

May 2015

Prepared by
NMG Investments Monitoring Division

For



Benchmark Retirement Fund

Investment Report as at 31 March 2015

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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.

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 ¹	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 ¹	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 ¹	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	Low	1-3 year ALBI	CPI + 1% to 2%	
Money Market Fund	Capital Preservation	7-day repo rate	CPI to CPI + 1%	None

1. 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.

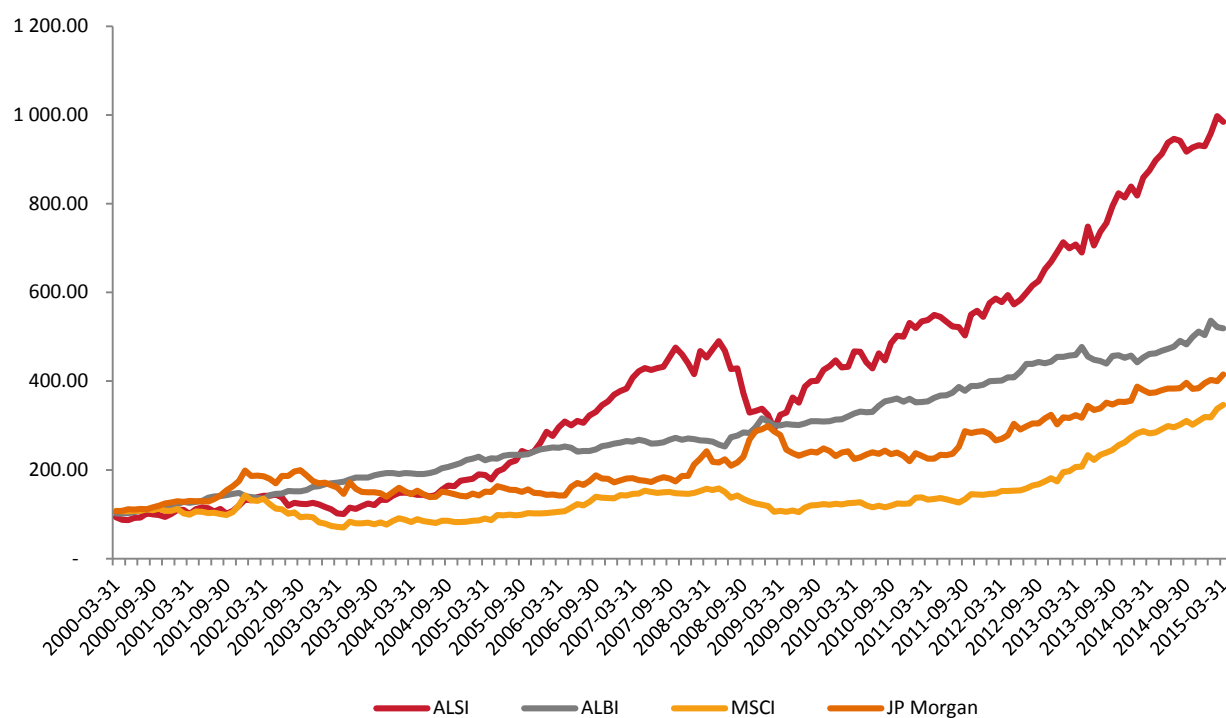
Investment return and risk are correlated; while the correlation cannot be defined in absolute terms, it is generally accepted that an investor would require compensation in the form of investment returns in return for the investment risk taken.

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

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 March 2015**.



2.2 Medium Term Market Performance

The following table presents the performance of various market indices to **31 March 2015**.

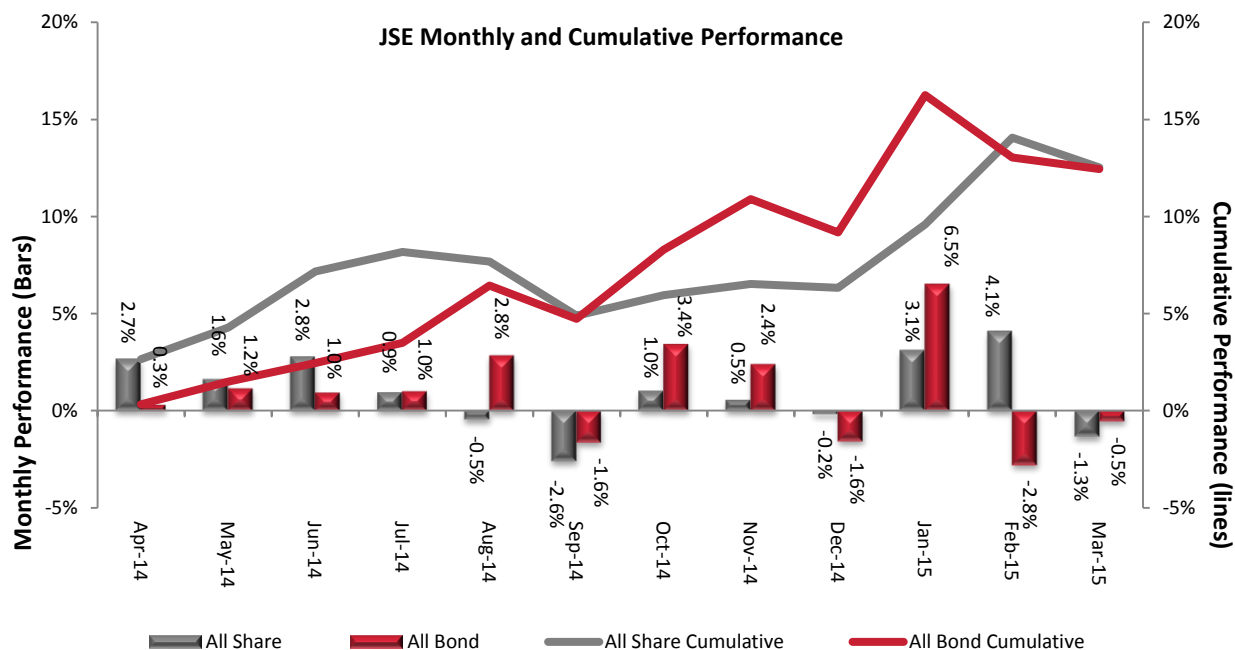
	2011	2012	2013	2014	One Year	Three Years
All Share (SA)	2.6%	26.7%	21.4%	10.9%	12.5%	19.4%
JSE: Financials	7.4%	38.1%	19.1%	27.3%	33.4%	27.3%
JSE: Industrial	9.2%	40.8%	35.0%	16.8%	22.3%	28.5%
JSE: Resources	-6.5%	3.1%	1.4%	-14.7%	-23.0%	-2.8%
All Bond (SA)	8.8%	16.0%	0.6%	10.1%	12.4%	9.0%
STeFI (SA)	5.7%	5.5%	5.2%	5.9%	6.1%	5.6%
MSCI World	15.8%	21.3%	57.0%	16.7%	22.8%	31.5%
JP Morgan Bond	30.7%	5.4%	17.6%	11.1%	11.2%	15.4%
Rand/Dollar ¹	21.9%	4.1%	23.2%	10.6%	15.2%	16.6%
CPI (SA)	6.1%	5.7%	5.4%	5.3%	4.0%	5.3%

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

2.3 Short Term Market Performance

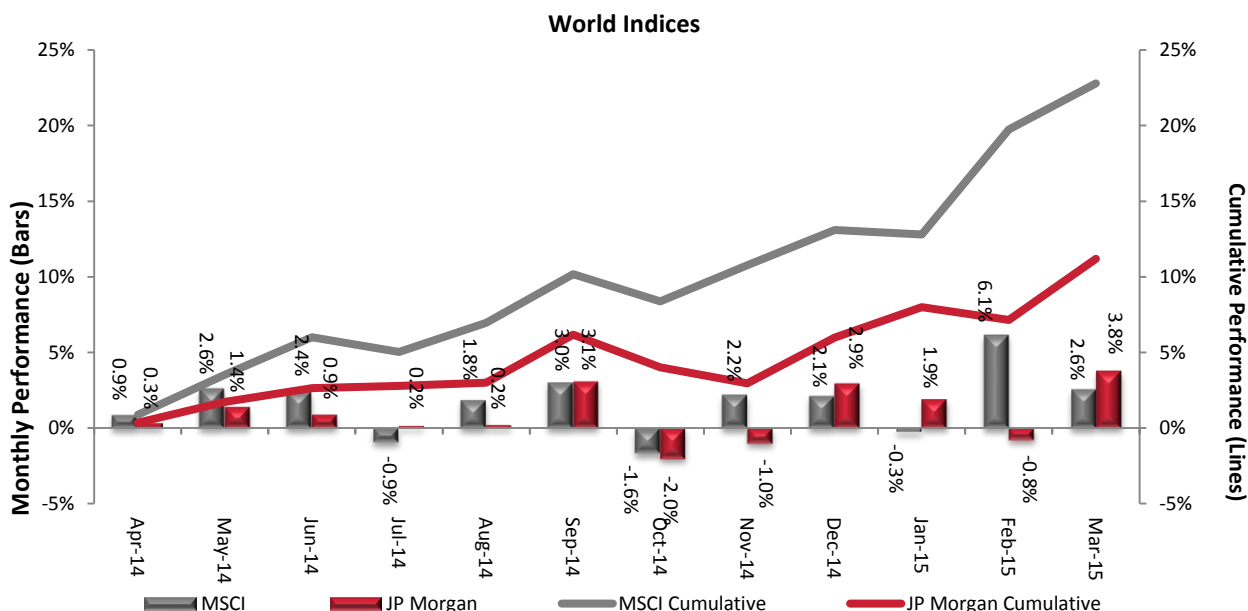
The following graphs represent the monthly performance of various market indices for the year ending **31 March 2015**.

2.3.1 South Africa



2.3.2

World



2.3.3 South African and International Market Commentary

The International Monetary Fund has reduced South Africa's growth forecast to 2.0% and 2.1% for 2015 and 2016 respectively, due to rolling blackouts and a slowdown in government expenditure. Inflation seems to be creeping up once again, as consumer prices moved to 4.0% in March from a low of 3.9% which was seen in the previous month. Headline CPI is expected to continue this upward trend over the next few months, as a result of the weak rand and higher oil prices. Manufacturing production saw a 0.5% drop during February, with any decline having a negative effect on GDP as manufacturing makes up one of the largest components of gross domestic product.

The US economy posted weaker-than-expected growth in the first quarter of 2015 on the back of a strong dollar, cold winter and labour disputes in the shipping industry, among others. GDP grew at an annualized rate of 0.2% for the first three months of the year, whilst analysts had forecast a rate of 1.0%. Although the world's largest economy managed to attain positive growth, economists warn that the underlying economy is weak due to the sharp decline in energy prices. Weaker global growth has also had a negative effect on the US economy. In more positive news, the economy added 223,000 new jobs in April and the unemployment rate declined to 5.4%.

The European Commission has revised its growth forecast to 1.5% from 1.3% for the current year, whilst growth for 2016 has also been revised upwards. Growth for the first quarter of 2015, is likely to beat both the UK and the US. It is predicted that the Euro area would expand by 1.6% during this period. Domestic demand has been the main factor driving economic growth. Inflation is also predicted to pick up during the latter half of 2015, however it will still remain below the ECB's target of 2.0%. Despite the strides in growth, the Eurozone unemployment remains high at 11.3%.

The Chinese economy continues to struggle, as both exports and imports tumbled during April. Exports dropped by 6.2%, whilst imports declined by 16.1%. Exports are now becoming a downside risk after previously being regarded as a stabilizer of growth. Chinese bad loans are at the steepest level in more than a decade during the period from January to April. Bad loans surged as both economic growth and the property market continue to dwindle.

The oil price continues on its choppy path, as international factors affect the supply of Brent crude oil.

Equities

The All Share and SWIX indices added 4.7% and 4.3% respectively for April, as resources, industrials and financials all surged.

Bonds

The BEASSA All Bond Index performed poorly during April, marking a loss of 0.5% for the period.

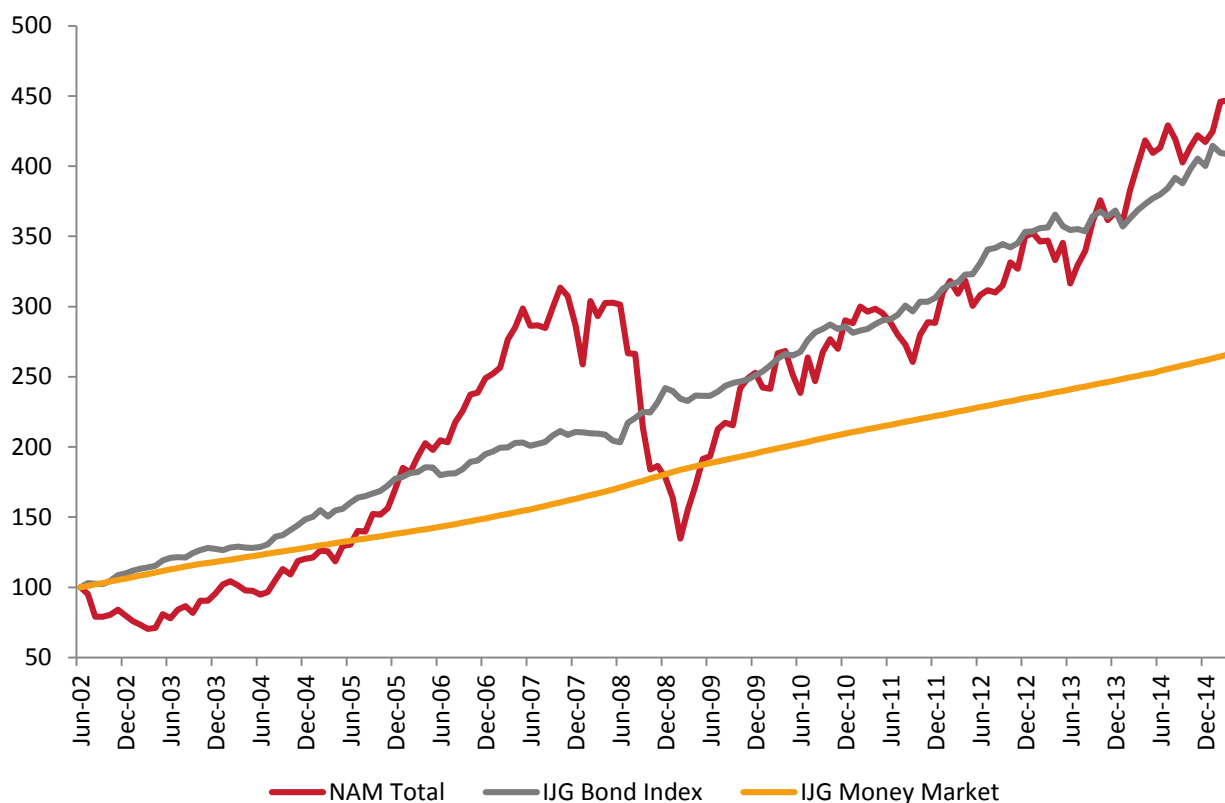
Currency

The local currency made some gains against the dollar, closing the month at R11.79. However the Rand saw some volatility during April on the back of mixed data in both the local markets and globally.

2.4 Namibia

2.4.1 Long Term Market Performance

The following graph represents the cumulative performance of some market indices to 31 March 2015.



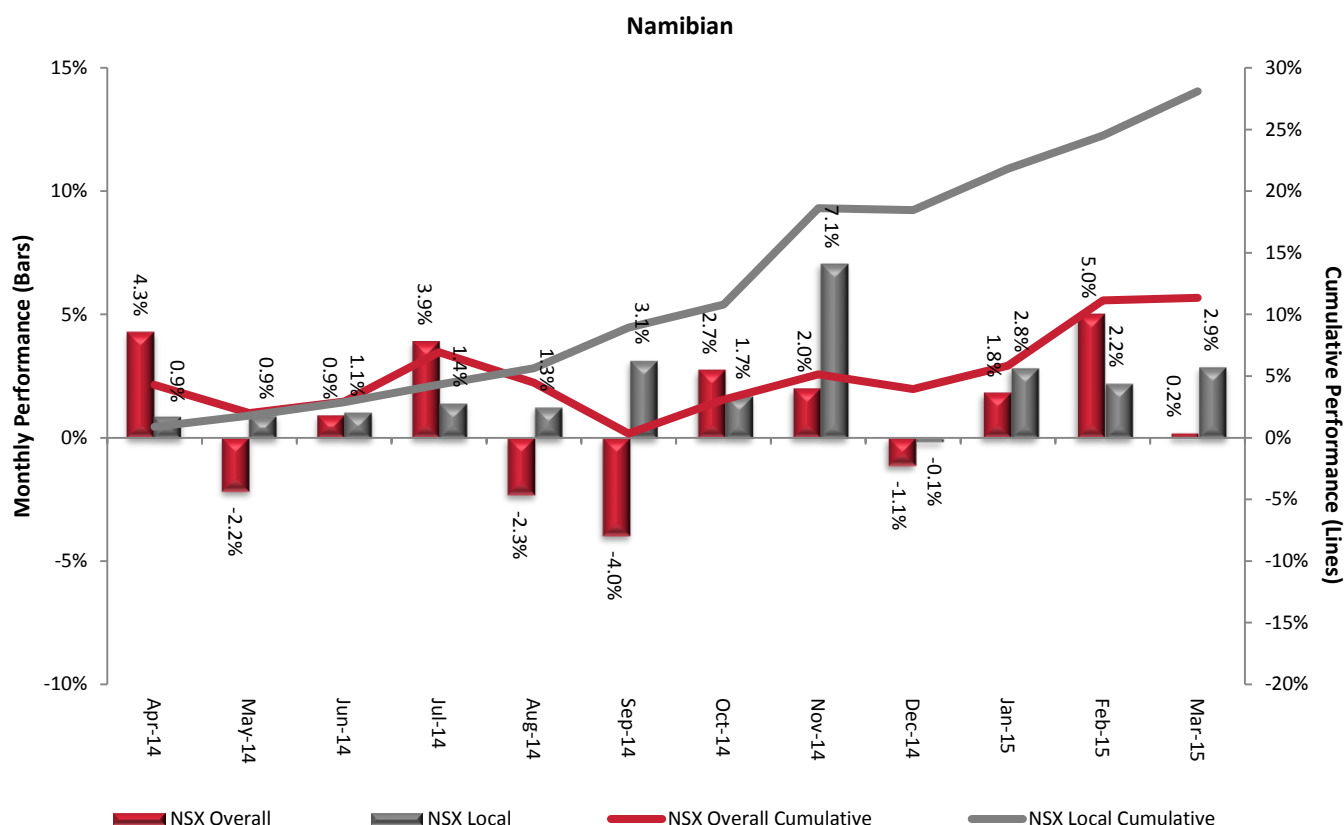
2.4.2 Medium Term Market Performance

The following table presents the performance of various market indices to **31 March 2015**

	2011	2012	2013	2014	One Year	Three Years
NAM Total	-0.6%	21.2%	4.8%	13.7%	11.3%	13.1%
NAM Local	36.7%	31.2%	27.7%	23.5%	28.1%	27.4%
NAM CPI	7.4%	6.4%	5.0%	4.7%	3.4%	4.9%
IJG Bond Index ¹	7.1%	15.4%	4.3%	8.6%	10.8%	8.8%
IJG Money Market	6.0%	5.7%	5.4%	5.8%	6.0%	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



2.4.4 Namibian Market Commentary

The Bank of Namibia chose to keep the repo rate unchanged at 6.25%, on the back of lower inflation and positive economic growth. The annual inflation rate slowed to 3.4% in March, from 3.6% in the previous month. The easing consumer price levels were supported by declining inflation in almost all categories of the CPI basket. New vehicles sales increased by 10.4% on a month-on-month basis and 14.4% on a year-on-year basis. This represents 2,150 new vehicles that were sold during the month. Total private sector credit increased by 1.5% during the third month of the year, with a net total of N\$10.8 billion worth of credit being extended over the last year. The IJG Business Climate index also moved to a new high in March. The index gained 4.3 points from the previous month up to 167.5. The gain is underpinned by a number of factors including meat, oil and metal prices.

In positive news, the European Union and Namibia entered into a partnership known as the National Indicative Programme (NIP). The programme aims to strengthen the relationship between the two nations, by providing access to new markets and the exchange of skilled labour. The agreement is worth more than N\$900 million.

3. Performance Comparison as at 31 March 2015

3.1 Moderate Portfolios

3.1.1 Asset Allocation

The figures below reflect the asset allocation of the moderate portfolios as at **31 March 2014 (12 Months ago)**

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Profile Pinnacle	Prudential Balanced	Sanlam Namibia Balanced	Standard Bank Managed
Namibia Equities	19.5%	16.1%	22.0%	12.4%	14.7%	13.3%	7.1%
Namibia Bonds	8.8%	15.2%	11.1%	7.7%	3.1%	7.0%	1.3%
Namibia Cash	8.5%	11.2%	7.7%	18.8%	18.9%	14.7%	37.6%
Namibia Property	2.2%	0.5%	-	2.6%	2.2%	4.0%	-
South Africa Equities	25.8%	21.6%	14.4%	20.4%	23.3%	27.2%	30.5%
South Africa Bonds	-	0.1%	5.2%	0.6%	7.2%	7.8%	0.5%
South Africa Cash	0.5%	-	4.7%	2.2%	-	0.2%	-
South Africa Property	-	2.1%	3.0%	1.3%	-	-	-
International Equity	15.2%	23.2%	17.9%	34.0%	23.6%	18.4%	23.0%
International Bonds	-	9.3%	4.8%	-	7.0%	0.7%	-
International Cash	2.7%	-	3.1%	-	-	3.3%	-
International Other	14.6% ¹	0.7% ¹	0.5% ²	-	-	3.4% ³	-
Other	2.2% ⁴	-	5.6% ⁵	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Other represents Offshore Hedge Funds

2. Other represents International Property (0.25%) and International Commodities (0.25%)

3. Other represents International Property

4. Other represents Commodity ETF's

5. Other represents SA Hedge Funds

The figures below reflect the asset allocation of the moderate portfolios as at **31 March 2015**.

	Allan Gray	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia Equities	21.4%	16.1%	17.5%	11.2%	5.5%	5.9%	8.6%
Namibia Bonds	10.0%	13.6%	19.6%	1.3%	-	9.2%	4.1%
Namibia Cash	3.4%	12.6%	-	13.3%	34.2%	17.2%	39.3%
Namibia Property	3.1%	0.4%	-	-	-	-	2.4%
South Africa Equities	23.6%	22.9%	22.9%	25.5%	28.5%	23.8%	15.9%
South Africa Bonds	-	0.4%	4.5%	-	-	-	9.2%
South Africa Cash	0.3%	0.3%	1.2%	-	0.9%	-	-
South Africa Property	-	2.3%	2.2%	-	-	11.4%	-
International Equity	16.4%	25.4%	32.1%	28.7%	16.5%	27.6%	16.5%
International Bonds	0.6%	0.8%	-	3.1%	1.5%	0.3%	3.9%
International Cash	2.6%	5.2%	-	0.4%	2.5%	1.1%	0.1%
International Other	15.0 ⁴	-	-	4.1% ⁷	0.6% ⁵	0.6% ⁶	-
Other	3.2% ¹	-	-	12.4% ⁸	9.8% ²	2.9% ³	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Represents Commodity ETF's

2. Represents Collective Investment Schemes

3. Represents Commodities

4. Represents International Property & Hedge Funds

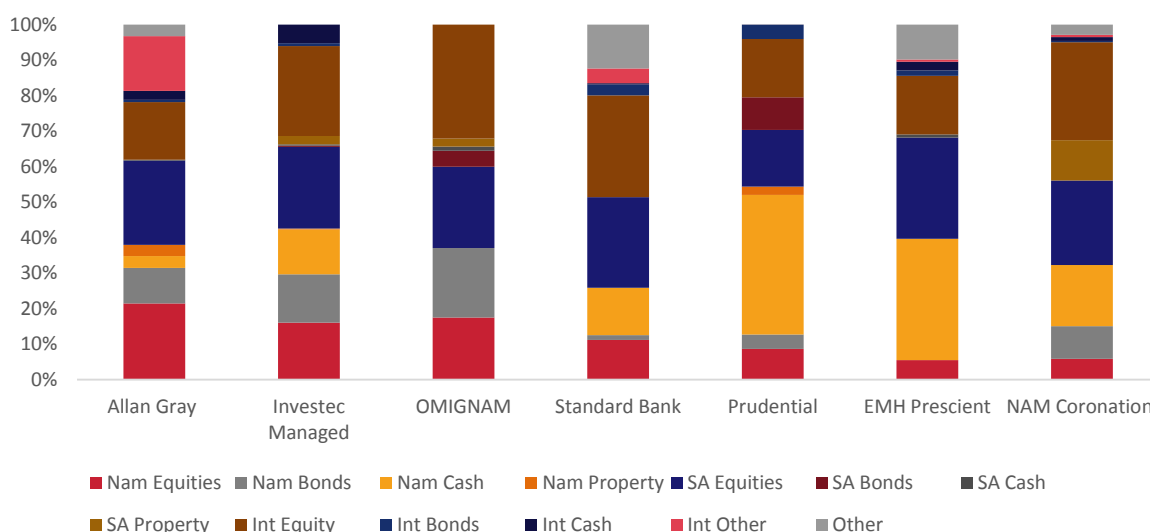
5. Represents International Collective Investment Schemes

6. Represents International Property (0.5%) and Commodities (0.1%)

7. Represents Investment with Stanlib USA Short term money market fund

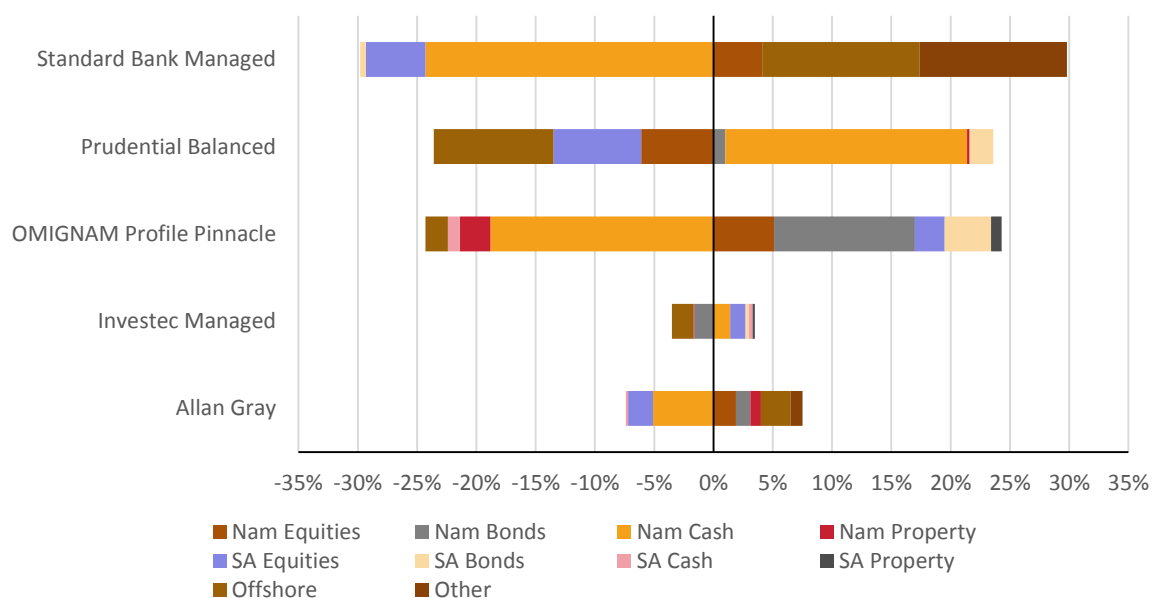
8. Represents Investment with Standard Bank Namibia Income Fund

Asset Allocation as at 31 March 2015



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 March 2015**. 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 SA property exposure. Investec had the least change in its asset allocation over the past year, largely attributable to market movements. Standard Bank showed the largest change in asset allocation over the period, with large increases in their offshore allocation and decreases in the level of Namibian Cash.

3.1.3 Geographical Split as at 31 March 2015

	Allan Gray	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia	37.9%	42.7%	37.1%	38.2%	39.7%	35.1%	54.4%
South Africa	27.2%	25.9%	30.8%	25.5%	39.2%	35.2%	25.1%
International	35.0%	31.4%	32.1%	36.3%	21.1%	29.7%	20.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Standard Bank has moved above the international limit due to market movements.

3.1.4 Time Weighted Returns

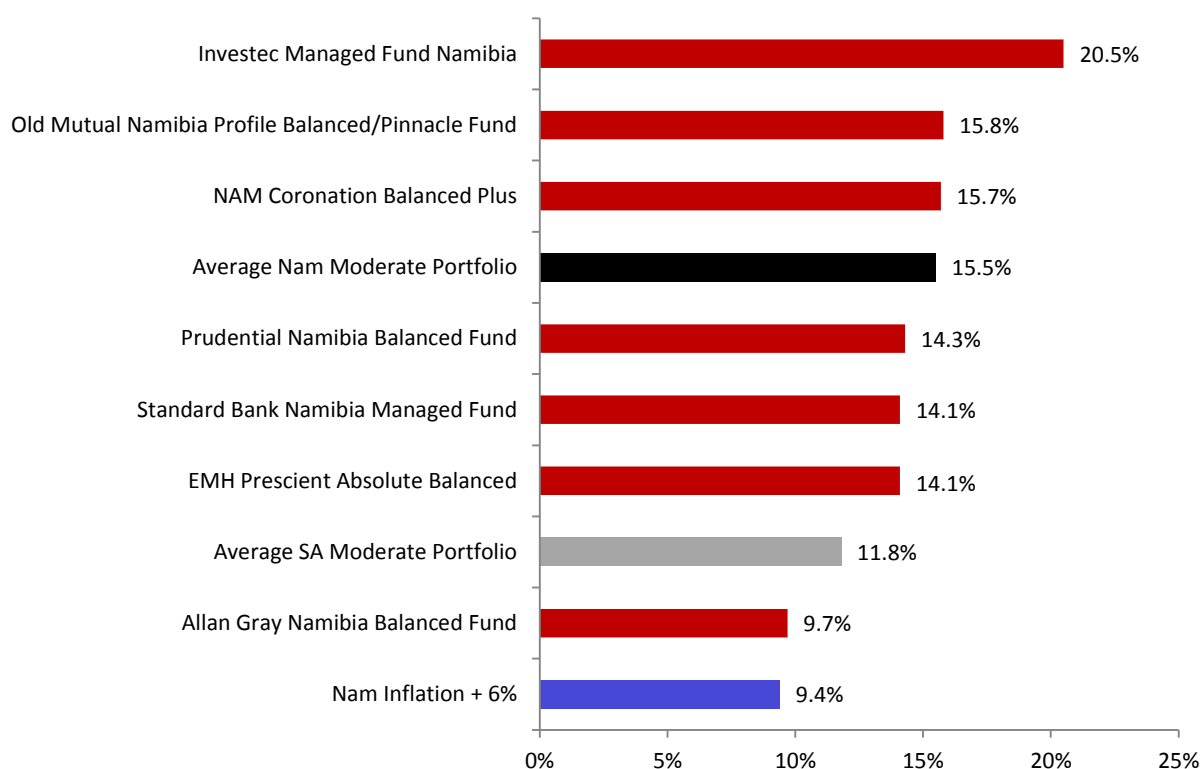
Listed below are the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

Investment Portfolio	One Year	Three Years (annualised)	Five Years (annualised)	Ten Years (annualised)
Allan Gray Namibia Balanced Fund	9.7%	17.5%	15.3%	17.2%
Investec Managed Fund Namibia	20.5%	19.6%	15.7%	16.3%
EMH Prescient Absolute Balanced	14.1%	-	-	-
Old Mutual Namibia Pinnacle Fund ¹	15.8%	17.5%	15.1%	15.8%
Prudential Namibia Balanced Fund	14.3%	17.9%	13.7%	15.4%
NAM Coronation Balanced Plus	15.7%	19.4%	13.6%	15.4%
Standard Bank Namibia Managed Fund	14.1%	17.3%	15.9%	15.8%
Average SA Moderate Portfolio²	11.8%	16.7%	14.5%	15.2%
Average Nam Moderate Portfolio³	15.5%	18.5%	15.5%	15.8%
All Share (JSE)⁴	12.5%	19.4%	16.1%	18.0%
Nam Inflation	3.4%	4.8%	5.0%	6.1%
Nam Inflation + 6%	9.4%	10.8%	11.0%	12.1%

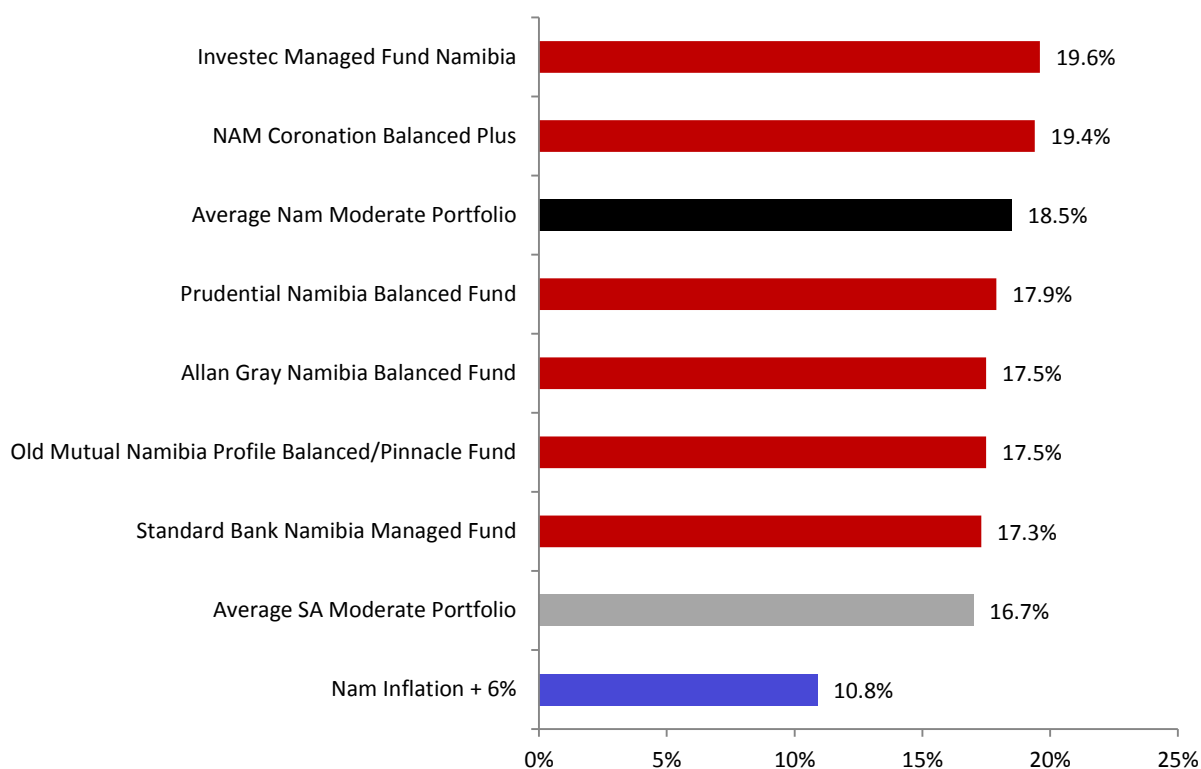
1. OMIGNAM Profile Balanced was closed and assets transferred to OMIGNAM Profile Pinnacle during September 2013.
2. Average of the NMG Consultants and Actuaries Survey for SA Moderate Balanced portfolios.
3. Average of the NMG Consultants and Actuaries Survey for Namibian Moderate Balanced portfolios.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

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

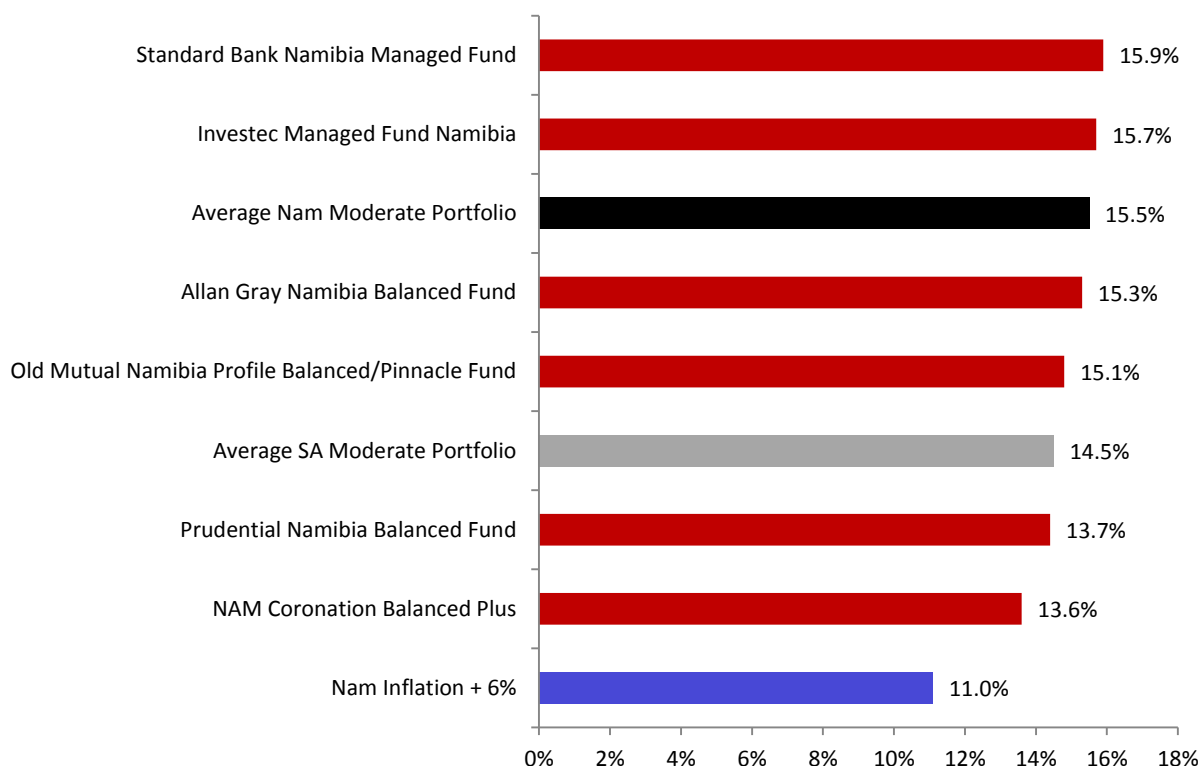
1 year performance for the period ending 31 March 2015



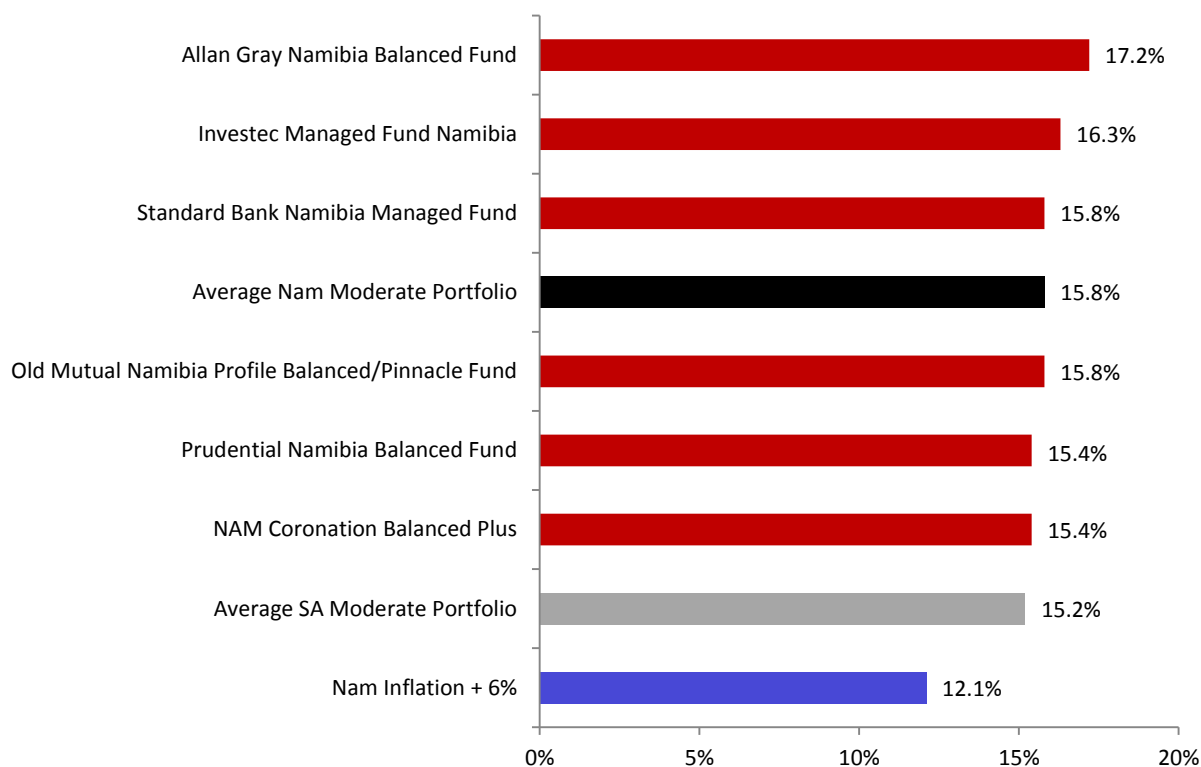
3 year performance for the period ending 31 March 2015



5 year performance for the period ending 31 March 2015

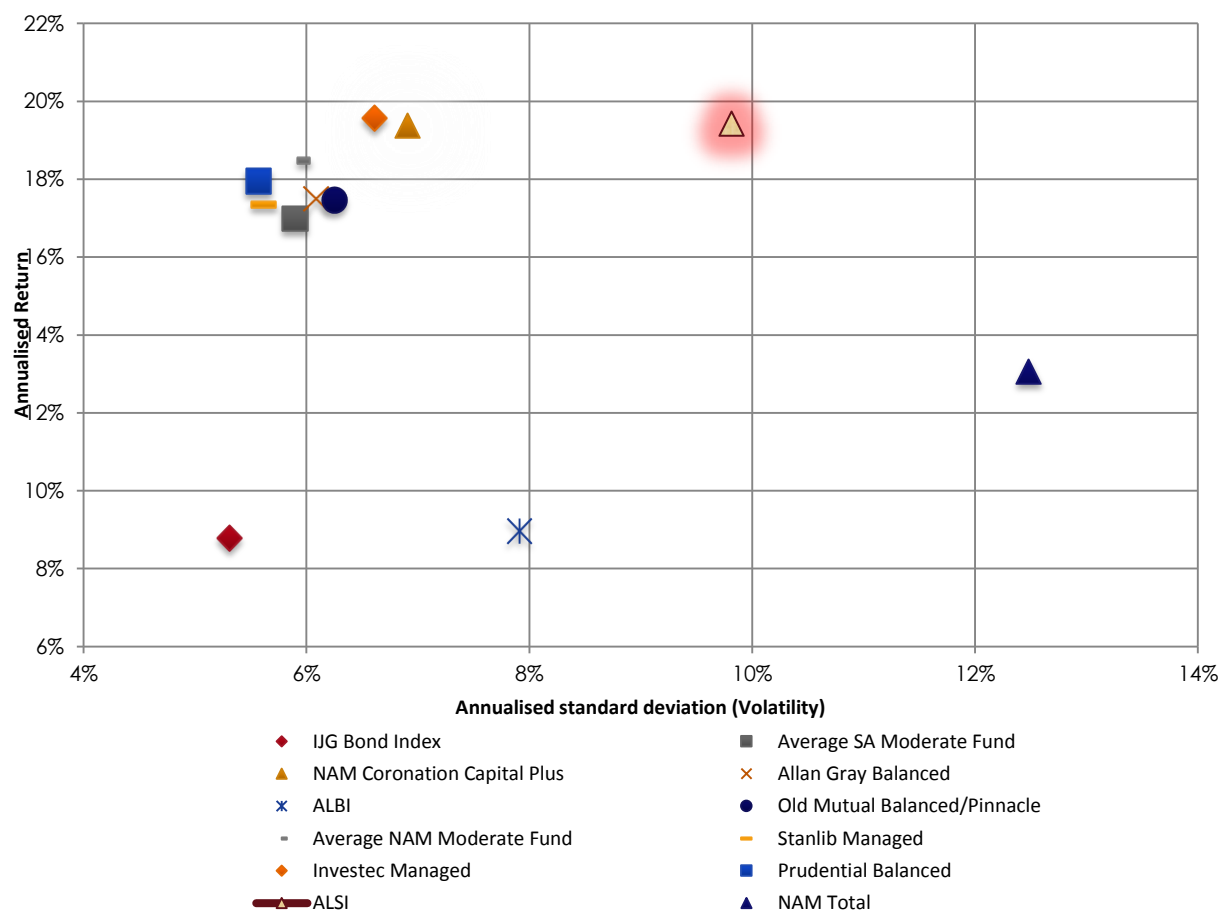


10 year performance for the period ending 31 March 2015



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 March 2015**. 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 March 2014 (12 Months ago)**

	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Default Portfolio
Nam Equities	8.2%	3.1%	8.2%	14.0%
Nam Bonds	11.3%	3.3%	4.6%	6.8%
Nam Cash	25.3%	28.6%	20.8%	14.5%
Nam Property	-	0.1%	2.6%	2.4%
SA Equities	21.8%	8.4%	12.4%	19.3%
SA Bonds	5.0%	21.8%	16.9%	8.2%
SA Cash	-	1.9%	1.8%	1.1%
SA Property	4.3%	6.7%	4.3%	2.1%
International Equity	20.3%	20.8%	15.5%	15.3%
International Bonds	-	1.6%	12.9%	6.3%
International Cash	2.4%	0.6%	-	1.4%
International Other ¹	-	0.4%	-	7.5%
Other ²	1.4%	2.7%	-	1.1%
Total	100.0%	100.0%	100.0%	100.0%

1. Represents Hedge Funds

2. Represents Gold ETF's & Preference Shares

The table below reflects the asset allocation of the moderate-low portfolios as at **31 March 2015**

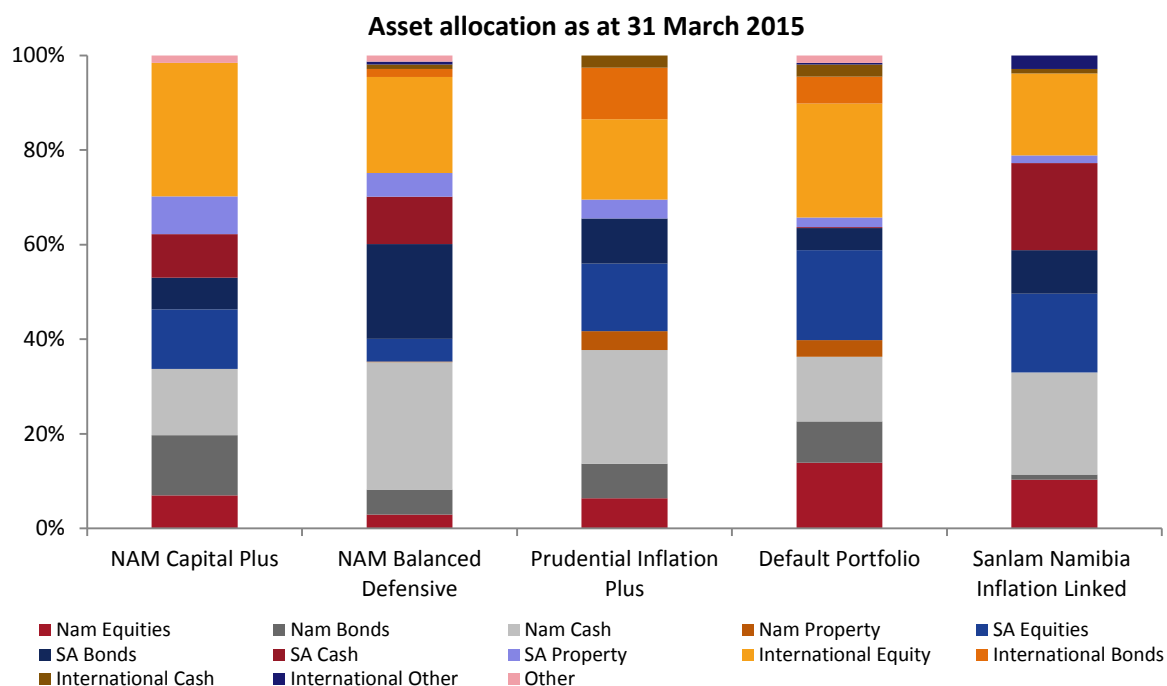
	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default Portfolio
Nam Equities	7.0%	2.9%	6.4%	10.2%	13.9%
Nam Bonds	12.7%	5.3%	7.3%	1.1%	8.7%
Nam Cash	14.0%	27.0%	24.0%	21.6%	13.7%
Nam Property	-	0.1%	4.0%	-	3.5%
SA Equities	12.6%	4.8%	14.3%	16.7%	19.0%
SA Bonds	6.7%	20.1%	9.5%	9.2%	4.7%
SA Cash	9.2%	10.0%	-	18.4%	0.2%
SA Property	8.0%	5.0%	4.0%	1.6%	2.0%
International Equity	28.2%	20.2%	17.0%	17.4%	24.1%
International Bonds	-	1.7%	10.9%	-	5.7%
International Cash	-	1.0%	2.6%	0.9%	2.6%
International Other ¹	-	0.6%	-	2.9%	0.3%
Other ²	1.6%	1.3%	-	-	1.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. Represents International Property

2. Represents Commodities

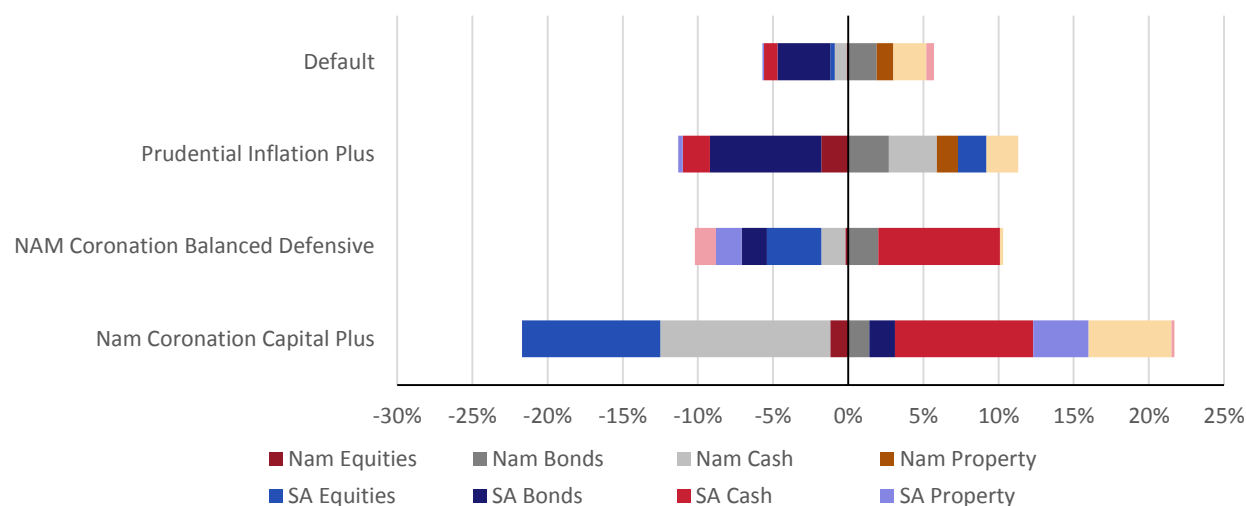
Please note that the total exposure to equities within the portfolio can be as high as 65.0% at times should the asset manager deem that to be appropriate.

The figures below reflect the asset allocation of the moderate-low portfolios as at **31 March 2015**.



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 March 2015**. 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 NAM Coronation Balanced Defensive and NAM Coronation Capital Plus up-weighted SA cash. The Prudential portfolio is currently reweighting their portfolio.

3.2.3 Geographical Split

Listed below is the geographical split as at **31 March 2015**.

	Nam Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default Portfolio
Namibia	33.7%*	35.3%	41.7%	32.9% ¹	39.8%
South Africa	38.1%	41.2%	27.8%	45.9%	27.4%
International	28.2%	23.5%	30.5%	21.2%	32.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. This was due to cashflows

*Reasons have been queried

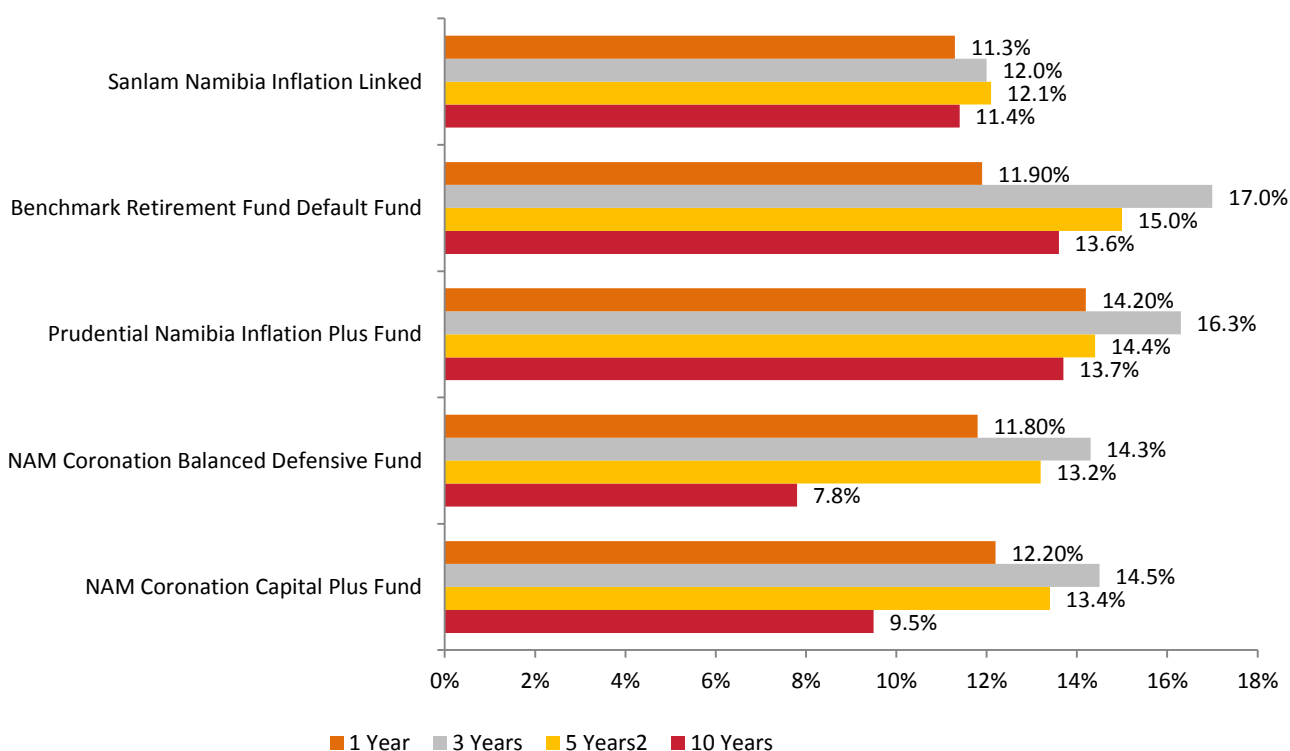
3.2.4 Time Weighted Returns

Listed below are the investment returns achieved for the specified periods to **31 March 2015**. 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	12.2%	14.5%	13.4%	9.5%
NAM Coronation Balanced Defensive Fund	11.8%	14.3%	13.2%	7.8%
Prudential Namibia Inflation Plus Fund	14.2%	16.3%	14.4%	13.7%
Benchmark Retirement Fund Default Fund	11.9%	17.0%	15.0%	13.6%
Sanlam Namibia Inflation Linked	11.3%	12.0%	12.1%	11.4%
Nam Inflation	3.4%	4.9%	5.1%	6.1%
Nam Inflation + 3% to 5%	6.4% - 8.4%	7.9% - 9.9%	8.1%-10.1%	9.1%-11.1%

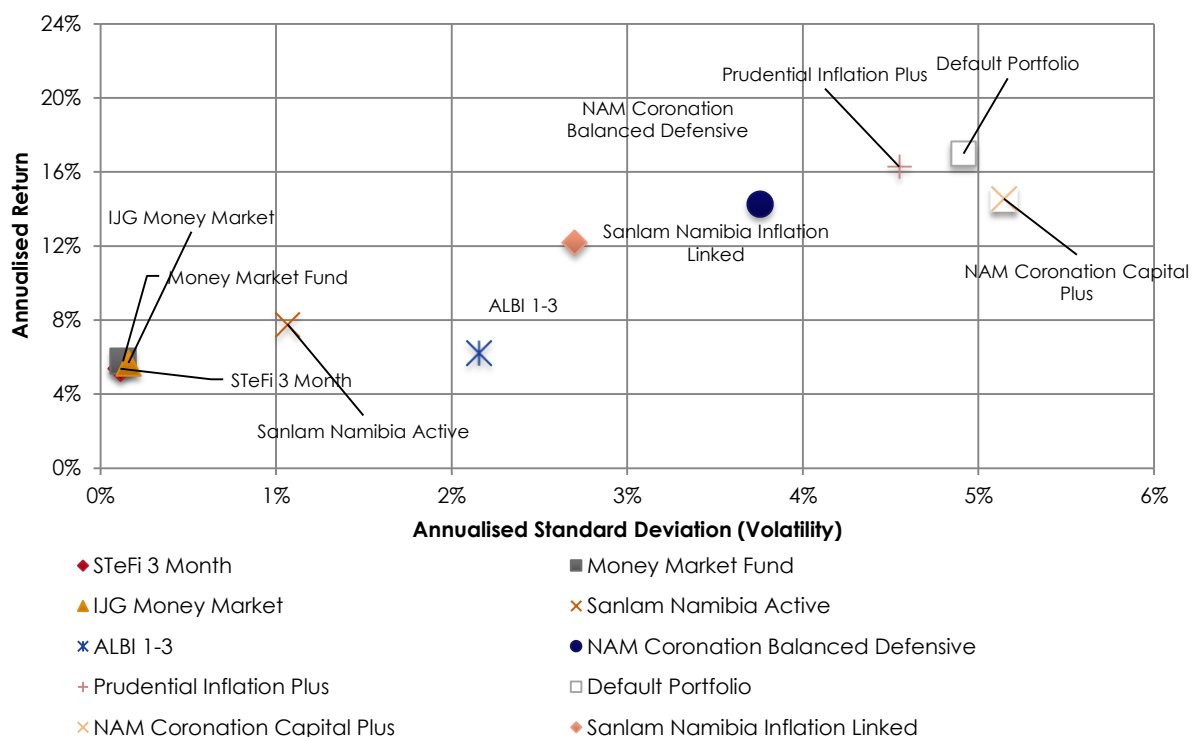
1. The NAM Coronation Absolute Fund was renamed to NAM Coronation Capital Plus Fund effective 26 April 2011.

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 March 2015**. 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 March 2015	31 March 2014	Change
Nam Equities	-	-	-
Nam Bonds	1.0%	1.5%	-0.5%
Nam Cash	36.6%	35.2%	1.4%
Nam Property	-	-	-
SA Equities	0.5%	-	0.5%
SA Bonds	13.6%	20.3%	-6.7%
SA Cash	47.7%	39.9%	7.8%
SA Property	0.6%	3.1%	-2.5%
Offshore	-	-	-
Other	-	-	-
Total	100.0%	100.0%	

The total Namibian exposure is 37.6% as at 31 March 2015.

3.3.1 Time Weighted Returns

Listed below are the gross investment returns achieved for the specified periods to **31 March 2015**. 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	8.8%	7.8%	8.2%
ALBI 1-3 Years Index	7.4%	6.2%	7.1%
Inflation	3.4%	4.9%	5.1%
Inflation + 1% to 2%	4.4%-5.4%	5.9%-6.9%	6.1%-7.1%

Capital Protection Portfolios

Investment Portfolio	One Year	Three Years (Annualised)	Five Years (Annualised)
Money Market Fund ¹	6.3%	5.8%	6.0%
IJG Money Market Index	6.0%	5.7%	6.0%
Inflation + 1%	4.4%	5.9%	6.1%

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\$ 596 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: Andrew Lapping

Portfolio Manager

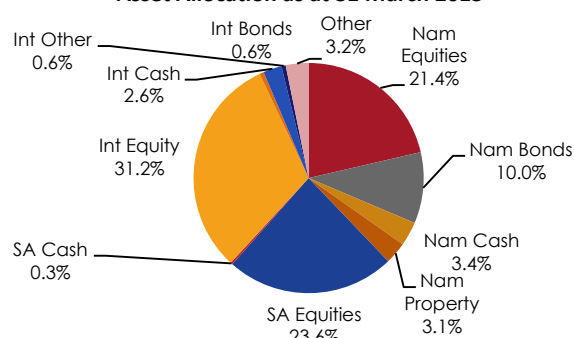
Ian Liddle, Duncan Artus, Andrew Lapping, Simon Raubenheimer

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

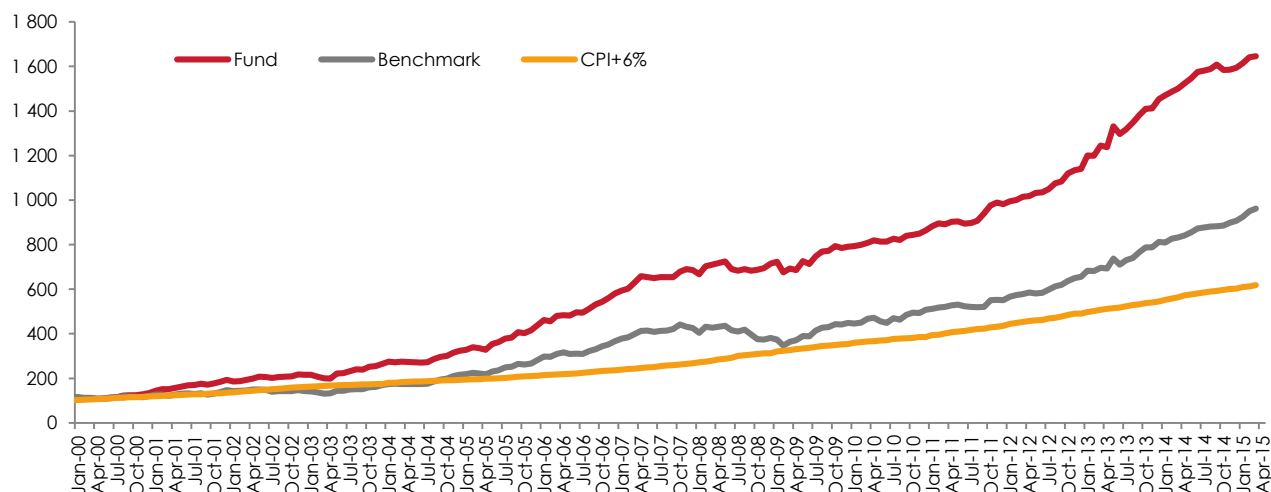
Asset Allocation as at 31 March 2015



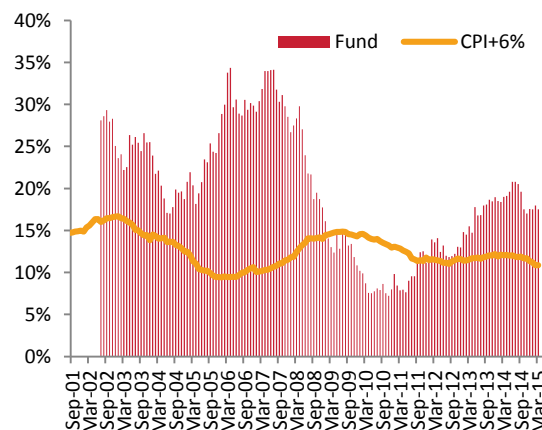
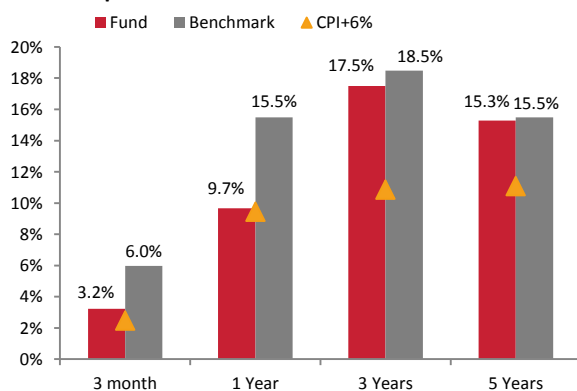
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 British American Tobacco	5.4%	6 Stimulus	3.1%
2 FNB Namibia	5.0%	7 Old Mutual Namibia	2.1%
3 Standard Bank Namibia	4.6%	8 Namibia Breweries	1.9%
4 Sasol	4.6%	9 Vukile Property Namibia	1.9%
5 SAB Miller	3.5%	10 Remgro	1.6%

Cumulative Performance vs Benchmark since inception



Historical performance as at 31 March 2015



Investec Managed Fund

Risk Profile: Moderate
Size: N\$ 235.7 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

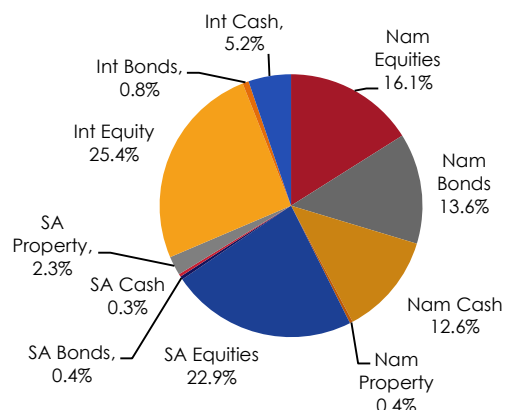
James Hatuikulipi and Chris Freund

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

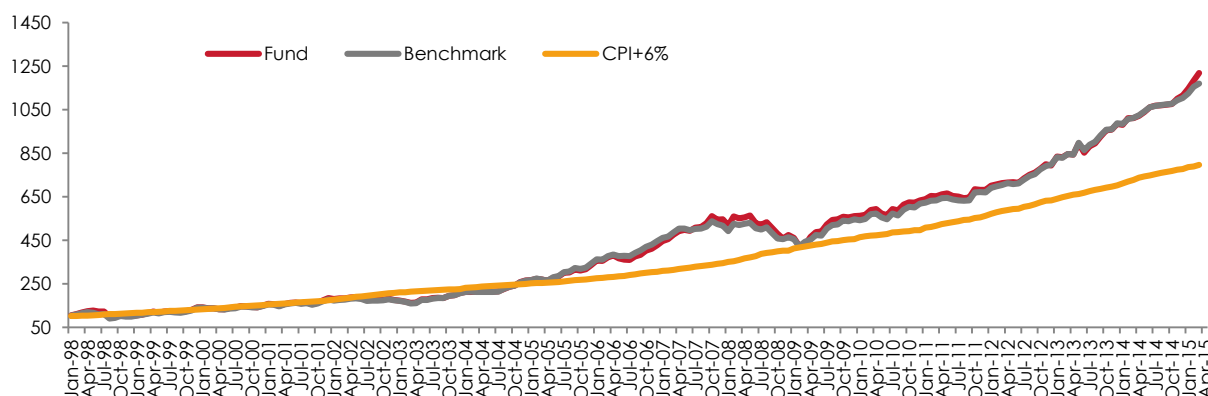
Asset Allocation as at 31 March 2015



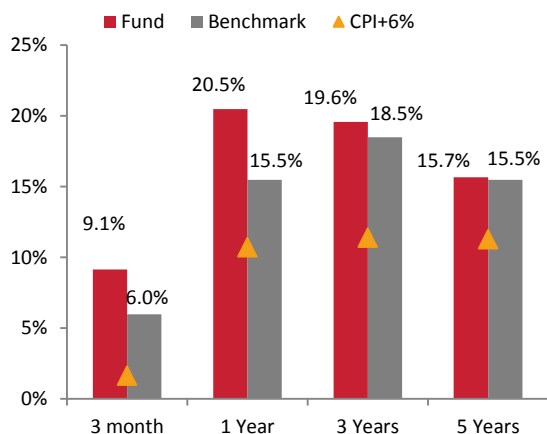
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Steinhoff	5.7%	6 Mondi	2.0%
2 Naspers	5.6%	7 Liberty	1.8%
3 Old Mutual	4.5%	8 Investec	1.7%
4 Firststrand	4.3%	9 Africa Palladium Debentures	1.1%
5 Standard Bank	2.5%	10 Sasol	1.1%

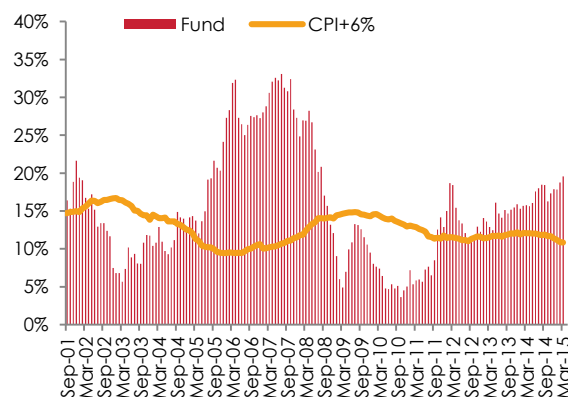
Cumulative Performance vs. Benchmark since January 1998



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Old Mutual Namibia Profile Pinnacle Fund

Risk Profile: Moderate
Size: N\$ 14.9 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.

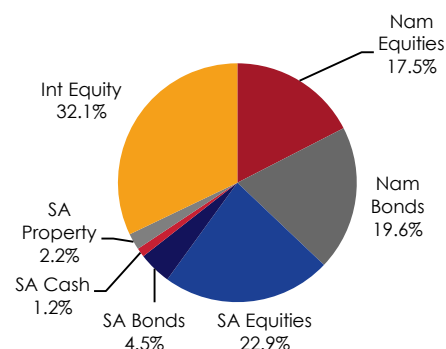
Inception: Apr-98
CIO: Peter Brooke
Portfolio Manager:
 Peter Brooke and Tyrone van Wyk

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

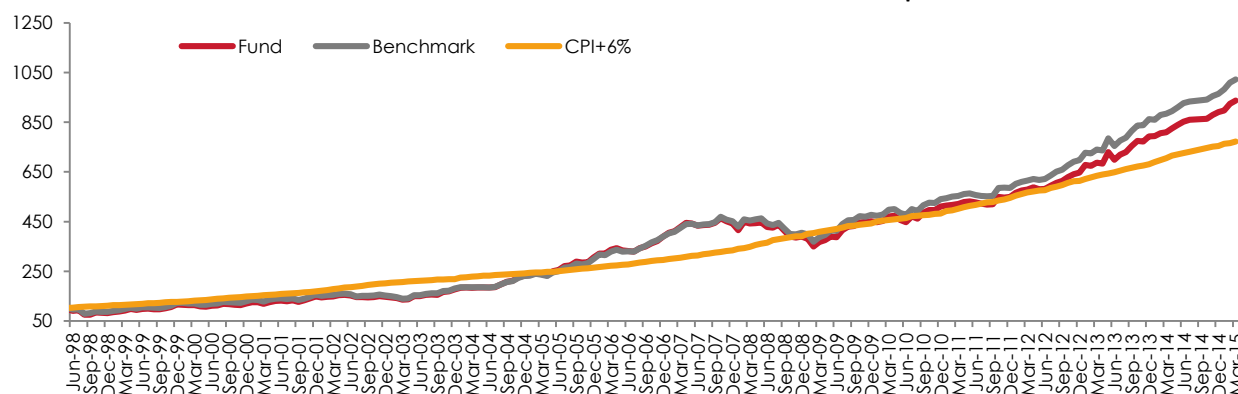
Asset Allocation as at 31 March 2015



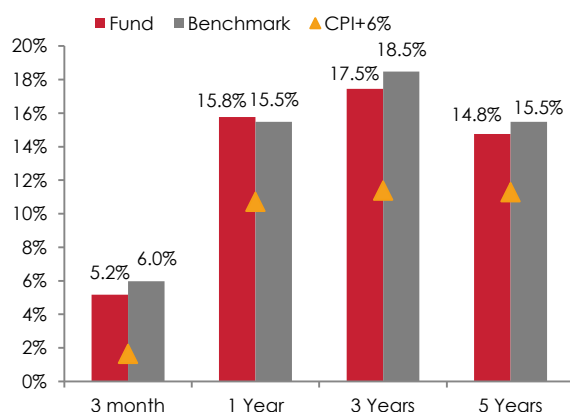
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Naspers	10.4%	6 Standard Bank	4.8%
2 Nedcor	8.1%	7 Sanlam	4.6%
3 Investec	7.6%	8 Anglo American	4.1%
4 Steinhoff	5.8%	9 British American Tobacco	3.7%
5 Firstrand	5.5%	10 MTN	3.3%

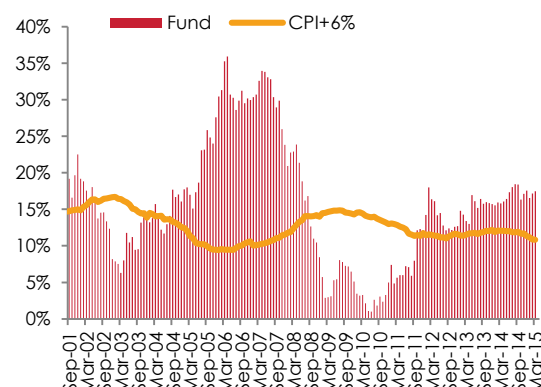
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Prudential Namibia Balanced Fund

Risk Profile: Moderate

Size: N\$ 6.8mn

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

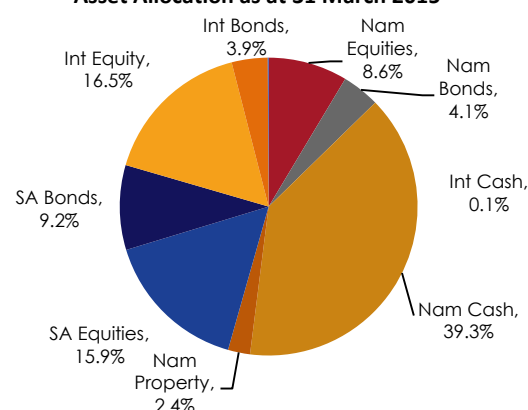
Michael Moyle and Marc Beckenstrater

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

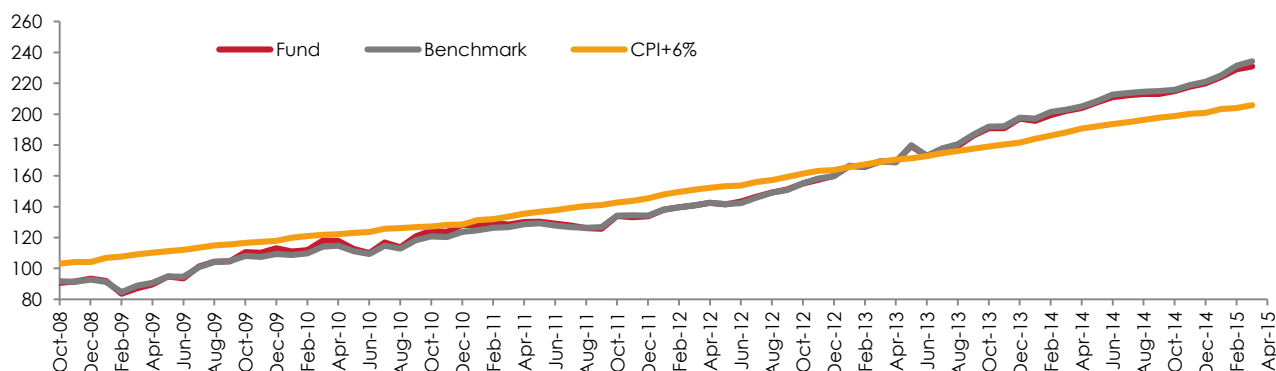
Asset Allocation as at 31 March 2015



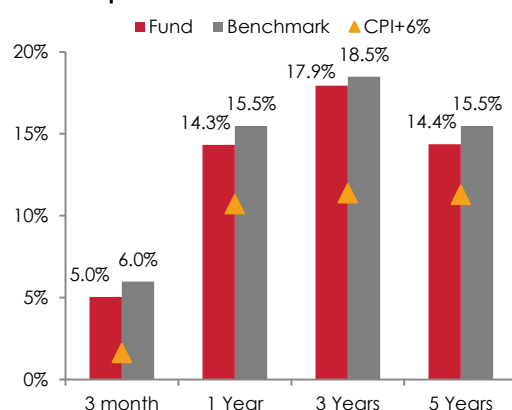
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Prudential Namibian Money Market Fund	42.1%	6 MTN	2.4%
2 Naspers	5.7%	7 British American Tobacco	2.4%
3 Powershares Senior Loan Portfolio ETF	3.3%	8 Old Mutual	2.1%
4 SPDR S&P 500 ETF	2.7%	9 Standard Bank	1.9%
5 First Eagle Amundu International Fund	2.5%	10 Vukile Property	1.8%

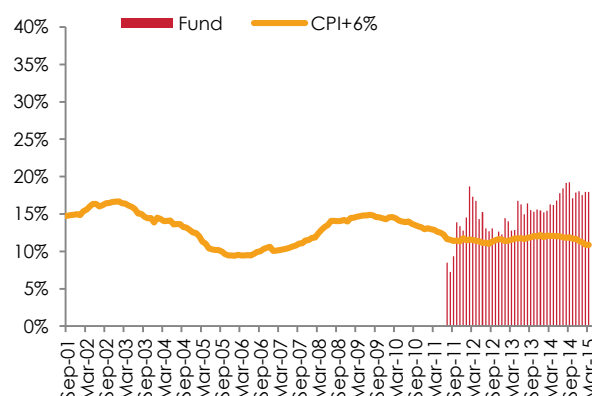
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Standard Bank Namibia Managed Fund

Risk Profile: Moderate

Size: N\$ 5.6mn

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

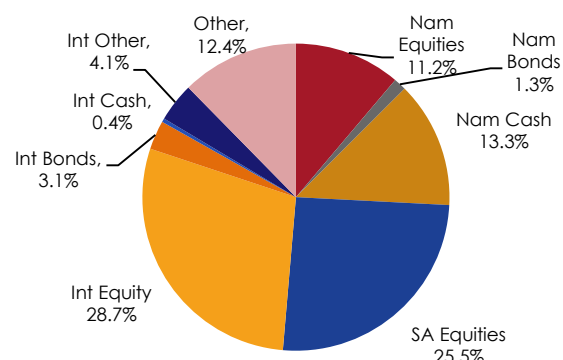
Brown Amuenje

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

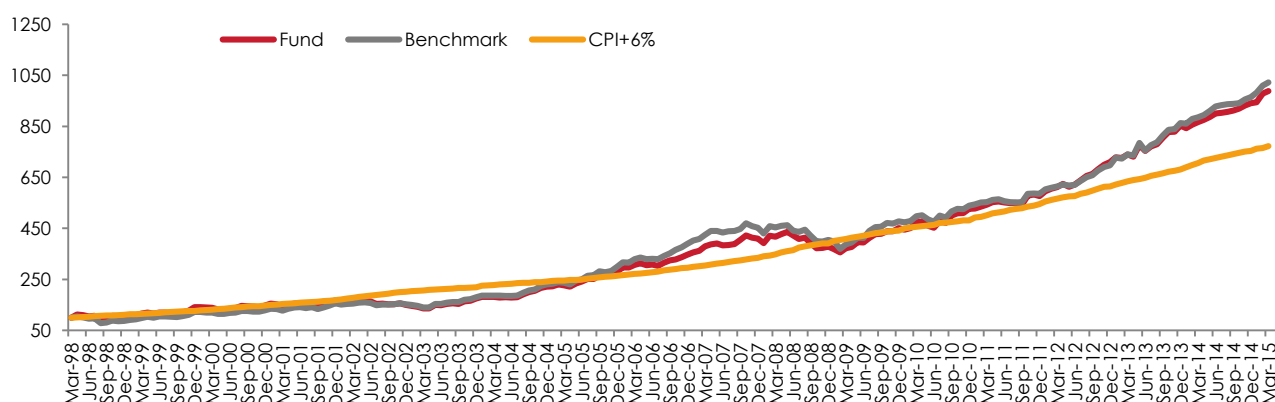
Asset Allocation as at 31 March 2015



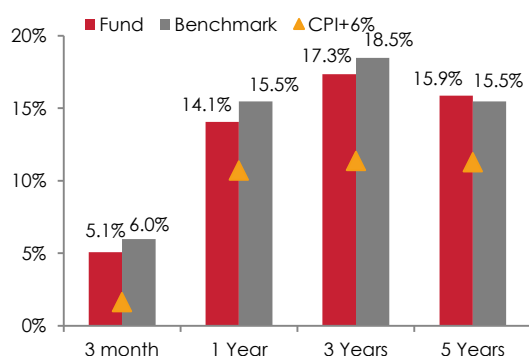
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 FNB Namibia Holdings Ltd (Namibia)	3.8%	6 Firstrand Ltd	1.8%
2 Firstrand Ltd	3.3%	7 BHP Billiton Plc	1.7%
3 Sanlam Ltd	2.2%	8 Aspen Pharmacare Holdings Ltd	1.7%
4 Steinhoff International Holdings Ltd	2.1%	9 Shoprite Holdings Ltd	1.7%
5 British American Tobacco Plc	2.1%	10 Sanlam Ltd	1.5%

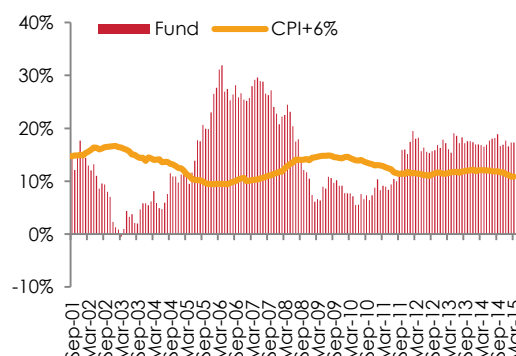
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



EMH Prescient Absolute Balanced Fund

Risk Profile: Moderate
Size: N\$ 1.9mn

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

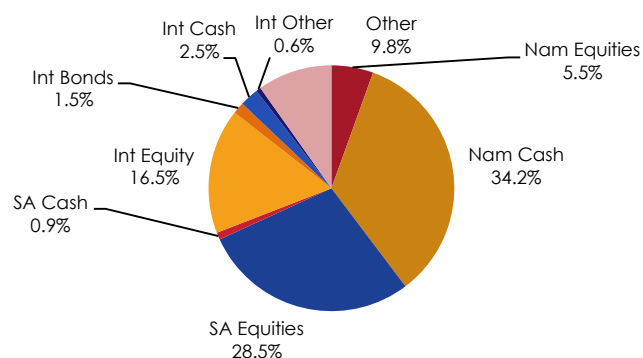
Portfolio Manager

Guys Toms, Liang Du

Benchmark

Namibia CPI + 5%

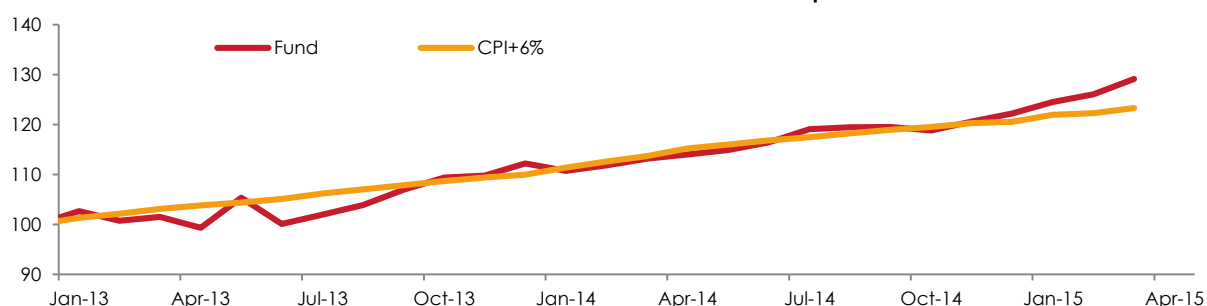
Asset Allocation as at 31 March 2015



Top 10 Securities

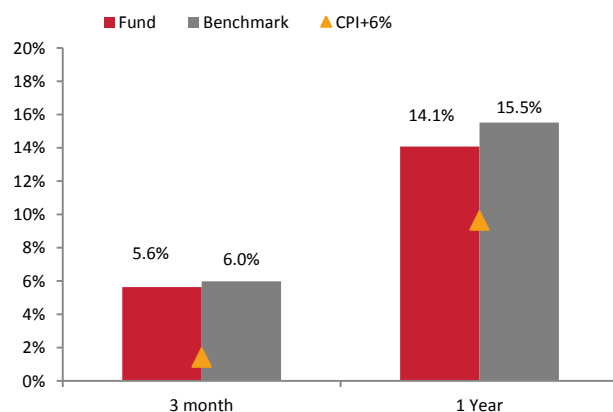
Share		% of Equity	Share		% of Equity
1	Prescient Global Positive Return (Euro) Fund G (ZAR)	9.8%	6	Bank Windhoek FRN 300616 Jb3+78	3.7%
2	Firststrand Namibia FRN 281215 Jb3+75	5.6%	7	Namibia Dollar	3.0%
3	Std Bank Namibia FRN 200217 Jb3+100	3.7%	8	Bank Windhoek FRN 240616 Jb3+82	2.8%
4	Std Namibia FRN 150216 Jb3+75	3.7%	9	Firststrand Namibia FRN 200715 Jb3+102.5	2.4%
5	Firststrand Namibia FRN 231215 Jb3+75	3.7%	10	Std Namibia FRN 220615 Jb3+60	1.9%

Cumulative Performance vs. Benchmark since inception



The Benchmark in the below graph reflects the Average Namibia Moderate Fund

Historical performance as at 31 March 2015



NAM Coronation Balanced Plus Fund

Risk Profile: Moderate

Size: N\$ 1.1mn

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

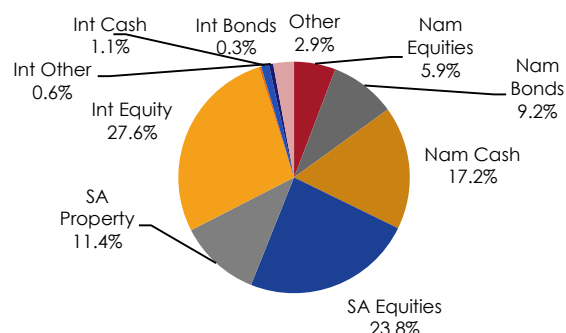
Eino Emvula, Karl Leinberger, Duane Cable

Benchmark

Average Return of Namibia Peer Group Funds

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

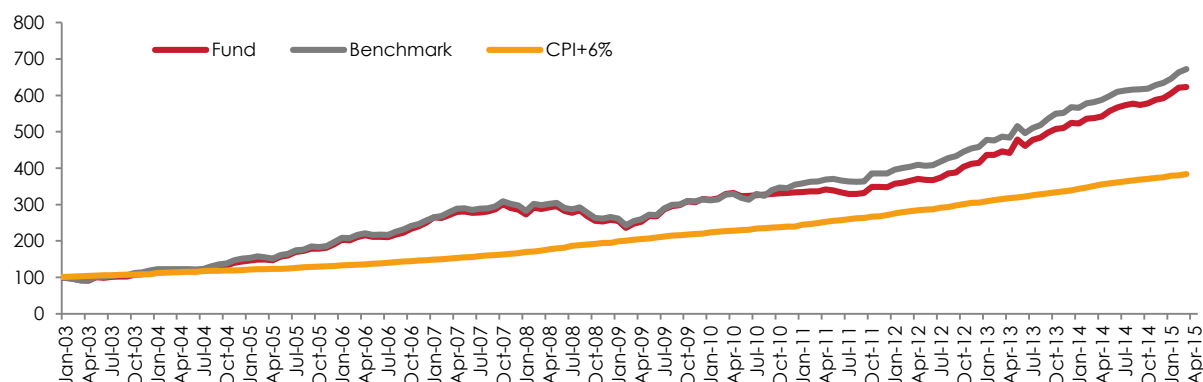
Asset Allocation as at 31 March 2015



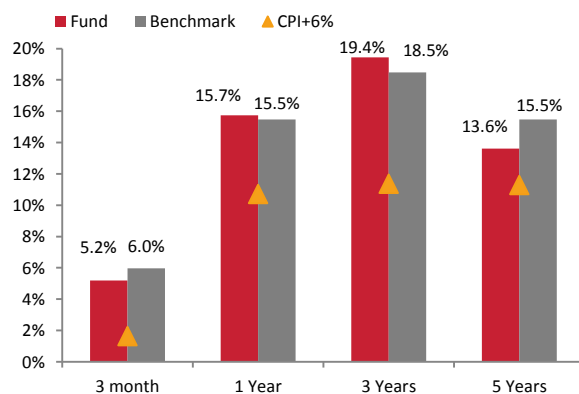
Top 10 Securities

Share	% of Equity	Share	% of Equity
1 Coronation Global Opportunities Equity Fund	20.1%	6 Fortress Income Ltd	2.1%
2 Coronation Global Emerging Markets Fund	5.8%	7 Capital & Counties Properties	2.1%
3 Naspers	3.3%	8 Steinhoff	1.8%
4 INTU Properties	2.6%	9 Coronation African Frontiers Fund	1.7%
5 British American Tobacco	2.3%	10 Anglo American	1.7%

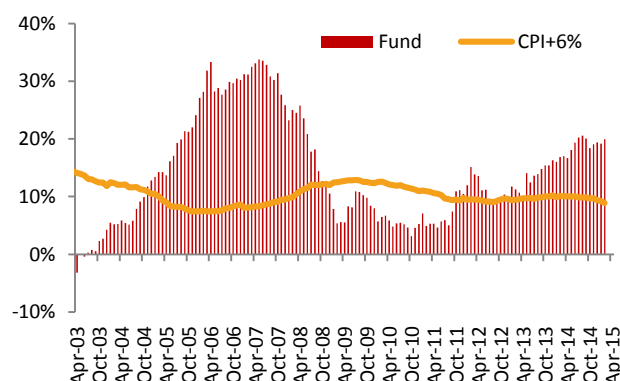
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Sanlam Namibia Inflation Linked Fund

Asset Allocation as at 31 March 2015

Risk Profile: Moderate-Low

Size: N\$ 0.03 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.

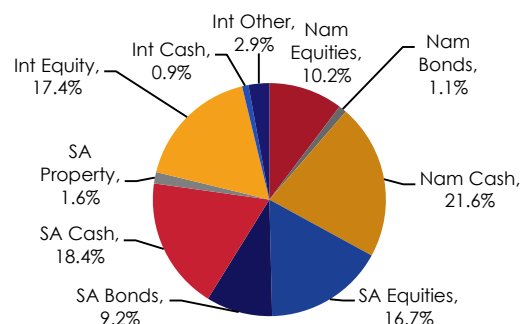
Inception: Feb-04

Portfolio Manager

Steve Mills

Benchmark

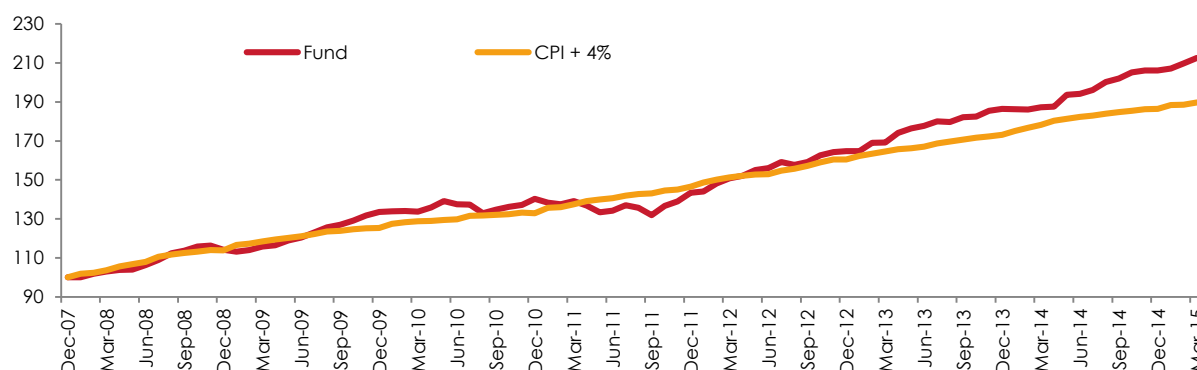
The benchmark for the fund is Namibia Headline Inflation plus 4% over a rolling three year period.



Top 10 Securities

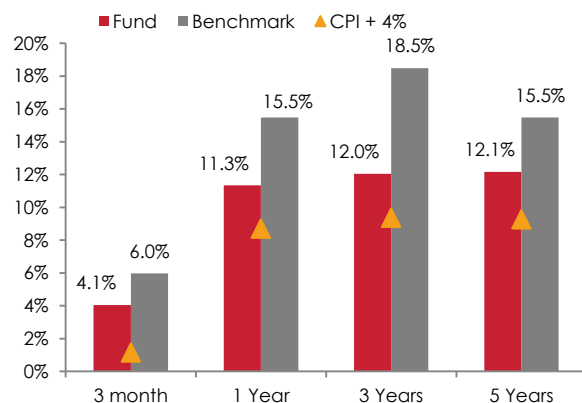
Share	% of Equity	Share	% of Equity
1 Sanlam World Equity Tracker	8.5%	6 SAFEX Margin Account	1.7%
2 Sim Nam R CI B2 (D)	6.1%	7 Sni Europe Equity Tracker	1.6%
3 Sanlam Namibia General Equity Fund	4.9%	8 MTN	1.6%
4 Sanlam World Equity C	3.1%	9 COMN F/R 050218	1.5%
5 Naspers	3.0%	10 FNBN F/R 241018	1.5%

Cumulative Performance vs. Benchmark since inception

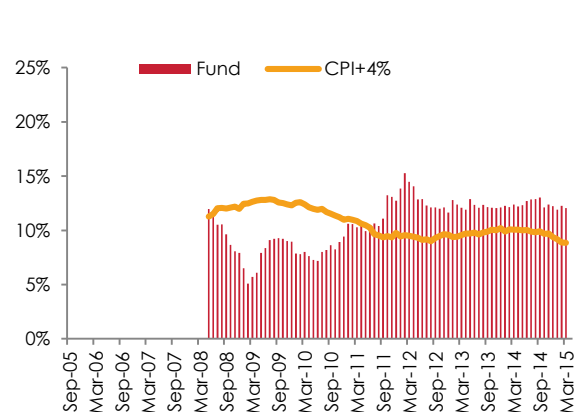


*The benchmark in the below graph represents the Average Namibia Moderate Fund

Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



NAM Coronation Balanced Defensive Fund

Risk Profile: Moderate-low

Size: N\$ 18.9mn

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

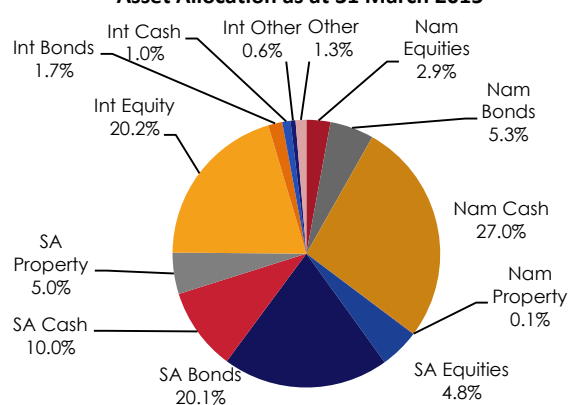
Louis Stassen and Henk Groenewald

Benchmark

The benchmark for the fund is cash plus 3.0%.

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

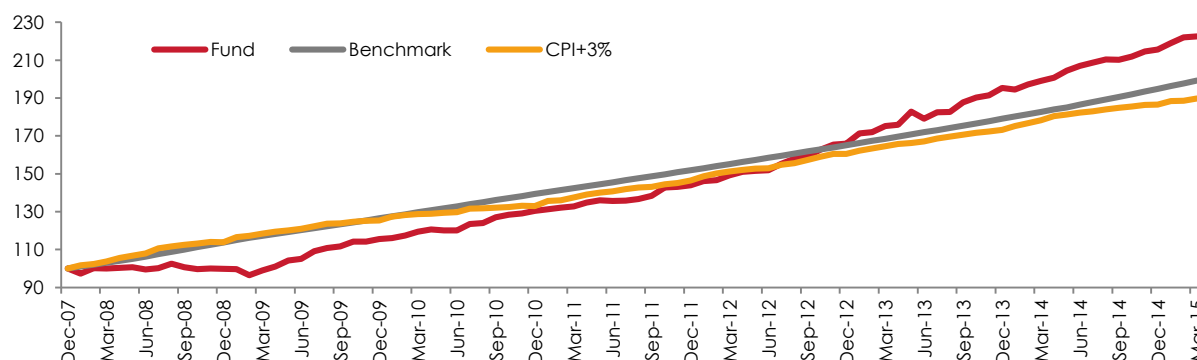
Asset Allocation as at 31 March 2015



Top 10 Securities

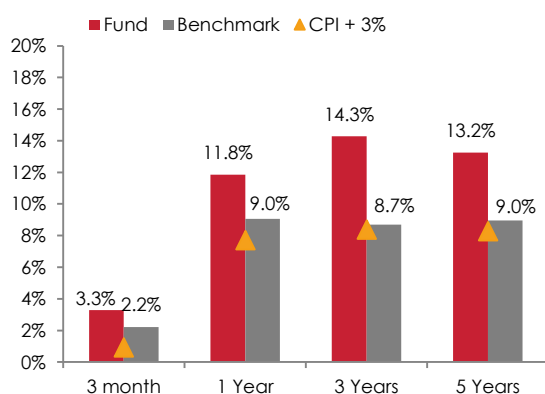
Share	% of Portfolio	Share	% of Portfolio
1 Coronation Global Opportunities Equity Fund	11.6%	6 Atterbury Investment Holdings	0.8%
2 Coronation Global Capital Plus Fund	4.5%	7 Growthpoint Properties	0.8%
3 Coronation Global Emerging Markets Fund	4.2%	8 Anglo American	0.7%
4 Naspers	1.1%	9 British American Tobacco	0.7%
5 INTU Properties	1.0%	10 Standard Bank	0.6%

Cumulative Performance vs. Benchmark since inception

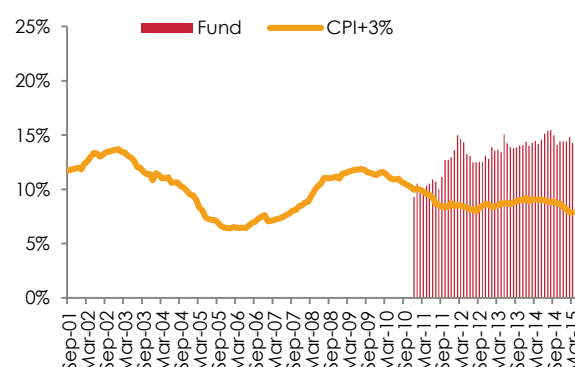


*The benchmark represents the IJG Money Market + 3%

Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



NAM Coronation Capital Plus Fund

Risk Profile: Moderate-low

Size: N\$ 6.1mn

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

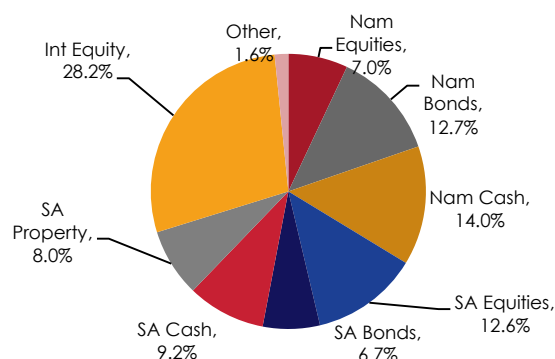
Louis Stassen and Henk Groenewald

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.

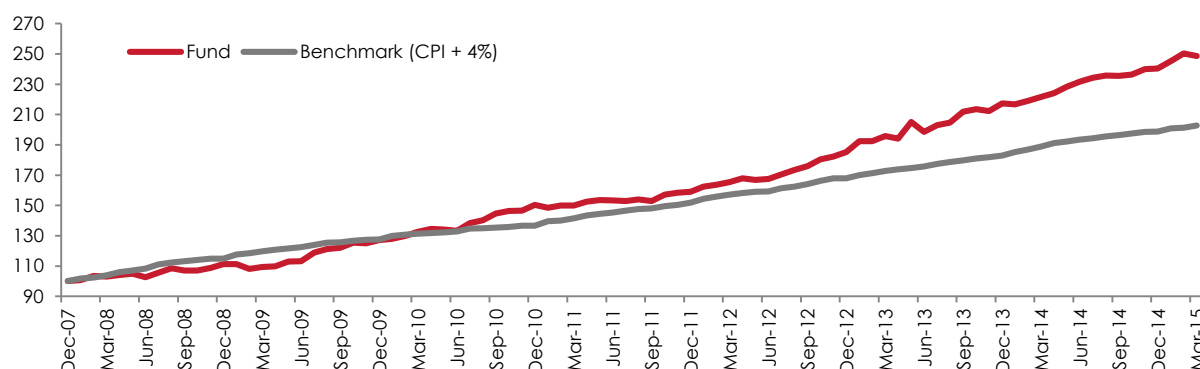
Asset Allocation as at 31 March 2015



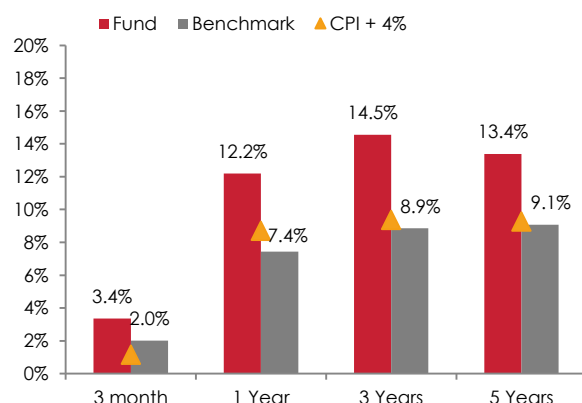
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Coronation Global Equity FoF	12.5%	6 Standard Bank Group	1.5%
2 Coronation Global Capital Plus Fund	10.9%	7 Naspers Ltd	1.3%
3 Coronation Global Managed Fund	2.7%	8 British American Tobacco	1.3%
4 Coronation Global Emerging Markets Fund	2.1%	9 Growthpoint Properties	1.3%
5 Anglo American Plc	1.7%	10 MTN Group	1.2%

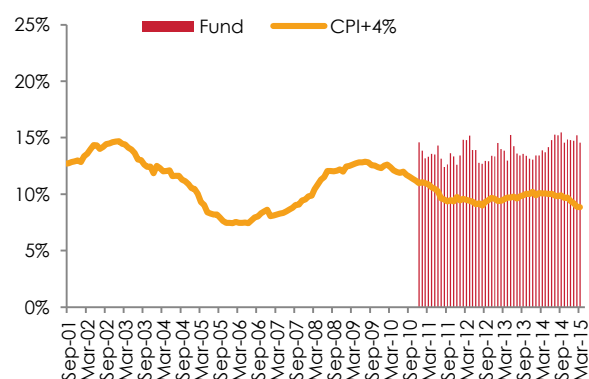
Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Prudential Namibia Inflation Plus Fund

Risk Profile: Moderate-low

Size: N\$ 162.7 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

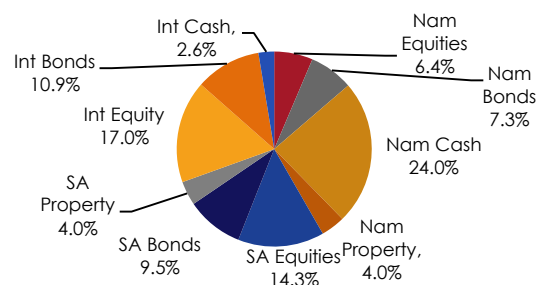
Michael Moyle, Albert Arntz

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

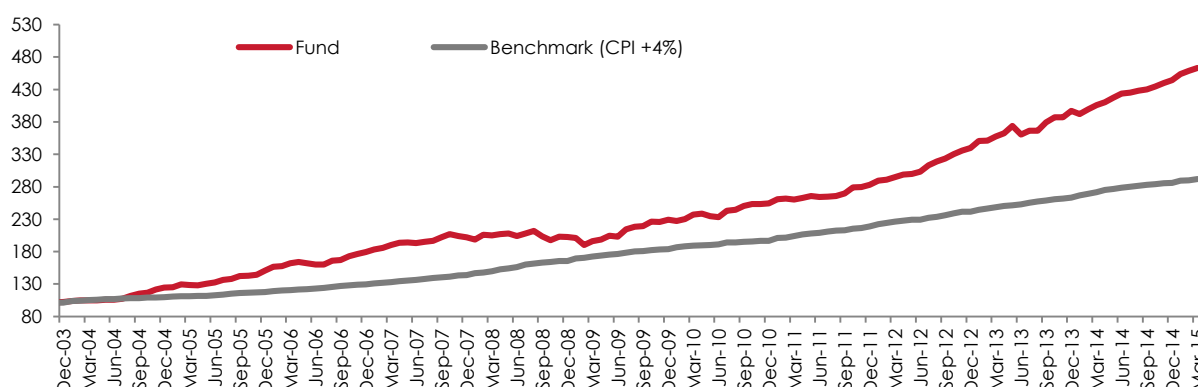
Asset Allocation as at 31 March 2015



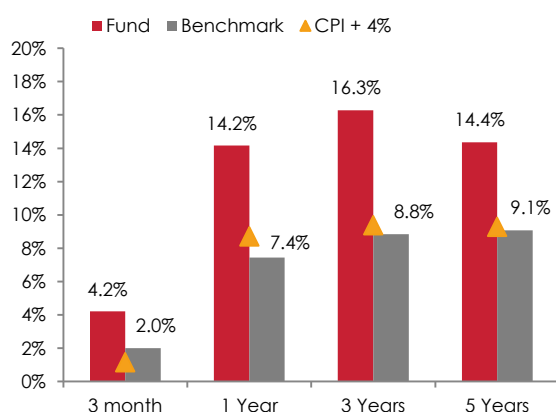
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Prudential Namibian Money Market Fund	23.9%	6 Eastspring Investments US Inv Grade Bond Fund	2.9%
2 Powershares Senior Loan Portfolio ETF	4.3%	7 SPDR S&P 500 ETF	2.8%
3 Republic of SA ILB 2.60% 310328 (R210)	3.8%	8 First Eagle Amundi International Fund	2.7%
4 Naspers Ltd	3.2%	9 US Dollar	2.5%
5 Vukile Property Fund Ltd NM	3.1%	10 M&G European Corporate Bond Fund	1.9%

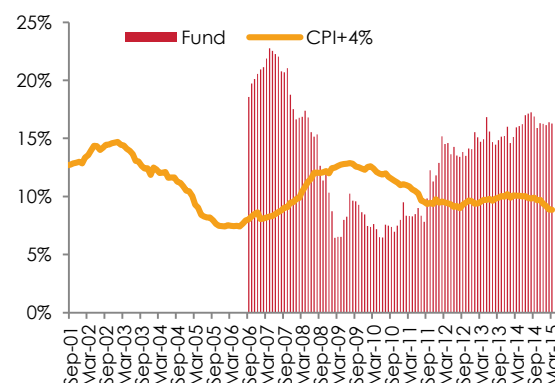
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 March 2015



3 -year rolling performance vs. CPI target



Benchmark Retirement Fund Default Portfolio

Risk Profile: Moderate-low
Size: N\$ 572.9 mn
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.

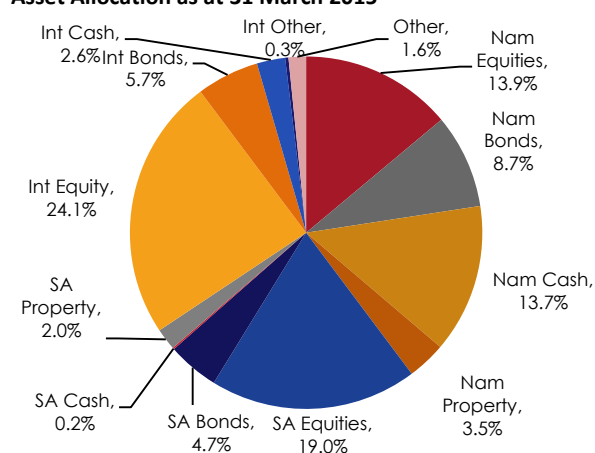
Benchmark

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

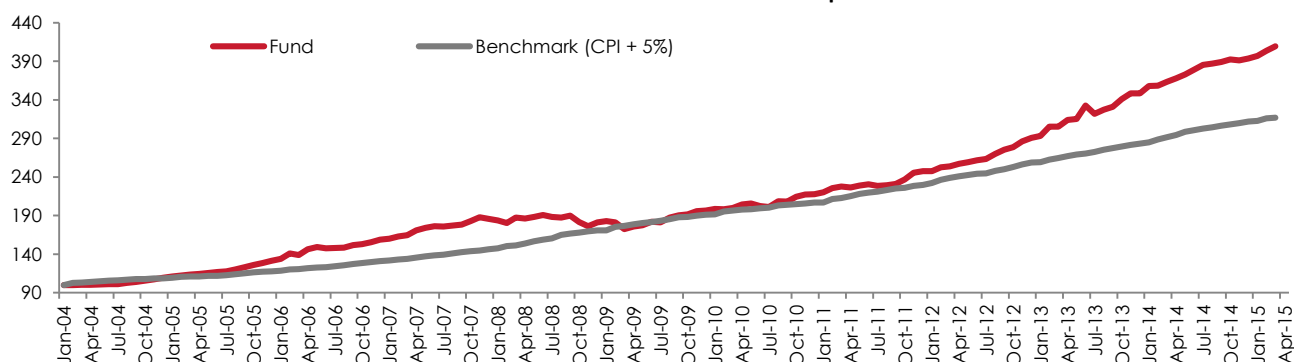
Fees: 0.75%p.a.

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.

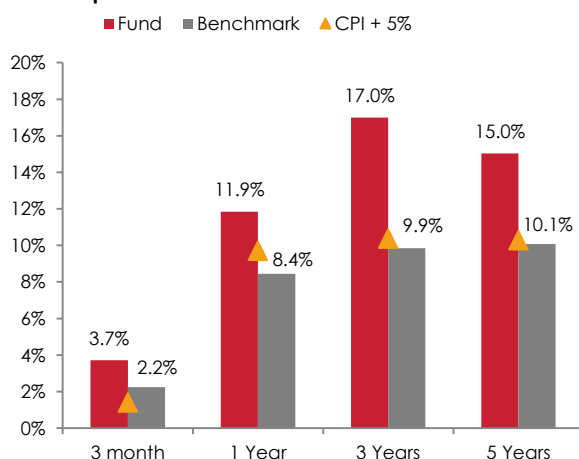
Asset Allocation as at 31 March 2015



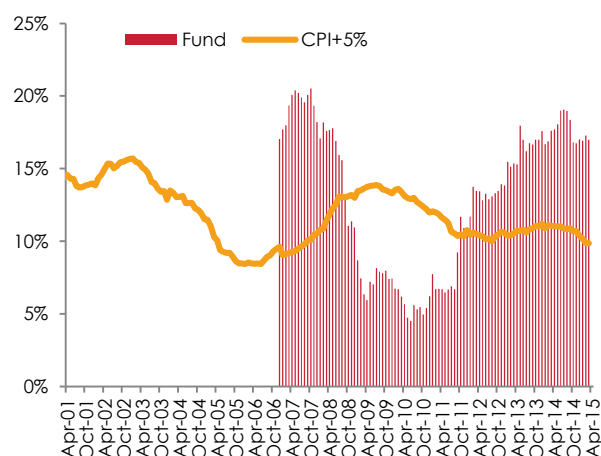
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Sanlam Namibia Active Fund

Risk Profile: Low

Size: N\$ 8.3 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

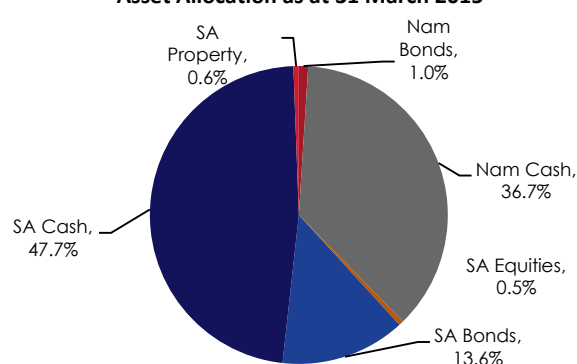
Andre Roux, Phillip Liebenberg, Tertius Liebenberg

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

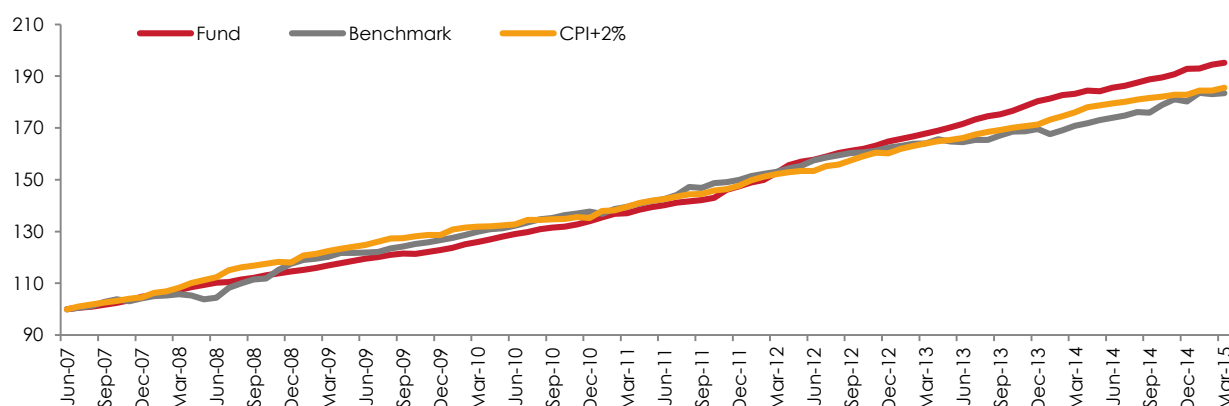
Asset Allocation as at 31 March 2015



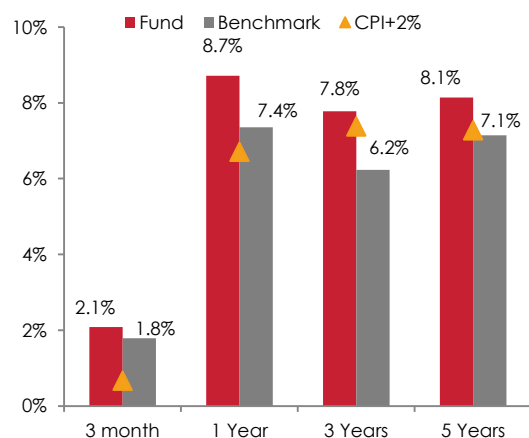
Top 10 Securities

Share	% of Portfolio	Share	% of Portfolio
1 Bank Windhoek Comm C	9.7%	6 ASA 8.295% 211118	1.5%
2 Sim Nam R Cl B2 (D)	8.6%	7 CAP F/R 060516	1.4%
3 STDN Sett Acc NACTIV	5.0%	8 SBK F/R 190617	1.4%
4 FNB F/R 100715	1.8%	9 FSR F/R 190716	1.3%
5 ASA F/R 160717	1.5%	10 SBK F/R 010317	1.3%

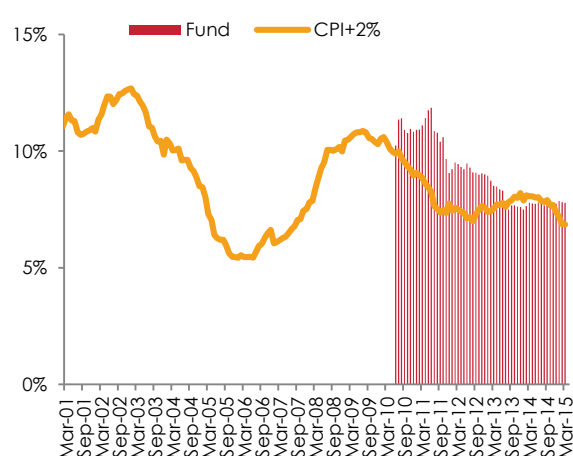
Cumulative Performance vs Benchmark since inception



Historical performance as at 31 March 2015



3-year rolling performance vs. CPI target



Money Market

Risk Profile: Capital Preservation

Size: N\$27.2 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

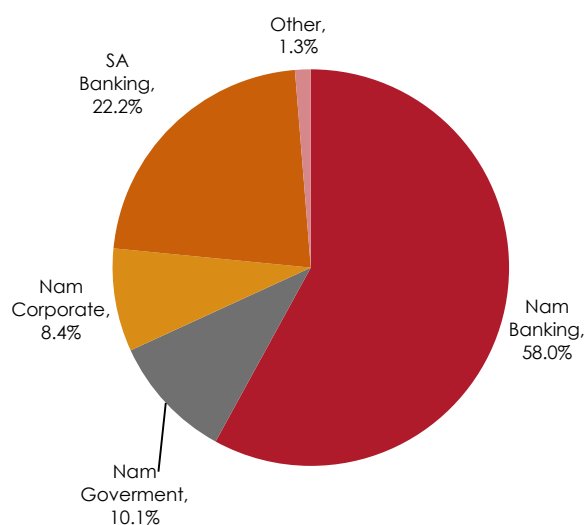
Capricorn Asset Managers (Tertius Liebenberg)

Benchmark

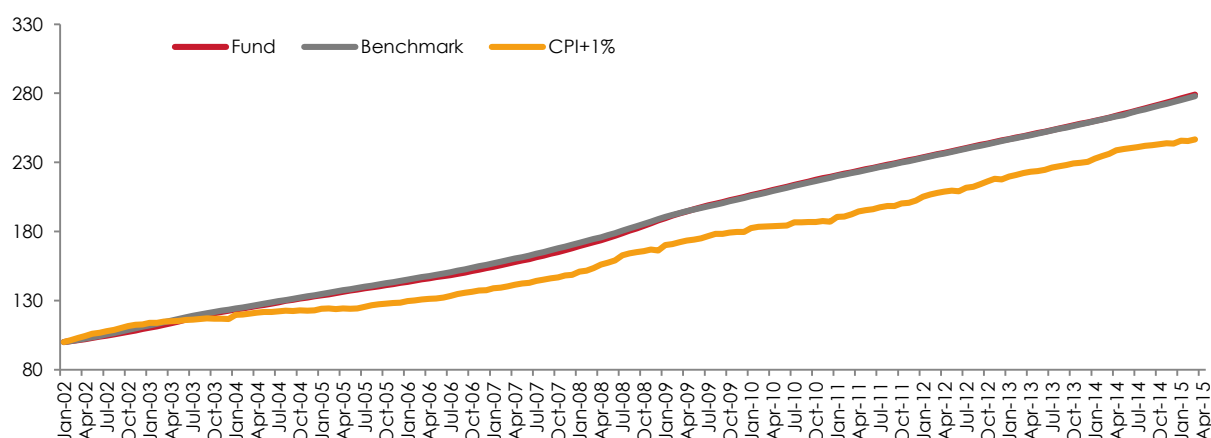
The benchmark for this portfolio is the Bank of Namibia 7 day Repo Rate. For comparative purposes the IJG Money Market Index has been used as benchmark.

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

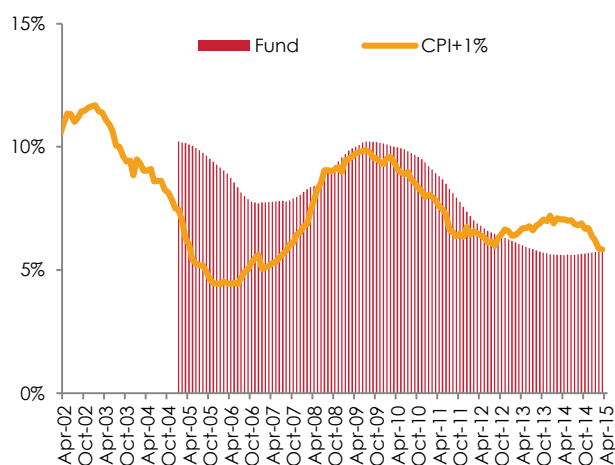
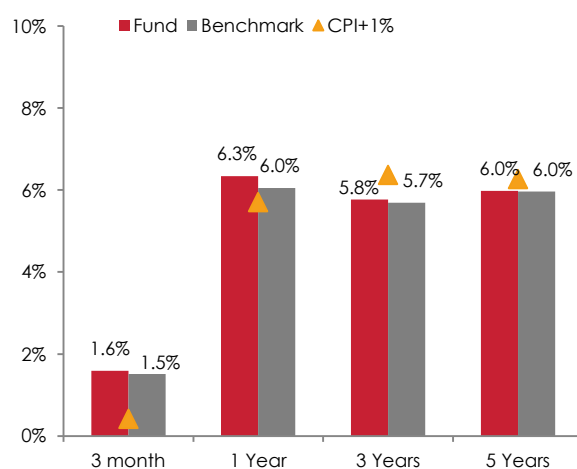
Asset Allocation as at 31 March 2015



Cumulative Performance vs. Benchmark since inception



Historical performance as at 31 March 2015



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.