



Benchmark Retirement Fund

Quarterly Investment Report: As at 30 June 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.

Political chaos dominated the month of June. In South Africa, the fractures within the ANC started to threaten economic stability. In the UK, Prime Minister Theresa May cost the Conservative Party a parliamentary majority by calling a snap election intended to strengthen her position, and in the US, President Donald Trump was implicated in trying to influence an investigation into the ties between his campaign and Russia.

The US Federal Reserve raised interest rates to range between 1.00% and 1.25%, despite mixed signals on unemployment and inflation. The unemployment rate fell to a 16-year low of 4.3% in May, but inflation continued to slow down to 1.9%. Similarly, the Eurozone's economy grew faster than previously estimated in the first quarter at 1.9%, with even the weaker economies such as Greece, Finland, Portugal and Italy experiencing pick-ups. Chinese stock markets rallied after the MSCI included China in its emerging markets index, and fell again after the bank regulator ordered a sweeping check on borrowing by some of the country's top companies. The majority of global stock markets remained in a positive territory with strong inflows into emerging markets continuing.

Namibia, unlike its neighbour, managed to affirm an investment grade credit rating from both Moody's and Fitch during the quarter, the only country in sub-Saharan Africa to do so. This reflects a solid fiscal stance and indicates that Namibia is somewhat shielding itself from the happenings in South Africa, but with concerns of rising government debt, the outlook of these ratings was changed from stable to negative.

The weak economic growth of 0.2% recorded in 2016 which placed Namibia into a technical recession, has continued into 2017, with four quarters of negative growth. The decreased government and private construction is a major factor, which wasn't helped by the large decrease in investment in the mining sector.

Like many other emerging markets, inflation slowed and came in at 6.3% year-on-year in May, down from a yearly peak of 8.2% in January. Namibian inflation is now in line with its long-term average, with help from improving climate conditions which eased food inflation.

The NSX Local Index ended the quarter positively with 0.4%, with a year to date figure of 6.1%.

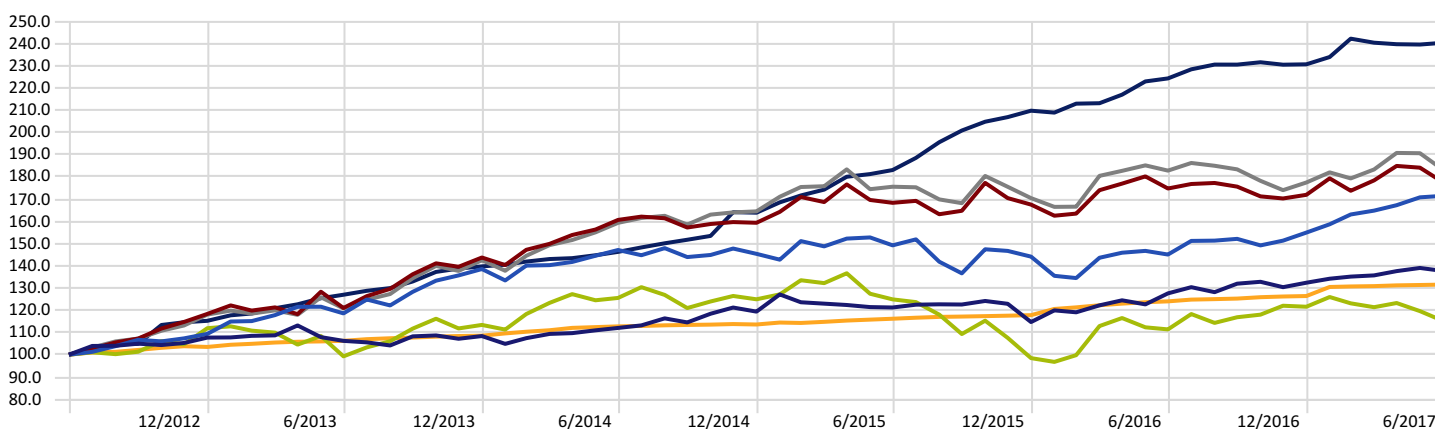
The Bank of Namibia kept the repo rate unchanged at 7% as well as the prime lending rate at 10.75%.

Key Indicators as at 30/6/2017

N\$/US\$	N\$13.02/\$
N\$/E	N\$16.91/E
N\$/€	N\$14.90/€
NAM Inflation rate	7.00%
NAM Prime Interest rate	10.50%
Oil Price	US\$47.42
Gold Price	US\$1246.40

Cumulative Growth for Selected Indices

Time Period: 7/1/2012 to 6/30/2017



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

Trailing Returns for Selected Indices

	Q2 2017	YTD	3 Years	5 Years	10 Years
Beassa ALBI TR ZAR	1.5	4.0	7.1	6.6	8.3
FTSE/JSE All Share TR ZAR	-0.4	3.4	3.4	12.2	9.3
FTSE/JSE All Share SWIX TR ZAR	0.0	3.3	4.8	12.9	10.3
MSCI ACWI All Cap PR USD	1.3	5.6	10.3	19.3	—
FTSE NSX Local PR NAD	0.0	4.2	18.0	19.2	18.4
FTSE NSX Overall PR NAD	-5.0	-5.2	-2.8	2.9	0.8
NAM CPI	0.5	4.1	5.3	5.6	6.2

Periodic Table

Best	FTSE NSX Local 18.7	FTSE NSX Over All 38.8	JSE SA Listed Property 29.6	FTSE NSX Local 28.1	JSE SA Indus- trials 40.7	MSCI World All Cap 54.2	JSE Financial 15 27.8	MSCI World All Cap 30.5	JSE SA Re- sources 34.2	JSE SA Indus- trials 9.0
	Beassa ALBI 17.0	JSE SA Re- sources 35.4	JSE SA Indus- trials 27.4	MSCI World All Cap 12.1	JSE Financial 15 37.8	JSE SA Indus- trials 35.0	JSE SA Listed Property 26.6	FTSE NSX Local 28.0	FTSE NSX Over All 23.5	MSCI World All Cap 4.8
	STeFI 3 Month 11.7	FTSE/JSE All Share TR ZAR 32.1	FTSE/JSE All Share TR ZAR 19.0	JSE SA Indus- trials 9.2	JSE SA Listed Property 35.9	FTSE/JSE All Share TR ZAR 21.4	FTSE NSX Local 17.3	JSE SA Indus- trials 15.3	Beassa ALBI 15.4	FTSE NSX Local 4.2
	JSE SA Listed Property -4.5	JSE SA Indus- trials 30.5	Beassa ALBI 15.0	JSE SA Listed Property 8.9	FTSE/JSE All Share TR ZAR 26.7	FTSE NSX Local 21.3	JSE SA Indus- trials 16.8	JSE SA Listed Property 8.0	JSE SA Listed Property 10.2	Beassa ALBI 4.0
	JSE SA Indus- trials -16.1	JSE Financial 15 27.5	JSE Financial 15 14.8	Beassa ALBI 8.9	FTSE NSX Local 23.7	JSE Financial 15 19.8	MSCI World All Cap 13.2	STeFI 3 Month 6.1	FTSE NSX Local 9.9	STeFI 3 Month 3.6
	MSCI World All Cap -21.9	JSE SA Listed Property 14.1	FTSE NSX Over All 12.3	JSE Financial 15 6.6	MSCI World All Cap 19.3	JSE SA Listed Property 8.4	FTSE/JSE All Share TR ZAR 10.9	FTSE/JSE All Share TR ZAR 5.1	STeFI 3 Month 7.0	FTSE/JSE All Share TR ZAR 3.4
	FTSE/JSE All Share TR ZAR -23.2	STeFI 3 Month 8.6	JSE SA Re- sources 12.3	STeFI 3 Month 5.5	FTSE NSX Over All 17.4	STeFI 3 Month 5.0	FTSE NSX Over All 10.2	JSE Financial 15 1.1	JSE Financial 15 3.6	JSE SA Listed Property 2.3
	JSE Financial 15 -25.7	MSCI World All Cap 2.7	FTSE NSX Local 11.6	FTSE/JSE All Share TR ZAR 2.6	Beassa ALBI 15.9	JSE SA Re- sources 1.4	Beassa ALBI 10.1	Beassa ALBI -3.9	FTSE/JSE All Share TR ZAR 2.6	JSE Financial 15 -1.7
	JSE SA Re- sources -28.3	Beassa ALBI -1.0	STeFI 3 Month 6.6	FTSE NSX Over All -3.3	STeFI 3 Month 5.3	FTSE NSX Over All 1.3	STeFI 3 Month 5.7	FTSE NSX Over All -21.2	MSCI World All Cap -6.4	JSE SA Re- sources -4.6
Worst	FTSE NSX Over All -40.1	FTSE NSX Local -2.0	MSCI World All Cap 0.2	JSE SA Re- sources -6.5	JSE SA Re- sources 3.1	Beassa ALBI 0.6	JSE SA Re- sources -14.7	JSE SA Re- sources -37.0	JSE SA Indus- trials -6.6	FTSE NSX Over All -5.2
	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD

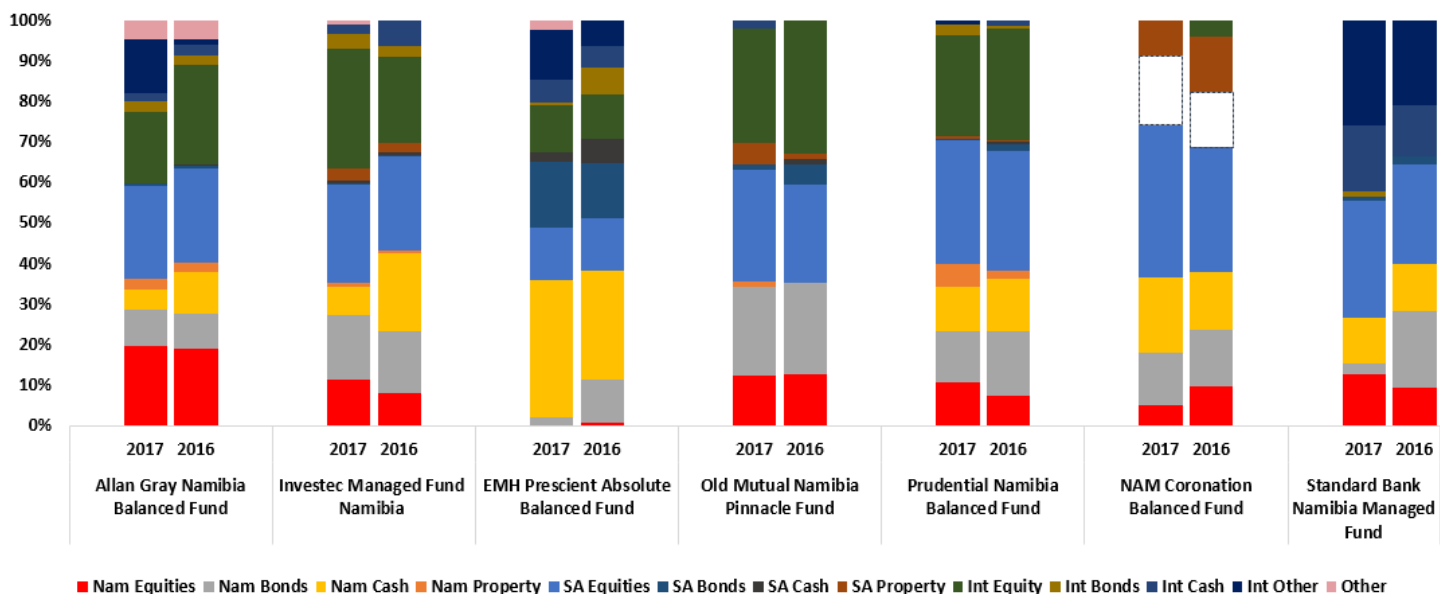
Asset Class Trailing Returns

	Q2 2017	YTD	3 Years	5 Years
Beassa ALBI TR ZAR	1.5	4.0	7.1	6.6
STeFI 3 Month NCD ZAR	1.8	3.6	6.6	6.0
MSCI ACWI All Cap PR USD	1.3	5.6	10.3	19.3
FTSE/JSE SA Listed Property TR ZAR	0.9	2.3	13.2	13.8
FTSE/JSE SA Industrials TR ZAR	2.2	9.0	7.6	18.1
FTSE/JSE Financial 15 TR ZAR	0.3	-1.7	4.2	13.0
FTSE/JSE All Share TR ZAR	-0.4	3.4	3.4	12.2
FTSE/JSE Resources 10 TR ZAR	-6.1	-4.3	-16.2	-5.4
FTSE NSX Local PR NAD	0.0	4.2	18.0	19.2
FTSE NSX Overall PR NAD	-5.0	-5.2	-2.8	2.9

Performance Comparison

Moderate Portfolios

Asset Allocation as at 30 June 2017 as compared to 30 June 2016



Notes 30 June 2017

- Allan Gray: International represents Africa and Foreign ex-Africa
- Allan Gray: International Other represents Property, Hedged Equity & Commodities (13.3%)
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity (17.6%)
- Standard Bank Managed: International Other represents Unit Trusts and Property
- EMH Prescient: International Other represents Collective Investments and Other represents Forwards, Swaps and Derivatives
- NAM Coronation Balanced Plus: Other represents Commodities and Preference Shares and International Other represents Commodities and Property.
- NAM Coronation uses 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.
- Prudential : International Other represents Property
- Investec: Other represents South African derivatives.

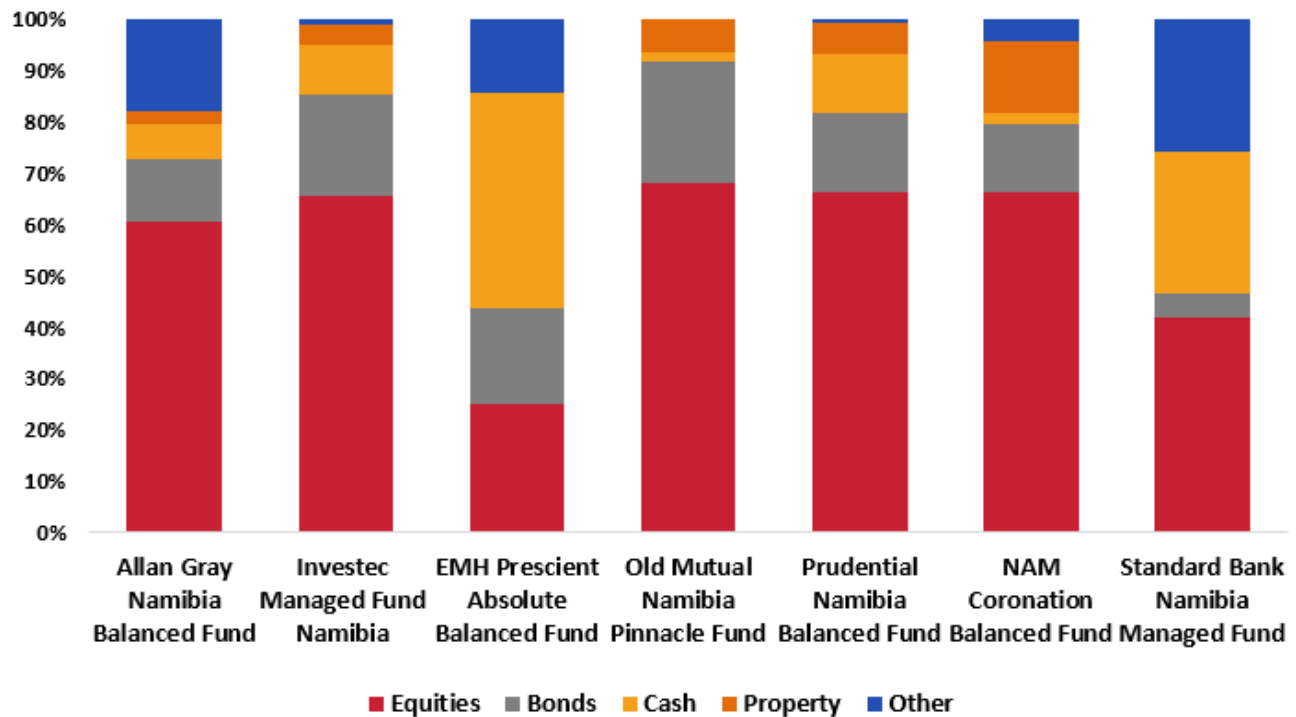
Notes 30 June 2016:

- Allan Gray: International represents both Africa and Foreign ex-Africa
- Allan Gray: International Other represents Property
- Allan Gray :Other represents SA & Namibia Commodities
- Allan Gray: International Equity represents Net Equity (13.8%) & Hedged Equity(10.8%)
- Standard Bank Managed: International Other represents Unit Trusts and Property
- EMH Prescient: International Other represents Collective Investments and Other represents Forwards, Swaps and Derivatives
- NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Commodities and Property.
- Standard Bank, 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.

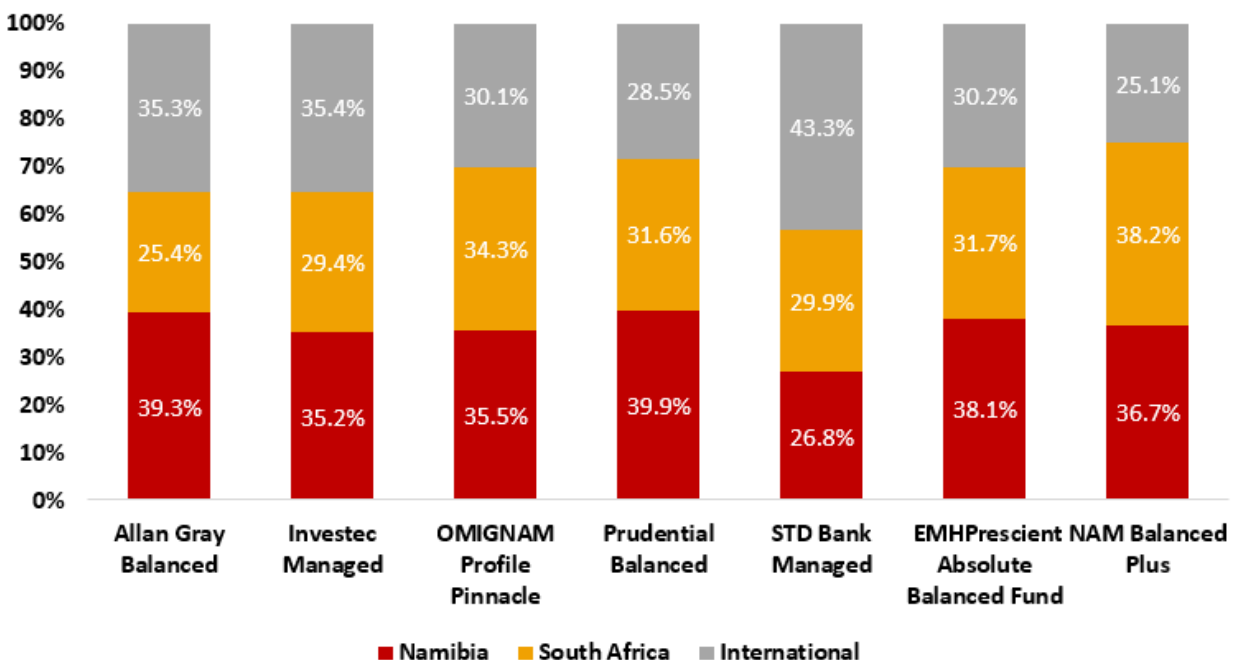
Performance Comparison

Moderate Portfolios

Asset Allocation as at 30 June 2017



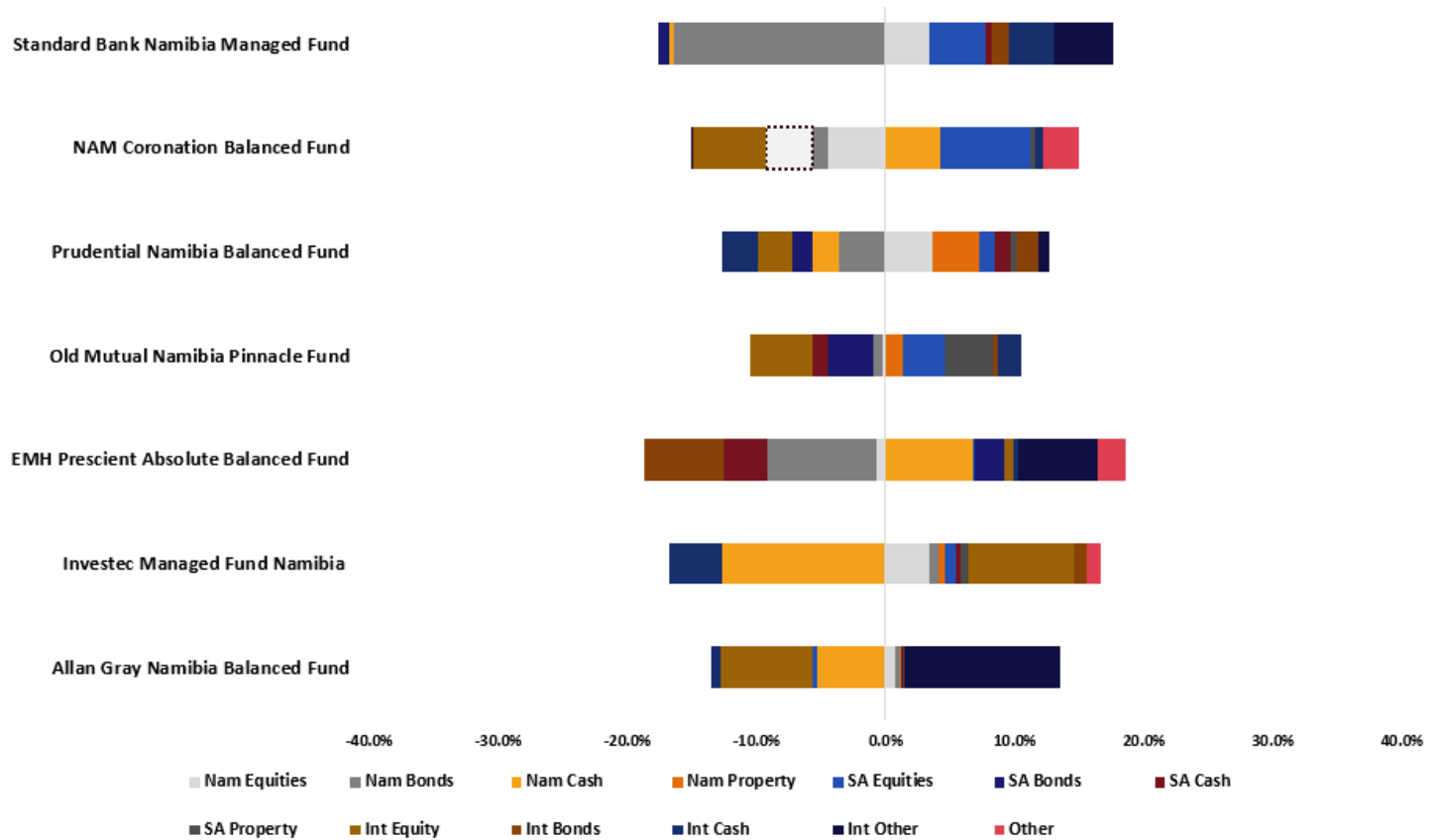
Geographical Split:



Performance Comparison

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **30 June 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 illustrates that most managers decreased Namibian cash with the exception of NAM and EMH Prescient, as well as Old Mutual who holds zero of this asset. The majority decreased their international equity exposure in favour of SA equities, or kept their holdings of these assets relatively stable over the year. Allan Gray had the largest increase in international assets, mainly contributed from the net equity component. NAM increased their derivative exposure thus resulting in an increased negative cash holding. Standard Bank made the largest decrease in Namibian bonds and increased all equity holdings. EMH made the most changes, whereas Old Mutual made the fewest changes over the year.



Performance Comparison

Moderate Portfolios

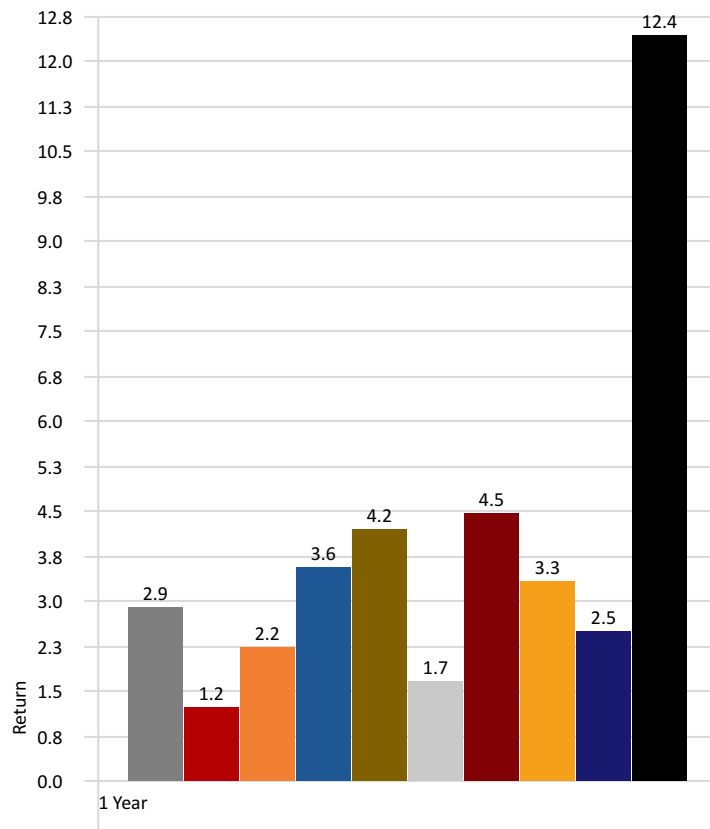
Trailing Returns

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	2.9	8.6	13.9	11.4
EMH Prescient Absolute Balanced Fund	1.2	3.1	6.4	—
NAM Coronation Balanced Plus Fund	2.2	6.0	12.9	9.3
Investec Namibian Managed Fund	3.6	8.3	13.7	11.0
Old Mutual Namibia Profile Pinnacle Fund	4.2	7.9	13.0	10.1
Standard Bank Namibia Managed Fund	1.7	5.7	10.8	10.6
Prudential Namibian Global Balanced	4.5	6.8	11.8	—
FTSE/JSE All Share TR ZAR	1.7	3.4	12.2	9.3
NMG SA Moderate Benchmark	2.5	6.5	11.8	9.8
NMG NAM Moderate Benchmark	3.3	8.7	12.0	11.4
NAM CPI + 6%	12.4	11.6	12.0	12.6

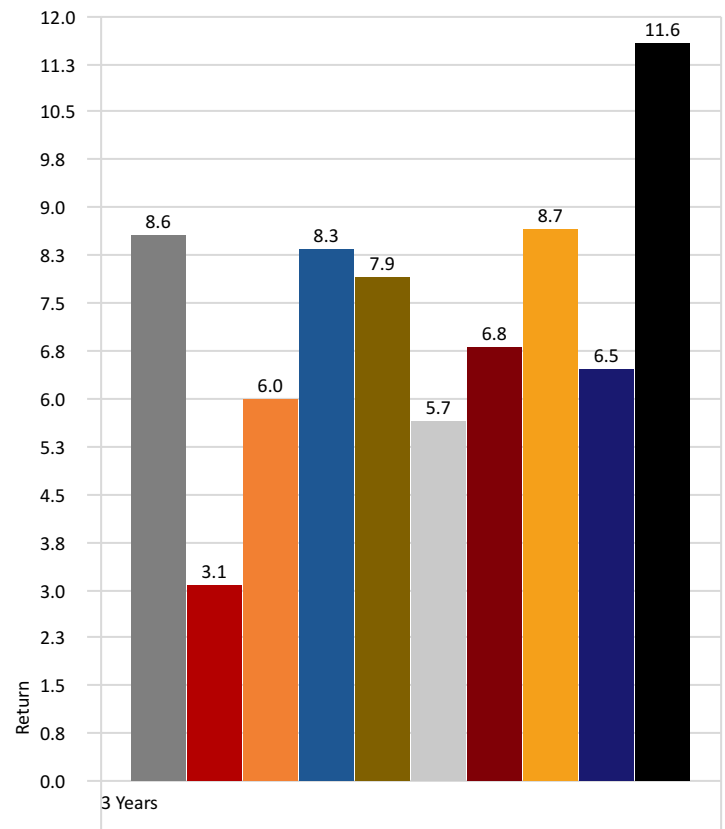
Performance Comparison

Moderate Portfolios

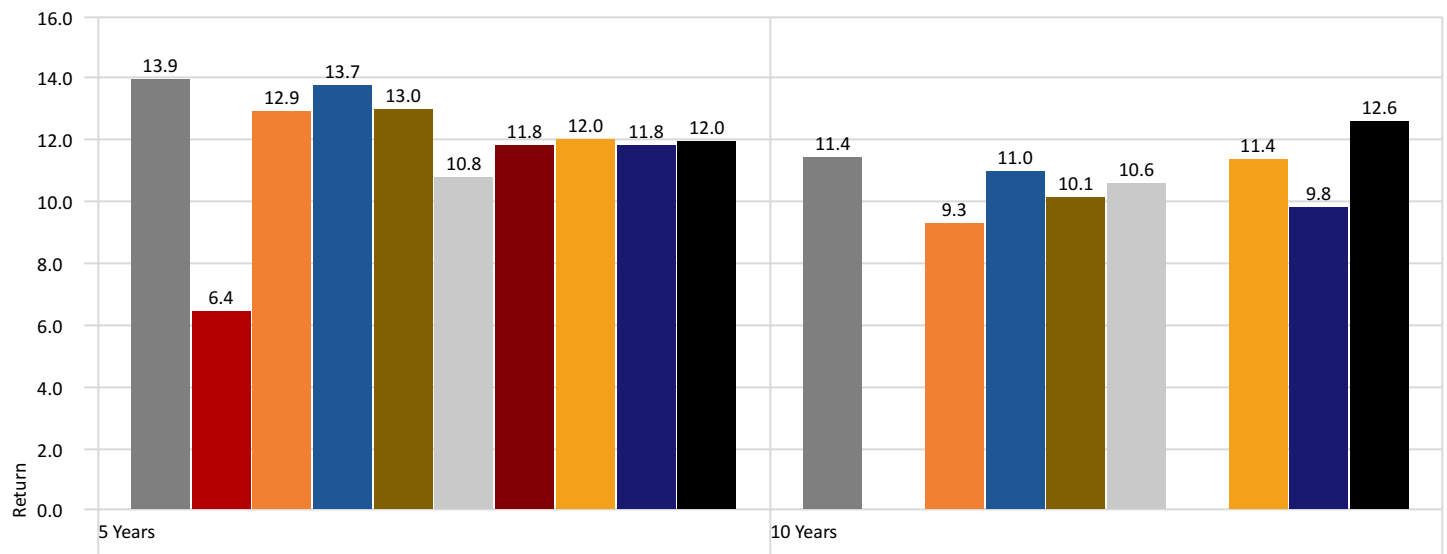
1 year performance for the period ended 30 June 2017



3 years performance for the period ending 30 June 2017



5 & 10 years performance for the period ending 30 June 2017



■ Allan Gray Namibia Balanced Fund
 ■ Investec Namibian Managed Fund
 ■ Prudential Namibian Global Balanced
 ■ NAM CPI + 6%

■ EMH Prescient Absolute 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

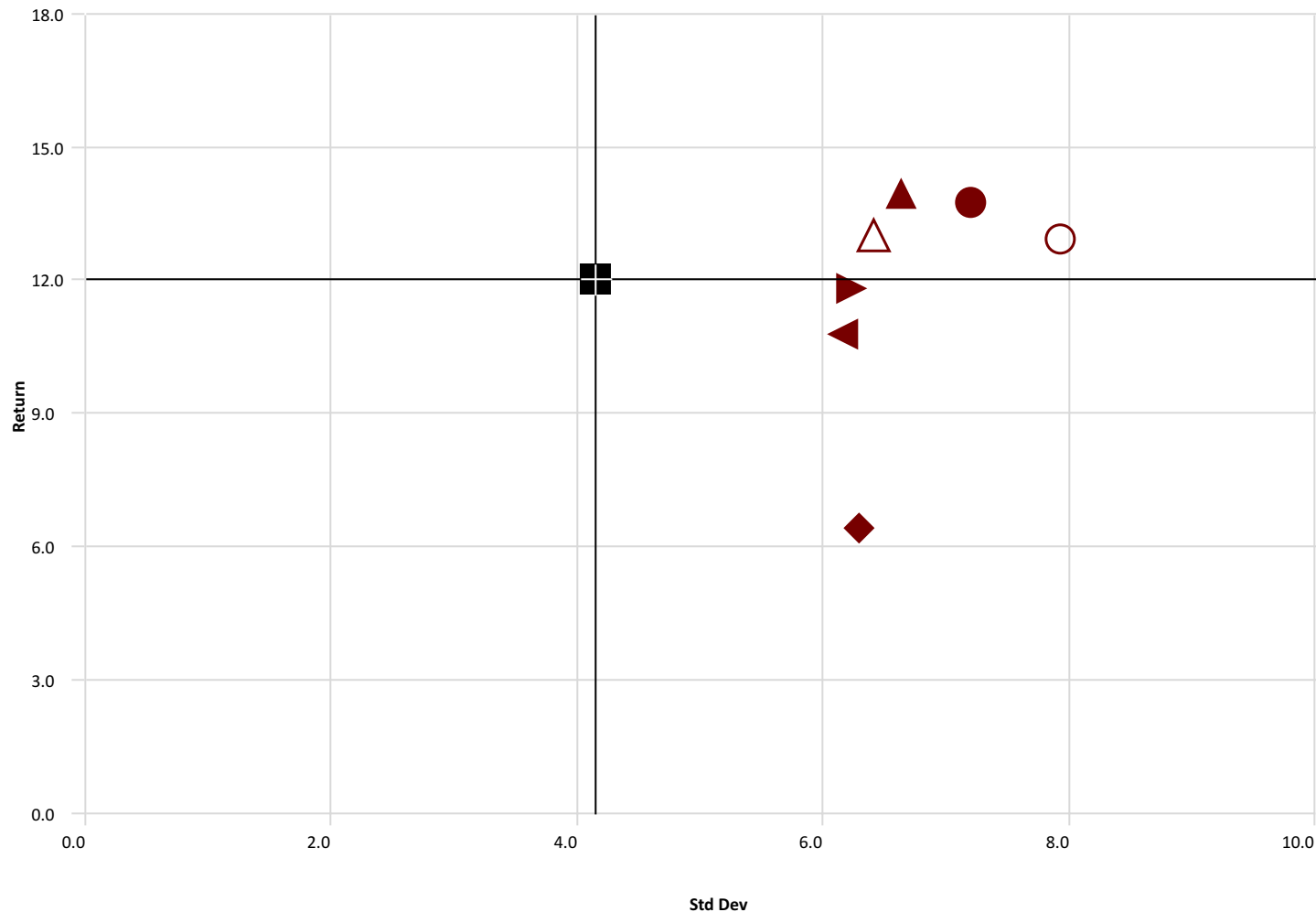
Performance Comparison

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: 7/1/2012 to 6/30/2017



▲ 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

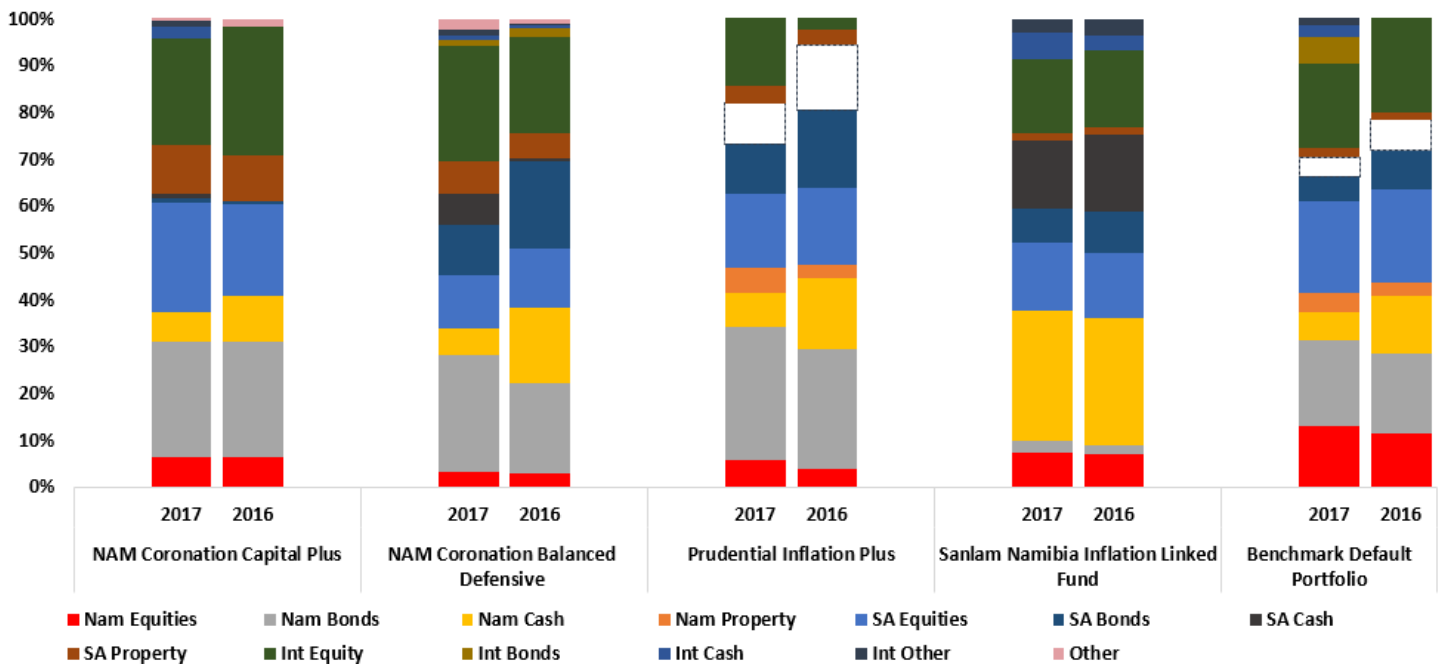
▶ Prudential Namibian Global Balanced

■ NMG NAM Moderate Benchmark

Performance Comparison

Moderate-Low Portfolios

Asset Allocation as at 30 June 2017 as compared to 30 June 2016



Notes 30 June 2017:

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 & Commodities
4. Sanlam Namibia Inflation Linked: International Other represents Property
5. Default: Other represents Commodities & International Other represents Property
6. NAM Coronation Capital Plus and 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

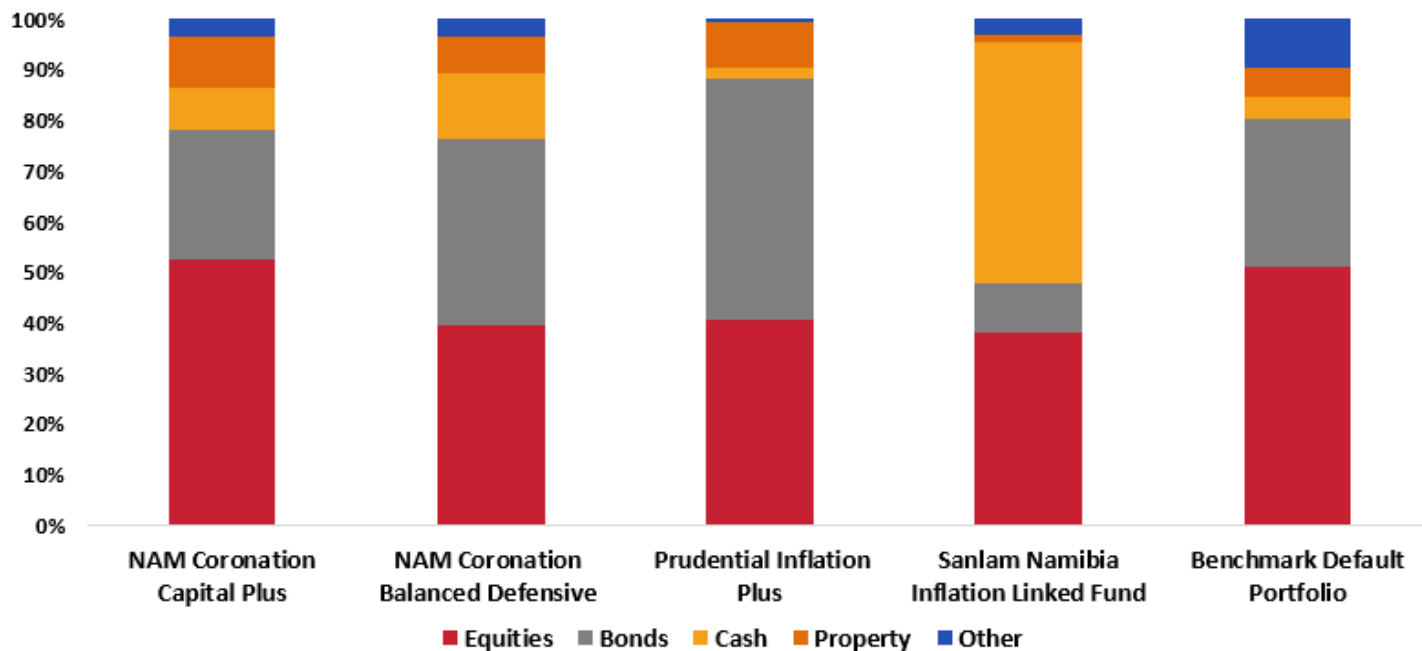
Notes 30 June 2016:

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

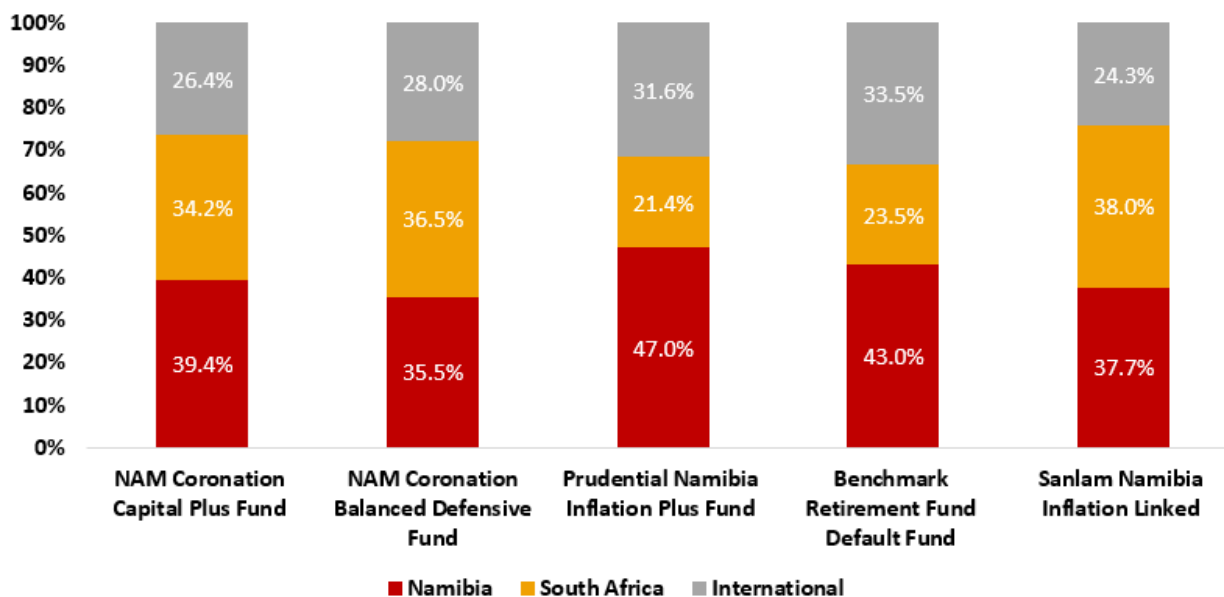
Performance Comparison

Moderate-Low Portfolios

Asset Allocation as at 30 June 2017



Geographical Split:

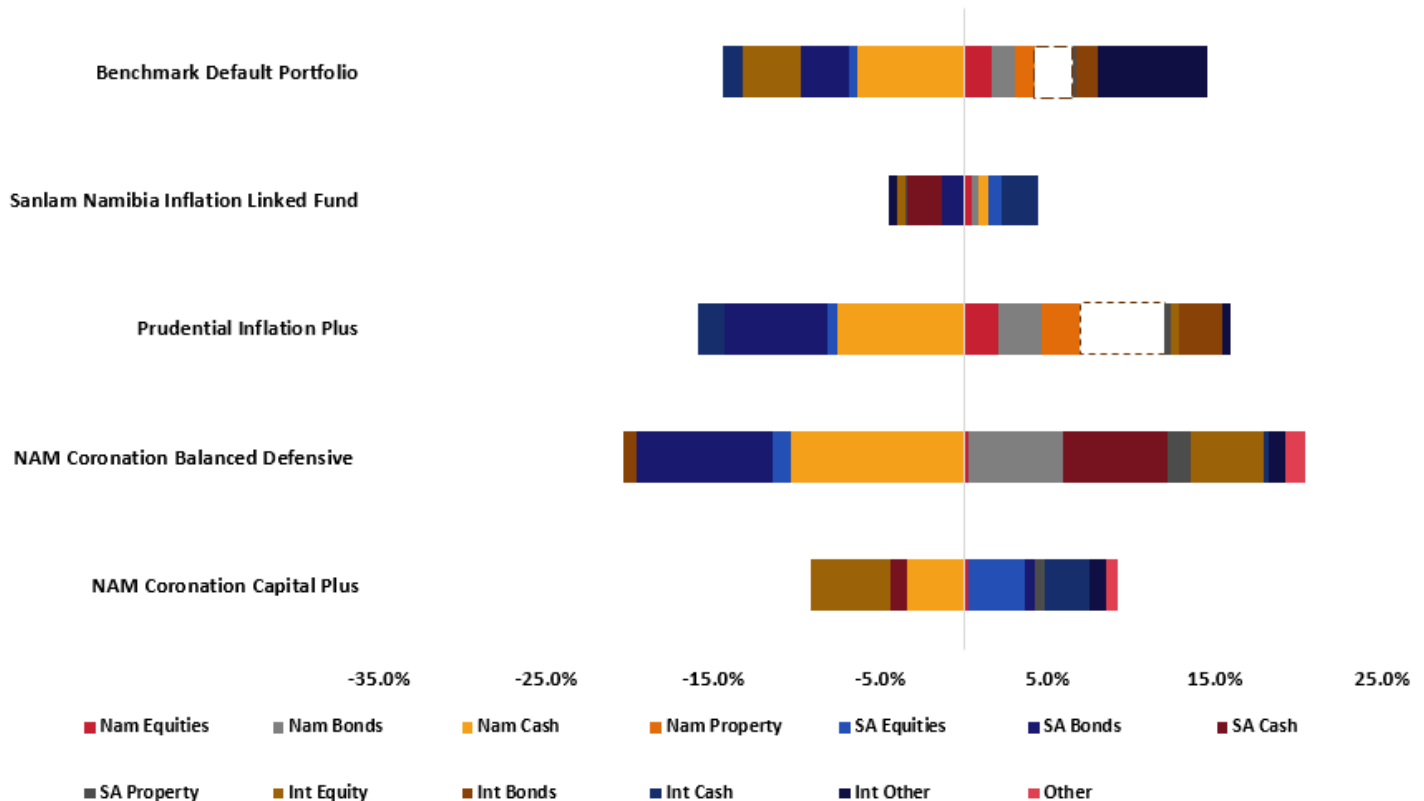


Performance Comparison

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 **30 June 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 illustrates that all managers increased Namibian bonds, and those that held Namibian property increased their exposure too. Sanlam made the least changes to their asset allocation over the year, while the most were made by the NAM Balanced Defensive portfolio. Prudential followed with the second most changes, who decreased their notional cash position. Although slight, NAM Capital Plus was the only fund to increase its exposure to SA bonds and increase its SA equity exposure whereby most other managers decreased their exposure. The Default portfolio's largest change was a decrease in Namibian cash in favour of SA cash and an increase in net equity owed to Allan Gray.

Performance Comparison

Moderate-Low Portfolios

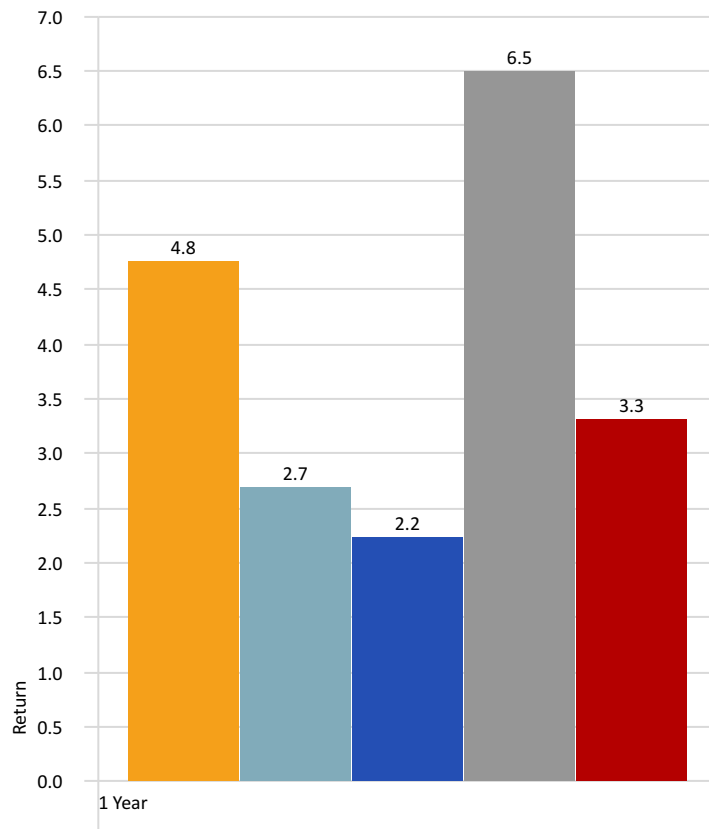
Trailing Returns

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	4.8	7.1	10.8	—
NAM Coronation Capital Plus Fund	2.7	5.1	10.3	—
Prudential Namibia Inflation Plus Fund	2.2	6.9	10.9	9.6
Sanlam Namibia Inflation Linked Fund	6.5	8.2	10.5	9.7
Benchmark Retirement Fund Default Portfolio	3.3	8.5	13.3	10.8
NAM CPI	6.1	5.3	5.6	6.2

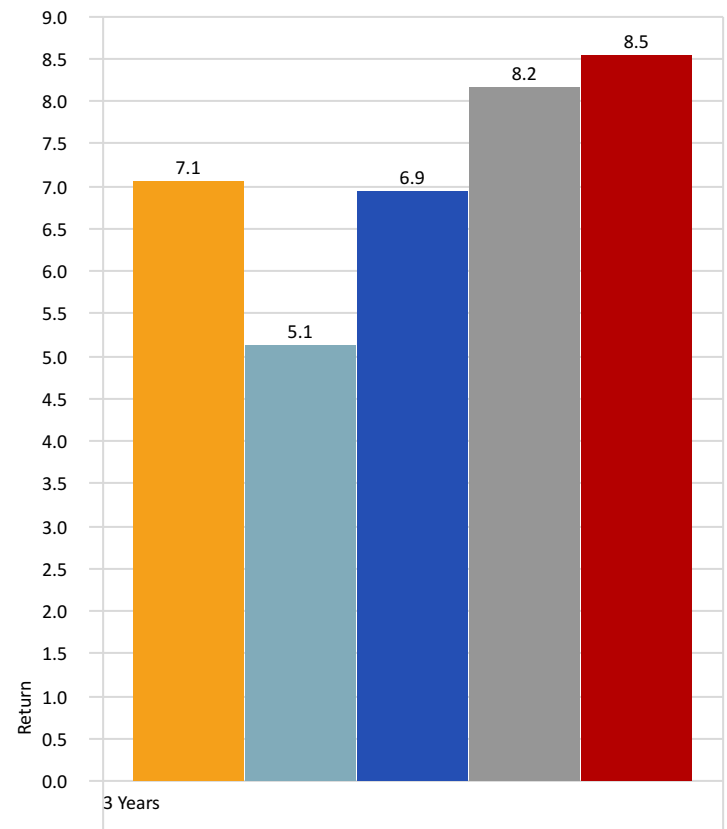
Performance Comparison

Moderate-Low Portfolios

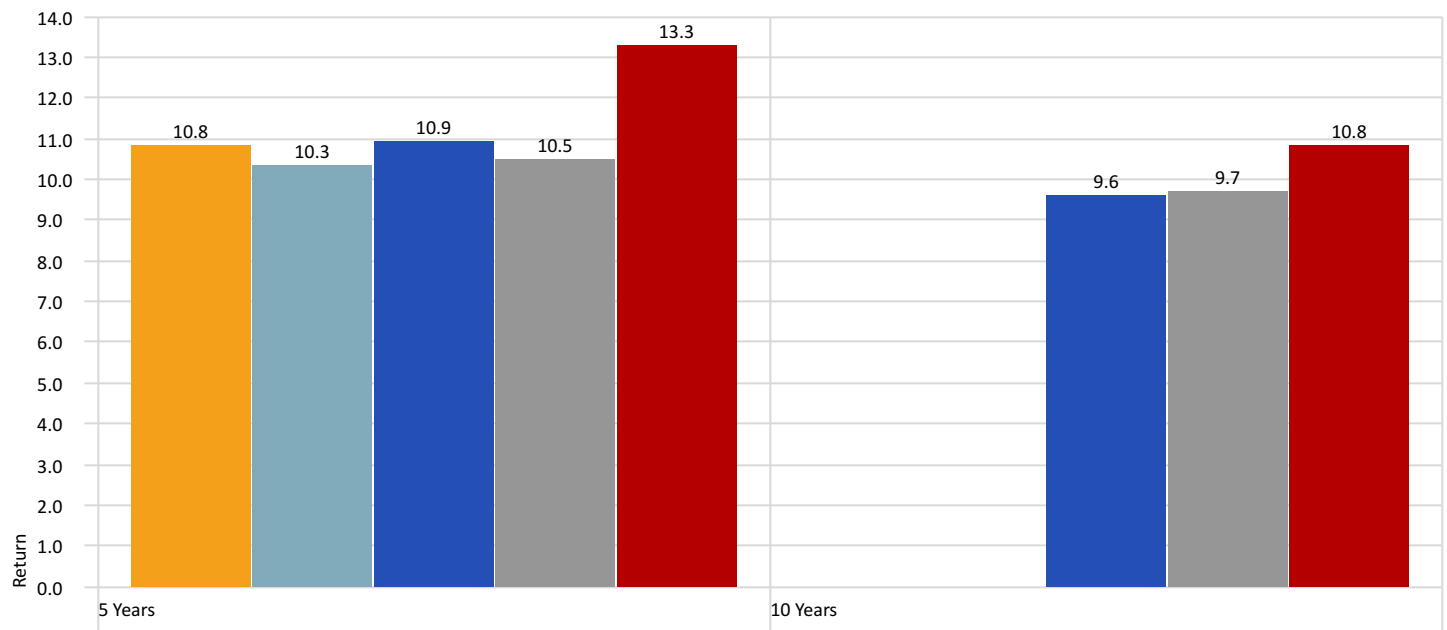
1 year performance for the period ended 30 June 2017



3 years performance for the period ended 30 June 2017



5 & 10 years performance for the period ended 30 June 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

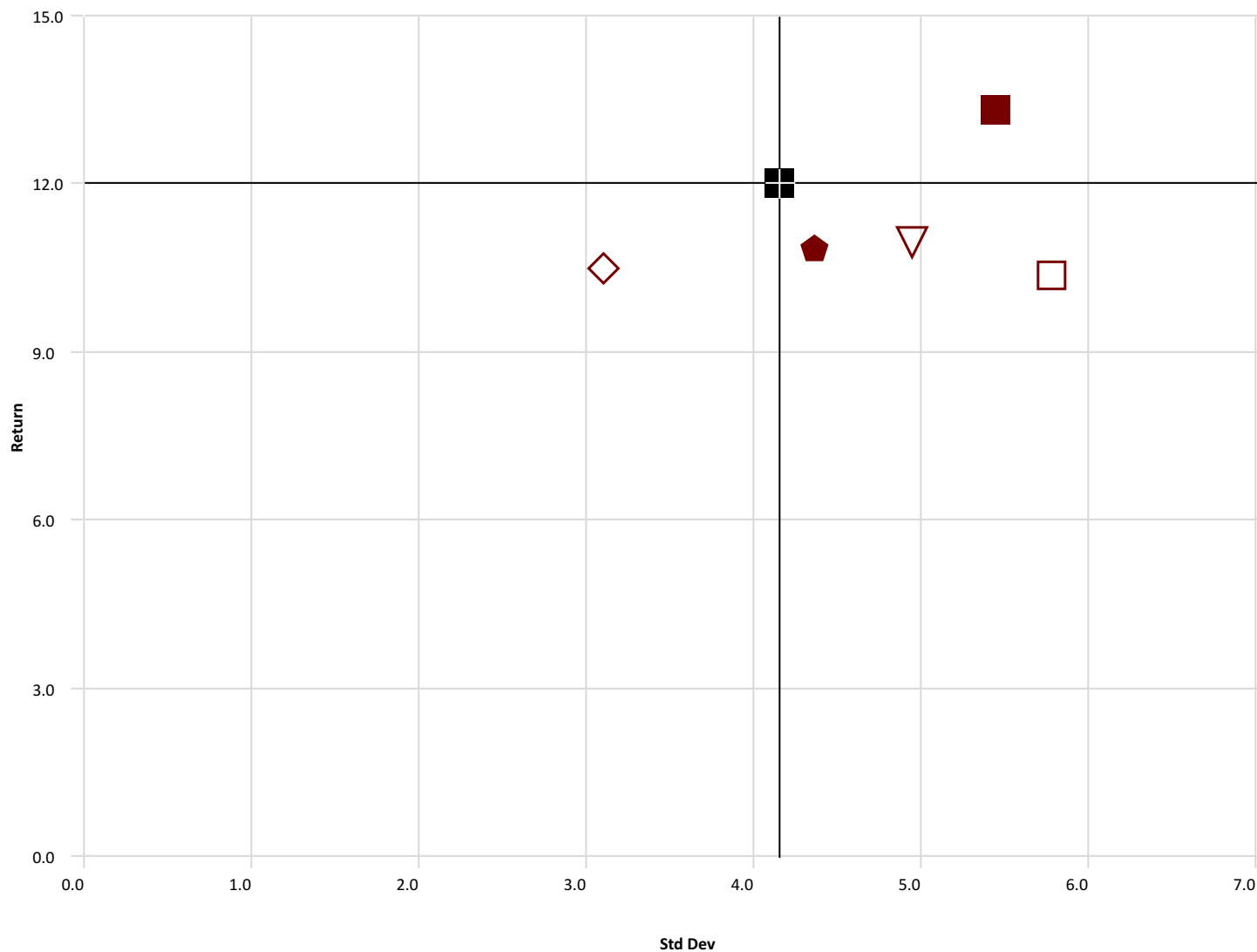
Performance Comparison

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: 7/1/2012 to 6/30/2017



◆ 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

■ NMG NAM Moderate Benchmark

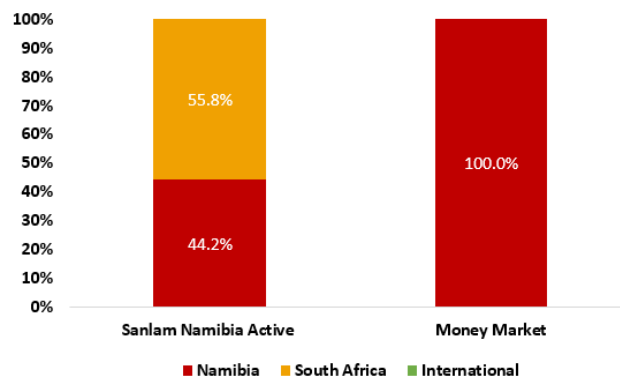
Performance Comparison

Low Risk and Capital Preservation Portfolios

Sanlam Namibia Active	30-Jun-17	30-Jun-16	Change
Nam Equities	0.0%	0.0%	0.0%
Nam Bonds	3.0%	2.2%	0.8%
Nam Cash	41.2%	36.8%	4.4%
Nam Property	0.0%	0.0%	0.0%
SA Equities	0.6%	0.6%	0.0%
SA Bonds	11.9%	14.3%	-2.4%
SA Cash	42.0%	45.0%	-3.0%
SA Property	1.3%	1.1%	0.2%
Offshore	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Total	100.0%	100.0%	

The total Namibian exposure is 41.2% 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.

Geographical Split:



Trailing Returns

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	7.9	8.2	7.9	—
NAM CPI	6.1	5.3	5.6	6.2
Beassa 1-3 Yr TR ZAR	8.5	7.5	6.5	8.0
NAM CPI + 1%	7.1	6.3	6.7	7.3
NAM CPI + 2%	8.2	7.4	7.7	8.4

Trailing Returns

	1 Year	3 Years	5 Years	10 Years
Money Market	8.0	7.1	6.4	7.4
IJG Money Market GR NAD	8.2	7.1	6.5	—
NAM CPI + 1%	7.1	6.3	6.7	7.3

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 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.

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.