



## Benchmark Retirement Fund

**Quarterly Investment Report: As at 31 March 2018**

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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	Return Expectations derived from Historical Experience (Before Fees)
Allan Gray Namibia Balanced Fund	Moderate	None	CPI+5% to 6%
Investec Managed Namibia Fund	Moderate	None	CPI+5% to 6%
NAM Coronation Balanced Plus Fund	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%
Standard Bank Namibia Managed Fund	Moderate	None	CPI+5% to 6%
EMH Prescient Absolute Balanced Fund***	Moderate	CPI+5%	CPI+5%
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	13 year ALBI	CPI+1% to 2%
Money Market Fund**	Capital Preservation	7 day Repo Rate	CPI to CPI + 1%

\*The Benchmark Default Portfolio is a combination of Allan Gray Namibia Balanced Fund (50%), Prudential Namibia Inflation Plus Fund (25%) and Sanlam Inflation Linked Fund (25%).

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

\*\*\*EMH Closed since January 2017 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

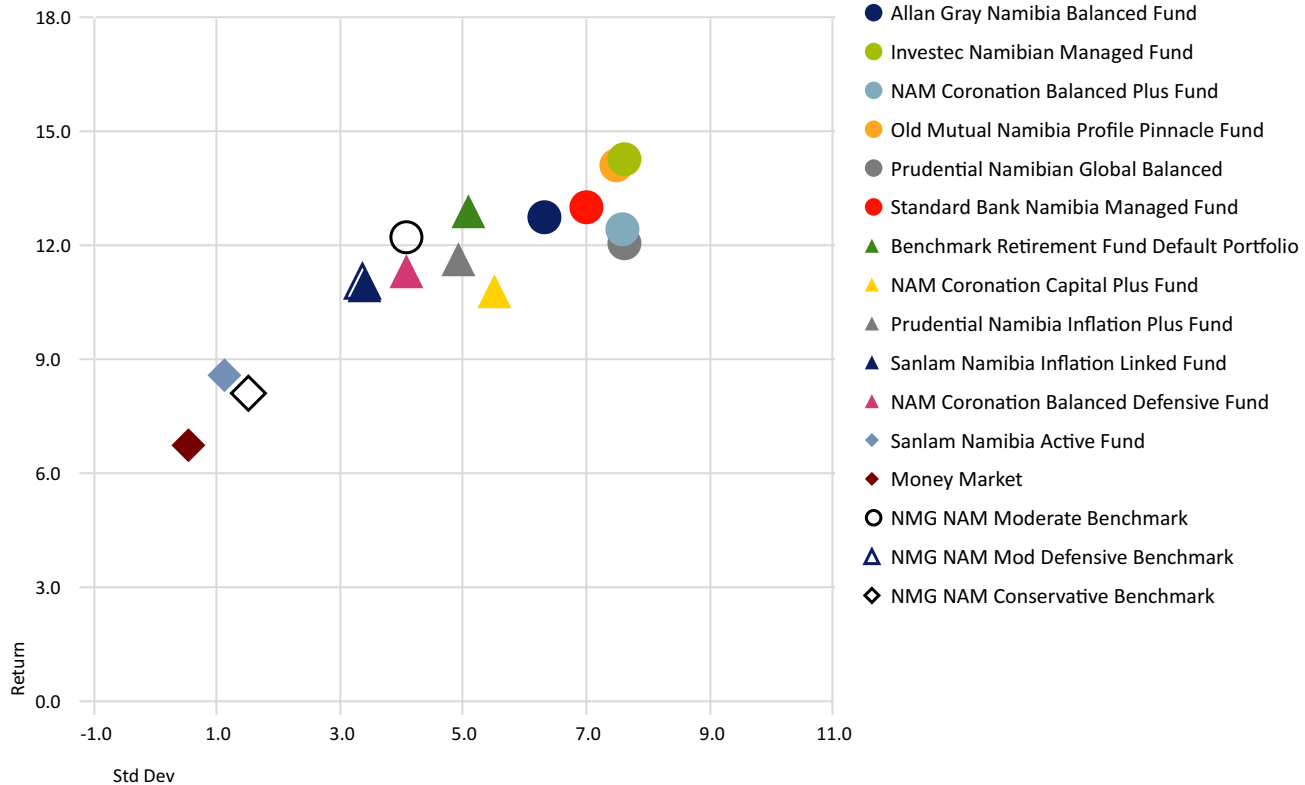
The risk rating of an investment portfolio gives an indication of how volatile investment returns may be and therefore is also an indication of the risk that the investment return per the investment mandate may not be achieved. The risk categories have the following meaning:

- **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.

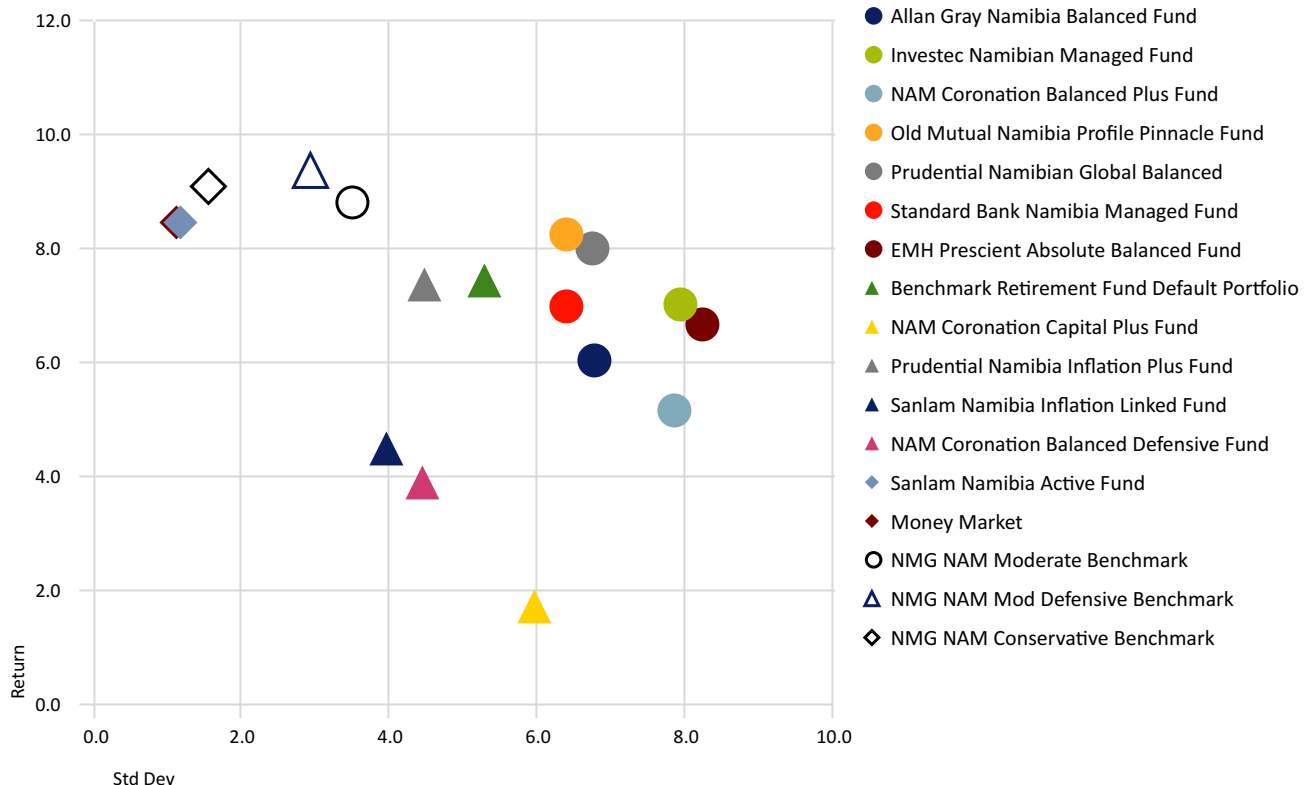
## Risk-Reward - Over the long term

Time Period: 01-Apr-09 to 31-Mar-18



## Risk-Reward - Over the short term

Time Period: 01-Apr-17 to 31-Mar-18



By the end of March, the markets had been through quite a bit, locally and globally. The end of the month brought a sharp market correction, triggered by an intensifying trade war between the US and China, whereby the US announced tariffs to curb imports from China, which prompted retaliation. There was also a significant sell-off in technology shares, and an increase in US interest rates which affected markets.

This first quarter of 2018 delivered the worst returns in eight years, with stock markets around the world declining. the FTSE All World Index down 1.4%, the S&P 500 Index down 1.2%, the FTSE 100 Index down 8.0%, the Nikkei Index down 5.8% and the FTSE/JSE All Share Index down 6.0%. However, the NSX Local and Overall Index were up 4.9% and 6.1% for the quarter.

The US continued to strengthen, and the strong economic data and a pick-up in inflation to 2.2% in February (above the target of 2%), led to the US Fed to increase interest rates to between 1.5% and 1.75%, while projecting two more increases for 2018. The US Fed expects a GDP growth rate of 2.7% in 2018.

The other super nation, China, had a mixed bag of economic data. They had set a target of "around 6.5%" for 2018 economic growth, however their actual growth in 2017 came in higher than expected at 6.9%, buoyed by global demand and aggressive government efforts to keep the economy stable.

In Namibia, after numerous years of >5% GDP growth, 2016's figure of 0.7% set the tone for the struggling economy for the near-future. The year of 2017 saw Namibia enter a technical recession and ended on a preliminary figure of -0.8% growth. The first three quarters had negative growth, however the last quarter grew by 0.7%, but was not enough to pull the country out of a negative growth year. The main detractor remains the construction sector, and a lot of focus on the government's finances, which have also had a drag on the economy, and are under immense pressure to reduce expenditure and increase revenue, with even more spotlight after Fitch downgraded Namibia's credit rating to junk last year. However, after a more sobering budget speech during March where problem areas of expenditure and planned government revenue collection were addressed, consensus is that 2018 will show a small, but improved figure.

In South Africa, thanks to a backdrop of largely positive news, a downgrade was avoided and Moody's retained its investment grade rating of South Africa's debt. South African fourth quarter GDP growth surprising on the upside at 3.1%, closing the full year's growth at 1.3%.

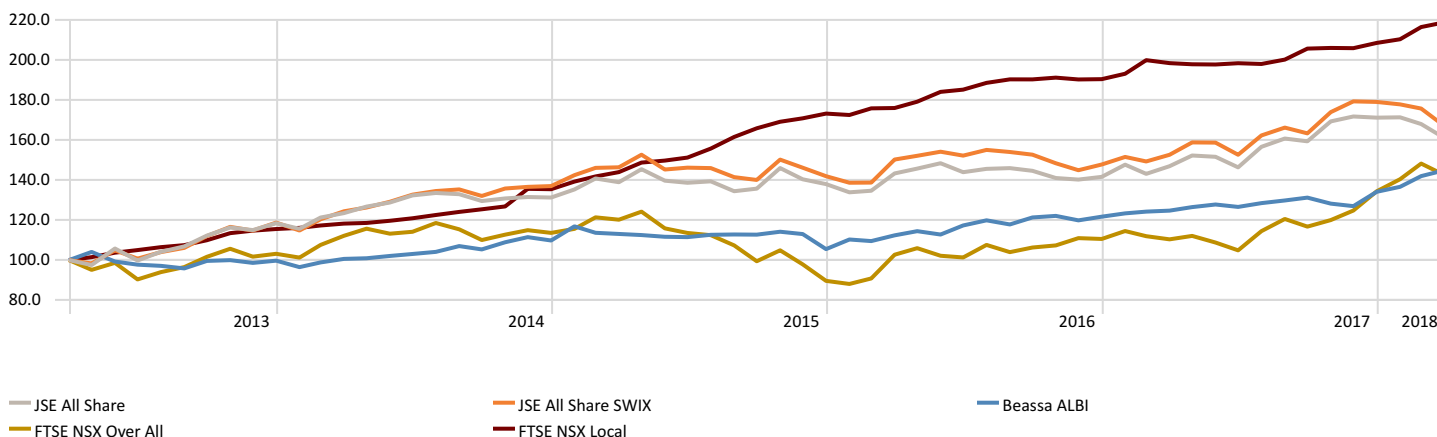
Inflation for February came down further from 3.6% in January, to 3.5%, compared to 7.8% this time last year, and is the lowest it has been since November 2015. The Bank of Namibia maintained interest rates at 6.75% during March, after one cut in the middle of 2017, which along with the lower inflation, provided some welcomed relief to Namibian consumers.

## NAM Key Indicators as at 31 March 2018

N\$/US\$	N\$11.84/\$
N\$/£	N\$16.60/£
N\$/€	N\$14.60/€
Nam Inflation rate	3.5%
Nam repo rate	6.75%
Oil Price (\$/barrel)	US\$69.30
Gold Price (per ounce)	US\$1,325.50

## NAM Investment Growth for Selected Indices

Time Period: 01-Apr-13 to 31-Mar-18



## NAM Investment Growth for Selected Indices

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
JSE All Share	-6.0	-6.0	9.6	5.1	10.0	9.7
JSE All Share SWIX	-6.8	-6.8	9.4	4.5	10.8	10.9
Beassa ALBI	8.1	8.1	16.2	8.6	7.7	9.6
FTSE NSX Over All	6.0	6.0	29.2	5.9	7.4	3.9
FTSE NSX Local	4.9	4.9	10.3	15.0	17.0	16.3

## Periodic Table

Best ↑          ↓ Worst	FTSE NSX Over All 38.8	JSE SA Listed Property 29.6	FTSE NSX Local 28.1	JSE SA Industrials 40.7	MSCI World All Cap 54.2	JSE Financial 15 27.8	MSCI World All Cap 30.5	JSE SA Resources 34.2	JSE Financial 15 24.4	Beassa ALBI 8.1
	JSE SA Resources 35.4	JSE SA Industrials 27.4	MSCI World All Cap 12.1	JSE Financial 15 37.8	JSE SA Industrials 35.0	JSE SA Listed Property 26.6	FTSE NSX Local 28.0	FTSE NSX Over All 23.5	JSE SA Industrials 22.5	FTSE NSX Over All 6.0
	FTSE/JSE All Share TR ZAR 32.1	FTSE/JSE All Share TR ZAR 19.0	JSE SA Industrials 9.2	JSE SA Listed Property 35.9	FTSE/JSE All Share TR ZAR 21.4	FTSE NSX Local 17.3	JSE SA Industrials 15.3	Beassa ALBI 15.4	FTSE NSX Over All 21.6	FTSE NSX Local 4.9
	JSE SA Industrials 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 Industrials 16.8	JSE SA Listed Property 8.0	JSE SA Listed Property 10.2	FTSE/JSE All Share TR ZAR 21.0	STeFI 3 Month 1.7
	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	JSE SA Resources 17.9	JSE Financial 15 -1.1
	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	JSE SA Listed Property 17.2	JSE SA Resources -3.8
	STeFI 3 Month 8.6	JSE SA Resources 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	Beassa ALBI 10.2	MSCI World All Cap -5.8
	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 Resources 1.4	Beassa ALBI 10.1	Beassa ALBI -3.9	FTSE/JSE All Share TR ZAR 2.6	FTSE NSX Local 9.5	FTSE/JSE All Share TR ZAR -6.0
	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	MSCI World All Cap 8.9	JSE SA Industrials -8.0
	FTSE NSX Local -2.0	MSCI World All Cap 0.2	JSE SA Resources -6.5	JSE SA Resources 3.1	Beassa ALBI 0.6	JSE SA Resources -14.7	JSE SA Resources -37.0	JSE SA Industrials -6.6	STeFI 3 Month 7.2	JSE SA Listed Property -19.6
	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD

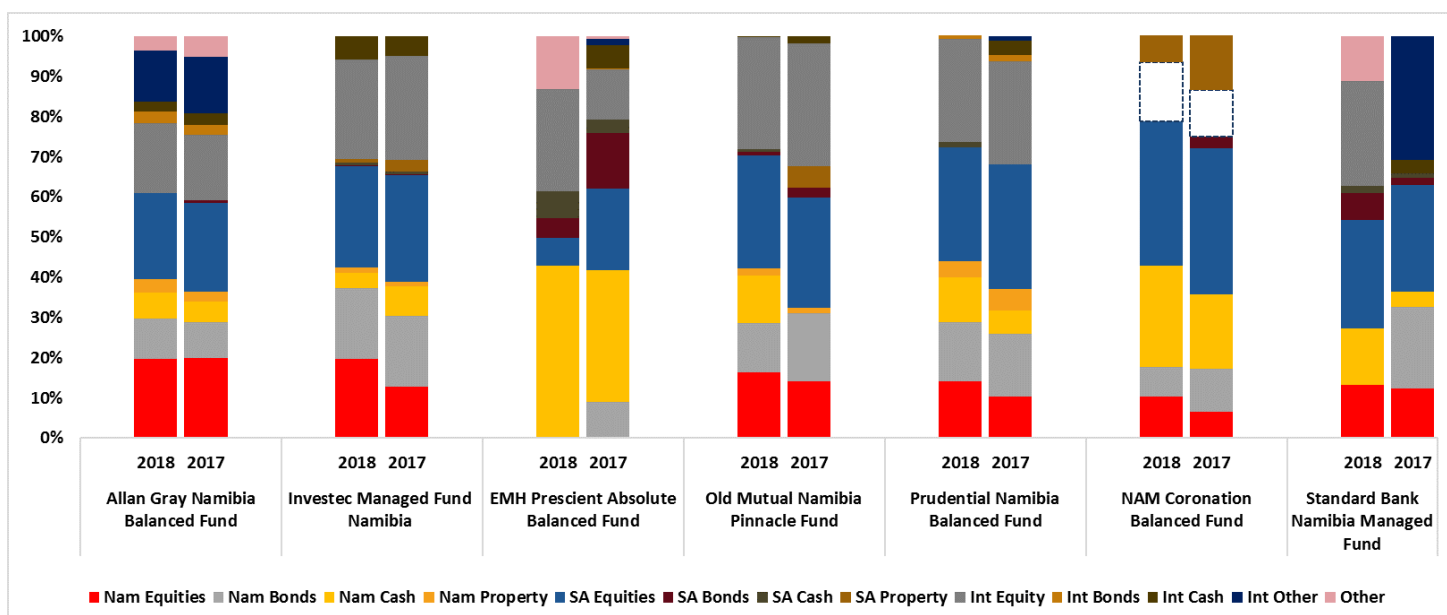
## Nam Asset Class Periodic Returns

	Last Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	-6.0	-6.0	9.6	5.1	10.0	9.7
JSE SA Listed Property	-19.6	-19.6	-7.1	-0.5	7.1	13.7
JSE SA Resources	-3.8	-3.8	10.4	-1.3	-2.5	-3.0
JSE SA Industrials	-8.0	-8.0	5.7	4.8	12.5	15.9
JSE Financial 15	-1.1	-1.1	25.5	5.2	13.3	13.7
Beassa ALBI	8.1	8.1	16.2	8.6	7.7	9.6
STeFI 3 Month	1.7	1.7	7.1	6.8	6.3	6.8
MSCI World All Cap	-5.8	-5.8	-1.1	5.4	13.5	8.1
FTSE NSX Local	4.9	4.9	10.3	15.0	17.0	16.3
FTSE NSX Over All	6.0	6.0	29.2	5.9	7.4	3.9

## Performance Comparison

### Moderate Portfolios

#### Asset Allocation as at 31 March 2018 as compared to 31 March 2017



#### Notes 31 March 2018:

- Allan Gray: International Cash represents Africa and Foreign ex-Africa
- Allan Gray: International Other represents Property, Hedged Equity & Commodities (11.1%)
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity (15.0%)
- 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, Property and Africa.
- NAM Coronation and Investec 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.

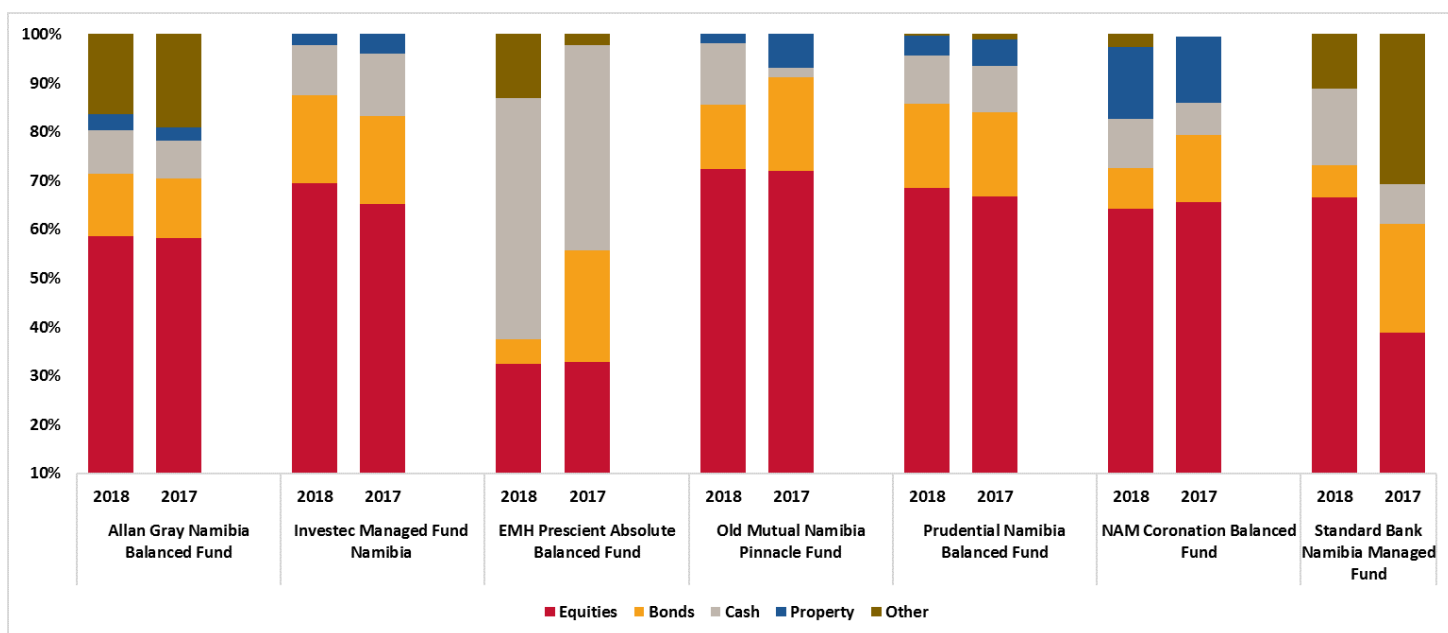
#### Notes 31 March 2017:

- Allan Gray: International Other represents Property, Hedged Equity & Commodities (14.1%)
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity (16.3%)
- 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.
- 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.
- Prudential: International Other represents Property

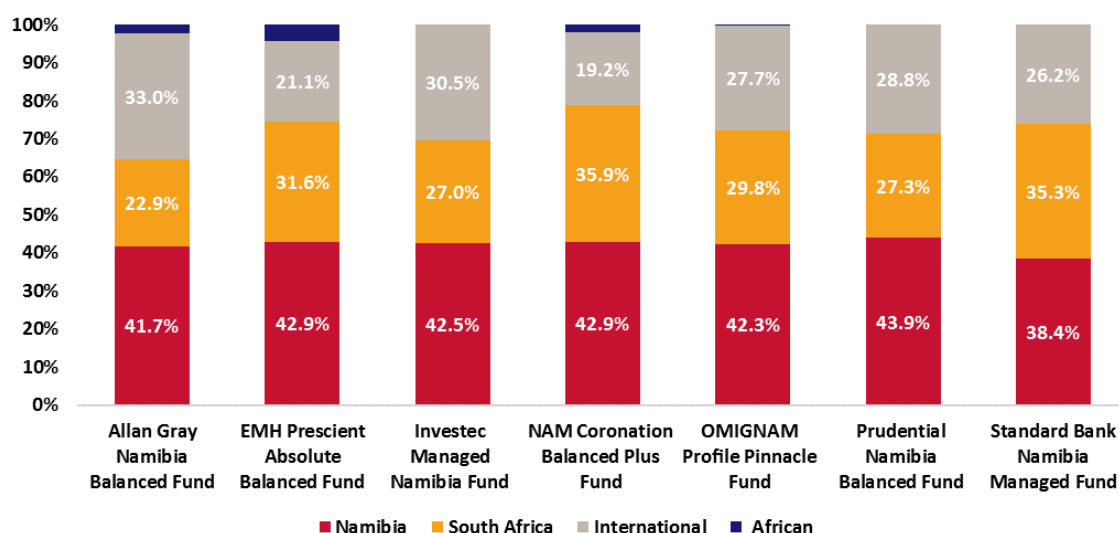
## Performance Comparison

### Moderate Portfolios

Asset Allocation as at 31 March 2018 as compared to 31 March 2017



### Geographical Split:



#### Notes:

Allan Gray: 2.4% African

EMH Prescient: 4.4% African

NAM Coronation Balanced Plus: 2.0% African

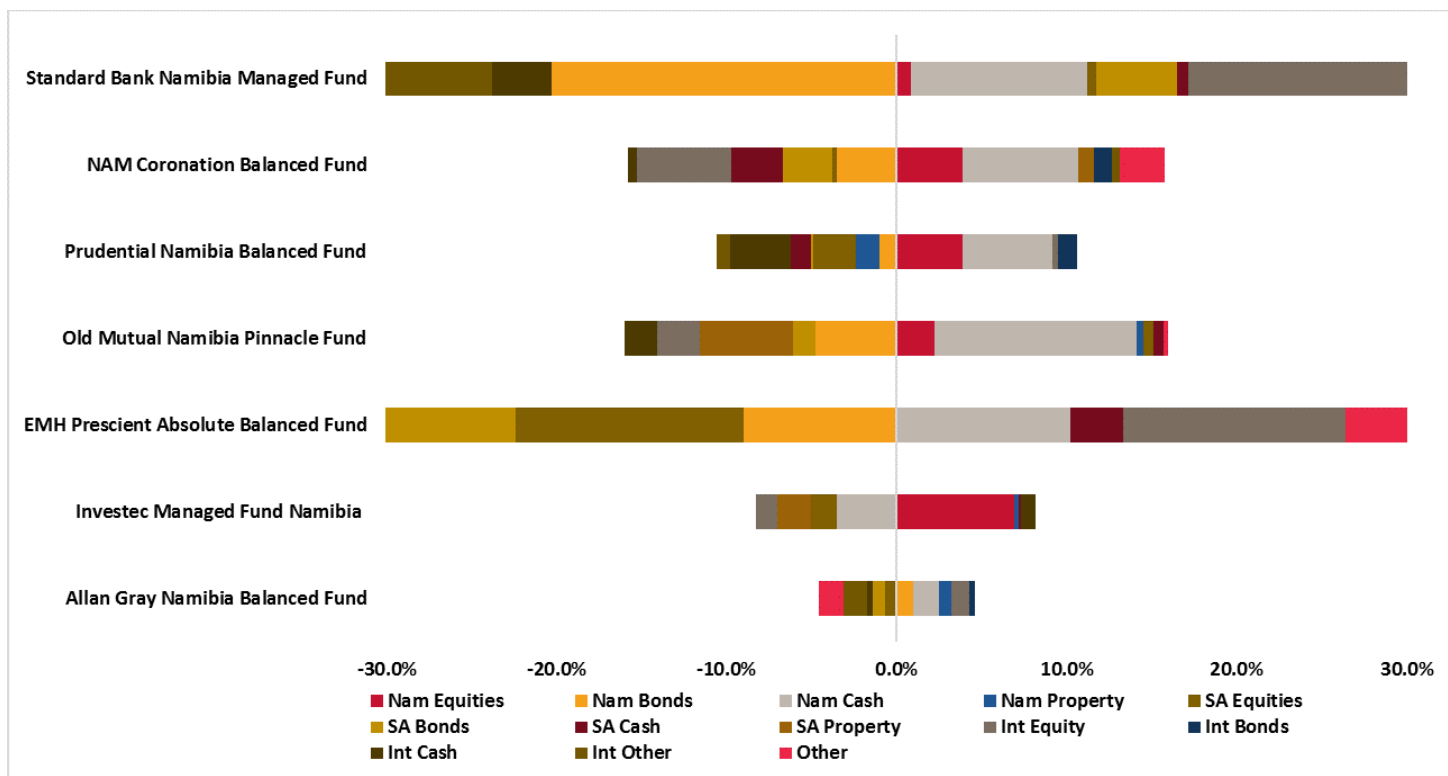
OMIGNAM Profile Pinnacle: 0.2% African



## Performance Comparison

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 March 2018**. 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 Standard Bank, all managers had a net decrease in international assets. All portfolio showed a net increase in Namibian assets, of this Old Mutual had the largest increase, specifically to Namibian Cash. Both NAM and Prudential display negative SA cash holdings, meaning they hold derivatives positions (both increased their negative notional cash value holding over the year). Allan Gray had the least changes over the year, whereas Standard Bank the most (however, please note that the changes of International equity and International other may be due to reclassification of assets by the asset manager).

## Performance Comparison

### Moderate Portfolios

#### Trailing Returns as at 31 March 2018

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	6.0	8.9	11.0	11.0
EMH Prescient Absolute Balanced Fund	6.7	1.8	5.8	—
NAM Coronation Balanced Plus Fund	5.2	4.4	9.7	9.4
Investec Namibian Managed Fund	7.0	5.6	11.2	10.4
Old Mutual Namibia Profile Pinnacle Fund	8.3	6.9	10.8	10.5
Standard Bank Namibia Managed Fund	7.0	4.3	9.2	10.2
Prudential Namibian Global Balanced	8.0	6.5	10.0	—
NMG SA Moderate Benchmark	7.9	6.2	9.5	9.8
NMG NAM Moderate Benchmark	8.8	8.0	10.3	10.9
FTSE/JSE All Share TR ZAR	9.6	5.1	10.0	9.7
NAM CPI + 6%	9.7	12.0	11.4	12.4

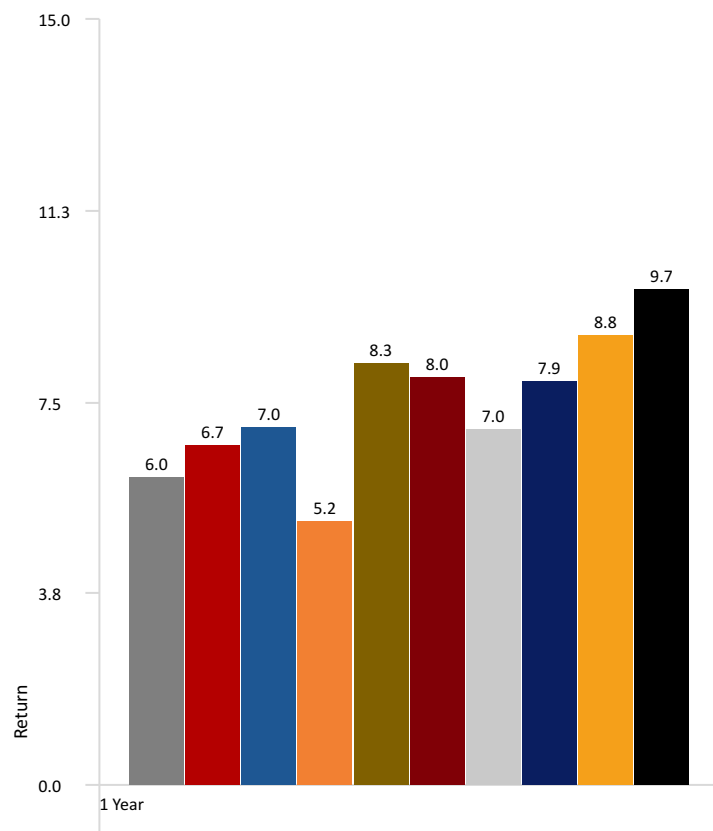
#### Trailing Returns as at 31 March 2017

	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	—
NMG SA Moderate Benchmark	3.9	8.0	12.1	9.9
NMG NAM Moderate Benchmark	5.6	9.8	12.4	11.6
FTSE/JSE All Share TR ZAR	2.5	6.0	12.5	9.8
NAM CPI + 6%	13.5	12.0	11.9	12.7

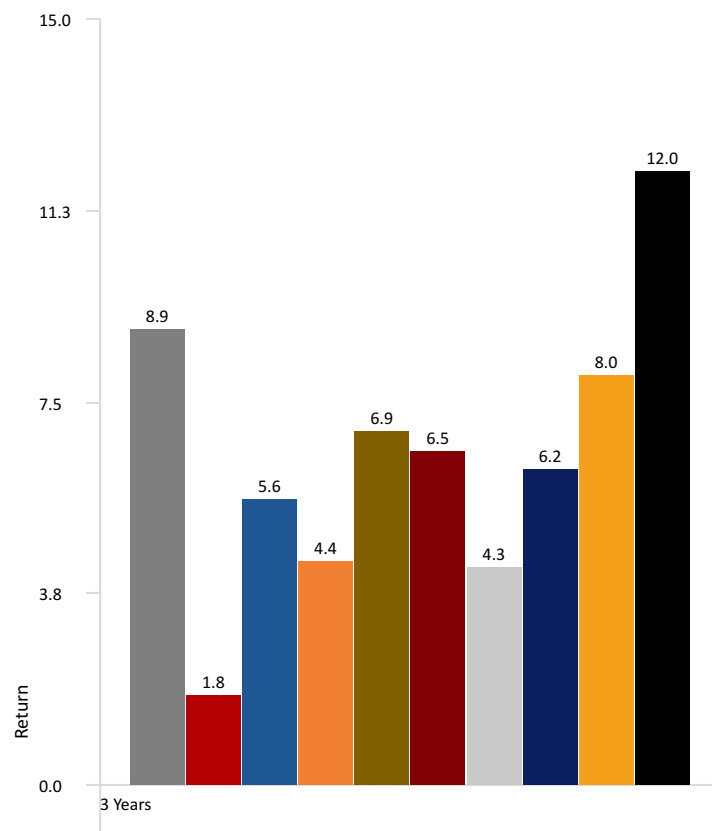
## Performance Comparison

### Moderate Portfolios

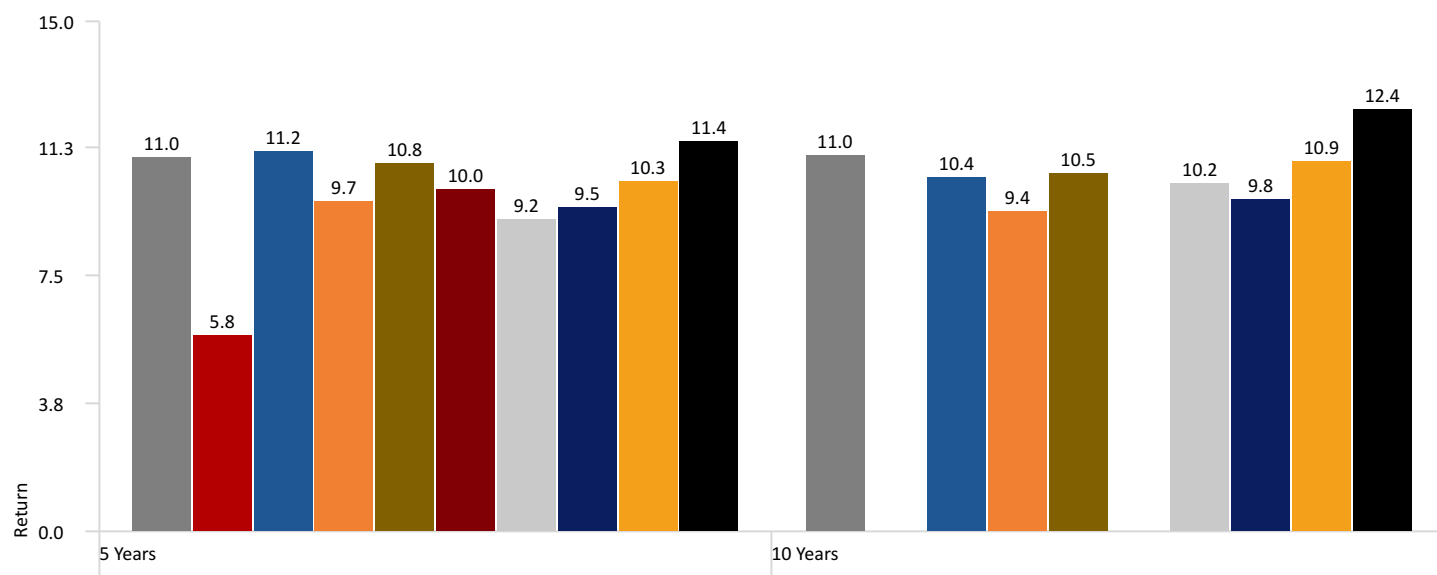
1 year performance for the period ended 31 March 2018



3 year performance for the period ended 31 March 2018



5 & 10 years performance for the period ending 31 March 2018



Allan Gray Namibia Balanced Fund  
 NAM Coronation Balanced Plus Fund  
 Standard Bank Namibia Managed Fund  
 NAM CPI + 6%

EMH Prescient Absolute Balanced Fund  
 Old Mutual Namibia Profile Pinnacle Fund  
 NMG SA Moderate Benchmark

Investec Namibian Managed Fund  
 Prudential Namibian Global Balanced  
 NMG NAM Moderate Benchmark

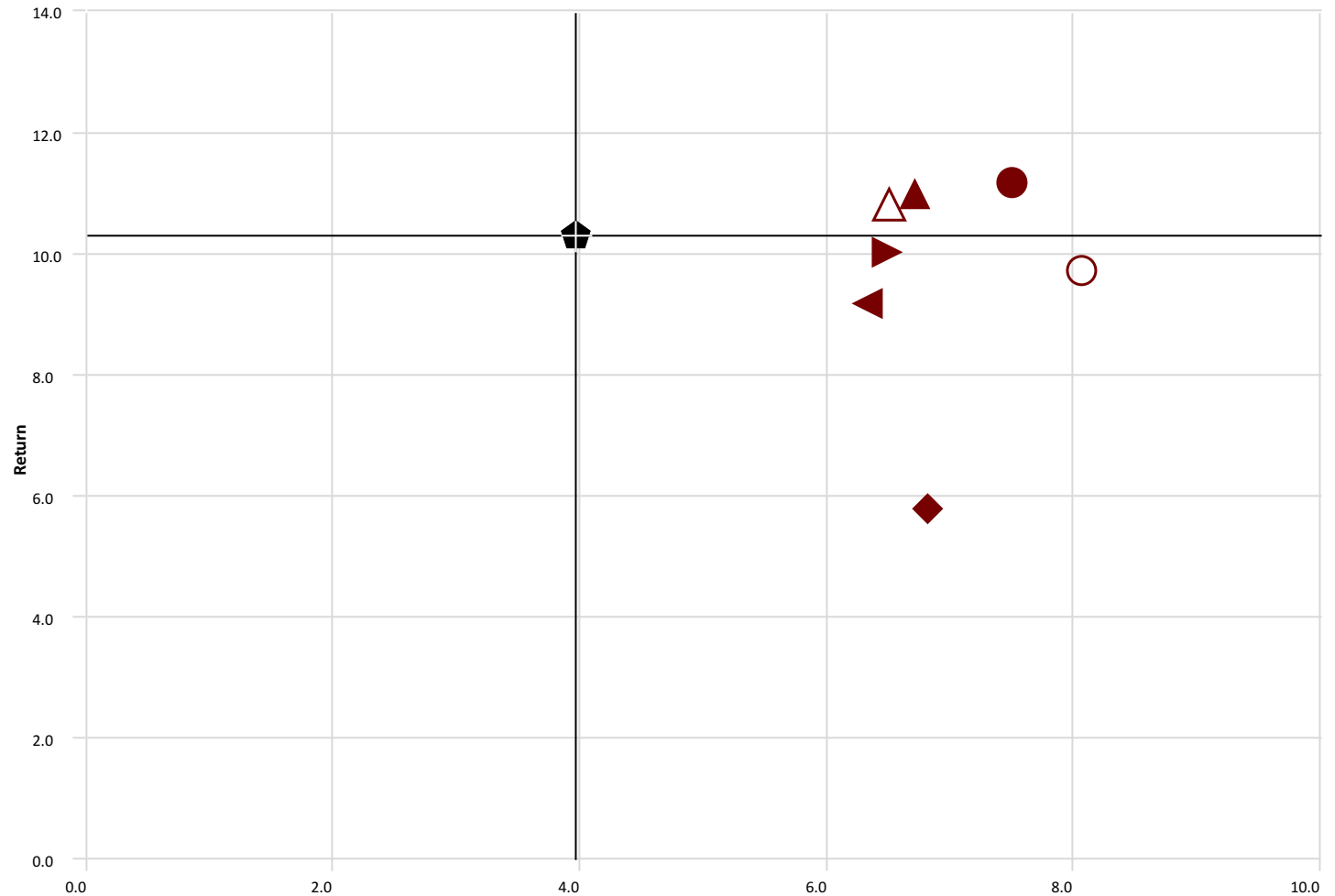
## Performance Comparison

### Moderate Portfolios: Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate portfolios for a 5 year period. These returns are **gross** of all investment charges.

#### Risk-Reward

Time Period: 01-Apr-13 to 31-Mar-18

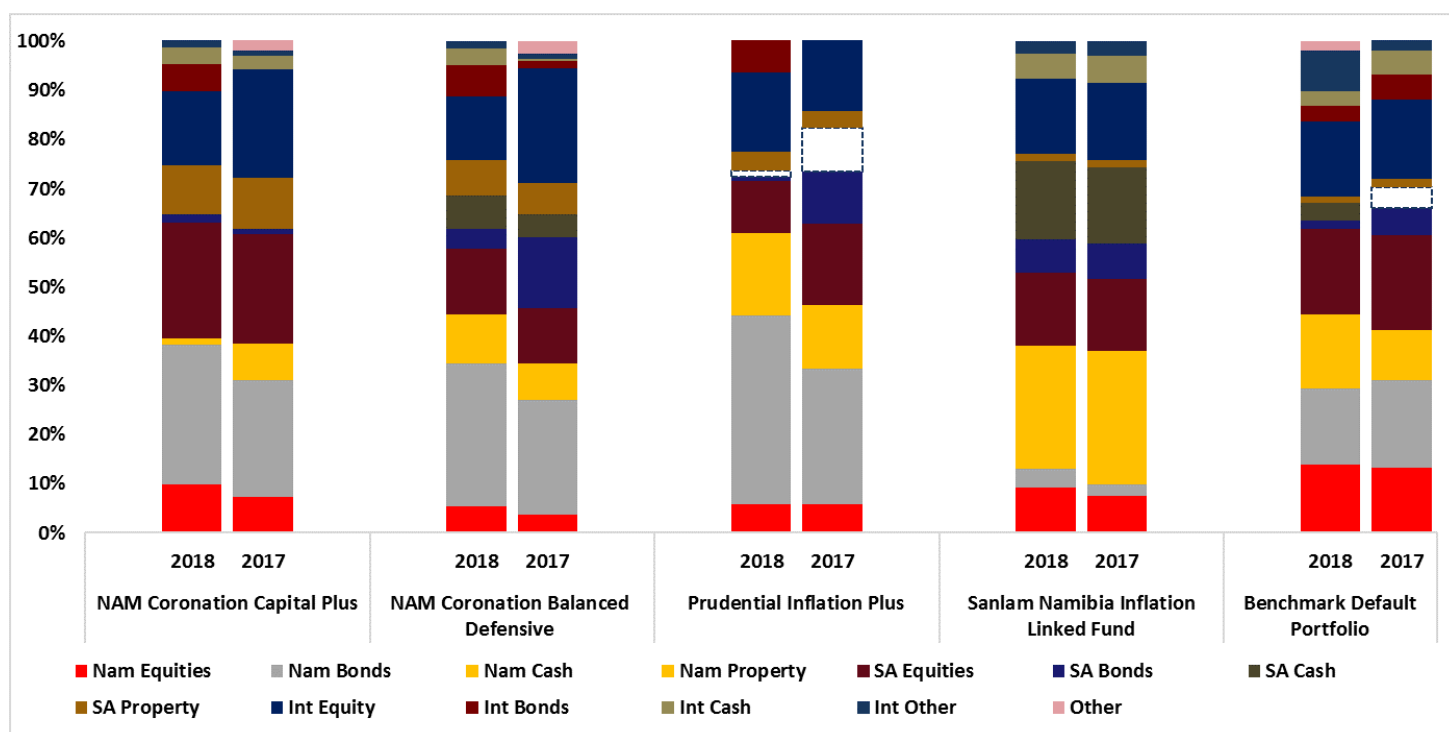


- ▲ Allan Gray Namibia Balanced Fund
- NAM Coronation Balanced Plus Fund
- ◄ Standard Bank Namibia Managed Fund
- ◆ EMH Prescient Absolute Balanced Fund
- △ Old Mutual Namibia Profile Pinnacle Fund
- ◆ NMG NAM Moderate Benchmark
- Investec Namibian Managed Fund
- Prudential Namibian Global Balanced

## Performance Comparison

### Moderate-Low Portfolios

Asset Allocation as at 31 March 2018 as compared to 31 March 2017



#### Notes 31 March 2018:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. NAM Coronation Balanced Defensive: International Other represents Property & Commodities
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
6. Prudential Inflation Plus: International Other represents Property

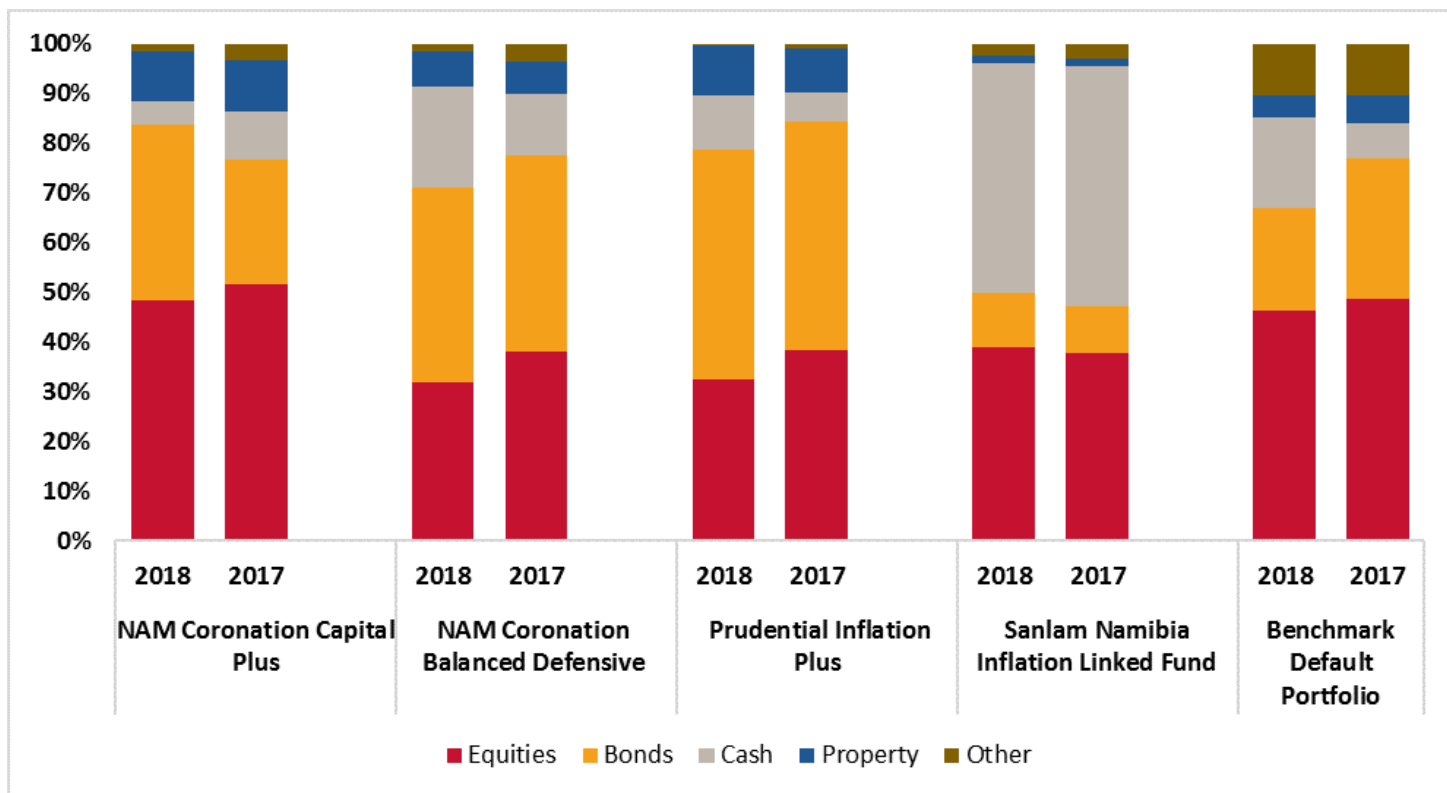
#### Notes 31 March 2017:

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
5. Prudential's SA Cash position includes an off-set or "Notional Cash value" for all derivative effective exposure.
6. Prudential Inflation Plus: International Other represents Property

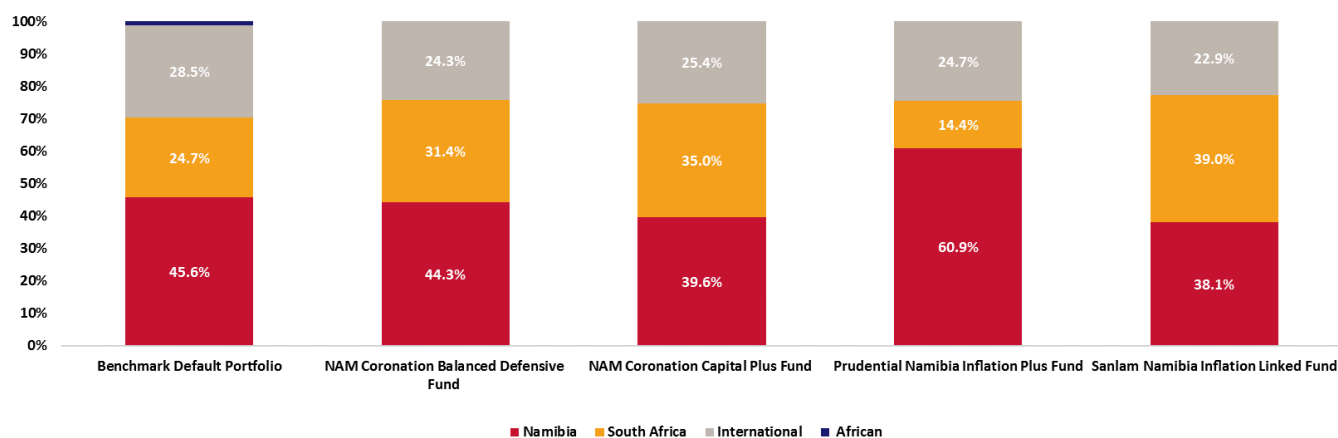
## Performance Comparison

### Moderate-Low Portfolios

Asset Allocation as at 31 March 2018 as compared to 31 March 2017



#### Geographical Split:



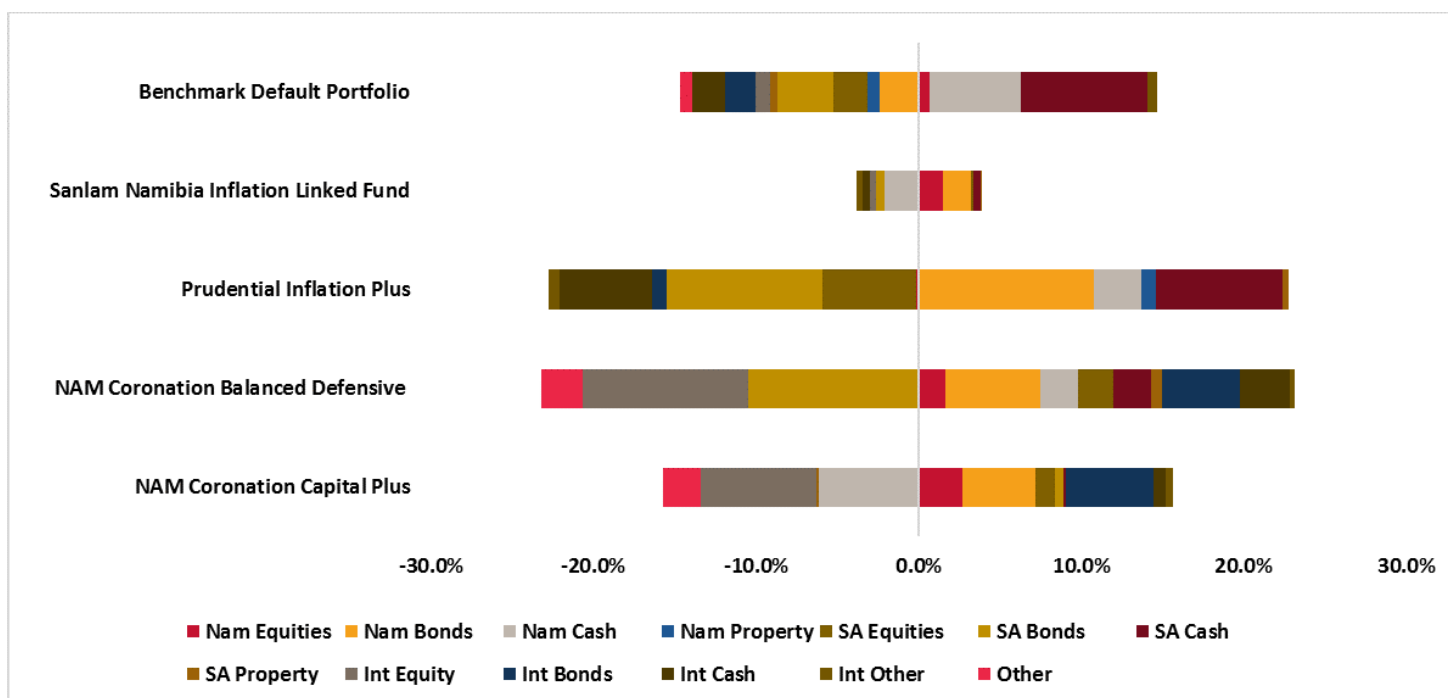
**Notes:**  
Benchmark Default 1.2% African

## 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 2018**. 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 all managers increased their allocations to Namibian assets, and a decrease in International assets. All managers increased their allocation to Namibian bonds, Prudential the most and Sanlam the least, with the exception of the Default portfolio which had a slight decrease. SA Bonds and International equity saw the largest decreases over the year, the largest reductions made by the NAM Coro Balanced Defensive portfolio. Prudential reduced the effect of its derivative exposure and thus reduced its negative holding in SA cash, which therefore decreased this holding in the Default portfolio. Sanlam made the least asset allocation changes over the year.

## Performance Comparison

### Moderate-Low Portfolios

#### Trailing Returns as at 31 March 2018

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	3.9	5.5	8.3	9.9
NAM Coronation Capital Plus Fund	1.7	3.6	7.4	10.3
Prudential Namibia Inflation Plus Fund	7.4	6.3	8.9	9.8
Sanlam Namibia Inflation Linked Fund	4.5	6.4	8.8	9.9
Benchmark Retirement Fund Default Portfolio	7.4	8.3	10.8	10.9
NMG NAM Mod Defensive Benchmark	9.4	7.9	9.3	10.3
NAM CPI	3.5	5.7	5.1	6.0

#### Trailing Returns as at 31 March 2017

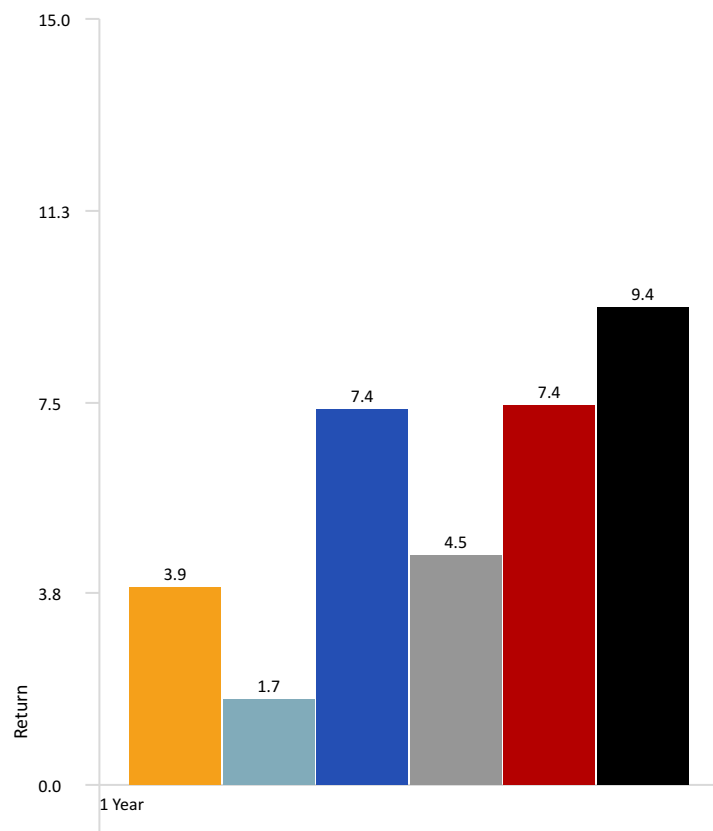
	1 Year	3 Years	5 Years	2017
NAM Coronation Balanced Defensive Fund	5.4	8.1	11.0	—
NAM Coronation Capital Plus Fund	4.8	6.8	10.6	—
Prudential Namibia Inflation Plus Fund	3.2	8.1	11.4	9.7
Sanlam Namibia Inflation Linked Fund	6.1	8.8	10.4	10.0
Benchmark Retirement Fund Default Portfolio	4.3	9.8	13.6	11.0
NMG NAM Mod Defensive Benchmark	5.9	9.1	10.9	10.6
NAM CPI	7.0	5.6	5.6	6.4



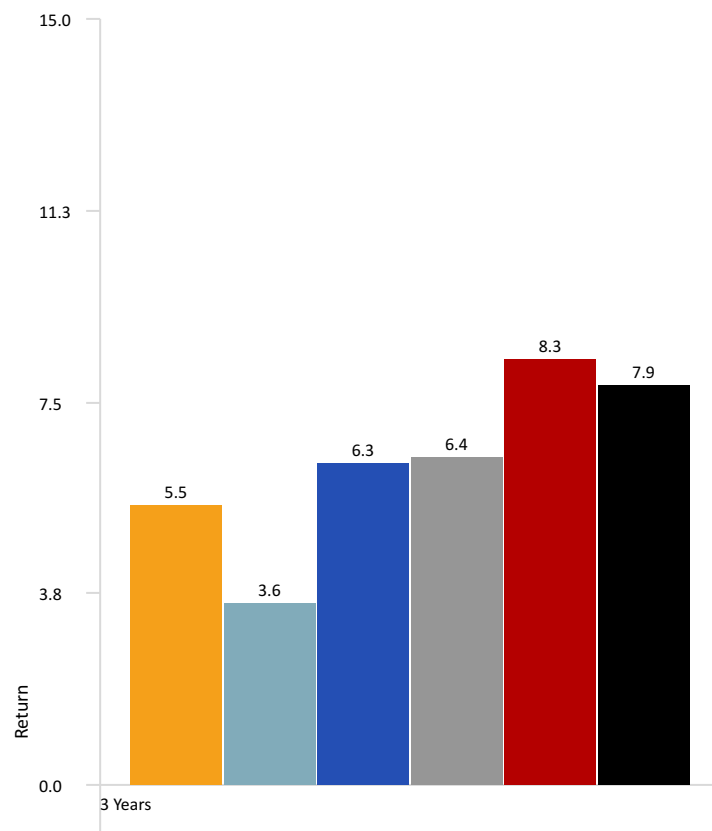
## Performance Comparison

### Moderate-Low Portfolios

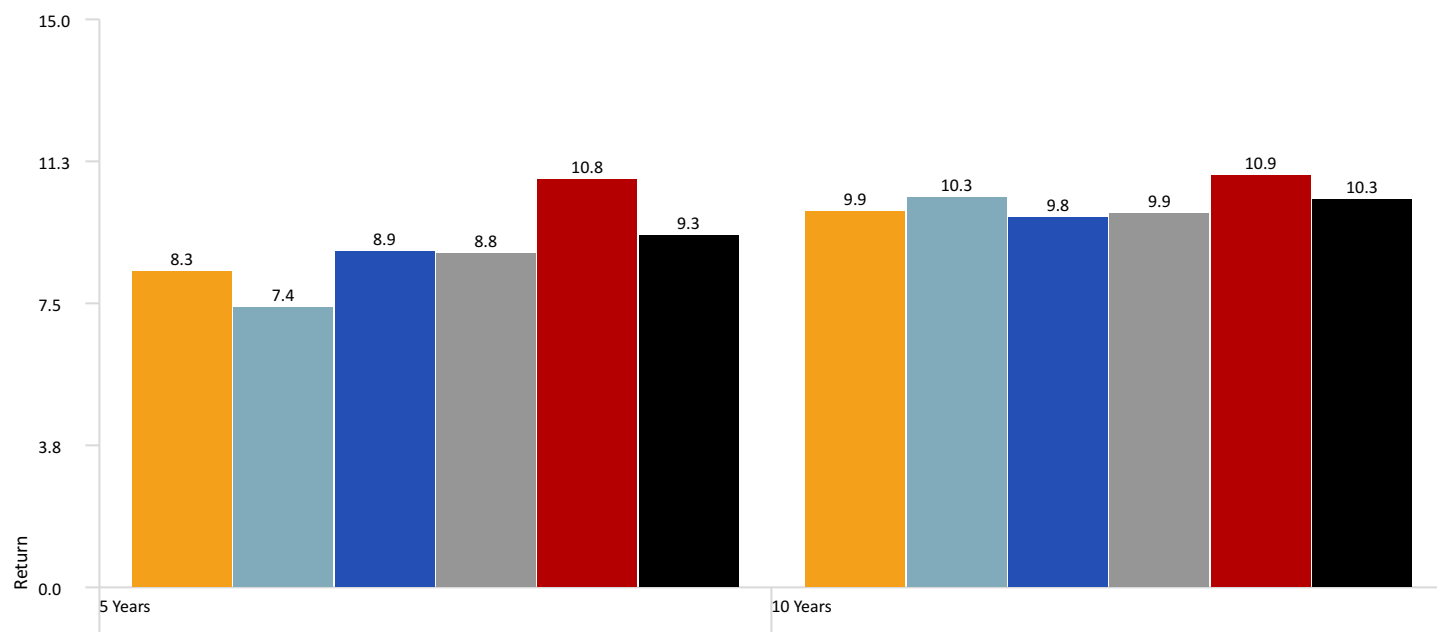
1 year performance for the period ended 31 March 2018



3 years performance for the period ended 31 March 2018



5 & 10 years performance for the period ended 31 March 2018



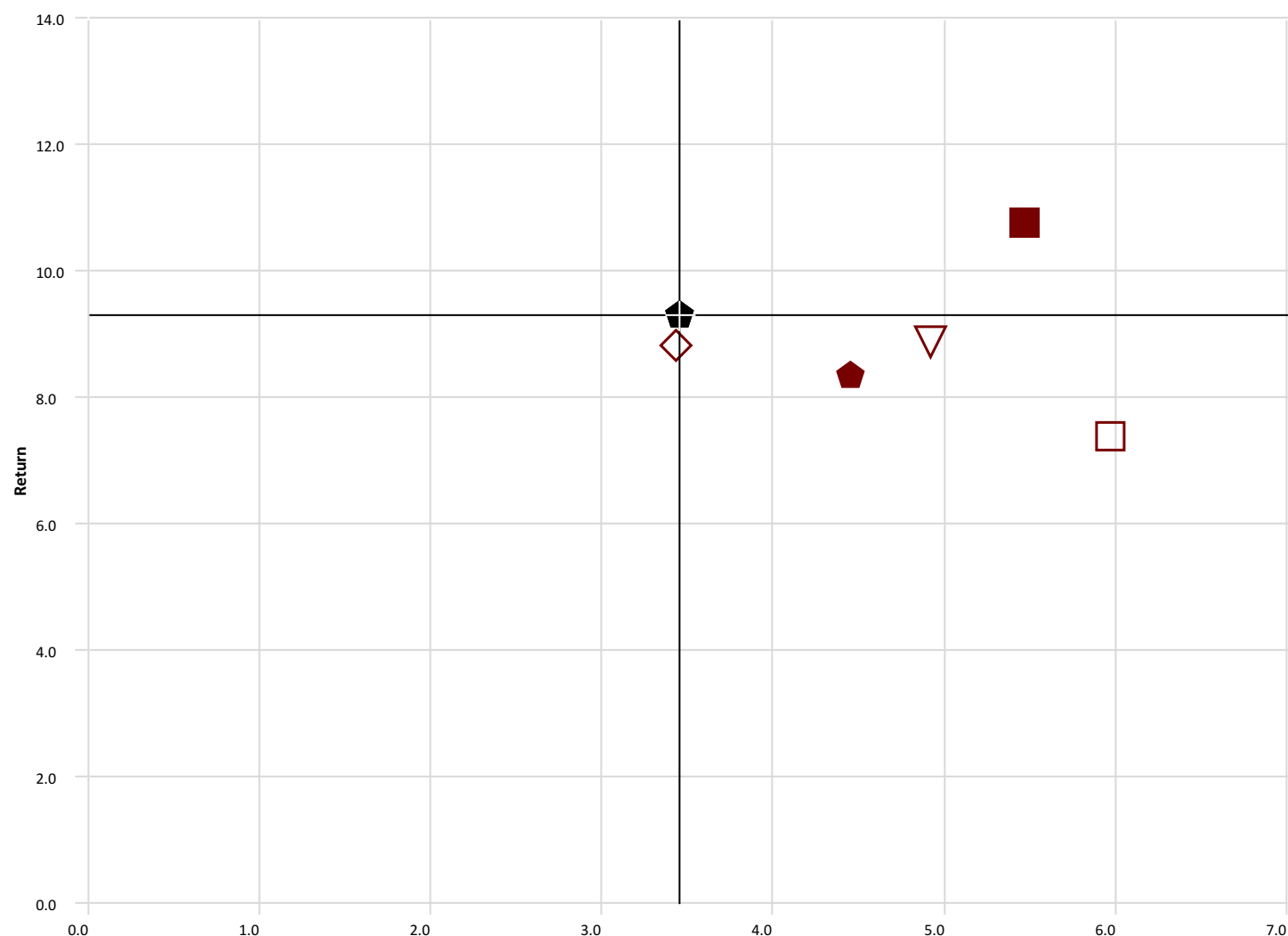
# Performance Comparison



## Moderate-Low Portfolios: Volatility vs Return



The following graph illustrates the volatility and return statistics of the moderate low portfolios for a 5 year period. These returns are **gross** of all investment charges.



### Risk-Reward

Time Period: 01-Apr-13 to 31-Mar-18



 NAM Coronation Balanced Defensive Fund  
 Sanlam Namibia Inflation Linked Fund

 NAM Coronation Capital Plus Fund  
 Benchmark Retirement Fund Default Portfolio

 Prudential Namibia Inflation Plus Fund  
 NMG NAM Mod Defensive Benchmark

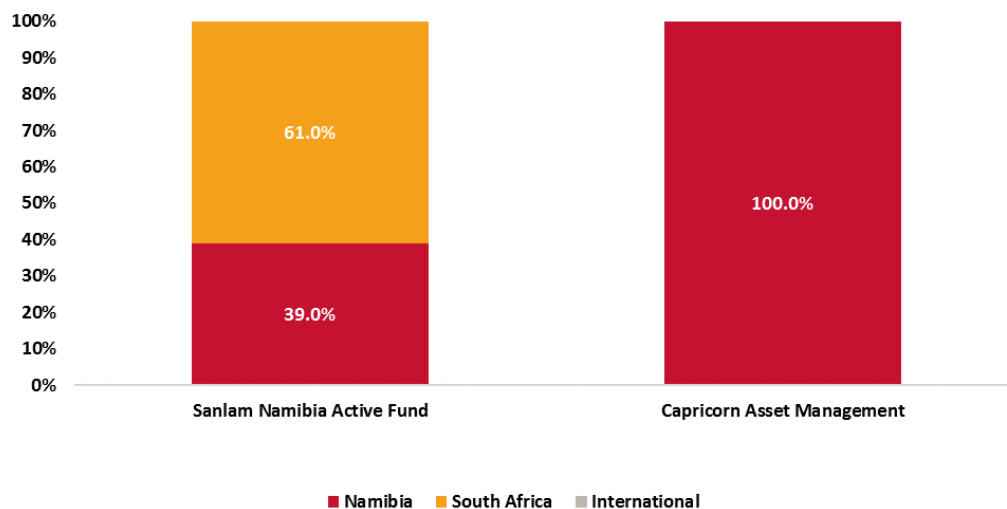
## Performance Comparison

### Low Risk and Capital Preservation Portfolios

Sanlam Namibia Active Fund	31 March 2018	31 March 2017	Change
Namibian Equities	0.0%	0.0%	0.0%
Namibian Bonds	2.1%	2.2%	-0.1%
Namibian Cash	36.9%	39.5%	-2.7%
Namibian Property	0.0%	0.0%	0.0%
Namibian Assets	0.0%	0.0%	0.0%
South African Equities	0.6%	0.6%	0.0%
South African Bonds	11.7%	12.0%	-0.3%
South African Cash	47.1%	44.4%	2.7%
South African Property	1.6%	1.3%	0.3%
International	0.0%	0.0%	0.0%
<b>Total Asset Allocation</b>	<b>100.0%</b>	<b>100.0%</b>	

The total Namibian exposure is 39.0% 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.

### Geographical Split:



## Performance Comparison

### Low Risk and Capital Preservation Portfolios

#### Trailing Returns as at 31 March 2018

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	8.4	8.4	8.1	9.1
NAM CPI	3.5	5.7	5.1	6.0
NAM CPI + 1%	4.5	6.7	6.2	7.1
NAM CPI + 2%	5.6	7.8	7.2	8.1
Beassa 1-3 Yr TR ZAR	9.6	8.2	7.2	8.2

#### Trailing Returns as at 31 March 2017

	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
NAM CPI + 1%	8.1	6.7	6.7	7.4
NAM CPI + 2%	9.2	7.7	7.7	8.5
Beassa 1-3 Yr TR ZAR	9.4	7.4	6.7	7.9

#### Trailing Returns as at 31 March 2018

	1 Year	3 Years	5 Years	10 Years
Capricorn Asset Management	8.5	7.5	6.8	7.2
NAM CPI + 1%	4.5	6.7	6.2	7.1
IJG Money Market GR NAD	8.3	7.6	6.8	—

#### Trailing Returns as at 31 March 2017

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

## 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.