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Strictly Confidential

Prepared by

NMG Consultants and Actuaries

For



Investment Report as at 31 December 2015

T: (+264) 61 23 7841/2/3

www.nmg.co.za

NMG House, 17 Nachtigal Street, Windhoek Namibia

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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. Two Unlisted Investment Managers (UIM's) have been added effective December 2015. A third manager will be added in 2016.

The following portfolios are offered to members:

Investment Portfolio	Risk Categorisation	Asset Manager's Explicit Performance	Return Expectations derived from
Investec Managed Namibia Fund	Moderate	None	CPI+5% to 6%
Old Mutual Namibia Profile Pinnacle Fund	Moderate	None	CPI+5% to 6%
Allan Gray Namibia Balanced Fund	Moderate	None	CPI+5% to 6%
Benchmark Default Portfolio*	Moderate-Low	-	CPI+4% to 5%
EMH Prescient Absolute Balanced Fund	Moderate	CPI+5%	CPI+5% to 6%
NAM Coronation Balanced Plus Fund	Moderate	None	CPI+5% to 6%
Prudential Namibia Balanced Fund	Moderate	None	CPI+5% to 6%
Standard Bank Namibia Managed Fund	Moderate	None	CPI+5% to 6%
NAM Coronation Balanced Defensive Fund	Moderate-Low	IJG Money Market + 3%	CPI+2% to 3%
NAM Coronation Capital Plus Fund	Moderate-Low	CPI+4% (1 year)	CPI+4%
Prudential Namibia Inflation Plus Fund	Moderate-Low	CPI+4%	CPI+4%
Sanlam Namibia Inflation Linked Fund	Moderate-Low	CPI+4%	CPI+4%
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%

* The Benchmark Default Portfolio is managed by Allan Gray and Prudential.

** The Money Market Fund is managed by Capricorn Asset Management.





Introduction

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.



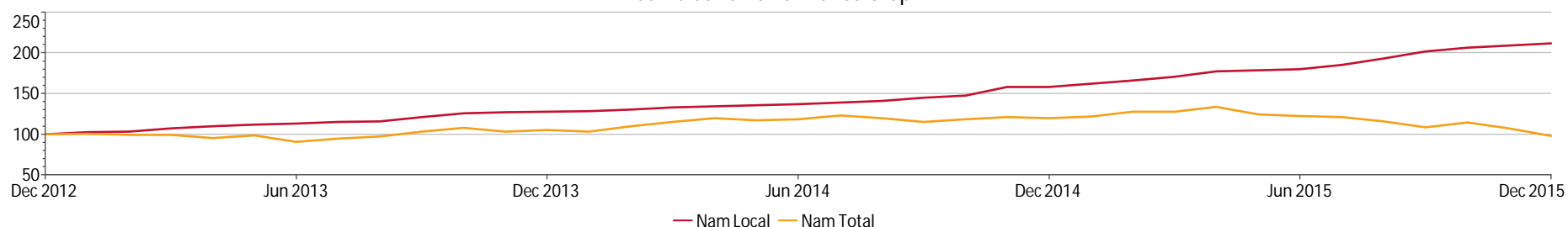


Market Overview

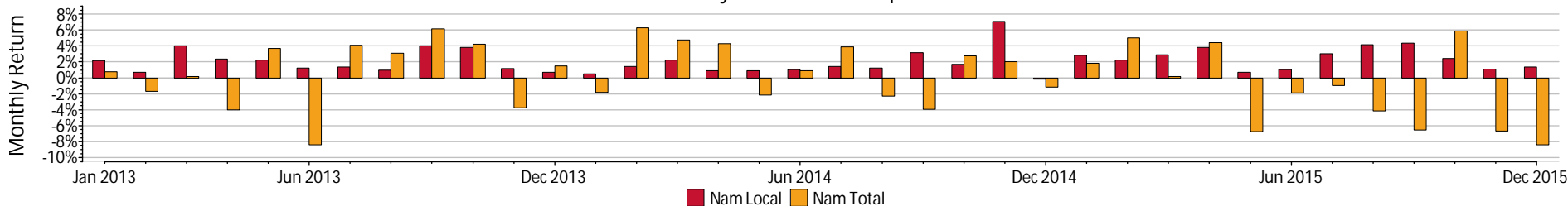
Namibian Markets

The Namibian Dollar has seen extreme volatility as of late, as a result of it being pegged to the South African Rand. The currency was above the crucial N\$16 per US Dollar mark for most of the first month of the year, however the extent of the benefits of the weak currency has been questioned. A weak currency usually leads to a higher level of exports and increased tourism into the country. However given that the country is a net importer of goods, the weak currency does not assist them in this regard. The depreciating Namibian Dollar will also result in a higher level of inflation and increasing interest rates which does not help an economy which has a large percentage of the population who can be deemed as being poor. Despite the negative effects, the economy cannot simply choose to unpeg its currency from the South African Rand. The reason behind this is that there is a number of considerations that need to be taken into account before a country can be deemed suitable to manage its own currency. Also if the two currencies had to be unpegged, trade with SA, who is Namibia's largest trading partner, would become more complex. Analysts do believe that the economy will take some strain during 2016.

Cumulative Performance Graph



Monthly Performance Graph



Sector Index	3 Month	YTD	1 Year	3 Year	5 Year
Nam Local Index	5.0%	34.3%	34.3%	28.4%	30.6%
Nam Overall Index	-9.5%	-17.8%	-17.8%	-0.7%	3.4%
IJG Bond	2.1%	6.1%	6.1%	6.3%	8.2%
IJG Money Market	1.6%	6.4%	6.4%	5.9%	5.9%
Namibian CPI	0.5%	3.7%	3.7%	4.4%	5.4%



South African & International Markets

South Africa

The South African Reserve Bank (SARB) took drastic steps towards the latter part of January, as they raised interest rates by 50 basis points to 6.75%. The central bank was placed in a difficult position as the country struggles with low economic growth and climbing inflation levels. Inflation is likely to rise past the 6% upper inflation band on the back of higher food costs and a depreciating currency. Despite the worse-than-expected economic growth prospects, the SARB believes that the growth constraints were of a structural nature and as such monetary policy would not be able to boost economic growth alone. The country is also under pressure to avoid further downgrades and reduce capital outflows.

United States

The US economy produced a lower-than-expected level of economic growth for the fourth quarter of 2015, with GDP coming in at only 0.7% for the period. Growth has been supported by consumer spending, whilst the stronger Dollar has not assisted the world's largest economy. The weaker level of growth has created concerns for global progress, with the Federal Reserve choosing not to hike rates again at their last meeting. The bank had previously indicated that they wanted to increase the benchmark rate four times during 2016, however poor data out of the US could force them to re-evaluate their decision.

Europe

The president of the European Central Bank, Mario Draghi, has once again reiterated that they stand ready to increase stimulus measures if necessary. The bank believes that conditions have deteriorated since their last meeting in December, due to weaker stock market levels and falling oil prices. Uncertainty in China has prompted the main stock indices across Europe to tumble. The ECB left its benchmark rate at 0.05%, whilst the rate on deposits held at the central bank remained at -0.3% in order to encourage banks to lend rather than keep cash.

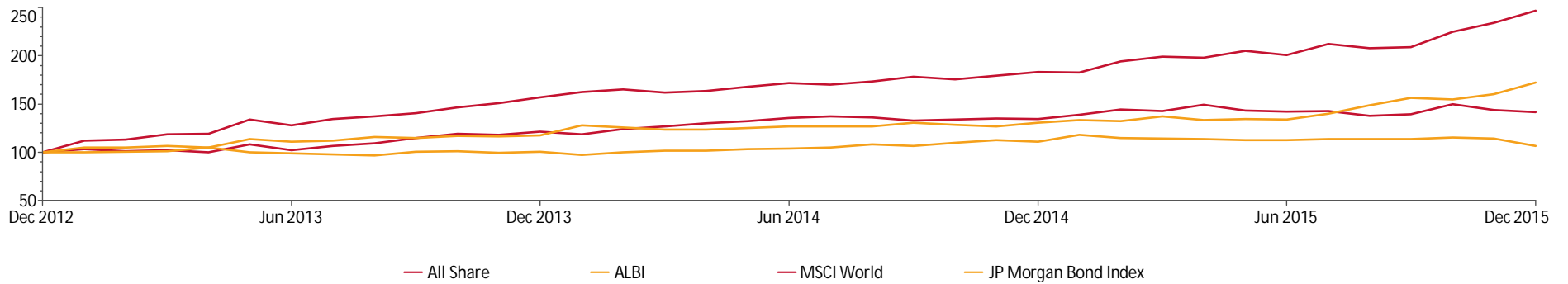
China

The Chinese economy continued to stutter, with factory activity dropping to a three year low during January. The government-compiled purchasing manager's index failed to meet estimates, with the reading marking the sixth consecutive negative month. Despite the negative manufacturing data, a survey representing the Chinese services sector came in above the key 50 level to sit at 53.5. As China transitions into a consumer driven economy, positive data out of the service sectors could seek to assist the large Asian economy.

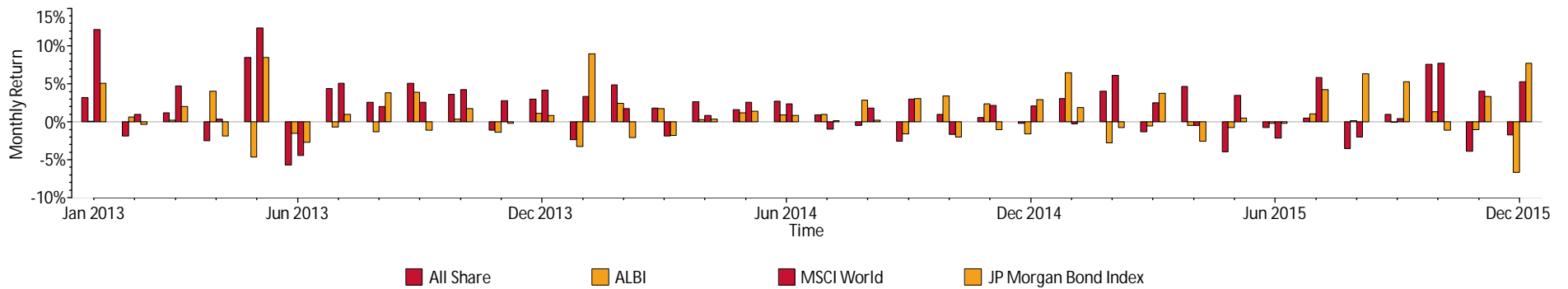
Commodities

The oil price followed an unpredictable pattern during the first month of the year, with the price falling to a 13 year low to around \$27 per barrel. The price of oil looks to follow a volatile path as global factors continue to play a role.

Cumulative Performance



Monthly Performance



Sector Index	3 Month	YTD	1 Year	3 Year	5 Year
All Share	1.7%	5.1%	5.1%	12.3%	13.0%
ALBI	-6.4%	-3.9%	-3.9%	2.1%	6.1%
MSCI World	18.1%	34.6%	34.6%	35.1%	28.2%
JP Morgan Bond Index	10.1%	31.9%	31.9%	19.9%	18.9%
ZAR vs USD	11.8%	35.0%	35.0%	22.6%	18.5%
SA CPI	0.6%	5.2%	5.2%	5.3%	5.5%



Performance Comparison

3.1 Moderate Portfolios

3.1.1. Asset Allocation at 31 December 2014 (12 Months Ago):

	Allan Gray Balanced	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%	11.3%	7.0%	4.0%	12.3%
Namibia Bonds	9.4%	14.6%	22.8%	1.4%	0.0%	12.9%	3.4%
Namibia Cash	3.3%	10.2%	0.0%	13.9%	32.4%	14.6%	18.2%
Namibia Property	3.0%	0.4%	0.0%	0.0%	0.0%	0.0%	5.0%
South Africa Equities	25.1%	22.9%	23.3%	25.1%	27.3%	17.0%	19.7%
South Africa Bonds	0.0%	0.5%	1.3%	0.0%	0.0%	0.0%	10.0%
South Africa Cash	0.3%	0.4%	1.3%	0.0%	1.1%	0.0%	0.0%
South Africa Property	0.0%	3.2%	3.2%	0.0%	0.0%	13.8%	0.0%
International Equity	16.2%	26.3%	31.7%	28.3%	15.9%	29.2%	25.2%
International Bonds	0.5%	0.6%	0.0%	3.1%	2.6%	0.4%	6.0%
International Cash	2.6%	6.0%	0.0%	4.1%	2.1%	1.9%	0.1%
International Other	15.4%	0.0%	0.0%	0.0%	11.4%	1.0%	0.0%
Other	3.2%	0.0%	0.0%	12.8%	0.2%	5.1%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Allan Gray: International Other represents Commodity ETF's
2. Allan Gray :Other represents SA Hedge Funds
3. EMH Prescient Absolute Balanced Growth: Other represents Commodity ETF's
4. EMH Prescient Absolute Balanced Growth: International Other represents International Property & Hedged Equity
5. Standard Bank Managed: Other details not provided by Standard Bank
6. NAM Coronation Balanced Plus: Other represents Commodity ETF's
7. NAM Coronation Balanced Plus: International Other represents Commodities



Performance Comparison

3.1 Moderate Portfolios

3.1.1. Asset Allocation at 31 December 2015:

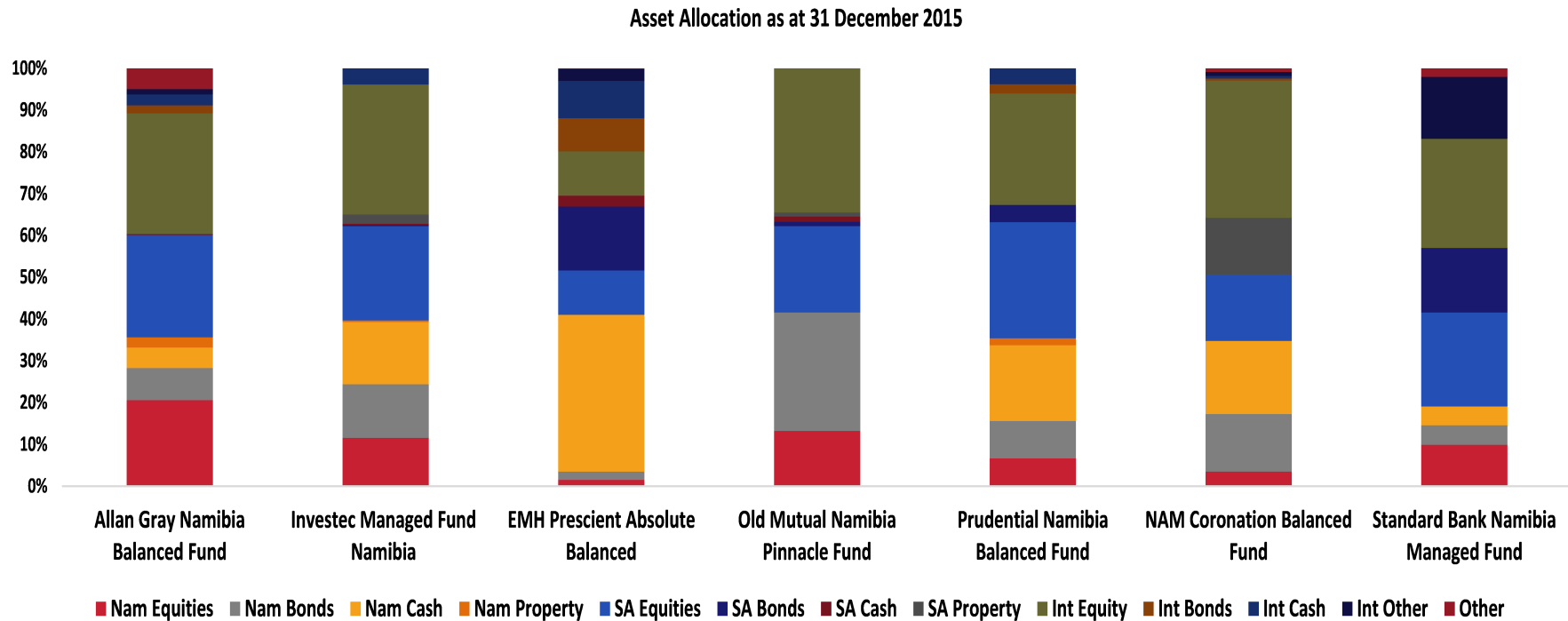
	Allan Gray Balanced	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia Equities	20.6%	11.6%	13.2%	9.8%	1.5%	3.5%	6.7%
Namibia Bonds	7.7%	12.8%	28.4%	4.7%	2.0%	13.8%	8.9%
Namibia Cash	4.9%	14.9%	0.0%	4.5%	37.5%	17.5%	18.1%
Namibia Property	2.4%	0.4%	0.0%	0.0%	0.0%	0.0%	1.7%
South Africa Equities	24.5%	22.5%	20.6%	22.5%	10.6%	15.9%	27.8%
South Africa Bonds	0.0%	0.3%	1.1%	15.5%	15.3%	0.0%	4.1%
South Africa Cash	0.2%	0.3%	1.2%	0.0%	2.6%	0.0%	0.0%
South Africa Property	0.0%	2.2%	1.0%	0.0%	0.0%	13.5%	0.0%
International Equity	28.9%	31.1%	34.5%	26.1%	10.6%	32.9%	26.7%
International Bonds	1.9%	0.0%	0.0%	0.0%	7.9%	0.4%	2.2%
International Cash	2.6%	3.9%	0.0%	0.0%	9.0%	0.7%	3.8%
International Other	1.3%	0.0%	0.0%	14.8%	2.8%	0.9%	0.0%
Other	5.0%	0.0%	0.0%	2.1%	0.2%	0.9%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1. Allan Gray: International Other represents Property
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity (15.5%) & Hedged Equity(13.3%)
4. Standard Bank Managed: Other represents Unit Trusts
5. Standard Bank Managed: International Other represents Unit Trusts and Property
6. EMH Prescient: International Other represents Collective Investments and Other represents Forwards, Swaps and Derivatives
7. NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Commodities and Property



Performance Comparison

Moderate Portfolios Asset Allocation

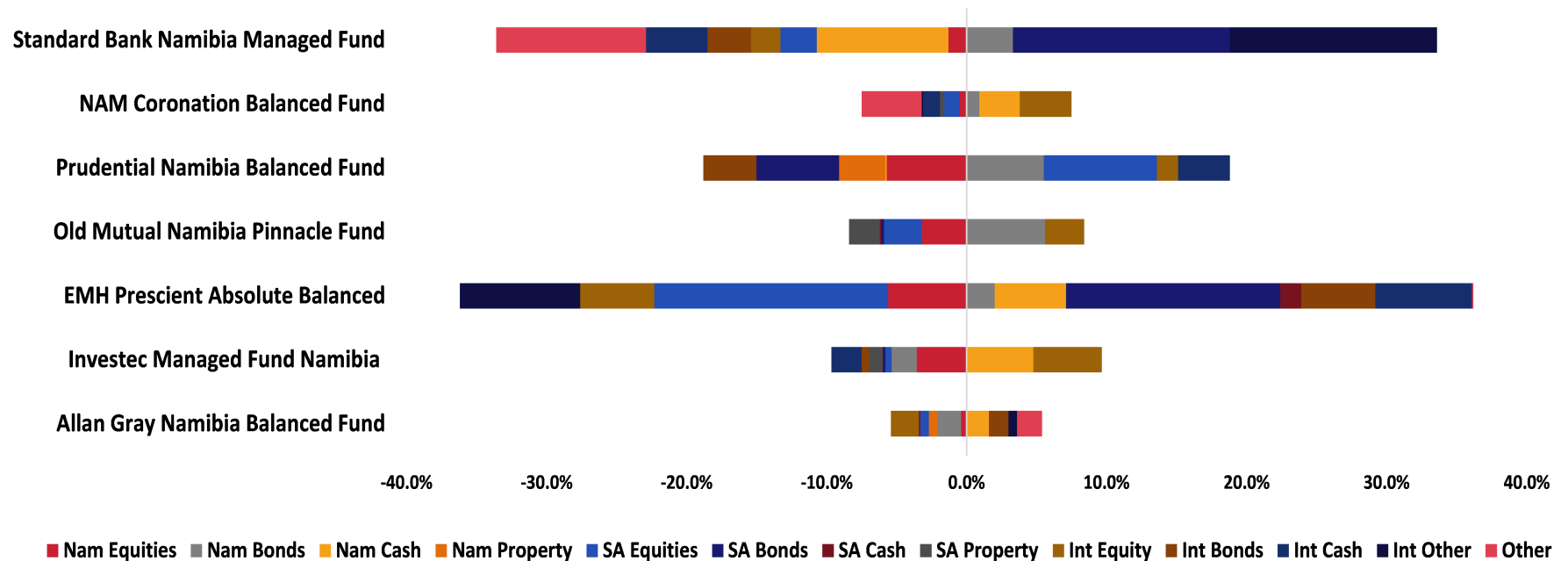




Performance Comparison

Moderate Portfolios: 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 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.



Both Standard Bank and EMH Prescient have seen large changes in their asset allocation during the year. EMH Prescient has decreased their level of SA equity and Standard Bank has decreased the level of Namibian cash and equities. Investec has increased their level of Namibian cash.



Performance Comparison

Moderate Portfolios: Geographical Split

	Allan Gray Balanced	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia	38.4%	39.7%	41.6%	21.1%	41.2%	35.7%	35.4%
South Africa	26.9%	25.3%	23.9%	38.0%	28.5%	29.4%	31.9%
International	34.7%	35.0%	34.5%	40.9%	30.3%	34.9%	32.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The reason behind the Standard Bank allocation has been requested from the manager but was not received at reporting date.

Time Weighted Returns

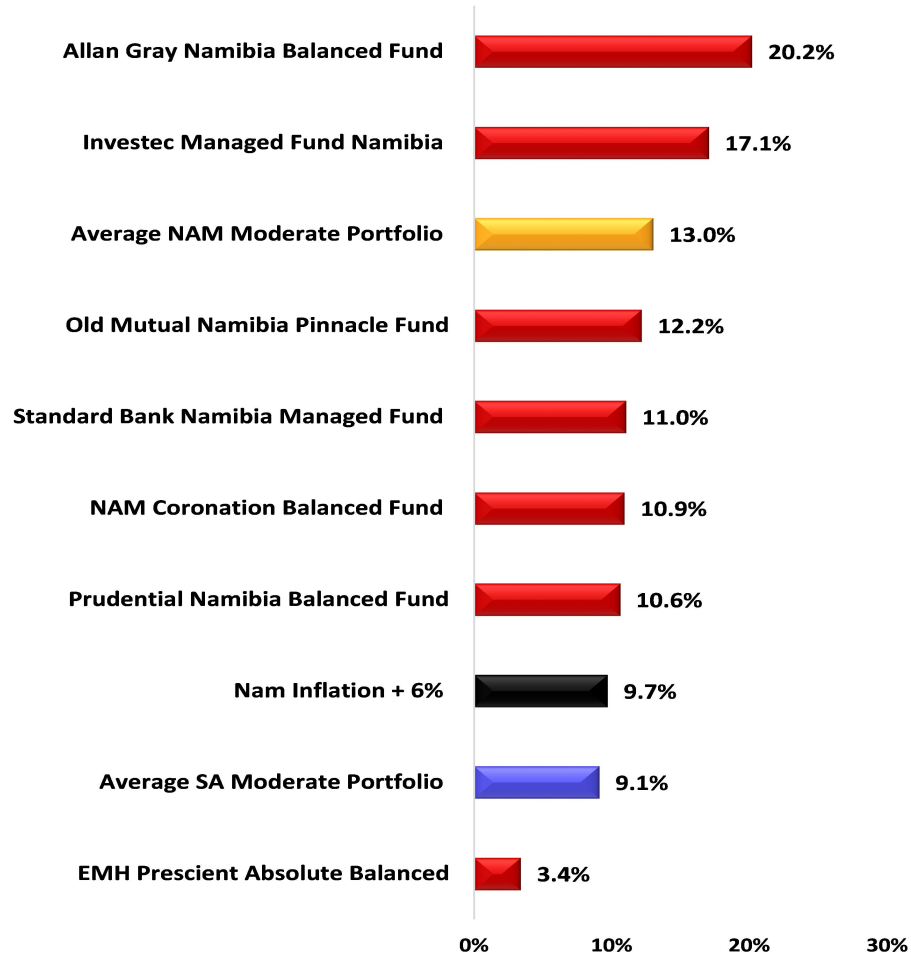
	1 Year	3 Years (Annualised)	5 Years (Annualised)	10 Years (Annualised)
Allan Gray Namibia Balanced Fund	20.2%	18.3%	16.6%	15.1%
Investec Managed Fund Namibia	17.1%	18.2%	16.2%	14.7%
EMH Prescient Absolute Balanced	3.4%	7.7%	N/A	N/A
Old Mutual Namibia Pinnacle Fund	12.2%	15.7%	14.3%	13.6%
Prudential Namibia Balanced Fund	10.6%	14.0%	12.4%	7.0%
NAM Coronation Balanced Fund	10.9%	16.6%	14.5%	13.1%
Standard Bank Namibia Managed Fund	11.0%	12.9%	14.7%	13.6%
Average SA Moderate Portfolio	9.1%	13.7%	13.5%	13.0%
Average NAM Moderate Portfolio	13.0%	16.1%	15.1%	13.8%
All Share (JSE)	5.1%	12.3%	13.0%	14.1%
Nam Inflation	3.7%	4.4%	5.4%	6.1%
Nam Inflation + 6%	9.7%	10.4%	11.4%	12.1%



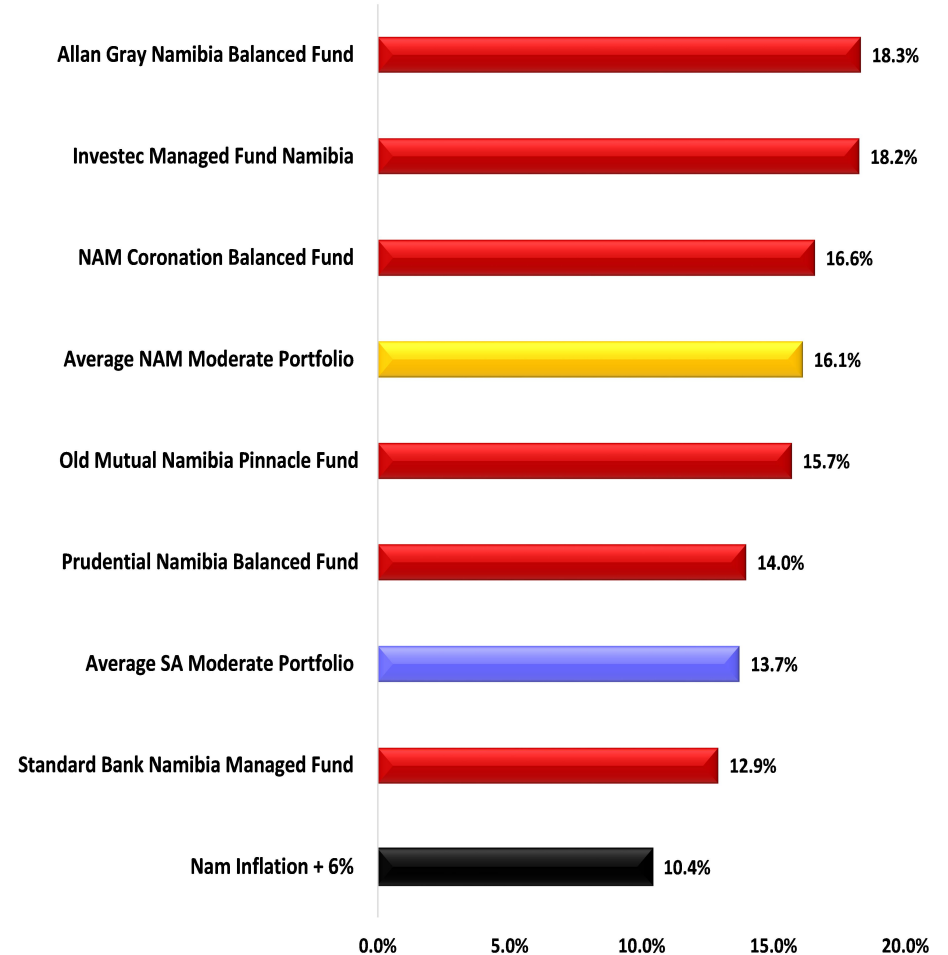


Performance Comparison

1 Year performance for the period ended 31 December 2015



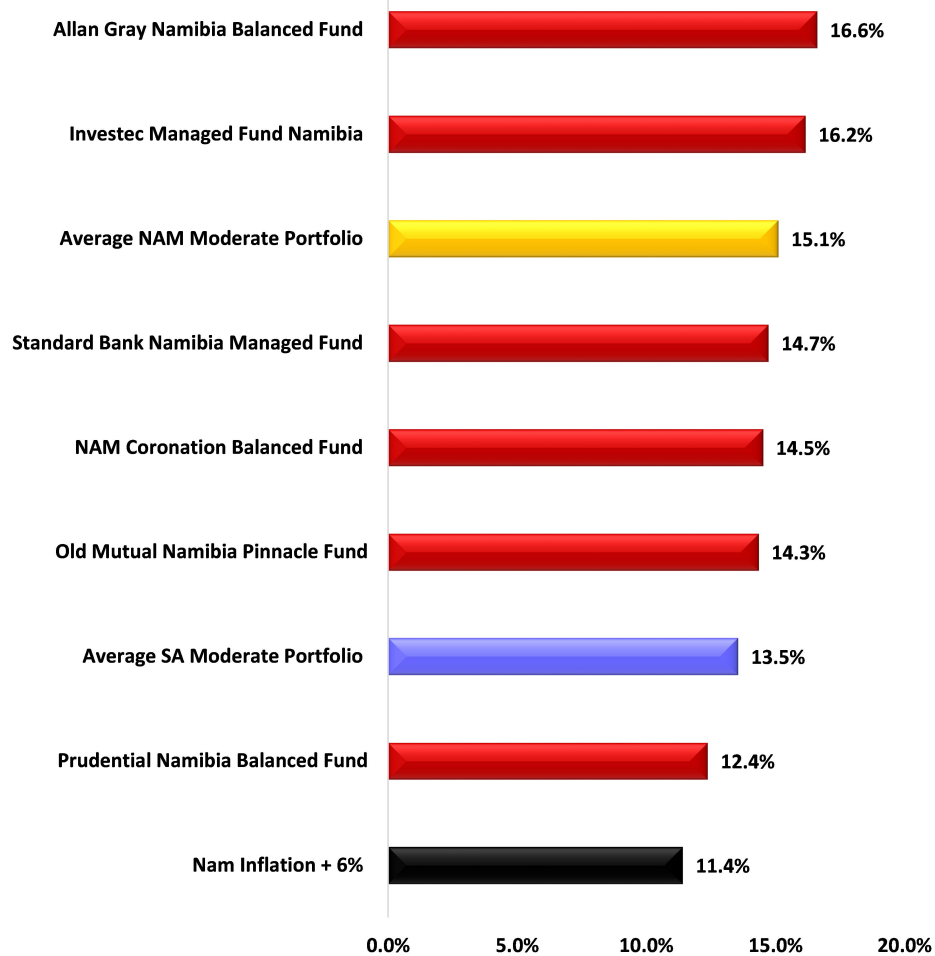
3 Years performance for the period ended 31 December 2015



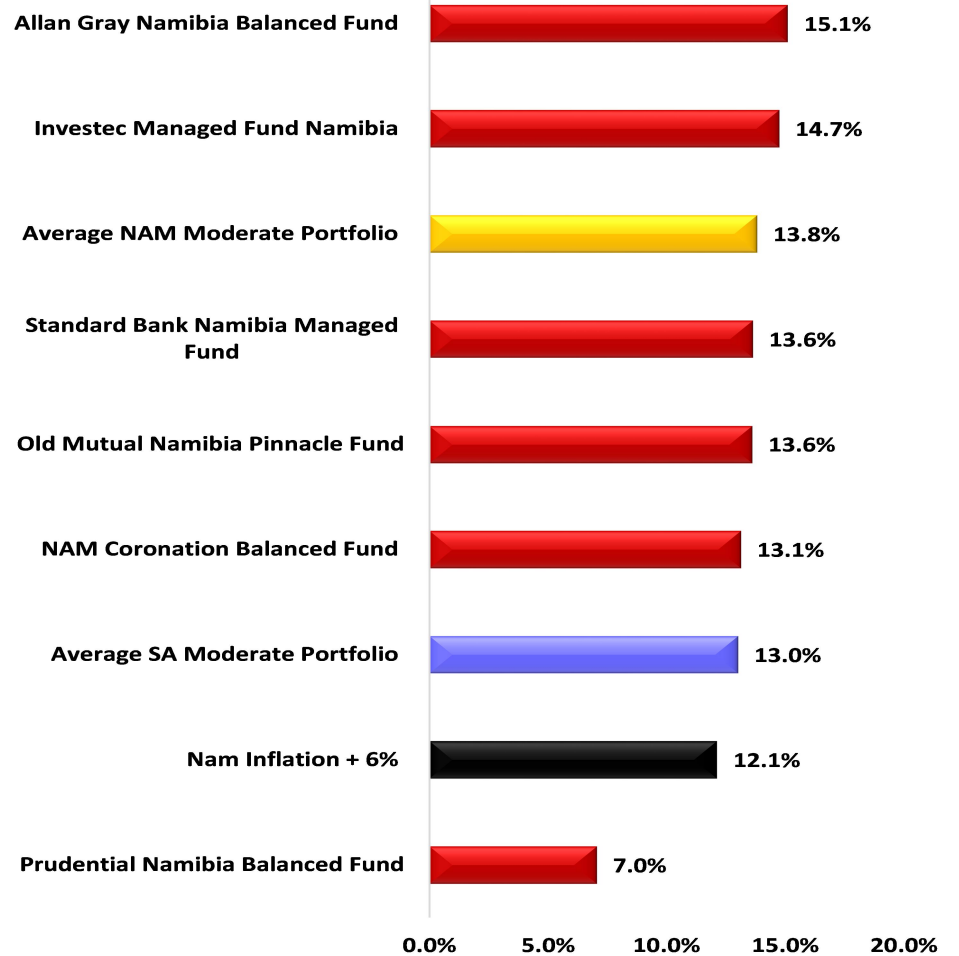


Performance Comparison

5 Years performance for the period ended 31 December 2015



10 Years performance for the period ended 31 December 2015

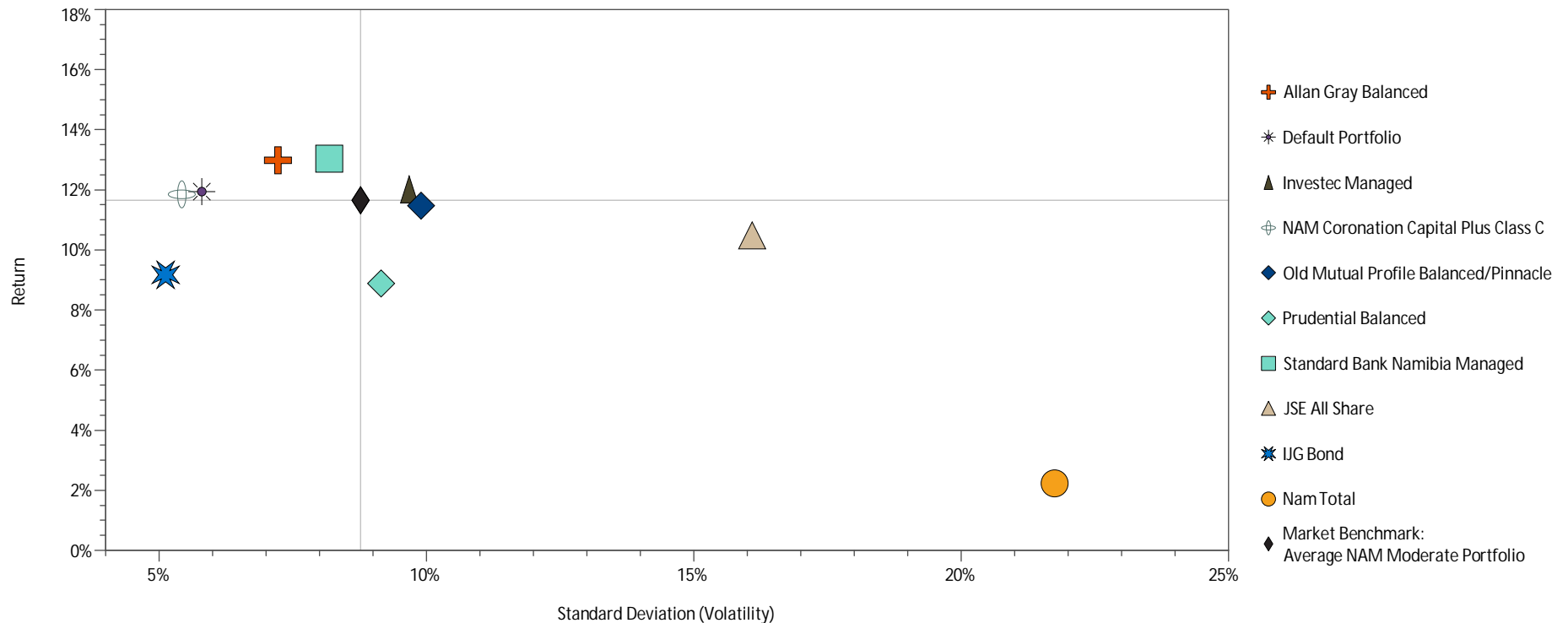


3 Performance Comparison

3.1.5 Volatility vs Return

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

January 2008 - December 2015 (Single Computation)





Performance Comparison

3.2 Moderate-Low Portfolios

3.2.1. Asset Allocation as at 31 December 2014 (12 Months Ago):

	NAM Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default
Namibia Equities	7.3%	2.6%	7.3%	9.3%	14.2%
Namibia Bonds	10.9%	5.0%	3.6%	1.1%	6.5%
Namibia Cash	17.5%	27.3%	16.8%	25.6%	10.0%
Namibia Property	0.0%	0.1%	5.0%	0.0%	4.0%
South Africa Equities	20.3%	10.6%	1.2%	14.8%	13.3%
South Africa Bonds	5.7%	19.3%	31.2%	8.2%	15.5%
South Africa Cash	3.5%	3.6%	0.0%	17.4%	0.2%
South Africa 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	0.0%	2.7%	11.1%	0.0%	5.8%
International Cash	0.0%	0.2%	2.6%	0.9%	2.6%
International Other	0.0%	0.3%	0.0%	3.0%	0.4%
Other	1.5%	1.4%	0.0%	2.1%	1.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. NAM Coronation Balanced Defensive, Default Portfolio: International Other represents International Property

2. NAM Coronation Balanced Defensive, NAM Coronation Capital Plus and Default Portfolio :Other represents Commodities

3. Sanlam: International Other represents Unit Trusts and Property

Performance Comparison

3.2 Moderate-Low Portfolios

3.2.1. Asset Allocation at 31 December 2015:

	NAM Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Benchmark Default Portfolio
Namibia Equities	5.7%	2.5%	4.0%	7.6%	12.6%
Namibia Bonds	15.1%	14.1%	12.4%	1.6%	10.0%
Namibia Cash	14.4%	19.4%	14.9%	25.7%	9.7%
Namibia Property	0.0%	0.1%	2.5%	0.0%	2.4%
South Africa Equities	17.8%	10.9%	15.8%	13.7%	20.3%
South Africa Bonds	4.7%	11.1%	12.4%	9.6%	5.9%
South Africa Cash	1.9%	3.5%	0.0%	16.5%	0.1%
South Africa Property	9.7%	5.5%	3.3%	1.1%	1.6%
International Equity	29.0%	24.0%	19.0%	18.1%	24.2%
International Bonds	0.0%	2.4%	9.0%	0.0%	5.3%
International Cash	0.0%	4.9%	6.7%	2.4%	4.6%
International Other	0.0%	0.4%	0.0%	3.7%	0.7%
Other	1.7%	1.2%	0.0%	0.0%	2.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1. NAM Coronation Capital Plus: Other represents Commodities

2. NAM Coronation Balanced Defensive: Other represents Commodities & International Other represents Real Estate

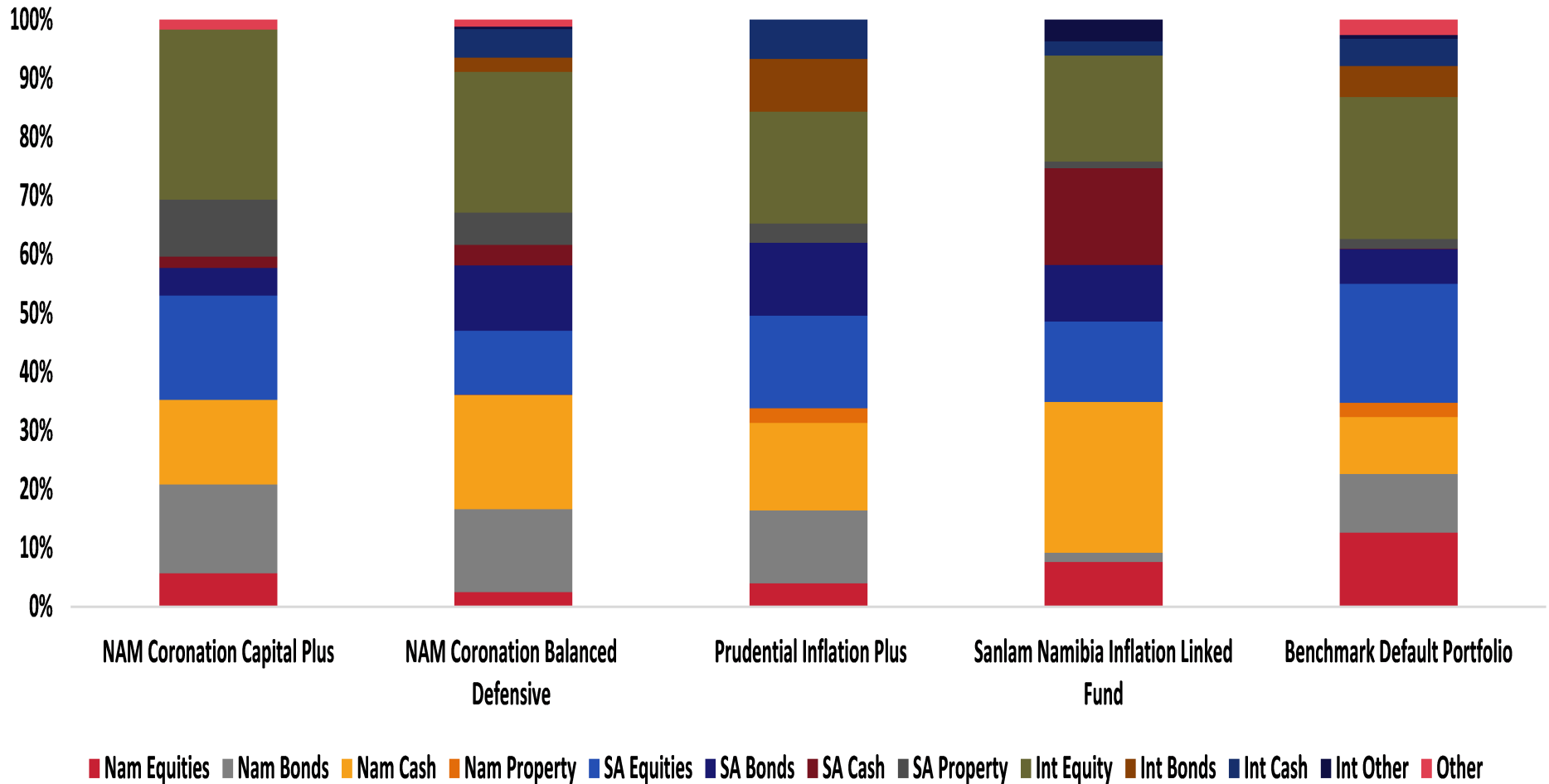
3. Sanlam Namibia Inflation Linked: International Other represents Property

4. Default: Other represents Commodities & International Other represents Property



Performance Comparison

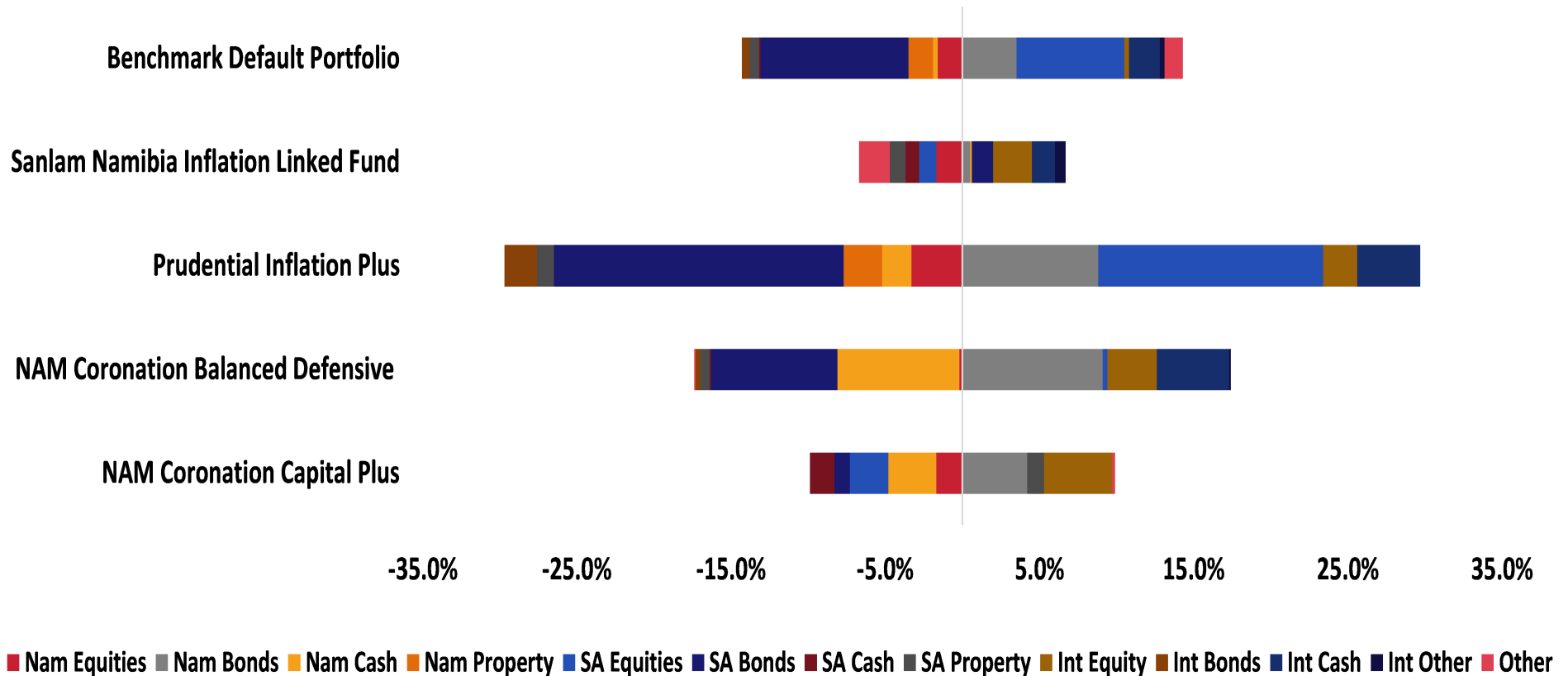
Asset Allocation as at 31 December 2015





Performance Comparison

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending 31 December 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.



Both the Default portfolio and the Prudential Inflation Plus portfolio have decreased their exposure to SA bonds and increased their exposure to Nam bonds and offshore . Nam Coronation Capital Plus and Balanced Defensive have increased their Namibian Bond exposure.



Performance Comparison

Moderate-Low Portfolios: Geographical Split

	NAM Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Benchmark Default Portfolio
Namibia	35.2%	36.1%	33.8%	34.8%	34.7%
South Africa	35.8%	32.2%	31.5%	40.9%	30.5%
International	29.0%	31.7%	34.7%	24.3%	34.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Returns

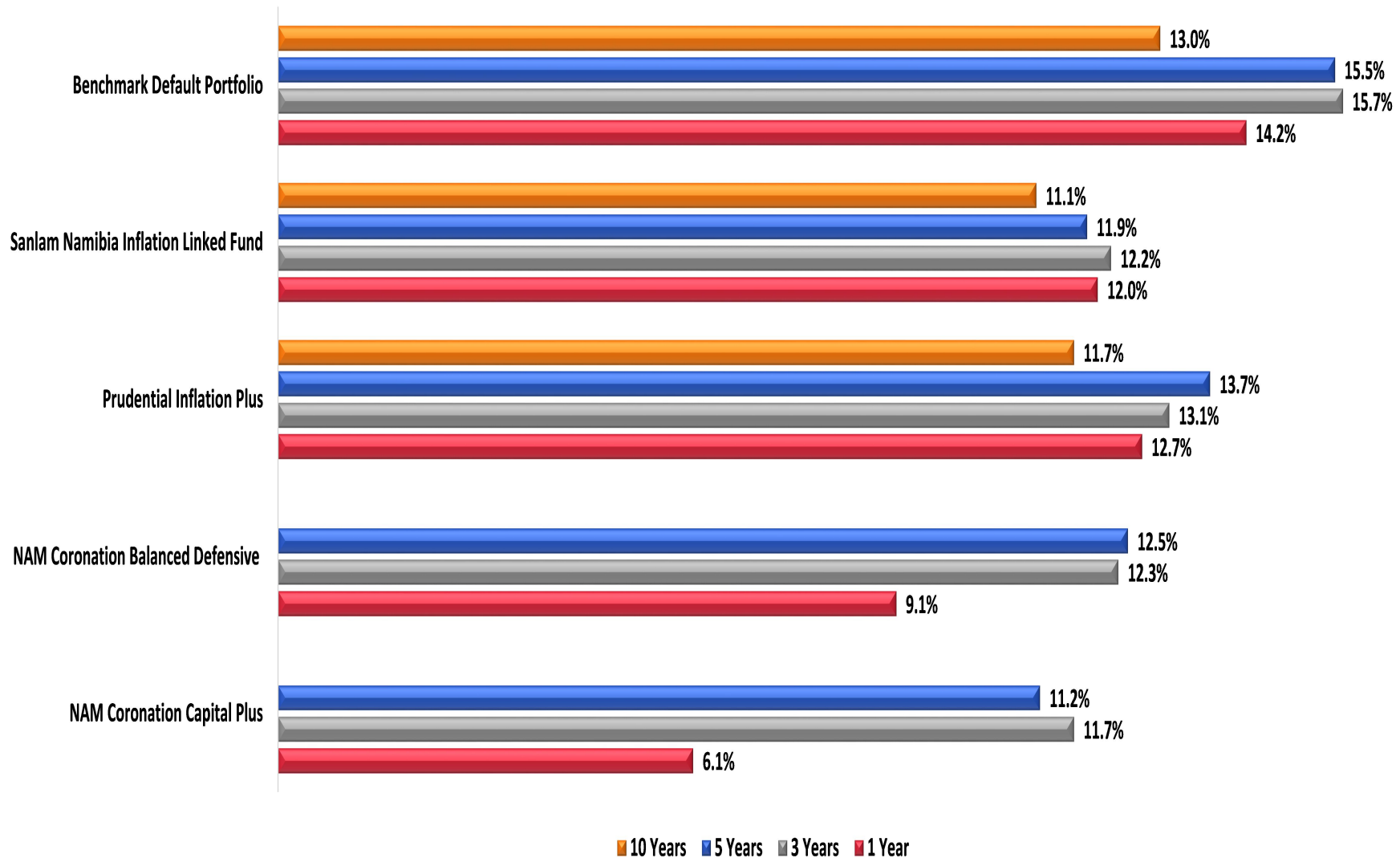
	1 Year	3 Years (Annualised)	5 Years (Annualised)	10 Years (Annualised)
NAM Coronation Capital Plus Fund	6.1%	11.7%	11.3%	N/A
NAM Coronation Balanced Defensive Fund	9.1%	12.3%	12.5%	N/A
Prudential Namibia Inflation Plus Fund	12.7%	13.1%	13.7%	11.7%
Benchmark Retirement Fund Default Portfolio	14.2%	15.7%	15.5%	13.0%
Sanlam Namibia Inflation Linked	12.0%	12.2%	11.9%	11.1%
Nam Inflation	3.7%	4.4%	5.4%	6.1%
Nam Inflation + 3% to 5%	6.7%-8.7%	7.4%-9.4%	8.4%-10.4%	9.2%-11.2%

* NAM Coronation Capital Plus and NAM Coronation Balanced Defensive Funds only started in December 2007.





Performance Comparison



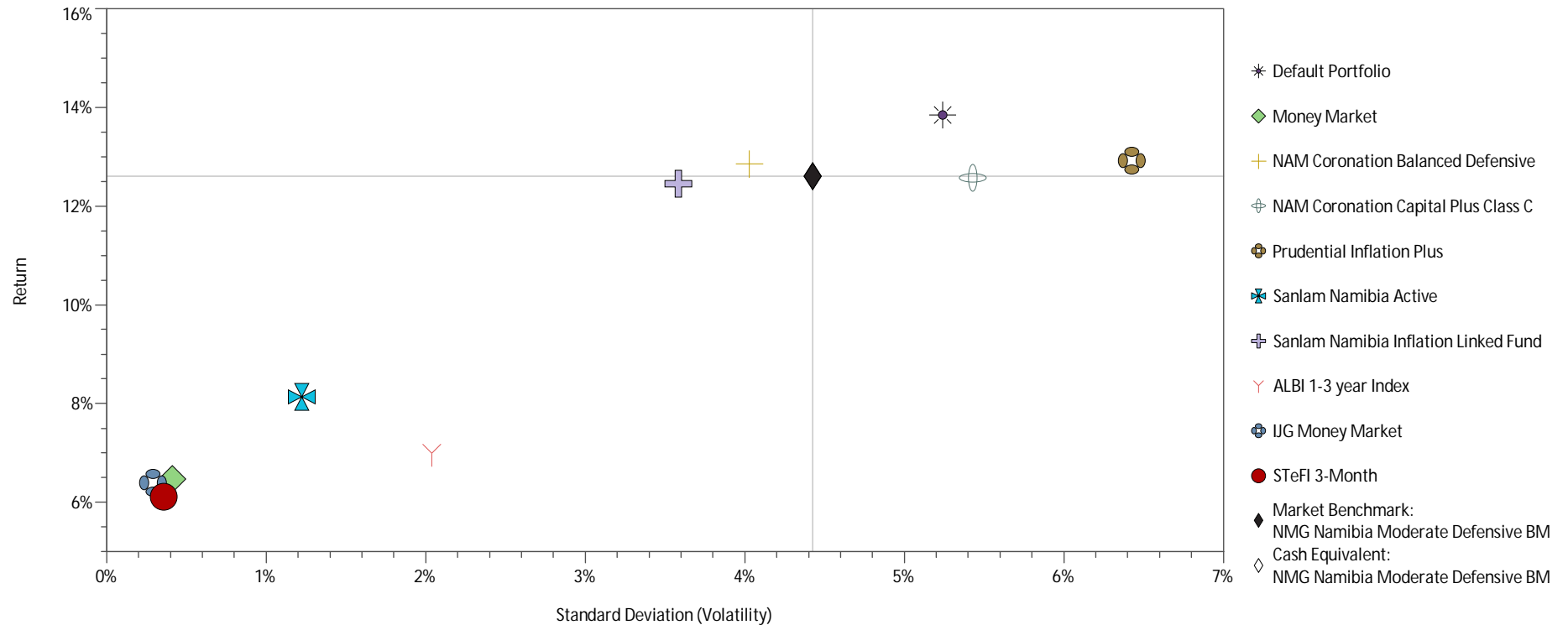


Performance Comparison

3.2.5 Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate low portfolios for a 3 year period. These returns are gross of all investment charges.

January 2009 - December 2015 (Single Computation)





Performance Comparison

3.3 Low Risk and Capital Preservation Portfolios

3.3.1. Asset Allocation

Sanlam Namibia Active	Current	12 Months Ago	Change
Namibia Equities	0.0%	0.0%	0.0%
Namibia Bonds	1.9%	1.0%	0.9%
Namibia Cash	35.1%	36.7%	-1.6%
Namibia Property	0.0%	0.0%	0.0%
South Africa Equities	0.7%	0.5%	0.2%
South Africa Bonds	14.6%	13.2%	1.4%
South Africa Cash	47.0%	47.3%	-0.3%
South Africa Property	0.7%	1.3%	-0.6%
Offshore	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	100.0%	100.0%	

The total Namibian exposure is 37.0% for the Sanlam Namibia Active Fund. The Money Market Fund is managed by Capricorn Asset Management and is mainly invested in Namibian & South African cash investments.

Performance Comparison

Low Risk, Capital Protection Portfolios and Unlisted Investments

3.3.2. Returns

Returns: Low Risk Portfolio

	1 Year	3 Years (Annualised)	5 Years (Annualised)
Sanlam Namibia Active	6.5%	7.1%	7.5%
ALBI 1-3 Year Index	4.8%	5.1%	6.5%
Inflation	3.7%	4.4%	5.4%
Inflation + 1% to 2%	4.7%-5.7%	5.4%-6.4%	6.4%-7.4%

Returns: Capital Protection Portfolio

	1 Year	3 Years (Annualised)	5 Years (Annualised)
Money Market Fund	6.1%	5.9%	5.8%
IJG Money Market Index	6.4%	5.9%	5.9%
Inflation + 1%	4.7%	5.4%	6.4%

3.3.3 Unlisted Investments

	Market Value at 31 December 2015
Tukuneni	12 263 659
Allegrow	225 000

The first investments into the unlisted investments occurred in December 2015.