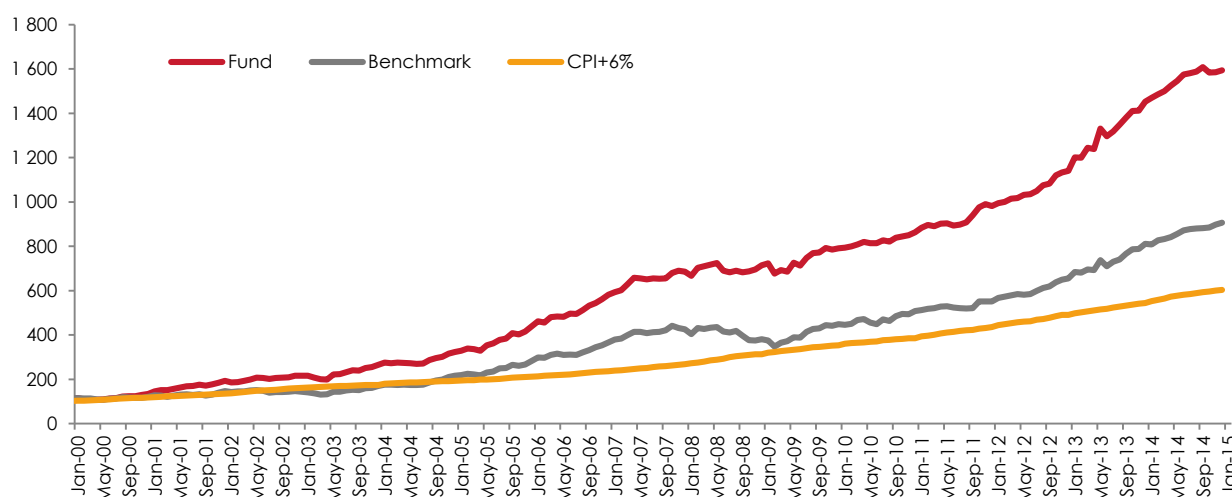
Asset Allocation as at 31 December 2014



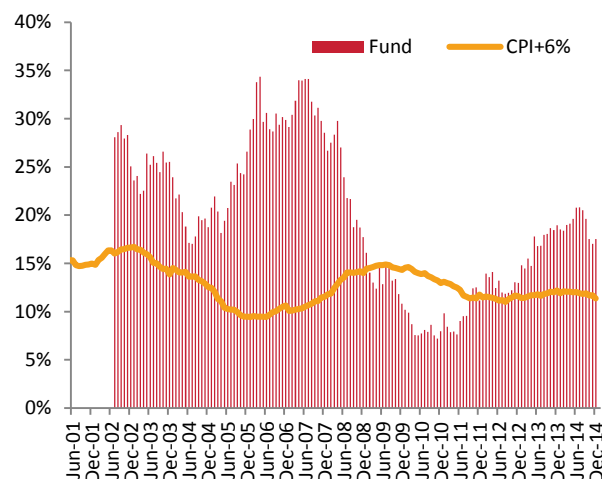
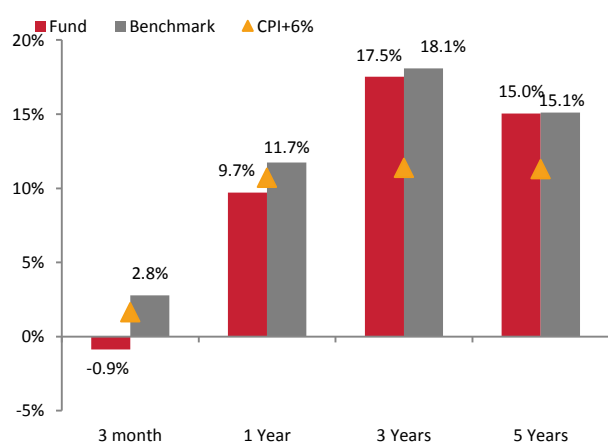
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 British American Tobacco	5.6%	6 Stimulus	3.1%
2 FNB Namibia	5.0%	7 Old Mutual Namibia	1.9%
3 Sasol	4.8%	8 Remgro	1.8%
4 Standard Bank Namibia	4.1%	9 Namibia Breweries	1.8%
5 SAB Miller	3.4%	10 Vukile Property Namibia	1.8%

Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2014



Investec Managed Fund

Risk Profile: Moderate

Size: N\$ 210 mn

Portfolio Description

The Investec Managed Fund is a 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

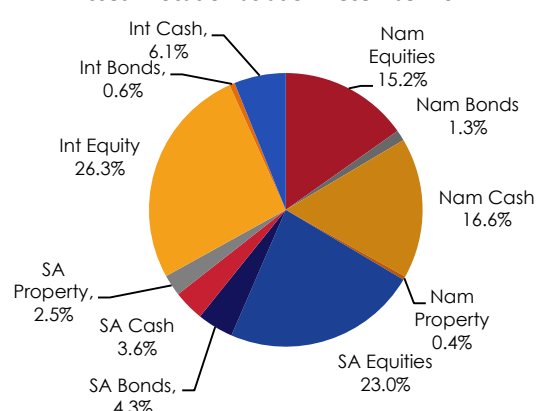
James Hatuikulipi and Chris Freund

Benchmark

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

Fees: 0.75% p.a. on average month end market value

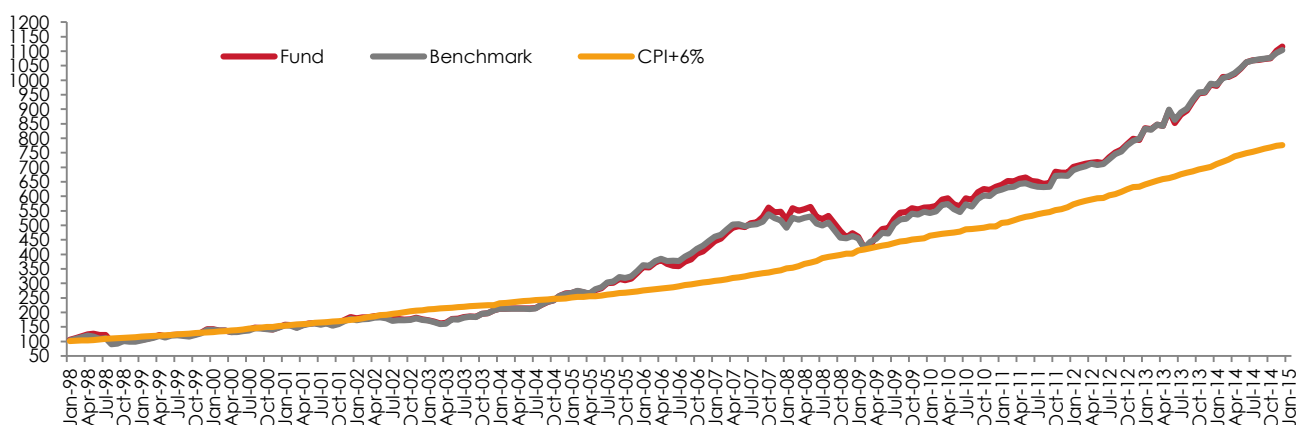
Asset Allocation as at 31 December 2014



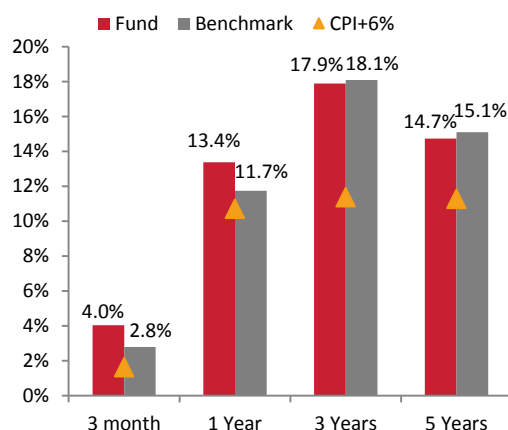
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Steinhoff	5.2%	6 Standard Bank	1.8%
2 Naspers	4.7%	7 Sanlam	1.6%
3 FirstRand	4.5%	8 Liberty	1.6%
4 Old Mutual	4.3%	9 Tiger Brands	1.3%
5 Mondi	1.9%	10 Palladium Debentures	1.3%

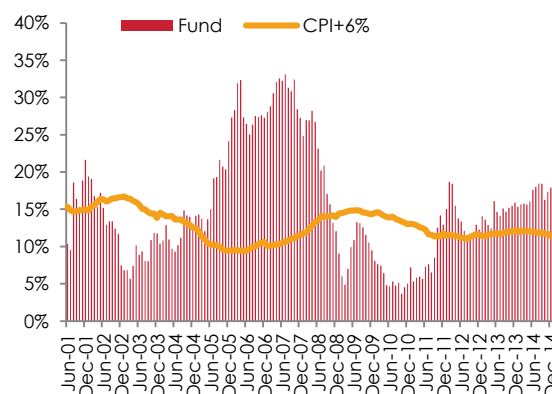
Cumulative Performance vs. Benchmark since January 1998



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Old Mutual Namibia Profile Pinnacle Fund

Risk Profile: Moderate
Size: N\$ 13.8 mn

Portfolio Description

The Old Mutual Namibia Profile Pinnacle Portfolio is a market-linked balanced portfolio which places emphasis on asset allocation across all asset classes. OMIGNAM has closed the OMIGNAM Balanced Fund and replaced it with OMIGNAM Profile Pinnacle. This mandate is now OMIGNAM's best investment view for a moderate balanced mandate. The portfolio aims to achieve consistent real returns over the longer term. Fund returns below include OMIGNAM Profile Balanced for the period 01 March 1998 until 01 September 2013. Fund returns after 01 September 2013 are those of OMIGNAM Profile Pinnacle.

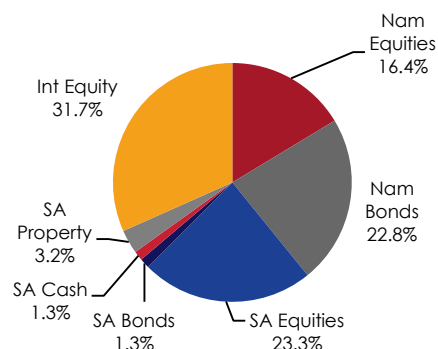
Inception: Apr-98
CIO: Peter Brooke
Portfolio Manager:
 Peter Brooke and Tyrone van Wyk

Benchmark

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

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

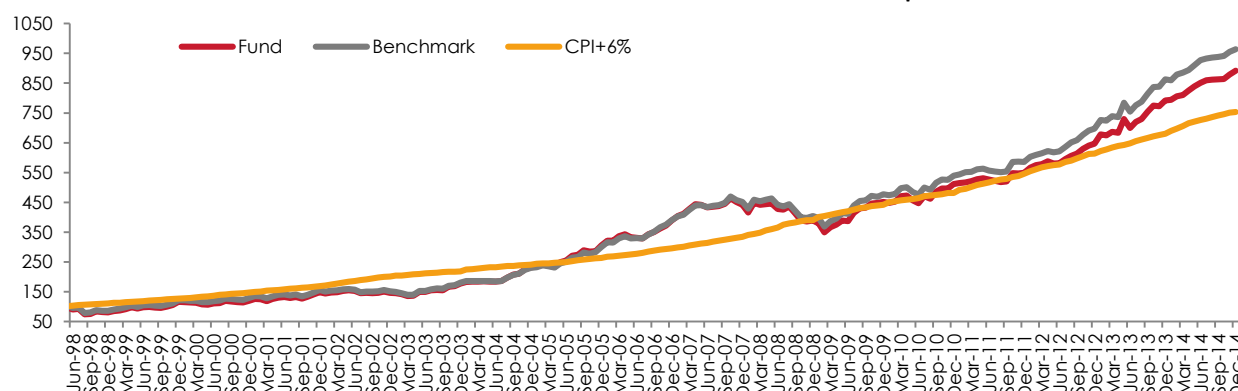
Asset Allocation as at 31 December 2014



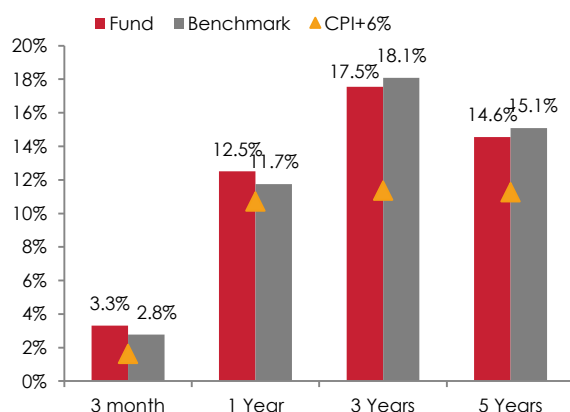
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Nedcor	9.5%	6 Richemont	5.7%
2 Naspers	9.2%	7 British American Tobacco	5.6%
3 Investec	8.0%	8 Sasol	4.8%
4 Anglo American	7.2%	9 Steinhoff	4.8%
5 FirstRand	6.9%	10 MTN	3.8%

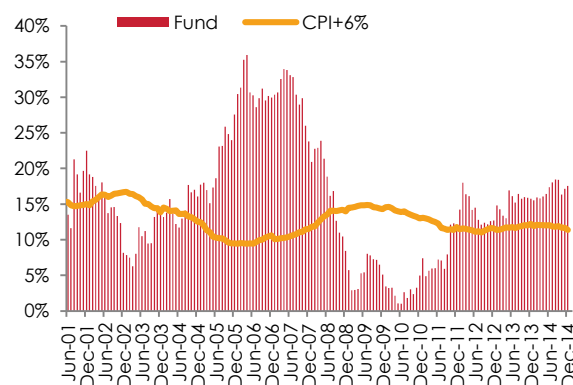
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Prudential Namibia Balanced Fund

Risk Profile: Moderate

Size: N\$ 5.1mn

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

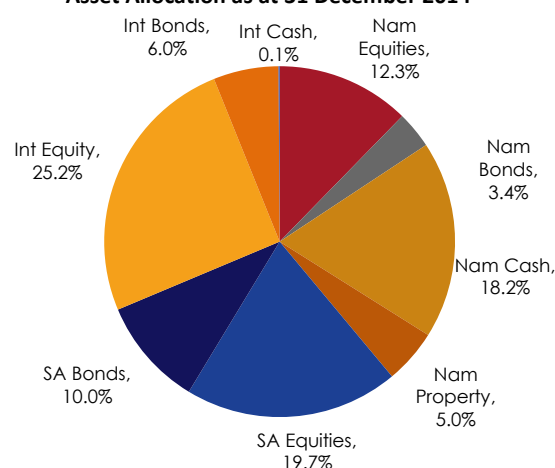
Michael Moyle and Marc Beckenstrater

Benchmark

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

Fees: 0.75% p.a. on average month end market value

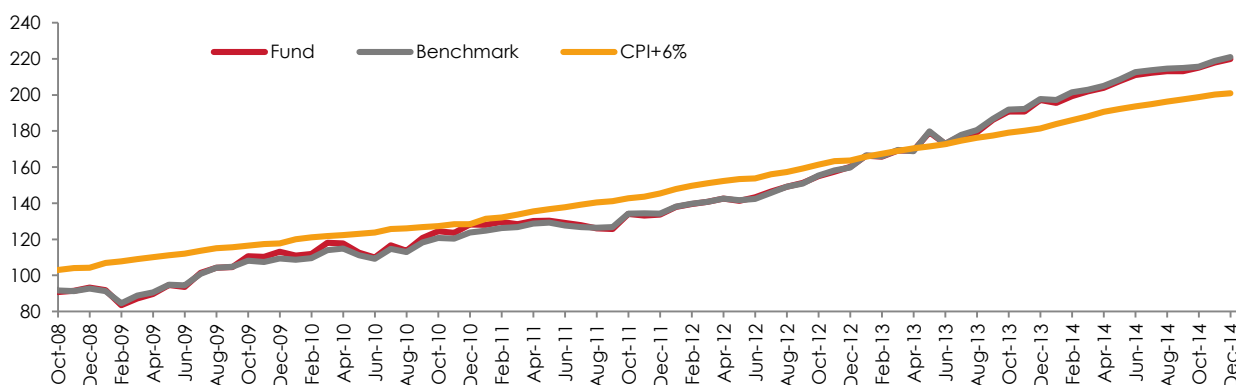
Asset Allocation as at 31 December 2014



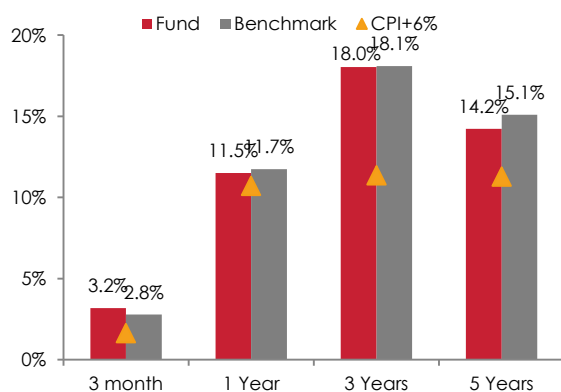
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Prudential Namibian Money Market Fund	12.8%	6 SPDR S&P 500 ETF	4.1%
2 First National Bank Nam Call Account	5.4%	7 Vukile Property Fund Ltd	3.9%
3 First Eagle Amundi International Fund	5.1%	8 MTN	2.8%
4 VPowershares Senior Loan Portfolio	5.0%	9 Vulcan Value Equity Fund	2.7%
5 Naspers	4.7%	10 M&G Global Dividend Fund	2.5%

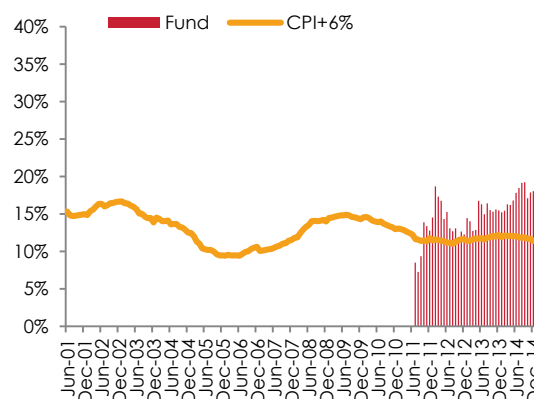
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Standard Bank Namibia Managed Fund

Risk Profile: Moderate

Size: N\$ 5.5mn

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 views of STANLIB (SA&NAM). The portfolio aims to achieve capital growth over the longer-term.

Inception: Apr-98

CIO: Brown Amuenje

Portfolio Manager

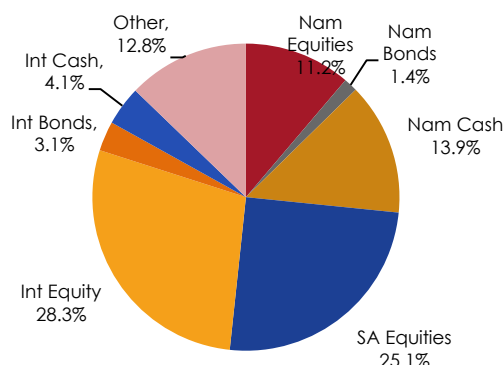
Brown Amuenje

Benchmark

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

Fees: 0.50% p.a. on average month end market value

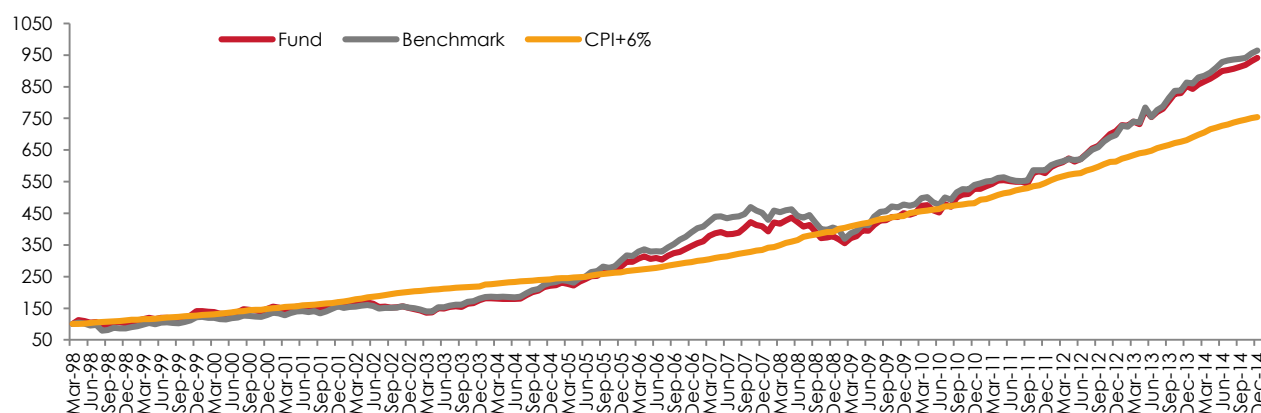
Asset Allocation as at 31 December 2014



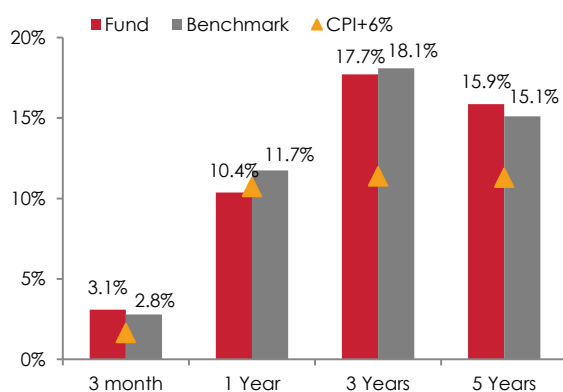
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Firststrand Ltd_FST NW	3.2%	6 Mtn	1.7%
2 British American Tobacco	2.2%	7 Firststrand Ltd_FSR	1.7%
3 FNB Namibia	2.2%	8 Aspen	1.6%
4 Sanlam	2.1%	9 Barclays Bank	1.4%
5 Shoprite	1.9%	10 Sasol	1.4%

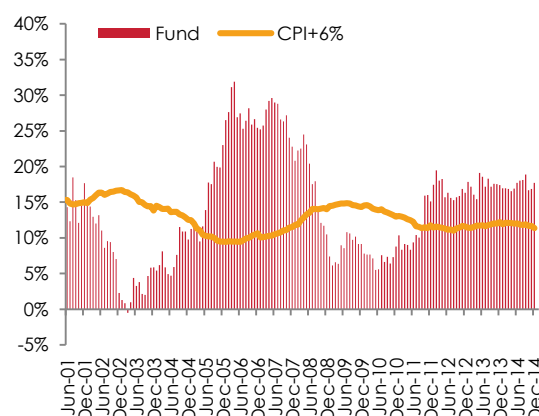
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



EMH Prescient Absolute Balanced Fund

Risk Profile: Moderate
Size: N\$ 1.5mn

Portfolio Description

Fund seeks to deliver real returns over the long term. The fund invests in cash, capital market instruments and equities with an active asset allocation overlay.

Inception: July 2012

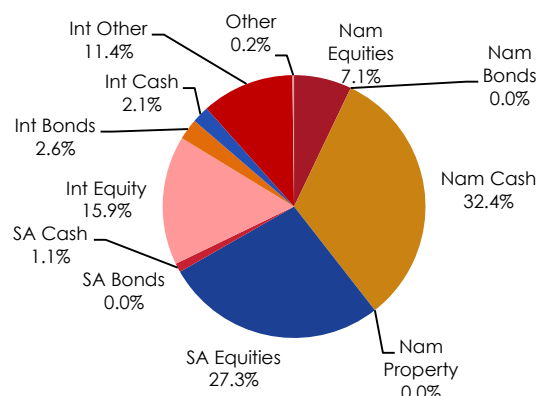
Portfolio Manager

Guys Toms, Liang Du

Benchmark

Namibia CPI + 5%

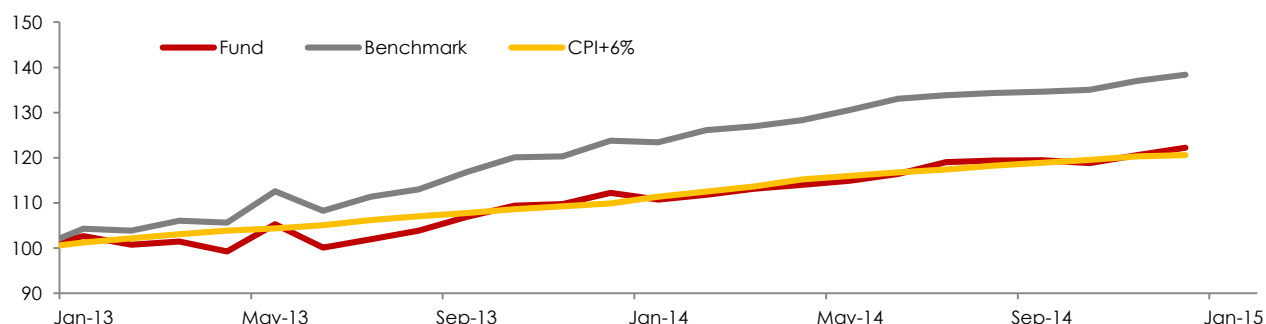
Asset Allocation as at 31 December 2014



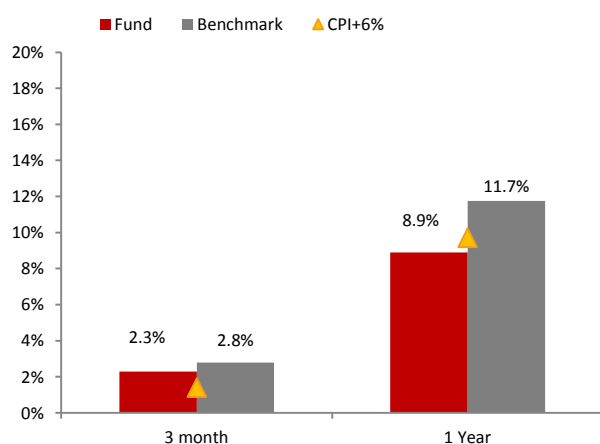
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Prescient Global Positive Return (Euro) Fund G (ZAR)	10.5%	6 Naspers	3.0%
2 Bank Windhoek FRN 12+ months	9.6%	7 Mtn	2.7%
3 Firststrand Namibia FRN 6-12 months	7.6%	8 Namibian Dollar	2.0%
4 Standard Bank Namibia FRN 12 months	4.7%	9 Nedbank Namibia FRN 12+ months	1.9%
5 Nedbank Namibia FRN 6-12 months	3.6%	10 Standard Bank Namibia FRN 6-12 months	1.6%

Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



NAM Coronation Balanced Plus Fund

Risk Profile: Moderate

Size: N\$ 0.5mn

Portfolio Description

The NAM Coronation Balanced Plus Fund is a fully managed investment solution diversified across asset classes and sectors.

Inception: Apr-2011

CIO: Eino Emvula

Portfolio Manager

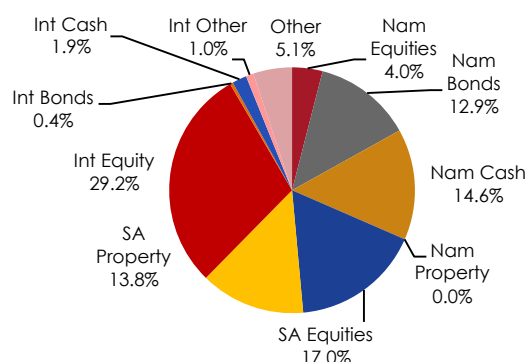
Eino Emvula, Karl Leinberger, Duane Cable

Benchmark

Average Return of Namibia Peer Group Funds

Fees: 0.50% p.a. on average month end market value

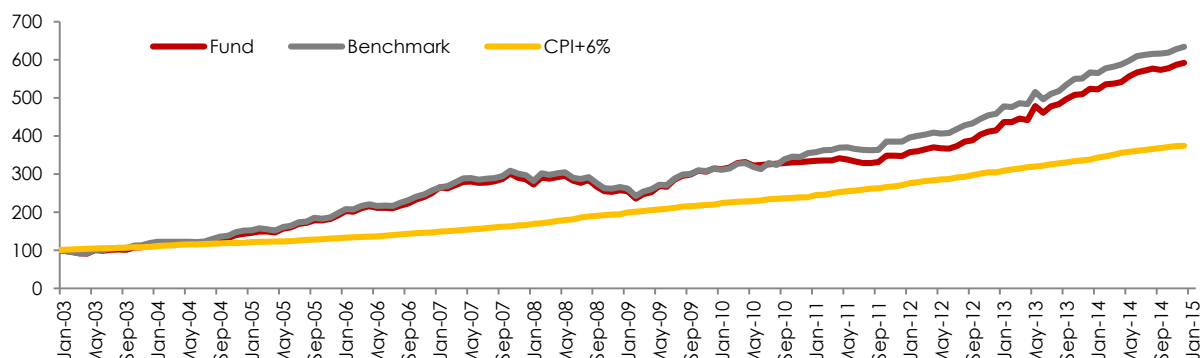
Asset Allocation as at 31 December 2014



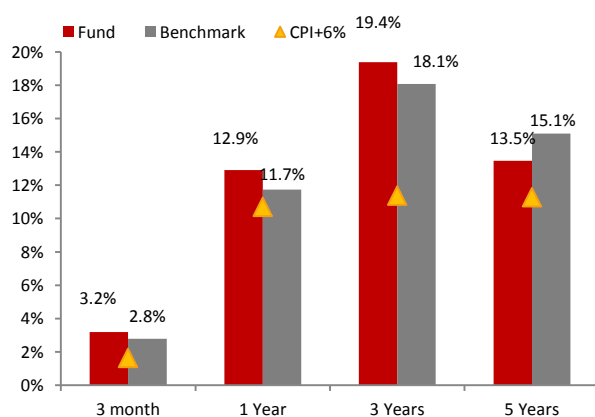
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Coronation Global Opportunities Equity Fund	20.4%	6 Capital & Counties Properties	2.0%
2 Coronation Global EM Fund	6.1%	7 Naspers	1.8%
3 INTU Properties	3.3%	8 British American Tobacco	1.5%
4 Coronation African Frontiers Fund	2.8%	9 Anglo American	1.2%
5 Fortress Income Fund Ltd	2.7%	10 Redefine Income Fund	1.2%

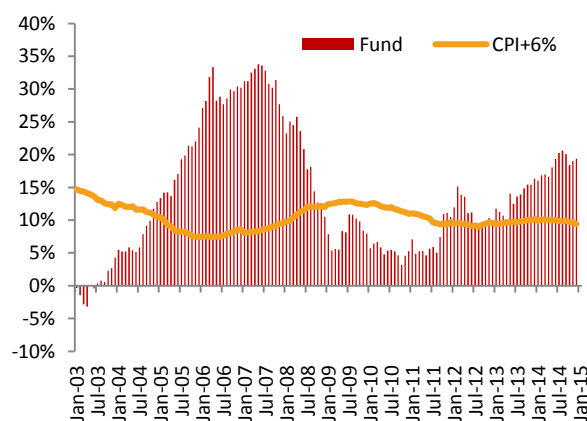
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Sanlam Namibia Inflation Linked Fund

Asset Allocation as at 31 December 2014

Risk Profile: Moderate-Low

Size: N\$ 0.05 mn

Portfolio Description

Fund Objective The fund invests in a flexible combination of investments in the equity, bond and money markets, both locally and abroad, aiming for positive real returns (comprising capital and income growth) over the medium to longer term.

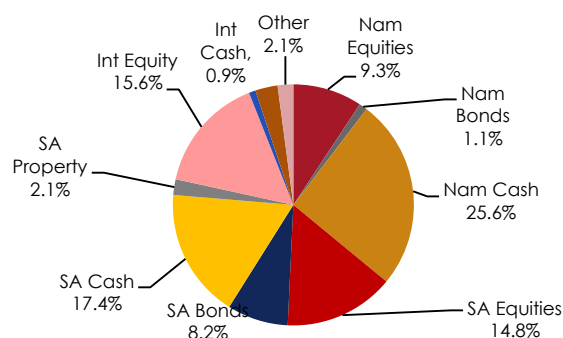
Inception: Feb-04

Portfolio Manager

Steve Mills

Benchmark

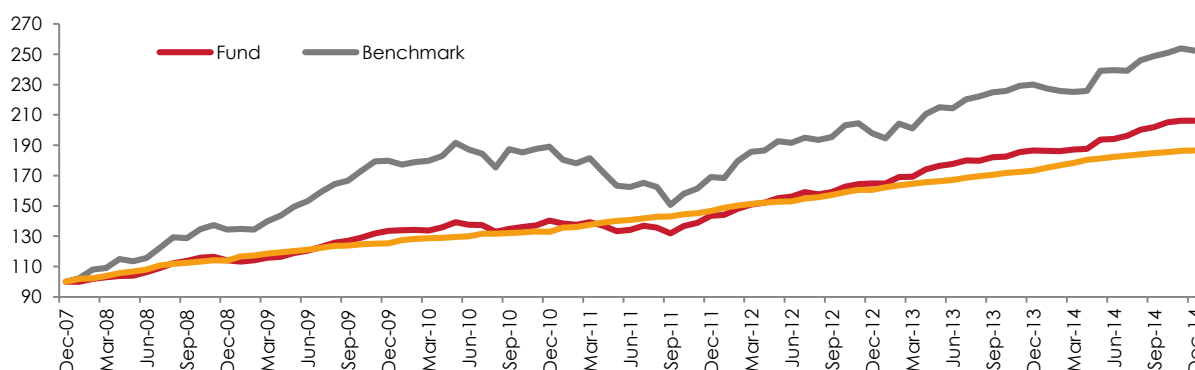
The benchmark for the fund is Namibia Headline Inflation plus 4% over a rolling three year period.



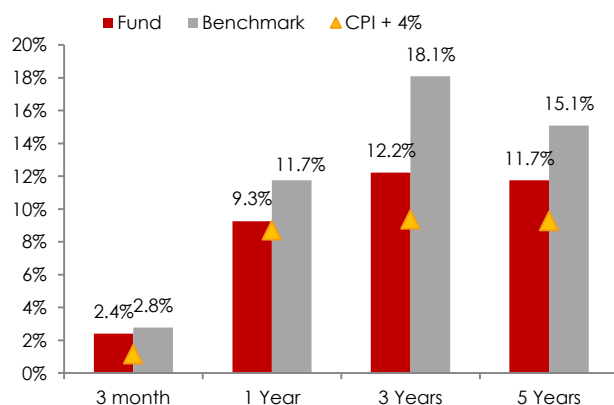
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Naspers	10.9%	6 SAB Miller	3.5%
2 MTN	7.8%	7 Stan Bank	3.4%
3 Steinhoff	5.1%	8 Old Mutual	3.3%
4 British American Tobacco	5.1%	9 Anglo American	3.1%
5 Sasol	5.1%	10 Firstrand	2.9%

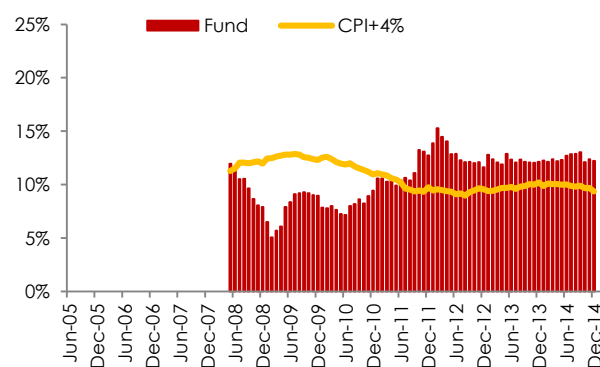
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



NAM Coronation Balanced Defensive Fund

Risk Profile: Moderate-low

Size: N\$ 17.2mn

Portfolio Description

The NAM Coronation Balanced Defensive 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 NAM Balanced Defensive Fund aims to provide a reasonable level of income whilst seeking to preserve capital in real terms.

Inception: Nov-07

CIO: Eino Emvula

Portfolio Manager

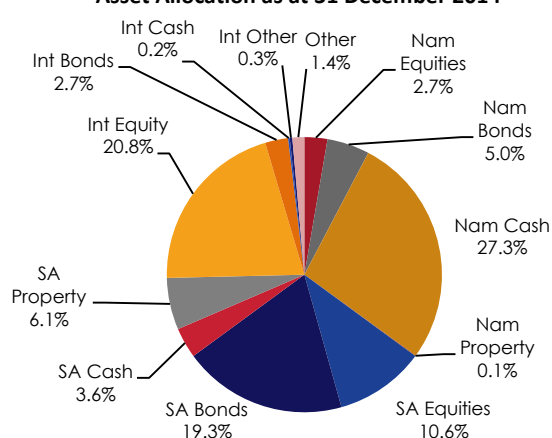
Louis Stassen and Henk Groenewald

Benchmark

The benchmark for the fund is cash plus 3.0%.

Fees: 0.95 % p.a. on average month end market value

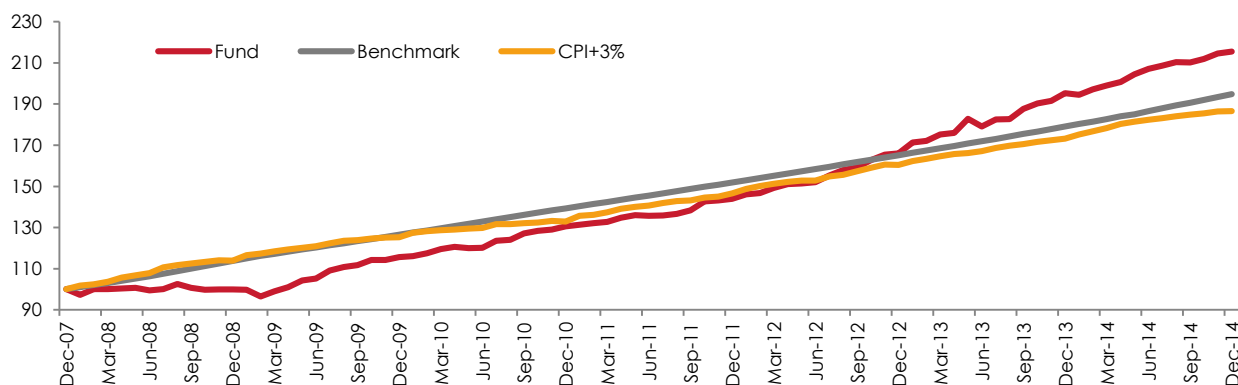
Asset Allocation as at 31 December 2014



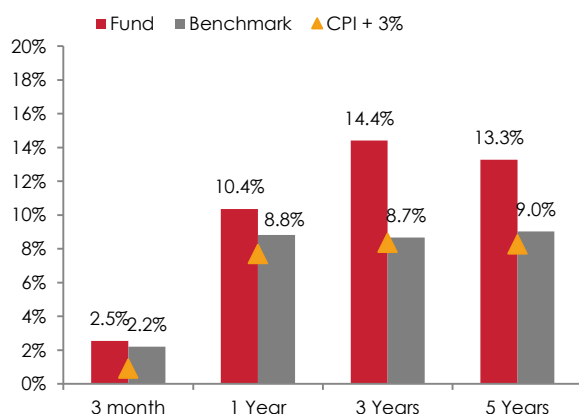
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Coronation Global Opportunities Equity Fund	11.8%	6 Naspers Ltd	1.0%
2 Coronation Global Capital Plus Fund	4.6%	7 Atterbury Investment Holdings	0.7%
3 Coronation Global Emerging Markets Fund	4.3%	8 British American Tobacco	0.7%
4 INTU Properties	1.4%	9 Pioneer Food Group	0.6%
5 Growthpoint Properties	1.1%	10 Anglo American Plc	0.6%

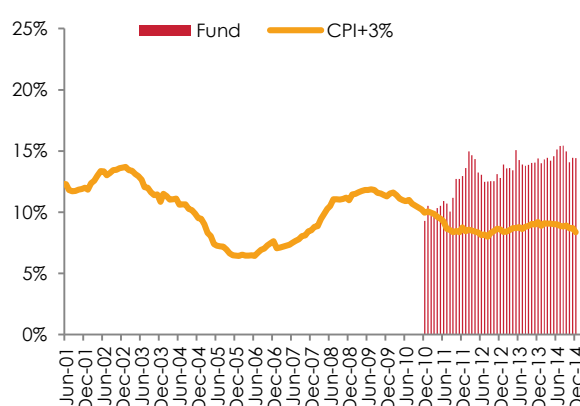
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



NAM Coronation Capital Plus Fund

Risk Profile: Moderate-low

Size: N\$ 6.6mn

Portfolio Description

The NAM Coronation Capital Plus Class A 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

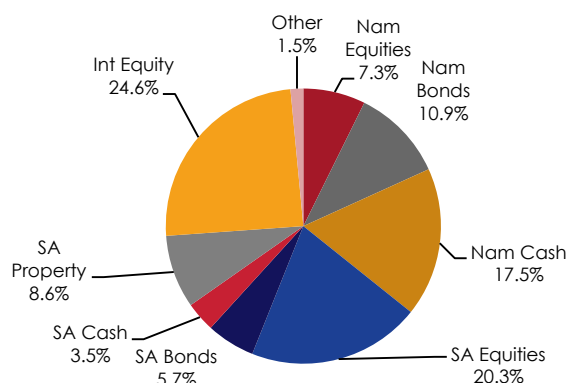
Louis Stassen and Henk Groenewald

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% outperformance to a maximum of 2.25% p.a.

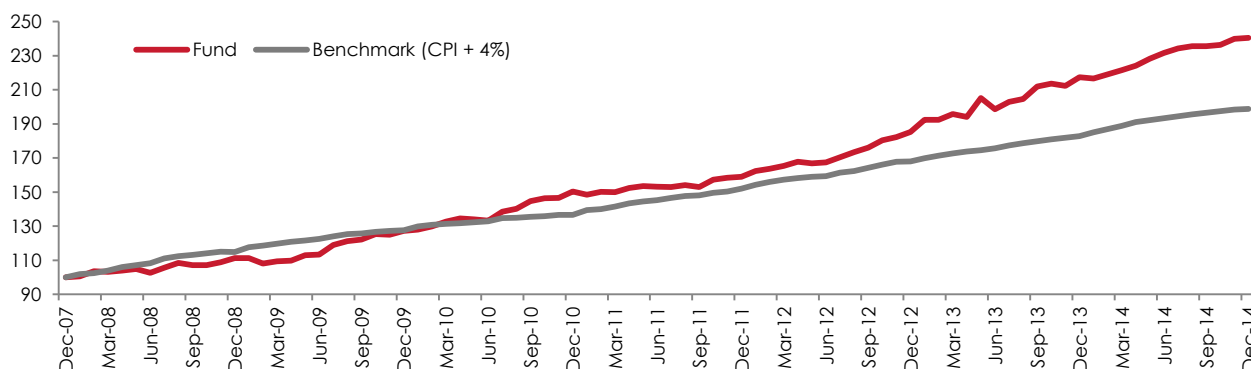
Asset Allocation as at 31 December 2014



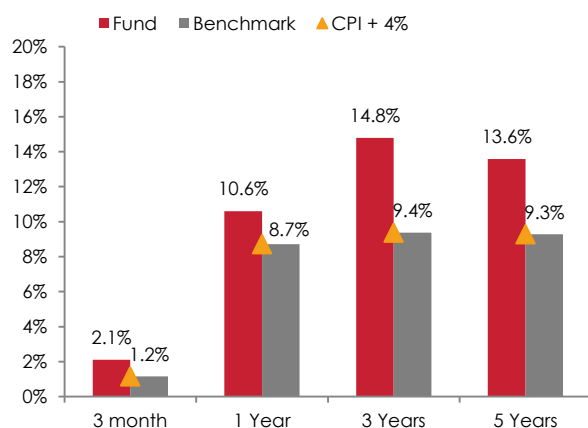
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Coronation Global Capital Plus	10.4%	6 Coronation Global Emerging Markets Fund	1.8%
2 Coronation Global Equity FoF	9.9%	7 MTN	1.4%
3 Growthpoint Properties	2.7%	8 Standard Bank	1.4%
4 Coronation Global Managed Fund	2.5%	9 British American Tobacco	1.4%
5 Anglo American Plc	1.9%	10 Naspers	1.1%

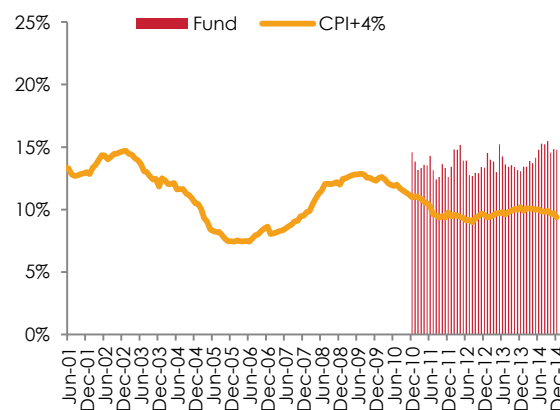
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Prudential Namibia Inflation Plus Fund

Risk Profile: Moderate-low

Size: N\$ 153 mn

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

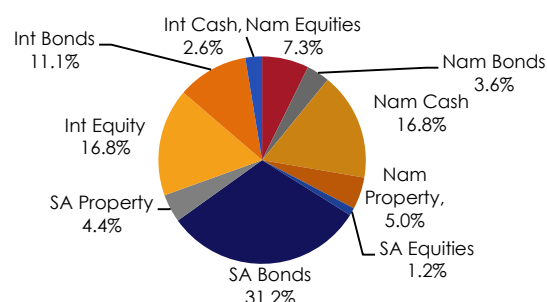
Michael Moyle, Albert Arntz

Benchmark

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

Fees: 0.7% p.a. on average month end market value

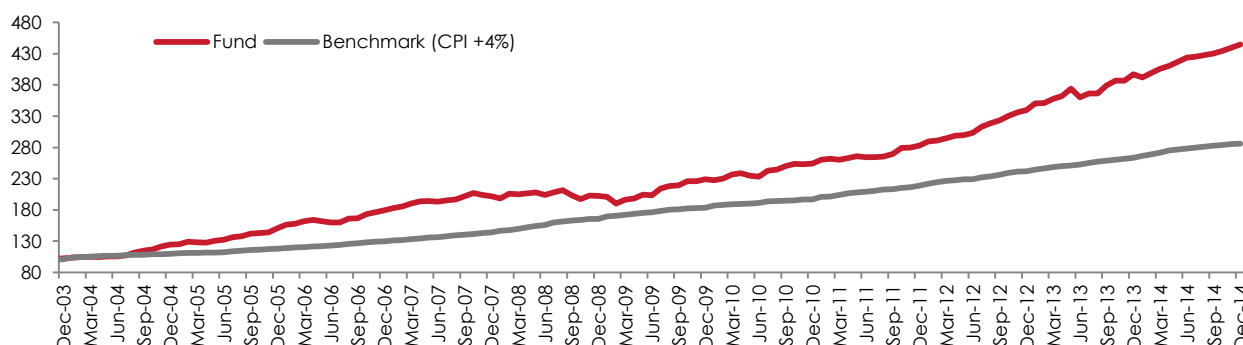
Asset Allocation as at 31 December 2014



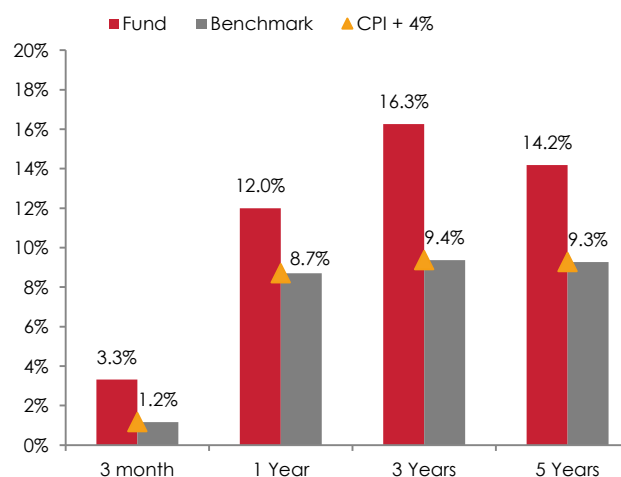
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Prudential Namibian Money Market Fund	12.1%	6 First Eagle Amundi International Fund	3.4%
2 Republic of SA ILB 2.60% 310328 (R210)	6.6%	7 Republic of SA ILB 5.50% 071223 (R197)	3.2%
3 First National Bank NAM Call Account	4.8%	8 Eastspring Investments US Inv Grade Bond Fund	2.9%
4 Powershares Senior Loan Portfolio ETF	4.3%	9 SPDR S&P 500 ETF	2.7%
5 Vukile Property Fund	4.0%	10 US Dollar	2.6%

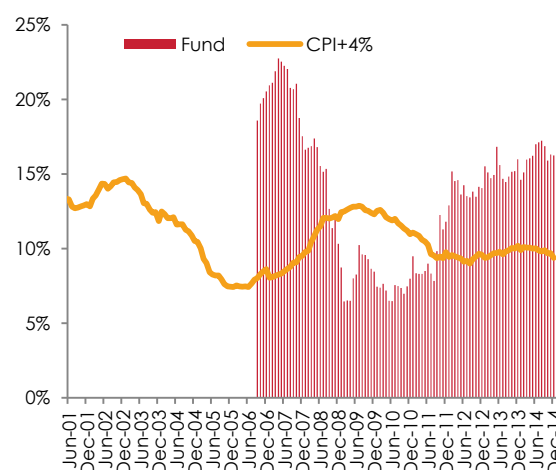
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2014



3 -year rolling performance vs. CPI target



Benchmark Retirement Fund Default Portfolio

Risk Profile: Moderate-low
Size: N\$ 527.6m
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.

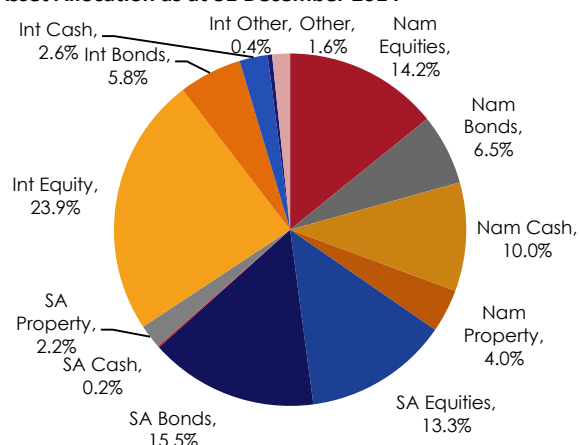
Benchmark

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

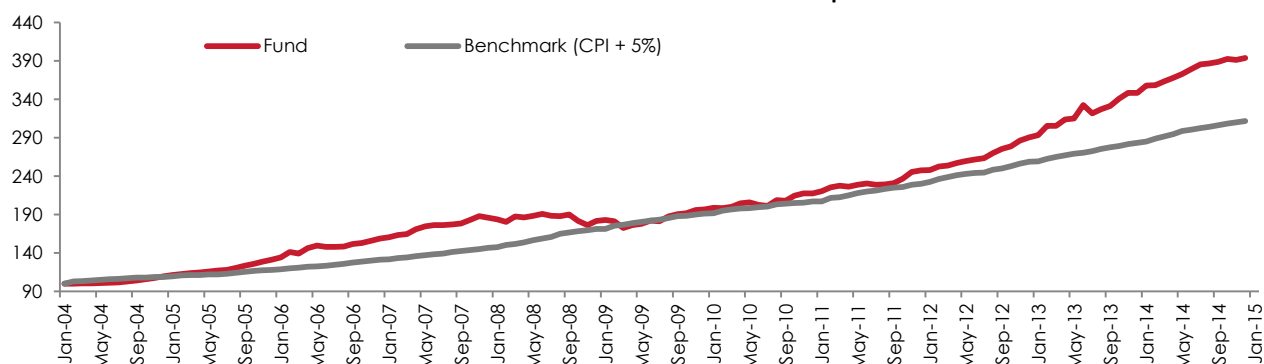
Fees: 0.75%p.a.

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 Unit Trust Management Limited as from 1 January 2011. Cash Flows are split equally between the two portfolios.

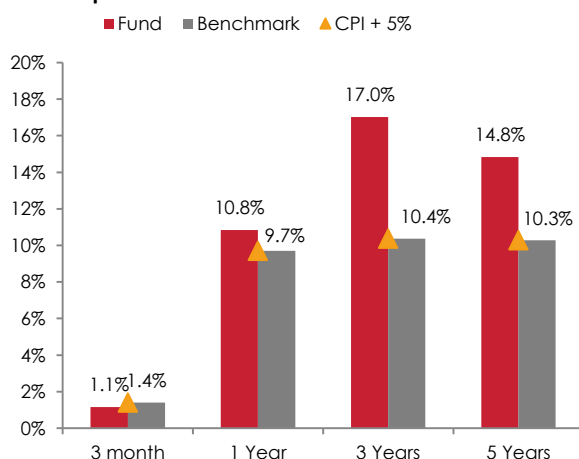
Asset Allocation as at 31 December 2014



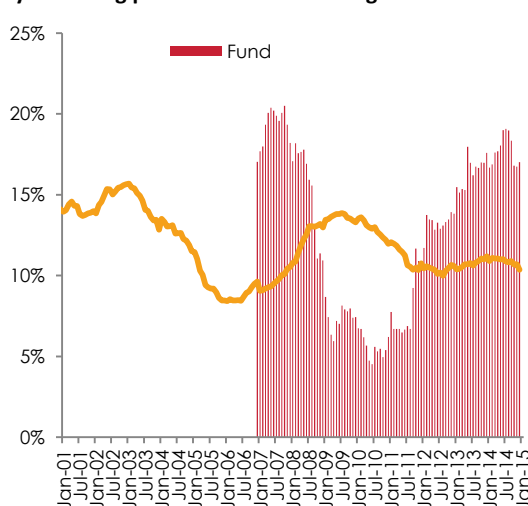
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Sanlam Namibia Active Fund

Risk Profile: Low

Size: N\$ 8.2 bn

Portfolio Description

The Sanlam Namibia Active Fund's objective is to provide a high level of income and maximise returns. This fund invests in income yielding assets including fixed income assets, preference shares and property.

Inception: 1 June 2007

CIO: Gerhard Cruywagen

Portfolio Manager

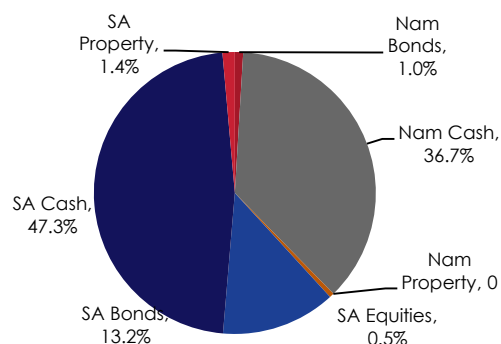
Andre Roux, Phillip Liebenberg, Tertius Liebenberg

Benchmark

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

Fees: 0.60% p.a on average month end market value

Asset Allocation as at 31 December 2014

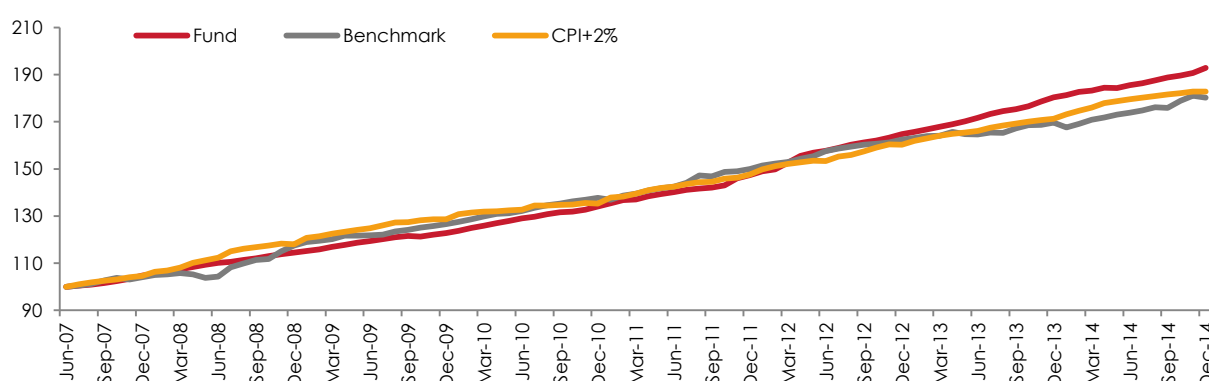


Top 10 Securities

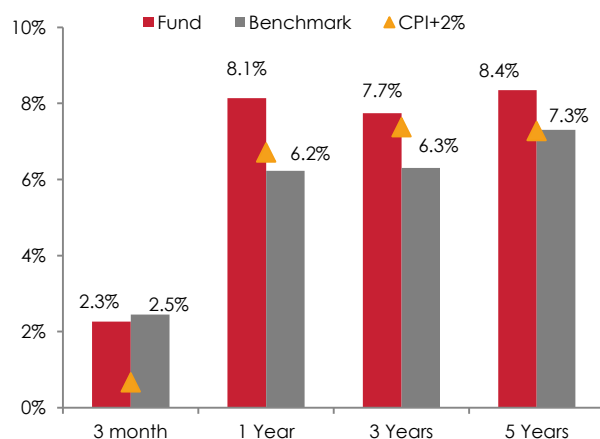
Share	% of Portfolio	Share	% of Portfolio
1 Fortessa	0.3%	6 Hyprop	0.03%
2 Hosp A	0.2%	7 Cappro	0.03%
3 Growthpoint	0.1%	8 New Europe Property Investment	0.03%
4 Ascension Property Ltd	0.1%	9 Resilient	0.03%
5 Redefine Properties	0.1%	10 Sa Corp	0.01%

The Top 10 have been queried with Sanlam.

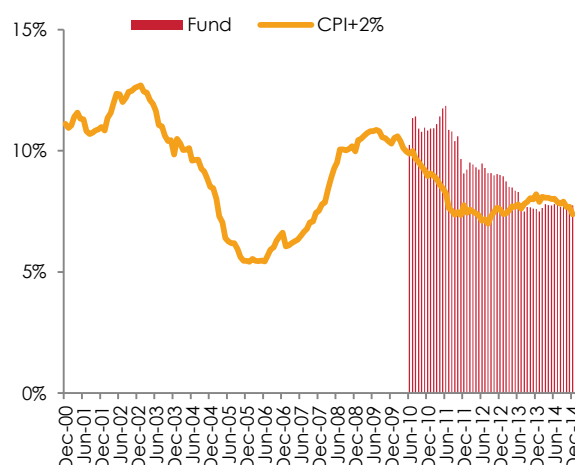
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 December 2014



3-year rolling performance vs. CPI target



Money Market

Risk Profile: Capital Preservation

Size: N\$26.4 mn

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

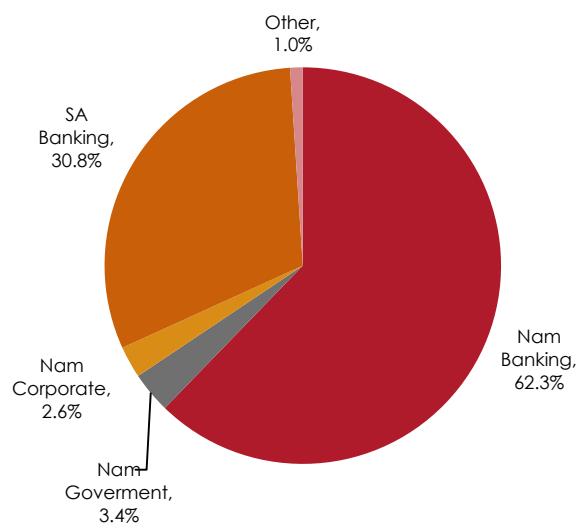
Capricorn Asset Managers (Tertius Liebenberg)

Benchmark

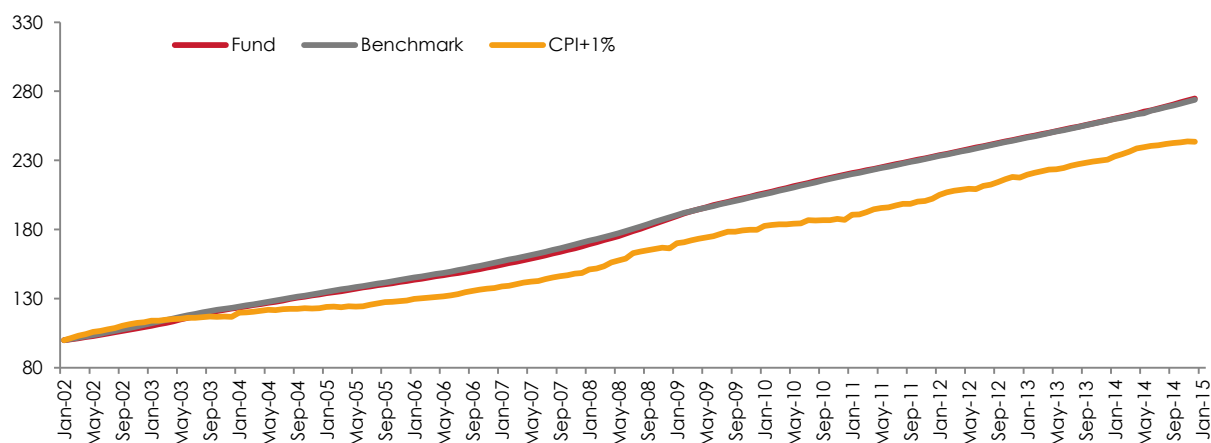
The benchmark for this portfolio is the Bank of Namibia 7 day Repo Rate. For comparative purposes the IJG Money Market Index has been used as benchmark.

Fees: 0.5% p.a. on average month end market value

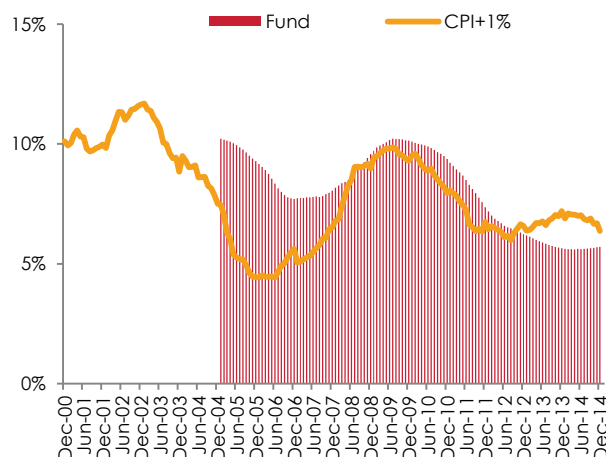
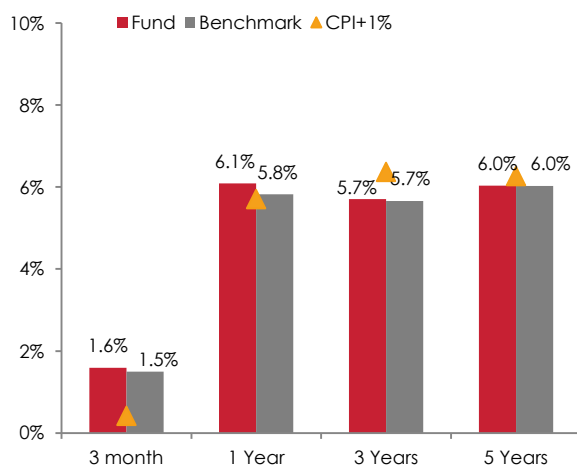
Asset Allocation as at 31 December 2014



Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 December 2014



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 (i.e. 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.

6. Appendix A: Replacement Ratios

The following table represents some salary replacement ratios:

	Assumed NET contribution towards retirement i.e. AFTER all costs for risk and administration etc (as % of pensionable salary)				
Assumed Investment Return for 30 years before retirement (after fees)	8%	10%	12%	14%	16%
CPI + 5%	47%	59%	70%	82%	94%
CPI + 4%	39%	49%	59%	69%	79%
CPI + 3%	33%	42%	50%	58%	67%
CPI + 2%	28%	35%	42%	50%	57%

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 shows a range of ratios for various net retirement funding contribution rates in relation to real investment returns, assuming retirement at age 60. Other assumptions are:

Pre-retirement:

- **Real rate of return before retirement is dependent on the investment portfolio chosen;**
- Salaries are assumed to increase in line with price inflation. In order to assess the impact of a salary increase of 1.0% per annum above inflation, one needs to look at a 1.0% per annum lower real return (e.g. if the targeted real rate of return on the selected investment portfolio is CPI + 4% then one needs to look at the results of CPI + 3% in the above table to see the salary replacement ratio if salaries increase 1.0% per annum above price inflation);
- 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.

Post retirement

- Single life with-profit annuity is purchased at age 60 years;
- Allowance for future pension increases is approximately 2/3rds of price inflation.