



## **Benchmark Retirement Fund**

**Quarterly Investment Report: As at 31 March 2017**

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

The following portfolios are offered to members:

Investment Portfolio	Risk Categorisation	Asset Manager's Explicit Performance Objective (Before Fees)	Return Expectations derived from Historical Experience (Before Fees)
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%
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%
Benchmark Default Portfolio*	Moderate-Low	-	CPI+4% to 5%
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%
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%

\*The Benchmark Portfolio is a combination of Allan Gray Namibia Balanced Fund and Prudential Namibia Inflation Plus Fund.

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

\*\*\*EMH Closed with immediate effect for new investors.

## 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.

Coming out of a highly uncertain and eventful 2016, the first quarter of 2017 saw some positive factors, among those of the much-spoken about reflation. Reflationary trends include increasing business confidence and earnings and improved consumer confidence in major economies. The US is seeing nearly full employment, where the Fed also raised interest rates by a further 0.25%.

Global equities saw improvement from 2016, particularly emerging markets which performed strongly with help from the weaker US dollar. Closer to home, the Namibian Local Index returned 5.4%, helped by the weak US\$ and the strong commodity trend. The South African All Share index returned 3.8% for the quarter. Looking deeper into this, industrials were the leading performers for the quarter with 7.1%, followed by resources with just under 2%. Financials struggled, with the banks heavily hit, detracting for the quarter with -1.9%. South Africa's inflation came down during the quarter and now stands at 6.1%, slowly moving toward its target band of between 3% - 6%. Namibia's inflation came down a notch from a peak of 8.2% in January, to 7.8% in February and ending the quarter on 7% for March, its lowest figure in six months.

However, on the political landscape front, things are still volatile. Brexit negotiations began to take shape as Theresa May triggered the two-year plan in March, and Trump's policies struggling to take any shape. Surprisingly, counteracting this, the US stock market has reacted well so far and whilst the S&P Volatility Index showed historically low levels, the stock market rallied.

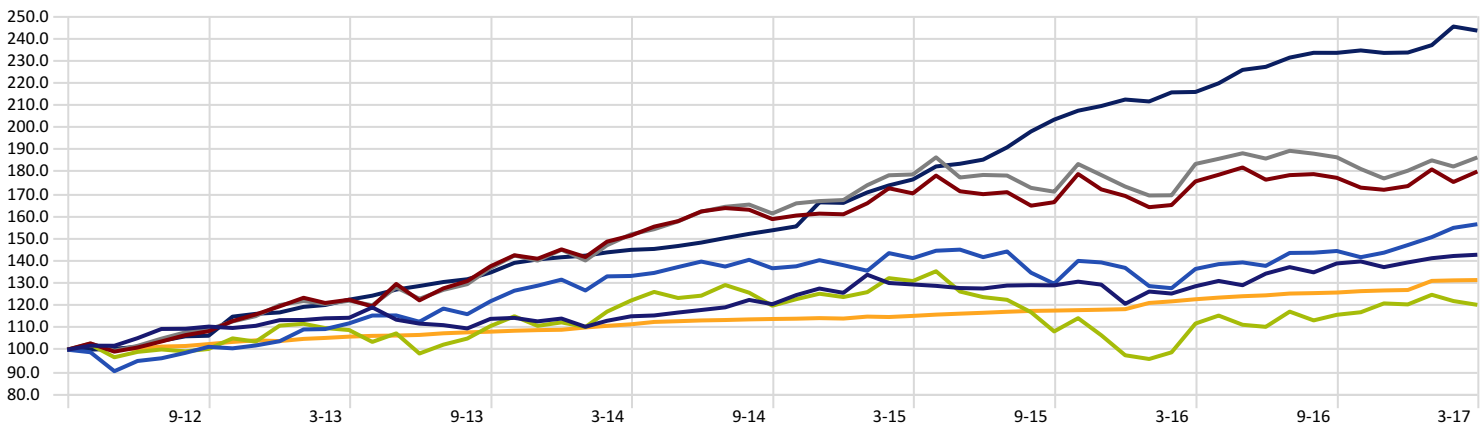
The Rand shone during the quarter, and strengthened to levels last seen over 18 months ago, reaching R12.45/\$. This was mainly due to positive business sentiment, the Fed interest rate hike in the US and emerging markets being favoured. However, at the end of March, the actions of the presidency in South Africa saw a cabinet reshuffle and subsequent foreign debt downgrade which was detrimental to the currency. Political risks and economic instability play a large role in the Rand value, thus volatility in the currency in 2017 can be expected.

## Key Indicators as at 31/03/2017

R/\$	R13.38/\$
R/£	R16.66/£
R/€	R14.32/€
SA Inflation rate	7.0%
SA Prime Interest rate	10.75%
Oil Price	\$52.96
Gold Price	\$1243.50

## Cumulative Growth for Selected Indices

Time Period: 01-Apr-12 to 31-Mar-17



— Beassa ALBI TR ZAR  
 — FTSE/JSE All Share SWIX TR ZAR  
 — MSCI World NR USD  
 — FTSE NSX Local PR NAD  
 — FTSE/JSE All Share TR ZAR  
 — FTSE NSX Overall PR NAD  
 — NAM CPI

## Trailing Returns for Selected Indices

	Q1 2017	YTD	3 Years	5 Years	10 Years
Beassa ALBI TR ZAR	2.5	2.5	7.5	7.4	8.1
FTSE/JSE All Share TR ZAR	3.8	3.8	6.0	12.5	9.8
FTSE/JSE All Share SWIX TR ZAR	3.3	3.3	7.1	13.3	10.6
MSCI ACWI All Cap PR USD	4.2	4.2	11.7	18.9	—
FTSE NSX Local PR NAD	4.2	4.2	18.9	19.5	18.8
FTSE NSX Overall PR NAD	-0.2	-0.2	-0.5	3.7	1.6
NAM CPI	3.5	3.5	5.6	5.6	6.4

## Periodic Table

Best	FTSE NSX Local PR NAD 18.7	FTSE NSX Overall PR NAD 38.8	FTSE/JSE SA Listed Property TR ZAR 29.6	FTSE NSX Local PR NAD 28.1	FTSE/JSE SA Industrials TR ZAR 40.7	MSCI World NR USD 56.4	FTSE/JSE Financial 15 TR ZAR 27.8	MSCI World NR USD 32.8	FTSE/JSE Resources 10 TR ZAR 28.9	FTSE/JSE SA Industrials TR ZAR 6.6
	Beassa ALBI TR ZAR 17.0	FTSE/JSE Resources 10 TR ZAR 35.5	FTSE/JSE SA Industrials TR ZAR 27.4	MSCI World NR USD 15.3	FTSE/JSE Financial 15 TR ZAR 37.8	MSCI ACWI All Cap PR USD 49.5	FTSE/JSE SA Listed Property TR ZAR 26.6	MSCI ACWI All Cap PR USD 28.6	FTSE NSX Overall PR NAD 23.5	MSCI World NR USD 4.3
	STeFI 3 Month NCD ZAR 11.7	FTSE/JSE All Share TR ZAR 32.1	FTSE/JSE All Share TR ZAR 19.0	MSCI ACWI All Cap PR USD 9.9	FTSE/JSE SA Listed Property TR ZAR 35.9	FTSE/JSE SA Industrials TR ZAR 35.0	FTSE NSX Local PR NAD 17.3	FTSE NSX Local PR NAD 28.0	Beassa ALBI TR ZAR 15.4	MSCI ACWI All Cap PR USD 4.2
	STeFI Composite ZAR 11.7	FTSE/JSE SA Industrials TR ZAR 30.5	Beassa ALBI TR ZAR 15.0	FTSE/JSE SA Industrials TR ZAR 9.2	FTSE/JSE All Share TR ZAR 26.7	FTSE/JSE All Share TR ZAR 21.4	FTSE/JSE SA Industrials TR ZAR 16.8	FTSE/JSE SA Industrials TR ZAR 15.3	FTSE/JSE SA Listed Property TR ZAR 10.2	FTSE NSX Local PR NAD 4.2
	FTSE/JSE SA Listed Property TR ZAR -4.5	FTSE/JSE Financial 15 TR ZAR 27.5	FTSE/JSE Financial 15 TR ZAR 14.8	FTSE/JSE SA Listed Property TR ZAR 8.9	FTSE NSX Local PR NAD 23.7	FTSE NSX Local PR NAD 21.3	MSCI World NR USD 15.9	FTSE/JSE SA Listed Property TR ZAR 8.0	FTSE NSX Local PR NAD 9.9	FTSE/JSE All Share TR ZAR 3.8
	FTSE/JSE SA Industrials TR ZAR -16.1	FTSE/JSE SA Listed Property TR ZAR 14.1	FTSE NSX Overall PR NAD 12.3	Beassa ALBI TR ZAR 8.9	MSCI World NR USD 21.7	FTSE/JSE Financial 15 TR ZAR 19.8	MSCI ACWI All Cap PR USD 12.4	STeFI Composite ZAR 6.5	STeFI Composite ZAR 7.4	Beassa ALBI TR ZAR 2.5
	MSCI World NR USD -19.8	STeFI Composite ZAR 9.1	FTSE/JSE Resources 10 TR ZAR 12.3	FTSE/JSE Financial 15 TR ZAR 6.6	MSCI ACWI All Cap PR USD 19.5	FTSE/JSE SA Listed Property TR ZAR 8.4	FTSE/JSE All Share TR ZAR 10.9	STeFI 3 Month NCD ZAR 6.1	STeFI 3 Month NCD ZAR 7.0	FTSE/JSE Resources 10 TR ZAR 1.9
	FTSE/JSE All Share TR ZAR -23.2	STeFI 3 Month NCD ZAR 8.6	FTSE NSX Local PR NAD 11.6	STeFI Composite ZAR 5.7	FTSE NSX Overall PR NAD 17.4	STeFI Composite ZAR 5.2	FTSE NSX Overall PR NAD 10.2	FTSE/JSE All Share TR ZAR 5.1	FTSE/JSE Financial 15 TR ZAR 3.6	STeFI Composite ZAR 1.9
	MSCI ACWI All Cap PR USD -23.9	MSCI ACWI All Cap PR USD 6.4	STeFI Composite ZAR 6.9	STeFI 3 Month NCD ZAR 5.5	Beassa ALBI TR ZAR 15.9	STeFI 3 Month NCD ZAR 5.0	Beassa ALBI TR ZAR 10.1	FTSE/JSE Financial 15 TR ZAR 1.1	FTSE/JSE All Share TR ZAR 2.6	STeFI 3 Month NCD ZAR 1.8
	FTSE/JSE Financial 15 TR ZAR -25.7	MSCI World NR USD 3.5	STeFI 3 Month NCD ZAR 6.6	FTSE/JSE All Share TR ZAR 2.6	STeFI Composite ZAR 5.5	FTSE/JSE Resources 10 TR ZAR 2.8	STeFI Composite ZAR 5.9	Beassa ALBI TR ZAR -3.9	MSCI World NR USD -5.1	FTSE/JSE SA Listed Property TR ZAR 1.4
	FTSE/JSE Resources 10 TR ZAR -28.4	Beassa ALBI TR ZAR -1.0	MSCI ACWI All Cap PR USD 0.9	FTSE NSX Overall PR NAD -3.3	STeFI 3 Month NCD ZAR 5.3	FTSE NSX Overall PR NAD 1.3	STeFI 3 Month NCD ZAR 5.7	FTSE NSX Overall PR NAD -21.2	MSCI ACWI All Cap PR USD -6.3	FTSE NSX Overall PR NAD -0.2
Worst	FTSE NSX Overall PR NAD -40.1	FTSE NSX Local PR NAD -2.0	MSCI World NR USD 0.4	FTSE/JSE Resources 10 TR ZAR -6.7	FTSE/JSE Resources 10 TR ZAR 3.1	Beassa ALBI TR ZAR 0.6	FTSE/JSE Resources 10 TR ZAR -15.0	FTSE/JSE Resources 10 TR ZAR -36.4	FTSE/JSE SA Industrials TR ZAR -6.6	FTSE/JSE Financial 15 TR ZAR -1.9
	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD

## Asset Class Trailing Returns

	Q1 2017	YTD	3 Years	5 Years
Beassa ALBI TR ZAR	2.5	2.5	7.5	7.4
STeFI 3 Month NCD ZAR	1.8	1.8	6.4	5.9
MSCI ACWI All Cap PR USD	4.2	4.2	11.7	18.9
FTSE/JSE SA Listed Property TR ZAR	1.4	1.4	14.5	15.8
FTSE/JSE SA Industrials TR ZAR	6.6	6.6	10.0	18.2
FTSE/JSE Financial 15 TR ZAR	-1.9	-1.9	7.0	13.8
FTSE/JSE All Share TR ZAR	3.8	3.8	6.0	12.5
FTSE/JSE Resources 10 TR ZAR	1.9	1.9	-13.7	-4.9
FTSE NSX Local PR NAD	4.2	4.2	18.9	19.5
FTSE NSX Overall PR NAD	-0.2	-0.2	-0.5	3.7

## Performance Comparison

### Moderate Portfolios

#### Asset Allocation as at 31 March 2017:

	Allan Gray	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia Equities	19.9%	12.7%	14.1%	12.4%	0.0%	6.5%	10.3%
Namibia Bonds	9.0%	17.8%	17.0%	20.3%	9.0%	10.7%	15.6%
Namibia Cash	5.0%	7.3%	0.0%	3.7%	32.7%	18.5%	5.8%
Namibia Property	2.6%	1.0%	1.4%	0.0%	0.0%	0.0%	5.4%
South Africa Equities	22.0%	26.6%	27.4%	26.5%	20.4%	36.3%	30.9%
South Africa Bonds	0.7%	0.3%	2.3%	1.9%	13.7%	2.9%	0.2%
South Africa Cash	0.0%	0.6%	0.0%	1.0%	3.5%	-11.7%	0.0%
South Africa Property	0.0%	2.9%	5.5%	0.0%	0.0%	13.7%	0.0%
International Equity	16.3%	25.9%	30.4%	0.0%	12.4%	23.4%	25.5%
International Bonds	2.5%	0.0%	0.0%	0.0%	0.2%	0.1%	1.5%
International Cash	2.8%	4.9%	1.9%	3.5%	5.8%	0.0%	3.7%
International Other	14.1%	0.0%	0.0%	30.7%	1.7%	0.3%	1.1%
Other	5.1%	0.0%	0.0%	0.0%	0.5%	-0.7%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities(14.1%)

2. Allan Gray: Other represents SA and Namibia Commodities

3. Allan Gray: International Equity represents Net Equity (16.3%)

4. Standard Bank Managed: International Other represents Unit Trusts and Property

5. EMH Prescient: International Other represents Collective Investments and Other represents Forwards, Swaps and Derivatives

6. NAM Coronation Balanced Plus: Other represents Commodities and Preference Shares and International Other represents Commodities and Property.

7. Prudential and NAM Coronation use derivatives to gain additional exposure to certain assets beyond 100%. Thus the cash allocation has an offsetting negative exposure, representing the liability or cash that is 'owed' for these assets. The total thus represents the "Notional Cash Value" for the entire effective derivative exposure.

8. Prudential : International Other represents Property

#### Asset Allocation as at 31 March 2016:

	Allan Gray	Investec Managed	OMIGNAM Profile Pinnacle	Standard Bank Managed	EMH Prescient Absolute Balanced	NAM Coronation Balanced Plus	Prudential Balanced
Namibia Equities	20.8%	8.3%	13.1%	10.9%	1.1%	9.9%	17.8%
Namibia Bonds	8.3%	13.1%	26.5%	21.9%	10.1%	14.0%	13.7%
Namibia Cash	8.3%	22.1%	0.0%	4.5%	26.4%	9.5%	16.3%
Namibia Property	2.4%	0.5%	0.0%	0.0%	0.0%	0.0%	1.8%
South Africa Equities	22.6%	21.1%	22.4%	25.4%	10.1%	20.4%	29.7%
South Africa Bonds	0.6%	0.3%	4.0%	0.0%	18.8%	0.0%	4.5%
South Africa Cash	0.1%	0.2%	1.2%	-0.1%	6.5%	0.0%	-3.6%
South Africa Property	0.0%	2.1%	1.4%	0.0%	0.0%	14.0%	0.0%
International Equity	26.1%	26.4%	31.8%	13.9%	6.0%	30.2%	25.0%
International Bonds	2.5%	5.3%	0.0%	0.0%	4.7%	0.5%	3.0%
International Cash	1.9%	0.6%	0.0%	0.0%	5.2%	0.0%	1.8%
International Other	1.2%	0.0%	0.0%	23.5%	10.8%	0.7%	0.0%
Other	5.2%	0.0%	0.0%	0.0%	0.3%	0.8%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

1. Allan Gray: International Other represents Property

2. Allan Gray :Other represents SA & Namibia Commodities

3. Allan Gray: International Equity represents Net Equity (13.8%) & Hedged Equity(12.0%)

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

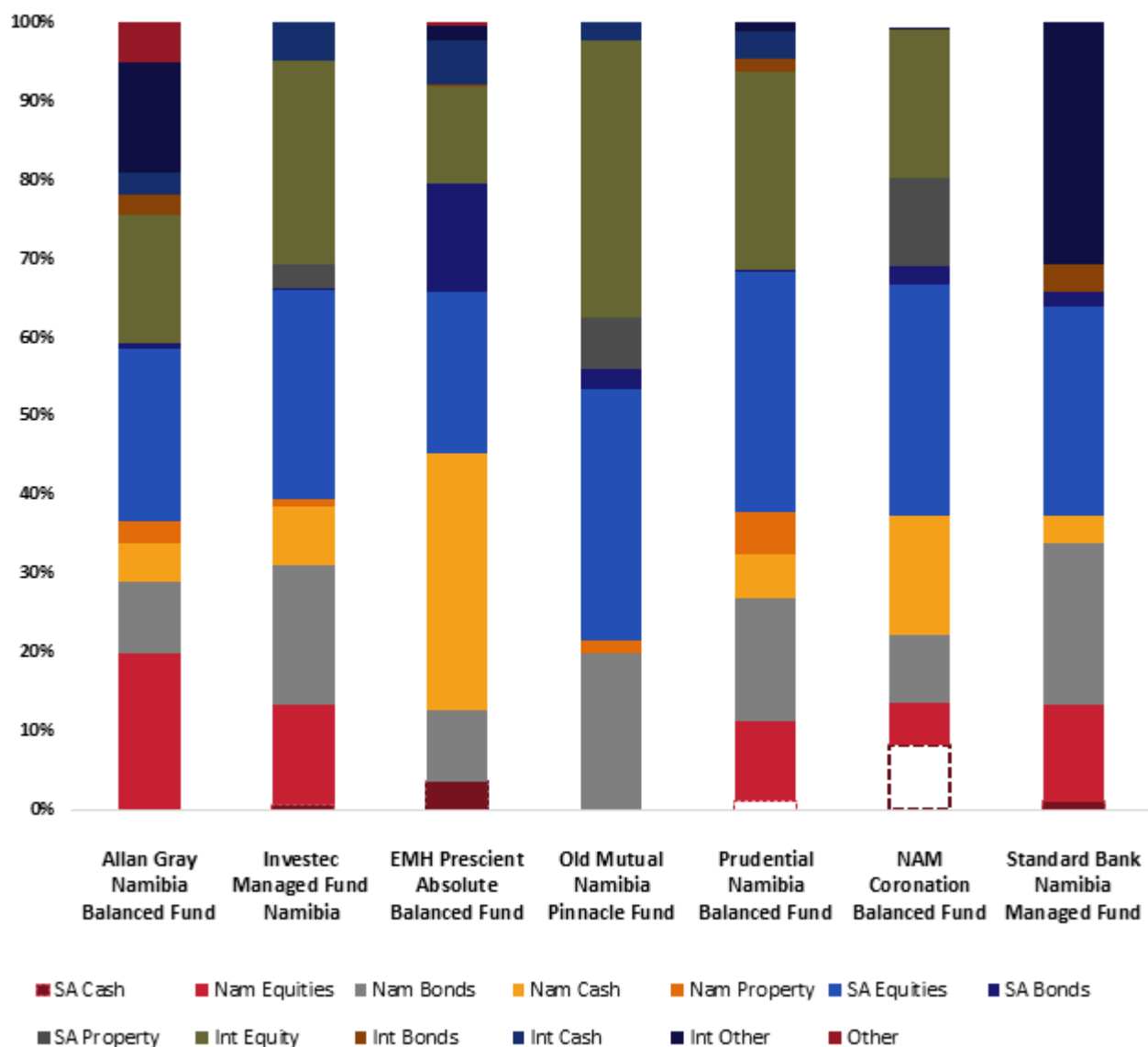
7. NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Commodities and Property

8. Prudential's SA Cash position includes an off-set or "Notional Cash value" for all derivative effective exposure

## Performance Comparison

### Moderate Portfolios

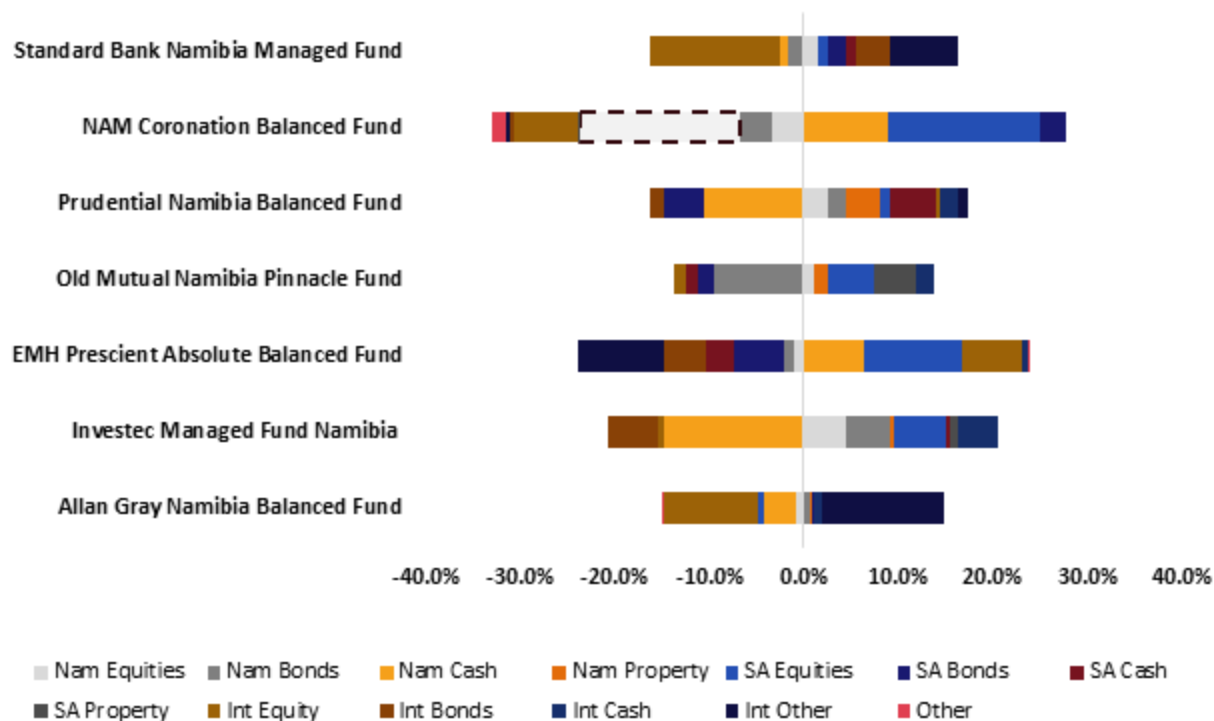
Asset Allocation as at 31 March 2017



## Performance Comparison

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 March 2017**. 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.

### Change in Asset Allocation



The graph above illustrates that, with the exception of EMH and Prudential, all managers had a significant decrease in international equity, and Standard Bank showed the biggest change resulting in a zero exposure to this asset class. NAM made the most asset allocation changes over the year, which now has a negative SA cash holding, meaning that it introduced derivatives exposure this year. They also increased South African equities by a relatively large margin. Old Mutual made the largest changes to Namibian Bonds and equities. They also introduced cash by means of a small international exposure to this asset class. Allan Gray had the largest increase to international assets, mainly contributed from the hedged equity component.

Note: NAM Coronation Balanced Plus reflects an increase in the negative notional cash value holding.



## Performance Comparison

### Moderate Portfolios

#### Geographical Split:

	Allan Gray Namibia Balanced Fund	EMH Prescient Absolute Balanced Fund	NAM Coronation Balanced Plus Fund	Investec Namibian Managed Fund	Old Mutual Namibia Profile Pinnacle Fund	Standard Bank Namibia Managed Fund	Prudential Namibian Balanced
Namibia	39.6	37.7	35.7	38.8	32.5	36.4	37.1
South Africa	24.7	37.7	40.5	30.4	35.2	29.4	31.1
International	35.7	20.1	23.8	30.8	32.3	34.2	31.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Trailing Returns

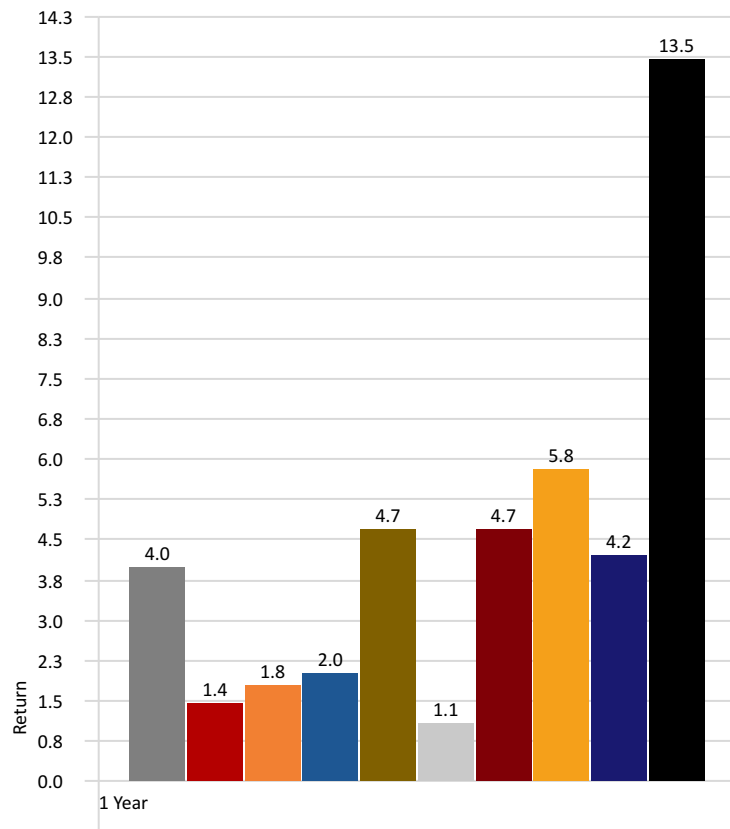
Data Point: Return

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	4.0	9.9	14.1	11.6
EMH Prescient Absolute Balanced Fund	1.4	3.8	—	—
NAM Coronation Balanced Plus Fund	1.8	7.8	13.0	9.5
Investec Namibian Managed Fund	2.0	9.8	13.7	11.3
Old Mutual Namibia Profile Pinnacle Fund	4.7	9.4	12.9	10.1
Standard Bank Namibia Managed Fund	1.1	6.6	11.2	10.6
Prudential Namibian Global Balanced	4.7	8.2	12.1	—
FTSE/JSE All Share TR ZAR	2.5	6.0	12.5	9.8
NMG SA Moderate Benchmark	4.2	8.2	12.2	10.0
NMG NAM Moderate Benchmark	5.8	9.9	12.5	11.6
NAM CPI + 6%	13.5	12.0	11.9	12.7

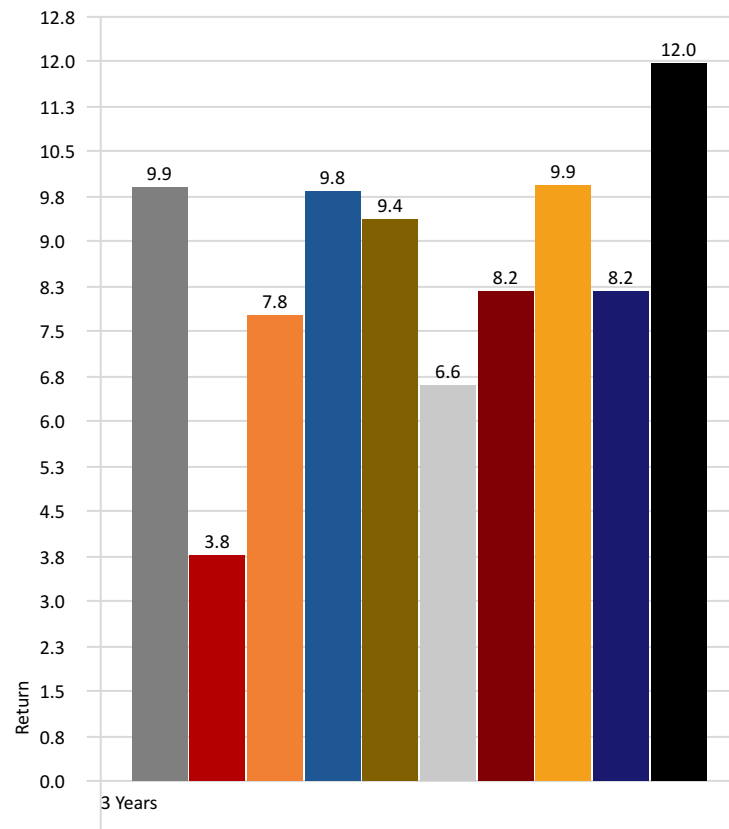
## Performance Comparison

### Moderate Portfolios

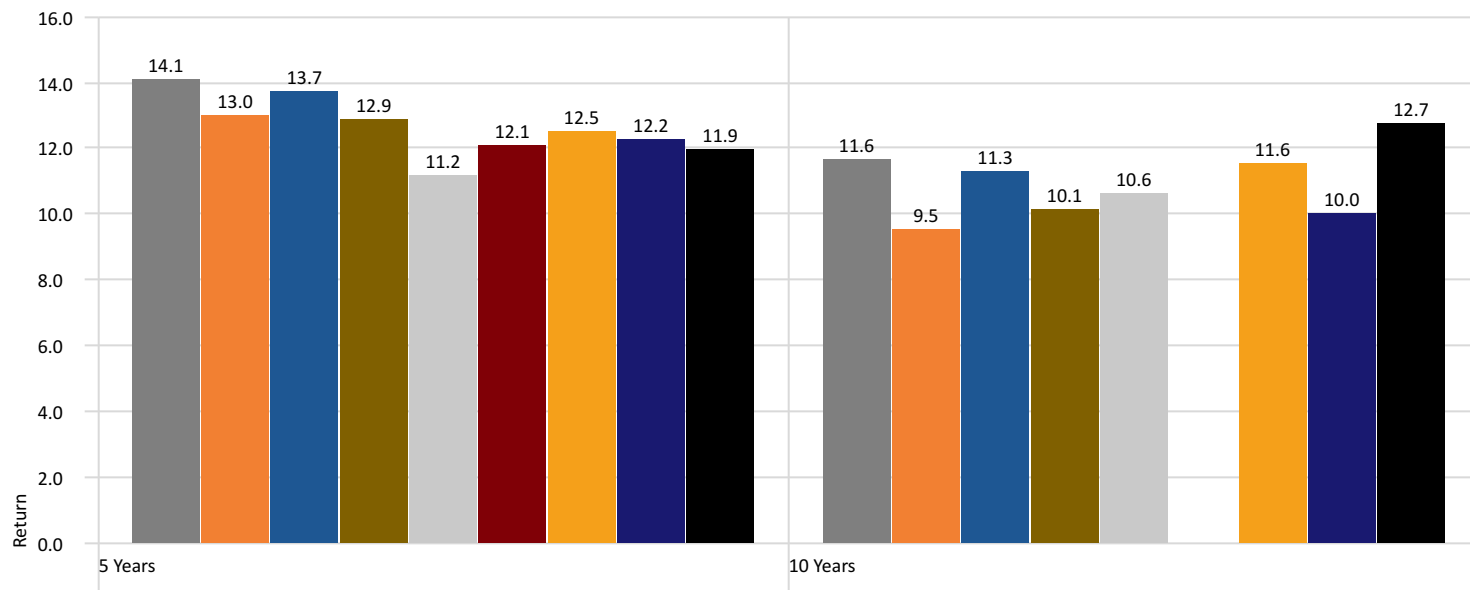
1 year performance for the period ended 31 March 2017



3 years performance for the period ending 31 March 2017



5 & 10 years performance for the period ending 31 March 2017



Allan Gray Namibia Balanced Fund  
 Old Mutual Namibia Profile Pinnacle Fund  
 NMG NAM Moderate Benchmark

NAM Coronation Balanced Plus Fund  
 Standard Bank Namibia Managed Fund  
 NMG SA Moderate Benchmark

Investec Namibian Managed Fund  
 Prudential Namibian Global Balanced  
 NAM CPI + 6%



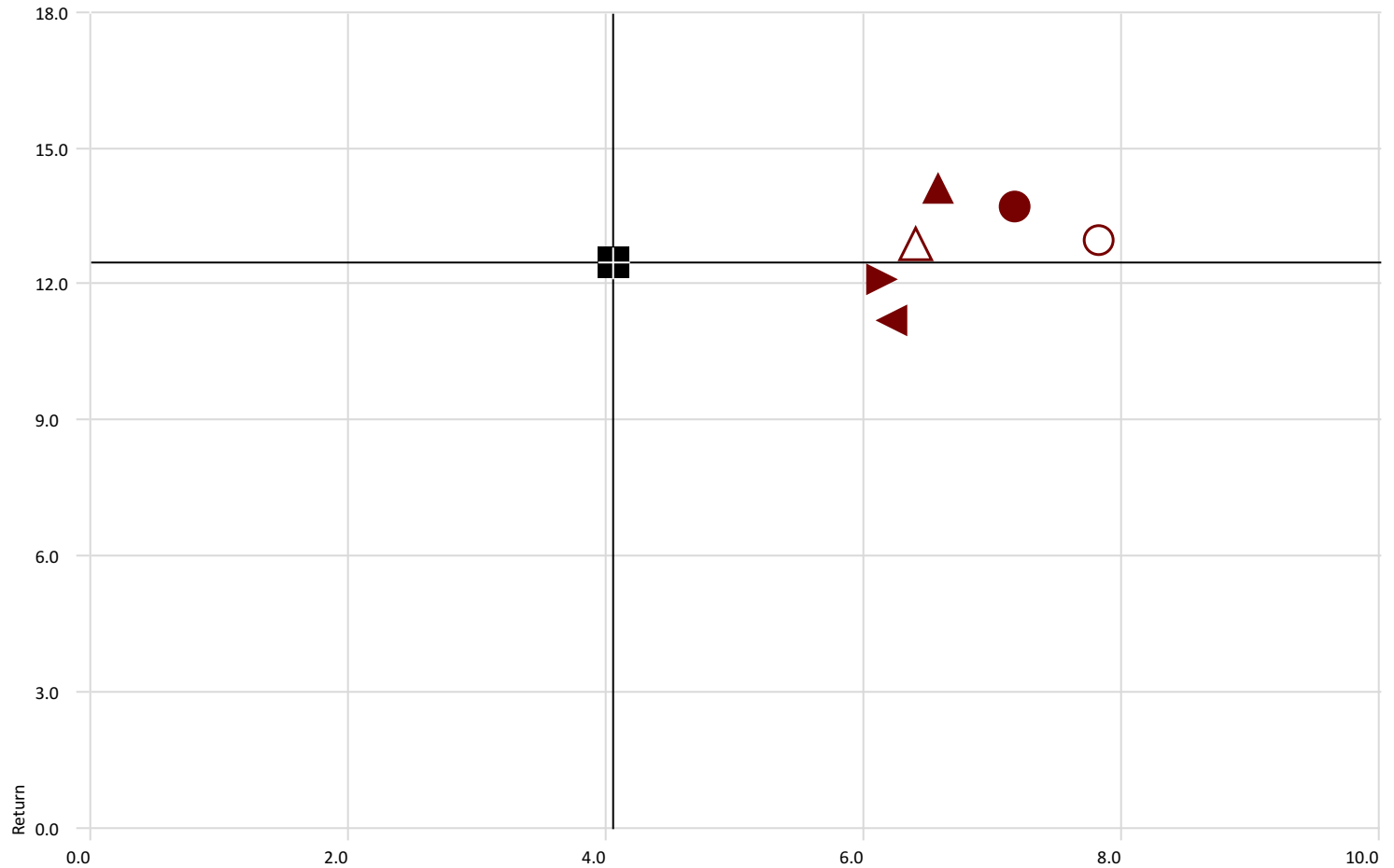
## Performance Comparison

### Moderate Portfolios: 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.

#### Risk-Reward

Time Period: 01-Apr-12 to 31-Mar-17



Std Dev

▲ Allan Gray Namibia Balanced Fund

○ NAM Coronation Balanced Plus Fund

● Investec Namibian Managed Fund

△ Old Mutual Namibia Profile Pinnacle Fund

◄ Standard Bank Namibia Managed Fund

► Prudential Namibian Global Balanced

■ NMG NAM Moderate Benchmark

## Performance Comparison

### Moderate-Low Portfolios

Asset Allocation as at 31 March 2017:

	NAM Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default
Nam Equities	7.2%	3.7%	5.8%	7.6%	13.2%
Nam Bonds	23.8%	23.3%	27.6%	2.2%	17.9%
Nam Cash	7.5%	7.4%	7.7%	27.2%	6.3%
Nam Property	0.0%	0.1%	5.3%	0.0%	3.9%
SA Equities	22.3%	11.2%	16.4%	14.6%	19.3%
SA Bonds	1.1%	14.5%	10.6%	7.3%	5.4%
SA Cash	-0.3%	4.6%	-8.9%	15.5%	-4.3%
SA Property	10.2%	6.4%	3.5%	1.5%	1.7%
International Equity	22.2%	23.3%	16.1%	15.6%	16.2%
International Bonds	0.0%	1.4%	7.8%	0.0%	5.0%
International Cash	2.7%	0.4%	7.1%	5.6%	4.9%
International Other	1.0%	1.2%	1.0%	2.9%	7.8%
Other	2.3%	2.5%	0.0%	0.0%	2.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

1. NAM Coronation Capital Plus: Other represents Commodities & Preference shares
2. NAM Coronation Capital Plus: International Other represents Commodities
3. NAM Coronation Balanced Defensive: Other represents Commodities & International Other represents Property
4. Sanlam Namibia Inflation Linked: International Other represents Property
5. Default: Other represents Commodities & International Other represents Property
6. Prudential's SA Cash position includes an off-set or "Notional Cash value" for all derivative effective exposure
7. Prudential Inflation Plus: International Other represents Property

Asset Allocation as at 31 March 2016:

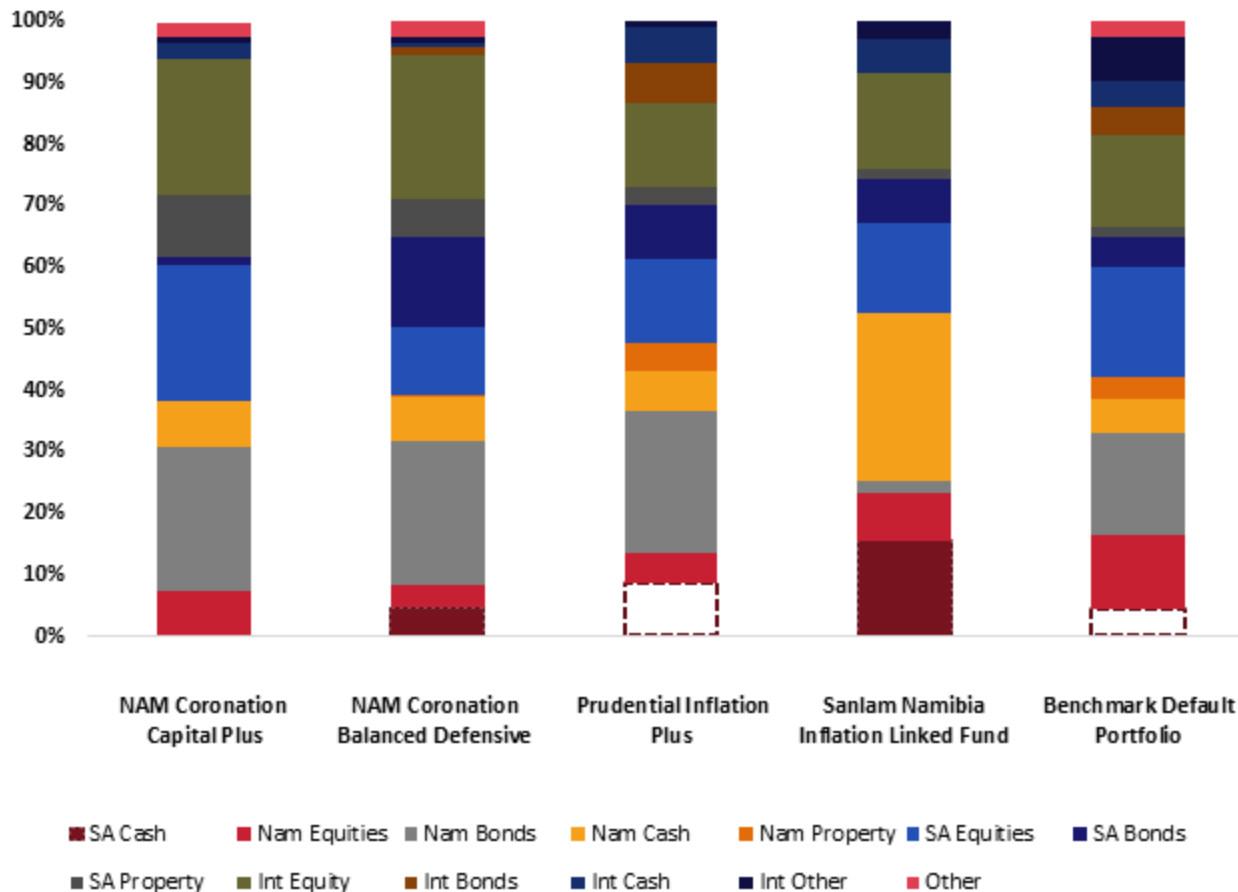
	NAM Coronation Capital Plus	NAM Coronation Balanced Defensive	Prudential Inflation Plus	Sanlam Namibia Inflation Linked	Default
Nam Equities	7.1%	3.7%	4.3%	7.7%	13.0%
Nam Bonds	22.1%	17.8%	20.2%	1.6%	14.0%
Nam Cash	8.5%	14.7%	20.8%	27.0%	14.3%
Nam Property	0.0%	0.1%	2.5%	0.0%	2.4%
SA Equities	18.9%	12.2%	16.6%	14.1%	19.7%
SA Bonds	0.5%	15.2%	21.3%	9.6%	10.5%
SA Cash	5.5%	5.1%	-18.5%	15.6%	-8.8%
SA Property	9.7%	5.7%	2.7%	1.7%	1.3%
International Equity	28.1%	22.9%	16.5%	16.8%	21.5%
International Bonds	0.0%	1.7%	8.8%	0.0%	5.5%
International Cash	0.0%	0.5%	4.8%	2.4%	3.3%
International Other	0.0%	0.4%	0.0%	3.5%	0.6%
Other	-0.4%	0.0%	0.0%	0.0%	2.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

1. NAM Coronation Capital Plus: Other represents Commodities
2. NAM Coronation Balanced Defensive: Other represents Commodities & International Other represents Property
3. Sanlam Namibia Inflation Linked: International Other represents Property
4. Default: Other represents Commodities & International Other represents Property
5. Prudential's SA Cash position includes an off-set or "Notional Cash value" for all derivative effective exposure

## Performance Comparison

### Moderate-Low Portfolios

Asset Allocation as at 31 March 2017

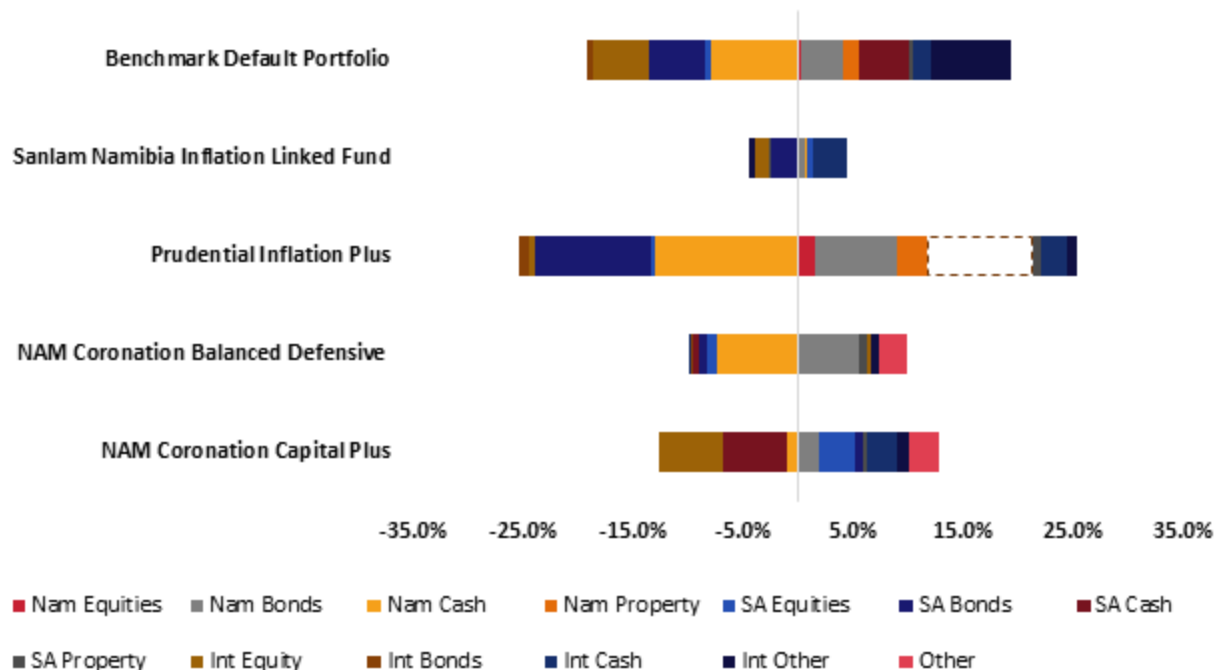


## Performance Comparison

### Moderate-Low 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 March 2017**. 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 above illustrates that Prudential made the most changes over the year, mainly due to decreases in Namibian cash and South African Bonds. These changes also contributed to the changes in the Default portfolio. Prudential reduced the effect of its derivative exposure and thus reduced its negative holding in SA cash. Sanlam once again made the least changes over the year, with marginal changes across most asset classes – the largest of the changes was an increase to international cash, and a decreased allocation to SA Bonds. All managers increased their Namibian bond exposure, and all but Sanlam decreased Namibian cash too.

Note: Prudential Inflation Plus reflects a decrease in the negative notional cash value holding.

## Performance Comparison

### Moderate-Low Portfolios

#### Geographical Split:

	NAM Coronation Balanced Defensive Fund	NAM Coronation Capital Plus Fund	Prudential Namibia Inflation Plus Fund	Sanlam Namibia Inflation Linked Fund	Benchmark Retirement Fund Default Portfolio
Namibia	35.9	40.3	46.4	37.0	41.3
South Africa	37.8	33.8	21.6	38.9	24.8
International	26.3	25.9	32.0	24.1	33.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

#### Trailing Returns

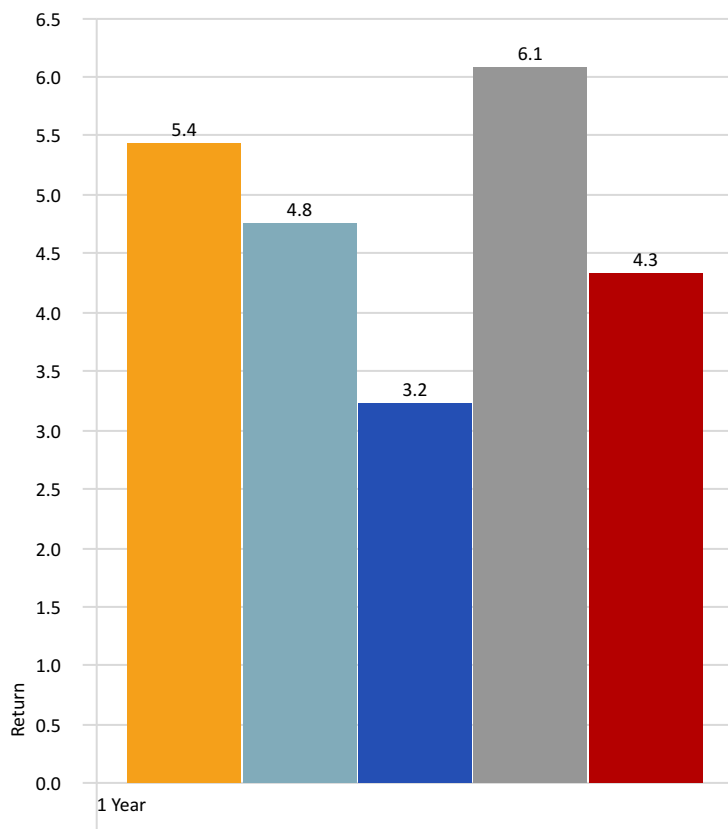
Data Point: Return

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	5.4	8.1	11.0	—
NAM Coronation Capital Plus Fund	4.8	6.8	10.6	—
Prudential Namibia Inflation Plus Fund	3.2	8.1	11.4	9.7
Sanlam Namibia Inflation Linked Fund	6.1	8.8	10.4	10.0
Benchmark Retirement Fund Default Portfolio	4.3	9.8	13.6	11.0
NAM CPI	7.0	5.6	5.6	6.4

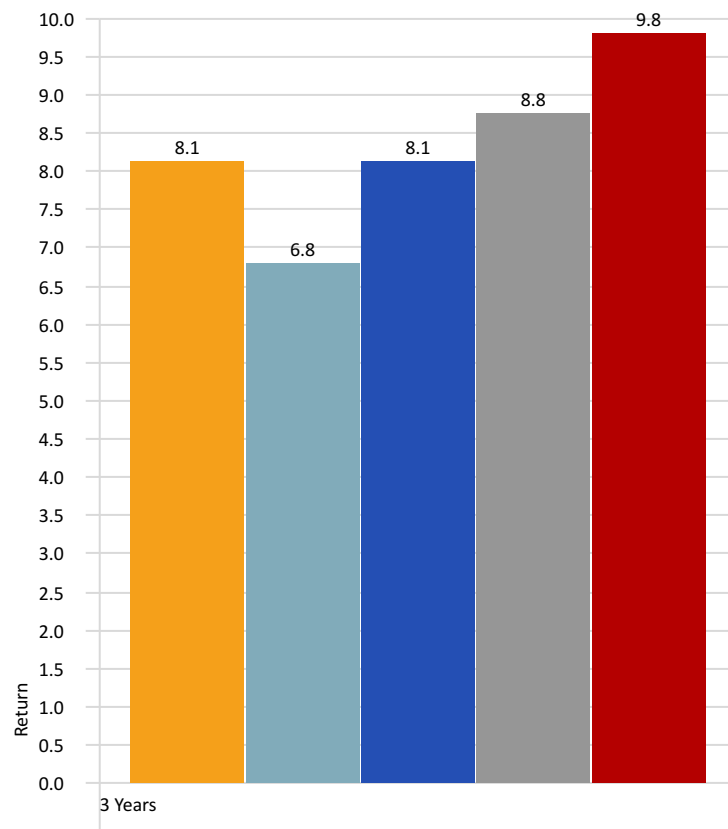
## Performance Comparison

### Moderate-Low Portfolios

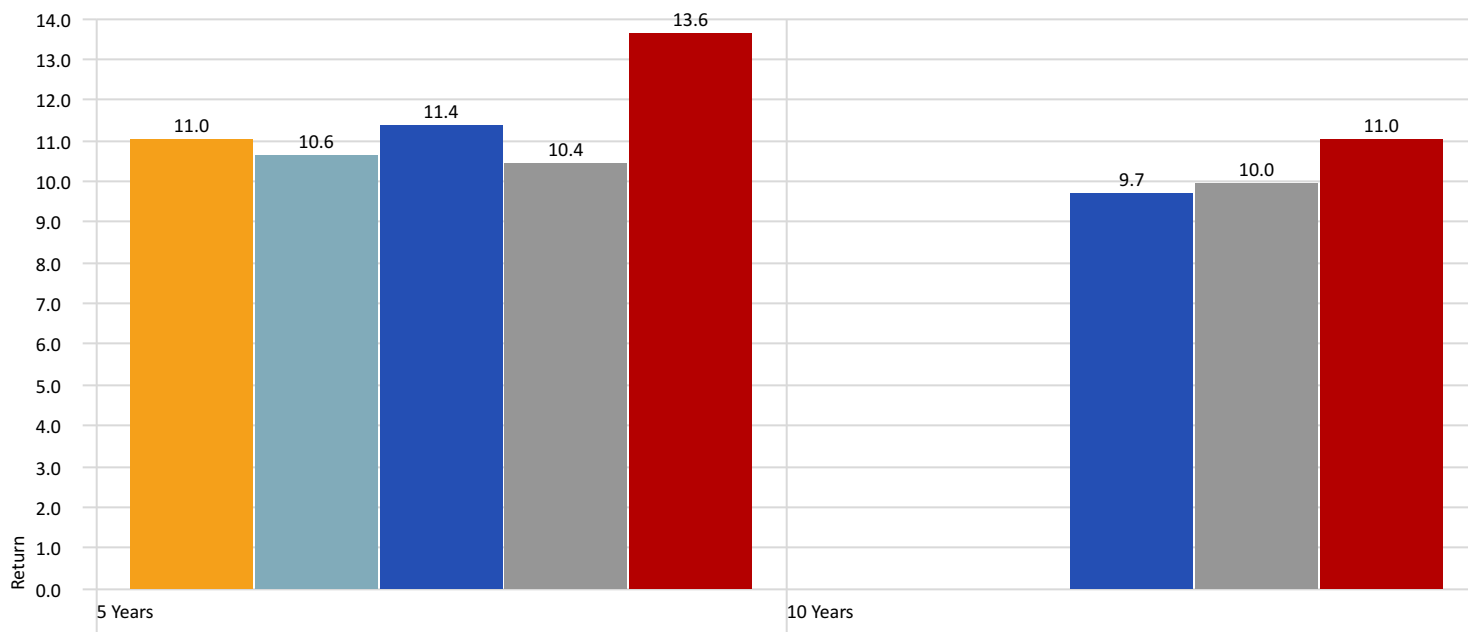
1 year performance for the period ended 31 March 2017



3 years performance for the period ended 31 March 2017



5 & 10 years performance for the period ended 31 March 2017



NAM Coronation Balanced Defensive Fund

NAM Coronation Capital Plus Fund

Prudential Namibia Inflation Plus Fund

Sanlam Namibia Inflation Linked Fund

Benchmark Retirement Fund Default Portfolio



# Performance Comparison

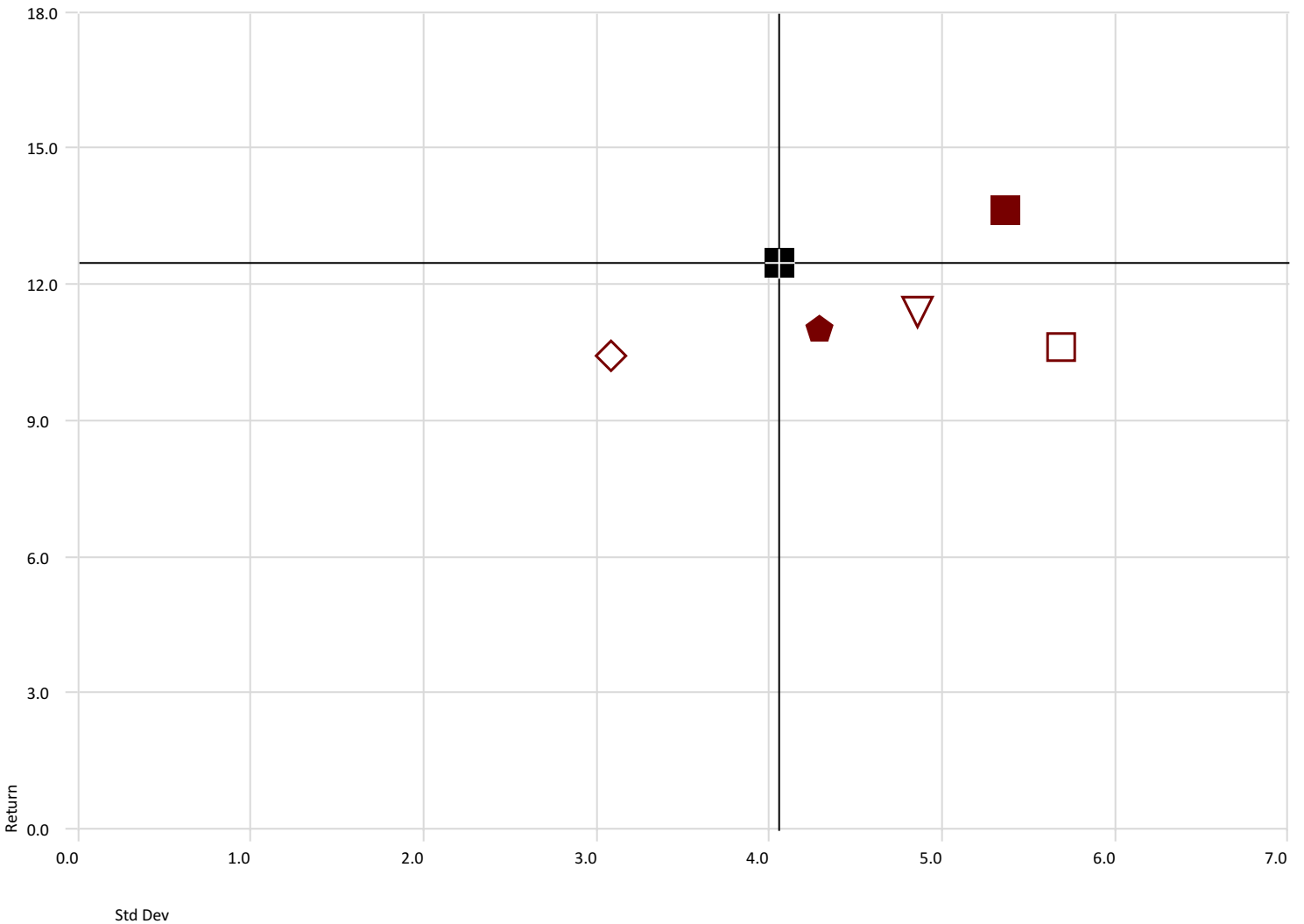
## Moderate-Low Portfolios: Volatility vs Return







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.

### Risk-Reward

Time Period: 01-Apr-12 to 31-Mar-17

Calculation Benchmark: None



-  NAM Coronation Balanced Defensive Fund
-  NAM Coronation Capital Plus Fund
-  Prudential Namibia Inflation Plus Fund
-  Sanlam Namibia Inflation Linked Fund
-  Benchmark Retirement Fund Default Portfolio
-  NMG NAM Moderate Benchmark

## Performance Comparison

### Low Risk and Capital Preservation Portfolios

Sanlam Namibia Active	31-Mar-17	31-Mar-16	Change
Nam Equities	0.0%	0.0%	0.0%
Nam Bonds	2.2%	1.8%	0.4%
Nam Cash	39.5%	36.0%	3.5%
Nam Property	0.0%	0.0%	0.0%
SA Equities	0.6%	0.7%	-0.1%
SA Bonds	12.0%	14.7%	-2.7%
SA Cash	44.4%	45.6%	-1.2%
SA Property	1.3%	1.2%	0.1%
Offshore	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

The total Namibian exposure is 41.7% 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.

## Trailing Returns

Data Point: Return

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	9.2	8.5	8.0	—
NAM CPI	7.0	5.6	5.6	6.4
Beassa 1-3 Yr TR ZAR	9.4	7.4	6.7	7.9
NAM CPI + 1%	8.1	6.7	6.7	7.4
NAM CPI + 2%	9.2	7.7	7.7	8.5

## Trailing Returns

Data Point: Return

	1 Year	3 Years	5 Years	10 Years
Money Market	7.8	6.8	6.3	7.4
IJG Money Market GR NAD	7.9	6.9	6.3	—
NAM CPI + 1%	8.1	6.7	6.7	7.4

## 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.

**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 in respect of 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.

## Glossary

**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.