



Benchmark Retirement Fund

Quarterly Investment Report: As at 31 December 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% |
| Hangala Prescient Absolute Balanced Fund** | Moderate | CPI+5% | CPI+5% |
| Benchmark Default Portfolio*** | Moderate | - | CPI+5% |
| Old Mutual Namibia Absolute Stable Growth**** | Moderate-Low | CPI+4.5% | CPI+4.5 |
| 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% |
| Capricorn Stable Fund | Low | CPI+2% (2 years) | CPI+2% |
| Sanlam Namibia Active Fund | Low | 1-3 year ALBI | CPI+1% to 2% |
| Capricorn Investment Fund | Capital Preservation | 7 day Repo Rate | CPI to CPI + 1% |

*Segregated Portfolio

**Hangala Prescient Closed since January 2017 for new investors.

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

****This is a 80% guaranteed portfolio and has an additional capital charge over and above the investment fees.

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

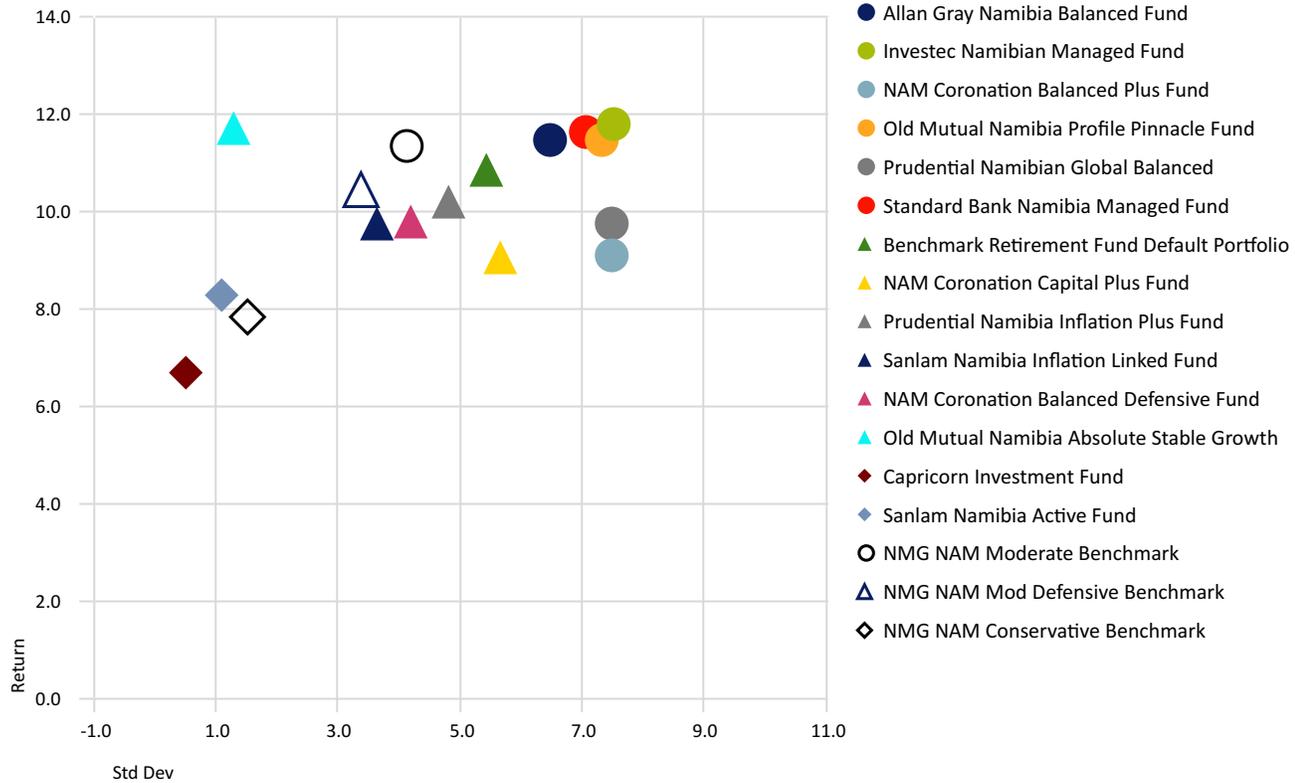
The risk rating of an investment portfolio gives an indication of how volatile investment returns may be and therefore is also an indication of the risk that the investment return per the investment mandate may not be achieved. The risk categories have the following meaning:

- **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.

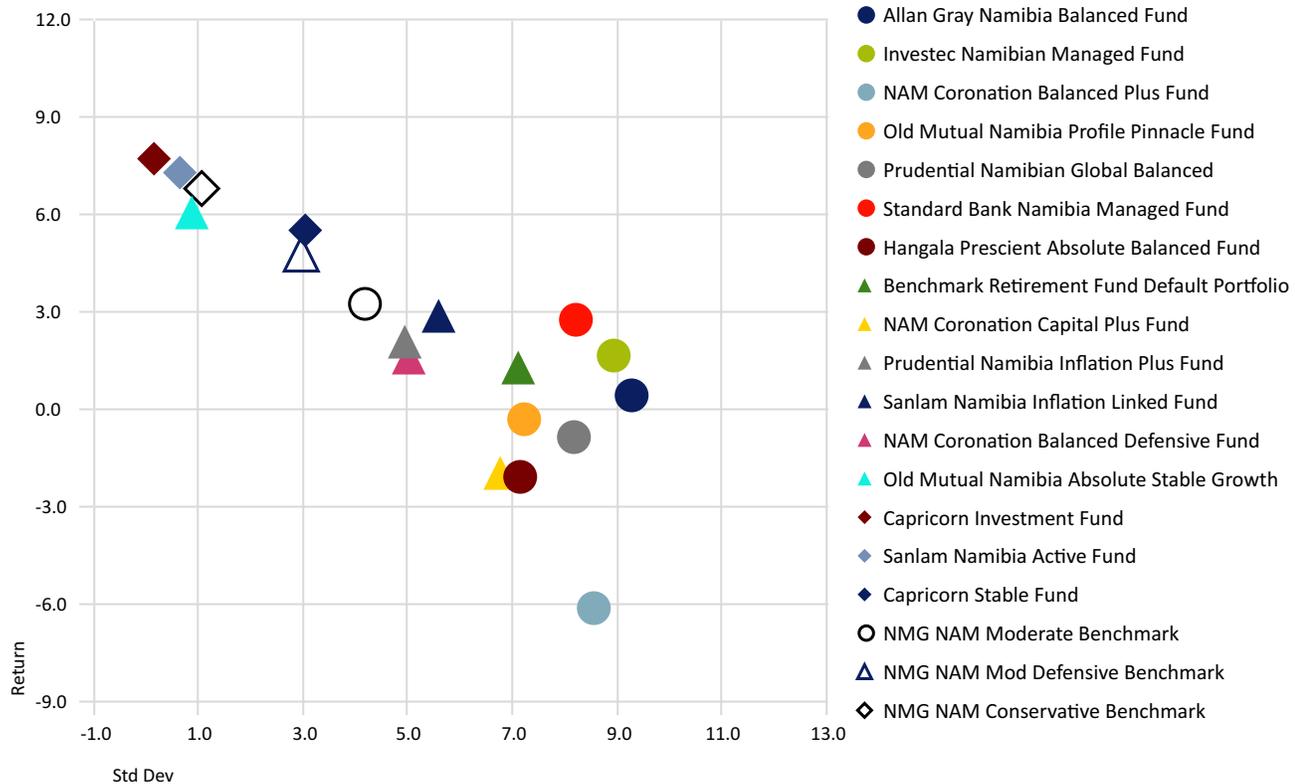
Risk-Reward - Over the long term

Time Period: 01-Jan-10 to 31-Dec-18



Risk-Reward - Over the short term

Time Period: 01-Jan-18 to 31-Dec-18



The final quarter of 2018, as well as the year, was not a great one for investors, as the ongoing trade war, growth slowdown and general uncertainty remained. This in evidently affected the markets and has brought with it dampened performance for the year of 2018, where investors shifted away from any uncertainty and risk in a general market sell-off.

Year to date, equity markets were down significantly, setting the scene for the worst year of performance since the global financial crisis, both locally and abroad. Worries from the Fed in the US indicating that interest rates might rise at faster pace, made investors panic and saw them sell equities in favour of bonds. However, some respite from the negative equity markets came in the form of the local markets, as the Local and Overall NSX markets were up 1.1% and 0.7% respectively for the last quarter. This was unlike the South African market which depreciated by nearly -5% for the final quarter of 2018, which was in-line with the aforementioned general global sell-off, and down -8.5% for the year of 2018.

The US-China trade war trend remained prominent for the whole of 2018 and as it's a battle between two leading superpowers, it impacted markets globally. Geopolitical tensions didn't stop there, with concerns across Europe, particularly including Brexit woes, and French social issues and Italian politics impacting business confidence and growth.

The Bank of Namibia left interest rates unchanged at 6.75% at its December meeting, while aiming to support economic growth after a relatively weak year. Annual inflation rose to 5.6% in November, following the steady increasing trend since the low of 3.5% in February, mainly due to a rise in food and non-alcoholic beverages, as well as transport, with the increase in fuel costs as a result of the rise in the oil price (which hit a 4-year high). Following this, the oil price decreased during December below \$55/barrel after OPEC output and US stockpiles increased.

Namibian growth for the third quarter was down -0.8%, continuing the country's struggle with recession. The slowdown in mining and construction continued to weigh on these numbers for the GDP growth, and the IMF revised their expected 2018 Namibian growth rate downward to below zero, with a potential gradual recovery in 2019 if some of the sectors show some improvement. If commodity prices recover, this could also benefit the country, as a catalyst to stimulate economic growth.

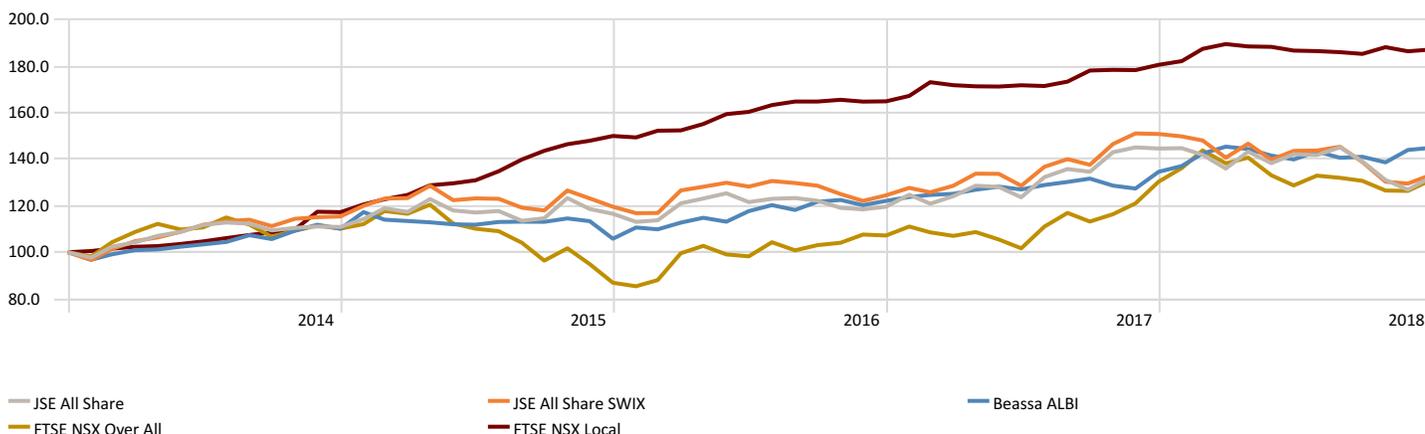
Although strengthening by over 6% during November after the rate hike announcement by 0.25% in South Africa, the Namibian Dollar weakened again in December by -3%, ending the year -16% weaker. Bonds did well by means of their defensive nature, with the IJG Bond Index returning strong performance for the quarter of 5%. Moreover, bonds were therefore one of the best performing asset classes for the year, with performance of 11% for 2018.

Key Indicators as at 31/12/2018

| | |
|------------------------|--------------|
| N\$/US\$ | N\$ 14.41/\$ |
| N\$/£ | N\$ 18.33/£ |
| N\$/€ | N\$ 16.47/€ |
| NAM Inflation rate | 5.6% |
| NAM repo rate | 6.75% |
| Oil Price (per barrel) | US\$ 54.20 |
| Gold Price (per oz) | US\$ 1278.30 |

Investment Growth for Selected Indices

Time Period: 01-Jan-14 to 31-Dec-18



Investment Growth for Selected Indices

| | Last Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------|--------------|-------|--------|---------|---------|----------|
| JSE All Share | -4.9 | -8.5 | -8.5 | 4.3 | 5.8 | 12.6 |
| JSE All Share SWIX | -4.0 | -11.7 | -11.7 | 3.7 | 5.9 | 13.0 |
| Beassa ALBI | 2.7 | 7.7 | 7.7 | 11.1 | 7.7 | 7.7 |
| FTSE NSX Over All | 0.3 | 0.5 | 0.5 | 14.7 | 5.6 | 8.9 |
| FTSE NSX Local | 1.0 | 3.6 | 3.6 | 7.7 | 13.4 | 14.7 |

Periodic Table

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | YTD |
|-------|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Best | JSE SA Listed Property 29.6 | FTSE NSX Local 28.1 | JSE SA Industrials 40.7 | MSCI World 57.2 | JSE Financial 15 27.8 | MSCI World 33.5 | JSE SA Re-sources 34.2 | JSE Financial 15 24.4 | JSE SA Re-sources 15.5 | JSE SA Re-sources 15.5 |
| | JSE SA Industrials 27.4 | MSCI World 15.9 | 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 | Beassa ALBI 7.7 | Beassa ALBI 7.7 |
| | 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 | STeFI 3 Month 6.9 | STeFI 3 Month 6.9 |
| | 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 | MSCI World 6.7 | MSCI World 6.7 |
| | JSE Financial 15 14.8 | Beassa ALBI 8.9 | FTSE NSX Local 23.7 | JSE Financial 15 19.8 | MSCI World 16.5 | STeFI 3 Month 6.1 | FTSE NSX Local 9.9 | JSE SA Re-sources 17.9 | FTSE NSX Local 3.6 | FTSE NSX Local 3.6 |
| | FTSE NSX Over All 12.3 | JSE Financial 15 6.6 | MSCI World 22.5 | 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 | FTSE NSX Over All 0.5 | FTSE NSX Over All 0.5 |
| | 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 | MSCI World 11.4 | JSE Financial 15 -4.1 | JSE Financial 15 -4.1 |
| | 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 | Beassa ALBI 10.2 | FTSE/JSE All Share TR ZAR -8.5 | FTSE/JSE All Share TR ZAR -8.5 |
| | 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 -4.6 | FTSE NSX Local 9.5 | JSE SA Industrials -17.5 | JSE SA Industrials -17.5 |
| Worst | MSCI World 0.9 | 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 Industrials -6.6 | STeFI 3 Month 7.2 | JSE SA Listed Property -25.3 | JSE SA Listed Property -25.3 |

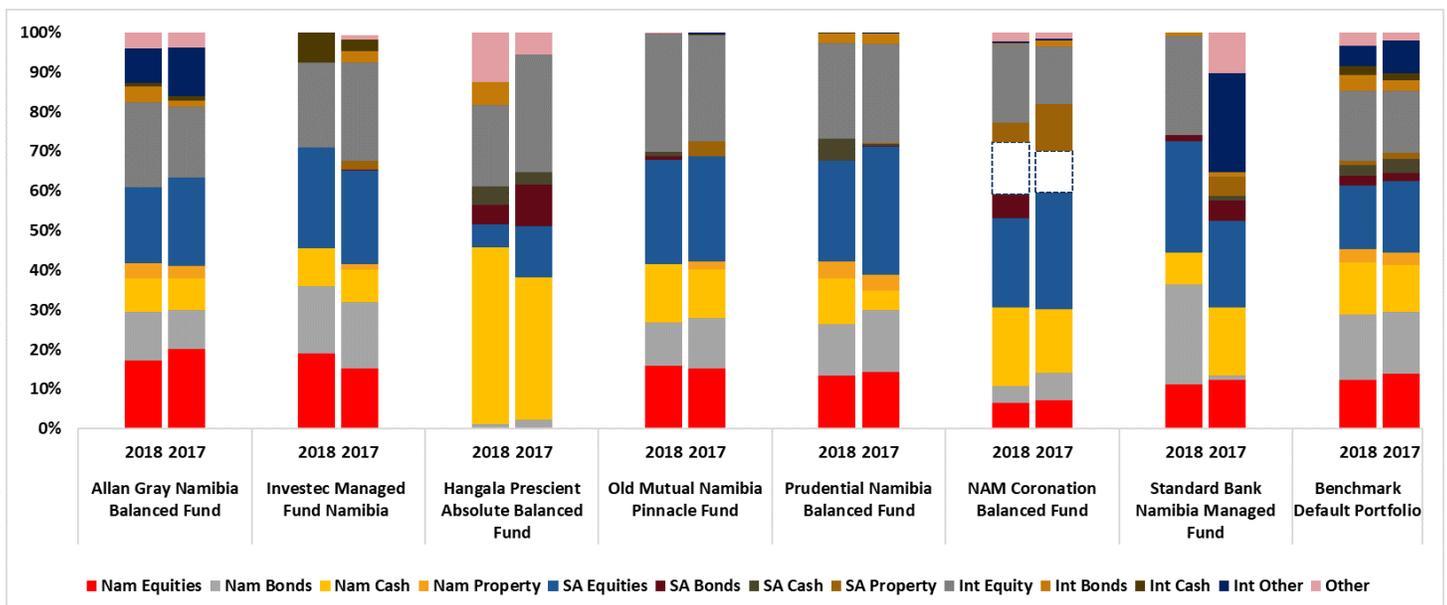
Asset Class Periodic Returns

| | Last Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------|--------------|-------|--------|---------|---------|----------|
| FTSE/JSE All Share TR ZAR | -4.9 | -8.5 | -8.5 | 4.3 | 5.8 | 12.6 |
| JSE SA Listed Property | -4.0 | -25.3 | -25.3 | -1.2 | 5.7 | 12.1 |
| JSE SA Resources | -4.5 | 15.5 | 15.5 | 22.3 | -0.4 | 3.9 |
| JSE SA Industrials | -6.5 | -17.5 | -17.5 | -1.9 | 4.9 | 15.9 |
| JSE Financial 15 | -0.4 | -4.1 | -4.1 | 7.3 | 9.8 | 15.2 |
| Beassa ALBI | 2.7 | 7.7 | 7.7 | 11.1 | 7.7 | 7.7 |
| STeFI 3 Month | 1.7 | 6.9 | 6.9 | 7.0 | 6.6 | 6.4 |
| MSCI World | -11.9 | 6.7 | 6.7 | 4.3 | 12.0 | 15.3 |
| FTSE NSX Local | 1.0 | 3.6 | 3.6 | 7.7 | 13.4 | 14.7 |
| FTSE NSX Over All | 0.3 | 0.5 | 0.5 | 14.7 | 5.6 | 8.9 |

Performance Comparison

Moderate Risk Portfolios

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



Notes 31 December 2018:

- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property
- NAM Coronation Balanced Plus: Other represents Commodities and International Other represents 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.
- Negative allocation to an asset class is represented by dashed bars.
- Investec: International other represents property.

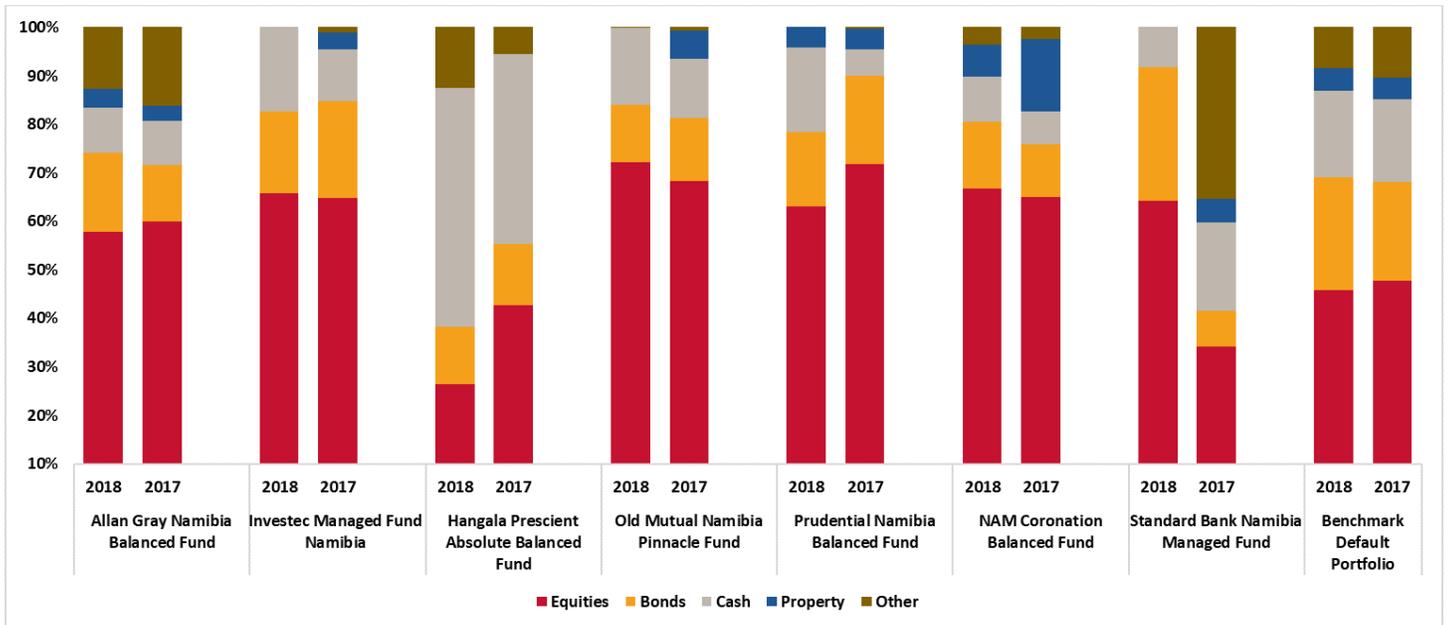
Notes 31 December 2017:

- Allan Gray: International Cash represents Africa and Foreign exAfrica
- Allan Gray: International Other represents Property, Hedged Equity & Commodities (11.3%)
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity (15.5%)
- 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.

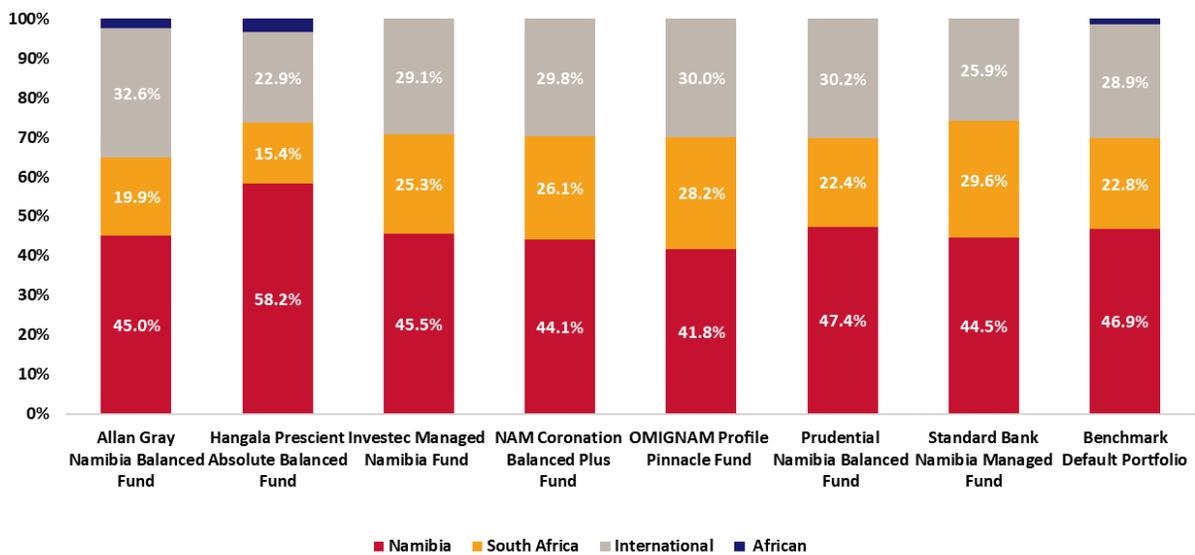
Performance Comparison

Moderate Risk Portfolios

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



Geographical Split as at 31 December 2018:



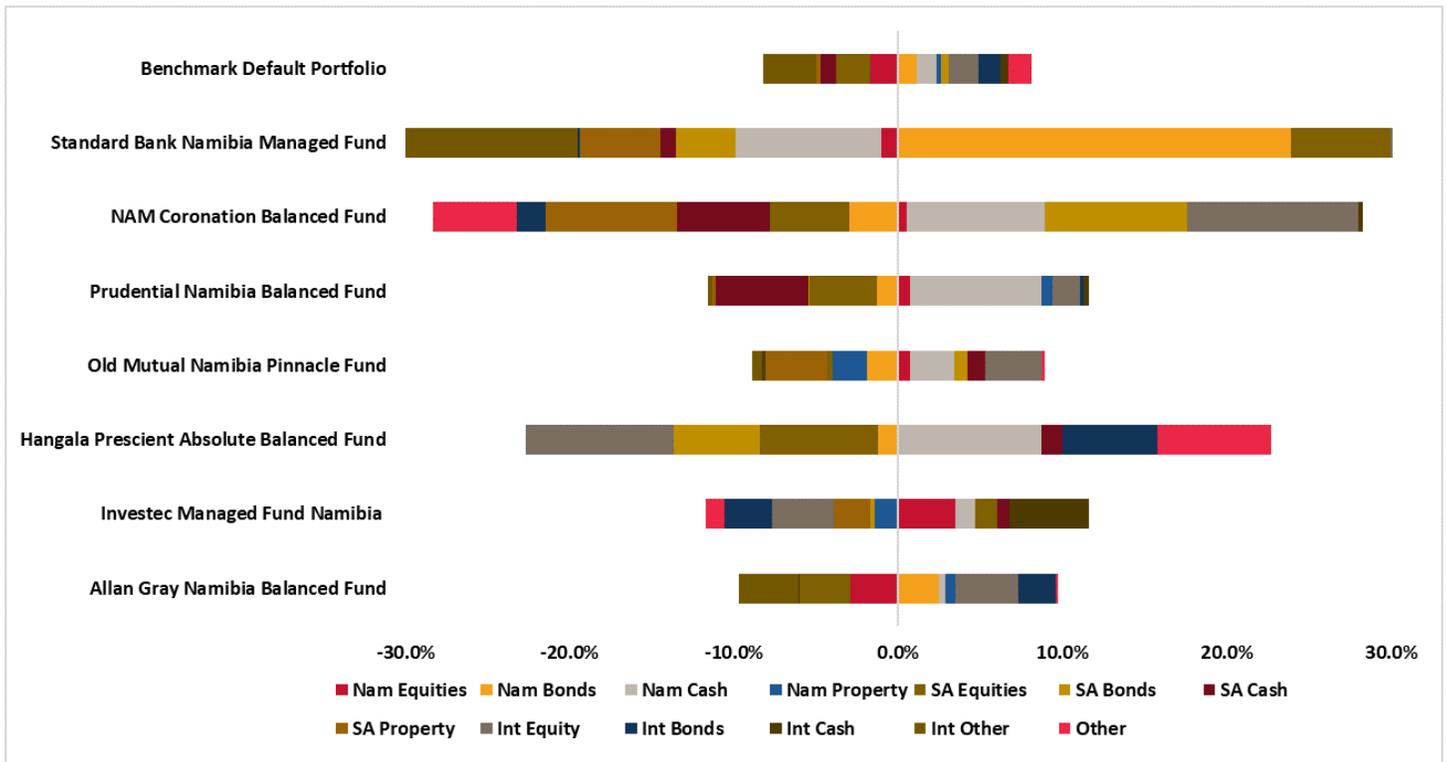
Notes:

Allan Gray: 2.5% African
 Hangala Prescient: 3.5% African
 Benchmark Default: 1.3% African

Performance Comparison

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



Standard Bank showed the most changes over the year, with large increases in Namibian Bonds and International Equity (however, a few changes were due to reclassification of assets on the international side between equity and other assets). All managers increased their allocation to Namibian assets with the exception of Old Mutual, who decreased their exposure slightly by 0.4 percentage points. Regarding South African assets, all managers reduced their equity allocations except for Investec. Standard Bank, NAM and Prudential decreased their cash allocations. NAM, the only manager with a short cash position, reduced their derivative position by reducing their notional cash holding. Old mutual and Allan Gray made the least changes over the year.

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 31 December 2018

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|--------|---------|---------|----------|
| Allan Gray Namibia Balanced Fund | 0.4 | 5.0 | 8.3 | 11.3 |
| Hangala Prescient Absolute Balanced Fund | -2.1 | 3.0 | 4.1 | — |
| NAM Coronation Balanced Plus Fund | -6.2 | 1.6 | 5.6 | 10.3 |
| Investec Namibian Managed Fund | 1.6 | 4.5 | 8.7 | 12.5 |
| Old Mutual Namibia Profile Pinnacle Fund | -0.3 | 5.3 | 8.1 | 12.2 |
| Standard Bank Namibia Managed Fund | 2.8 | 4.4 | 7.2 | 12.4 |
| Prudential Namibian Balanced | -0.9 | 5.0 | 7.1 | 10.1 |
| Benchmark Retirement Fund Default Portfolio | 1.2 | 4.7 | 7.6 | 10.5 |
| NMG SA Moderate Benchmark | 0.6 | 5.3 | 7.3 | 10.9 |
| NMG NAM Moderate Benchmark | 3.2 | 6.5 | 8.6 | 11.0 |
| FTSE/JSE All Share TR ZAR | -8.5 | 4.3 | 5.8 | 12.6 |
| NAM CPI + 6% | 11.5 | 12.2 | 11.5 | 11.9 |

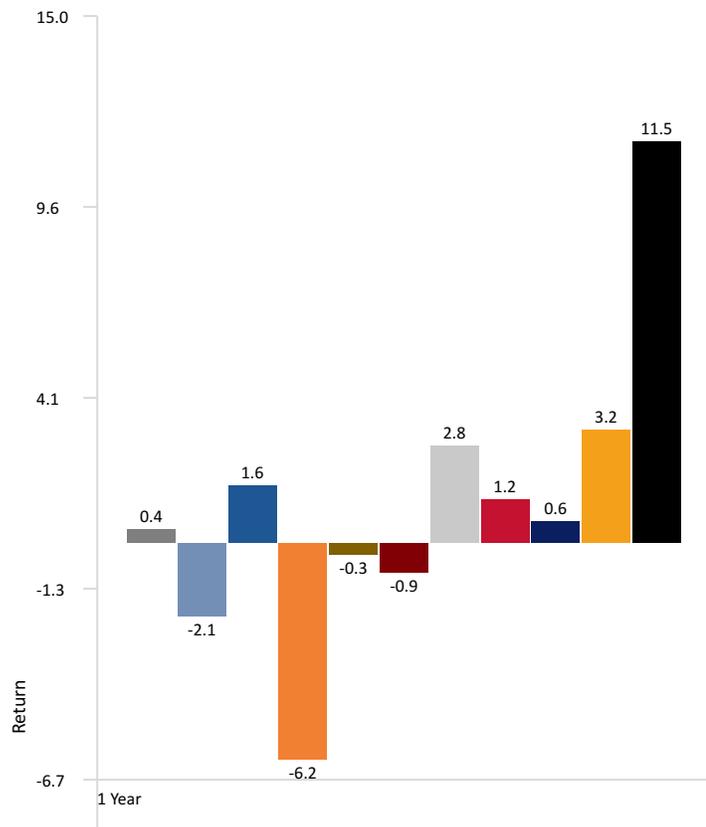
Trailing Returns as at 31 December 2017

| | 1 Year | 3 Year | 5 Year | 10 Year |
|---|--------|--------|--------|---------|
| Allan Gray Namibia Balanced Fund | 10.8 | 10.8 | 13.4 | 11.6 |
| Hangala Prescient Absolute Balanced Fund | 13.8 | 4.9 | 6.9 | — |
| NAM Coronation Balanced Plus Fund | 12.7 | 7.4 | 12.1 | 9.9 |
| Investec Namibian Managed Fund | 13.2 | 9.6 | 13.2 | 10.8 |
| Old Mutual Namibia Profile Pinnacle Fund | 13.9 | 9.5 | 12.7 | 10.8 |
| Standard Bank Namibia Managed Fund | 12.5 | 7.2 | 9.8 | 11.4 |
| Prudential Namibian Balanced | 12.6 | 8.9 | 11.6 | — |
| Benchmark Retirement Fund Default Portfolio | 9.6 | 9.0 | 11.6 | 10.3 |
| NMG SA Moderate Benchmark | 12.0 | 8.2 | 10.7 | 10.3 |
| NMG NAM Moderate Benchmark | 10.6 | 9.2 | 10.9 | 11.2 |
| FTSE/JSE All Share TR ZAR | 21.0 | 9.3 | 11.9 | 10.7 |
| NAM CPI + 6% | 11.5 | 11.7 | 11.4 | 12.5 |

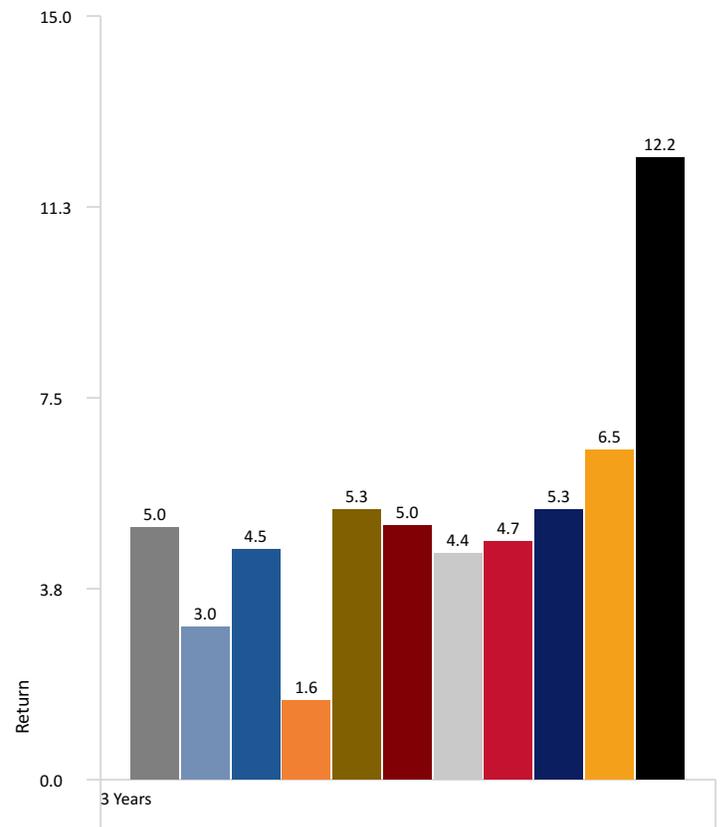
Performance Comparison

Moderate Risk Portfolios

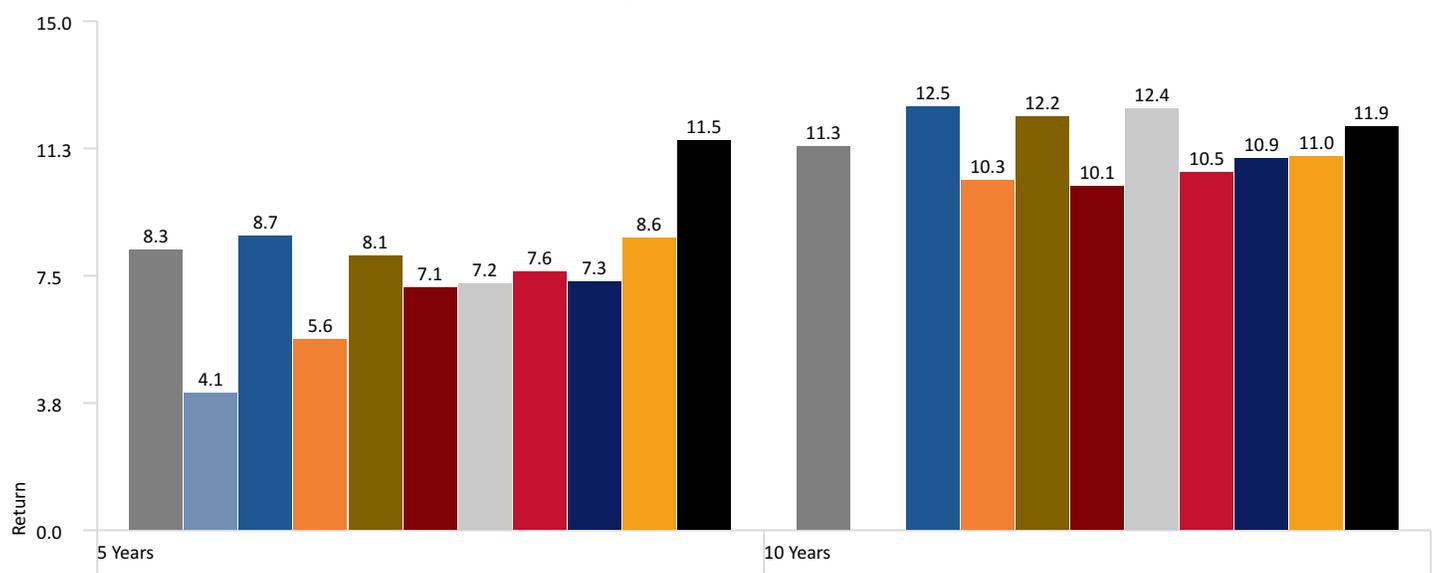
1 year performance for the period ended 31 December 2018



3 year performance for the period ended 31 December 2018



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



- Allan Gray Namibia Balanced Fund
- NAM Coronation Balanced Plus Fund
- Standard Bank Namibia Managed Fund
- NMG NAM Moderate Benchmark
- Hangala Prescient Absolute Balanced Fund
- Old Mutual Namibia Profile Pinnacle Fund
- Benchmark Retirement Fund Default Portfolio
- NAM CPI + 6%
- Investec Namibian Managed Fund
- Prudential Namibian Balanced
- NMG SA Moderate Benchmark

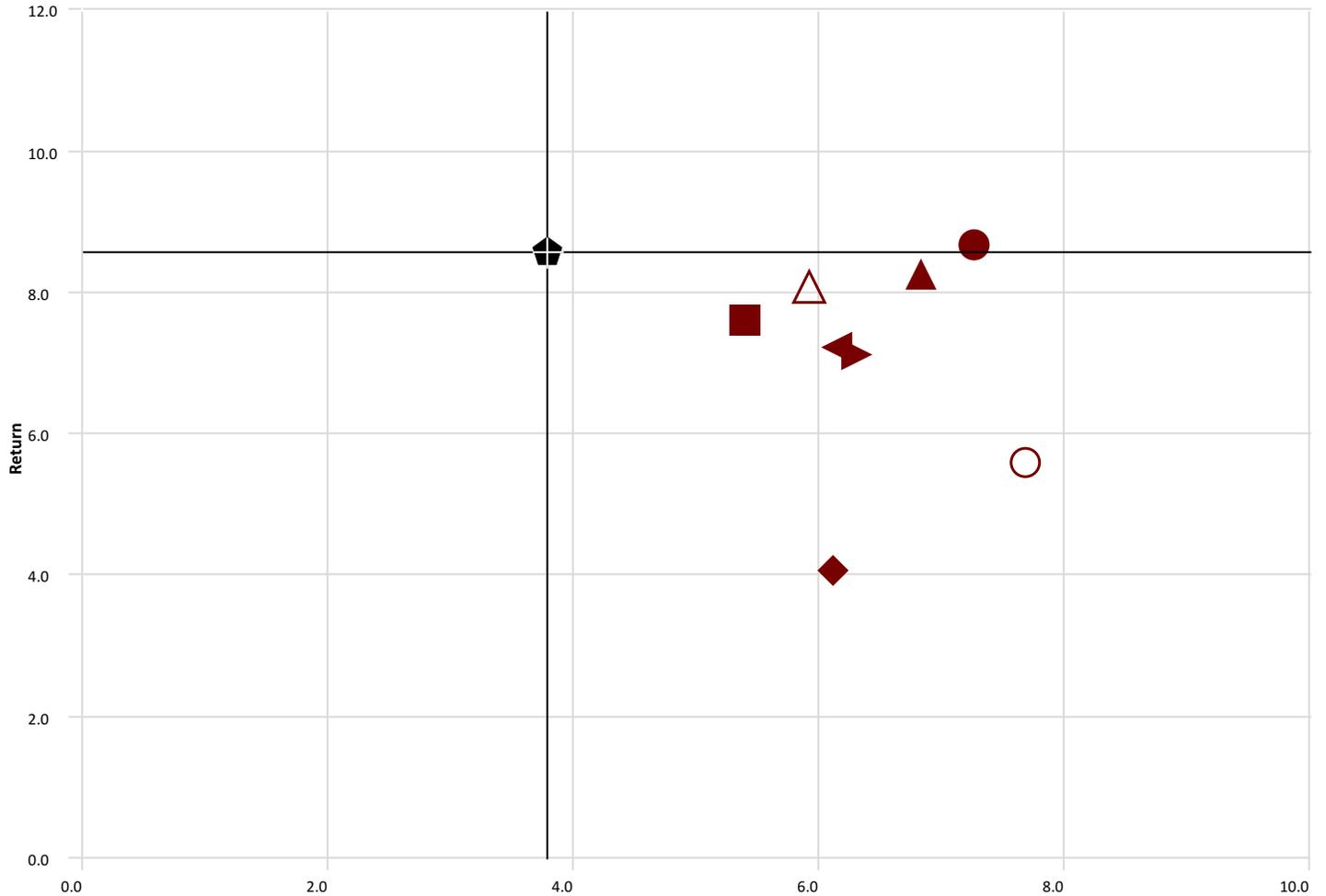
Performance Comparison

Moderate Risk 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-Jan-14 to 31-Dec-18

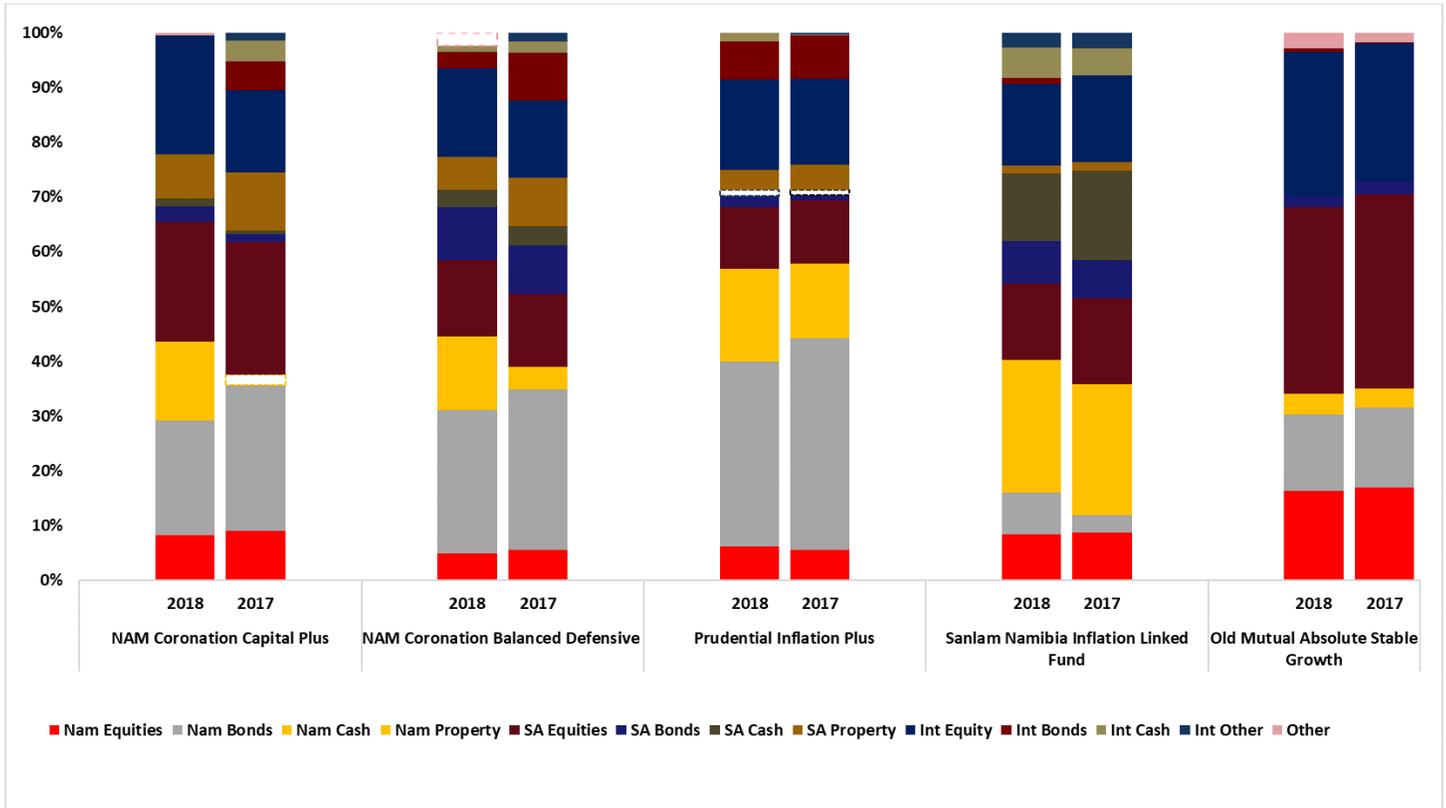


- Std Dev**
- ▲ Allan Gray Namibia Balanced Fund
 - ◆ Hangala Prescient Absolute Balanced Fund
 - Investec Namibian Managed Fund
 - NAM Coronation Balanced Plus Fund
 - ▲ Old Mutual Namibia Profile Pinnacle Fund
 - ▶ Prudential Namibian Balanced
 - ◀ Standard Bank Namibia Managed Fund
 - Benchmark Retirement Fund Default Portfolio
 - ◆ NMG NAM Moderate Benchmark

Performance Comparison

Moderate-Low Risk Portfolios

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



Notes 31 December 2018:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. NAM Coronation Balanced Defensive: International Other represents Property
3. Sanlam Namibia Inflation Linked: International Other represents Property
4. NAM Coronation Capital Plus's NAM Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
5. NAM Coronation Capital Plus & NAM Coronation Balanced Defensive: SA & NAM Other represents Commodities, Preference shares and other securities
6. Prudential's SA Cash position includes an offset or "Notional Cash value" for all derivative effective exposure
7. Negative allocation to an asset class is represented by dashed bars.

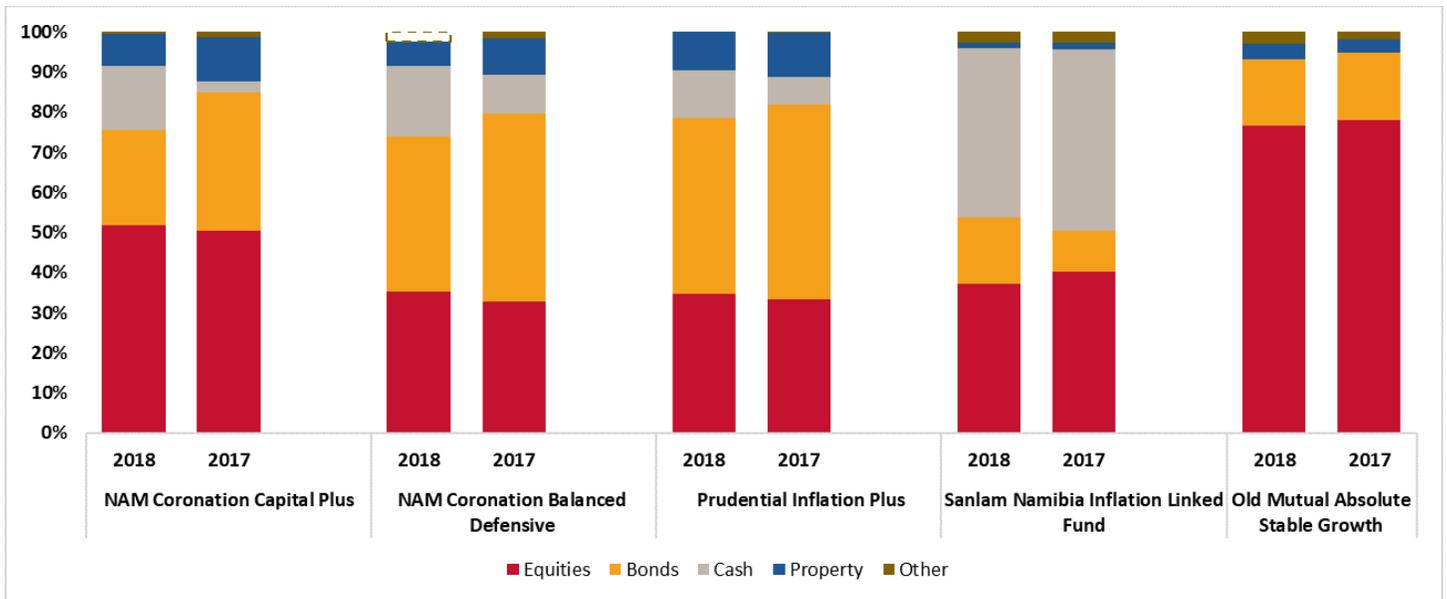
Notes 31 December 2017:

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. Prudential's SA Cash position includes an offset or "Notional Cash value" for all derivative effective exposure
7. Prudential Inflation Plus: International Other represents Property

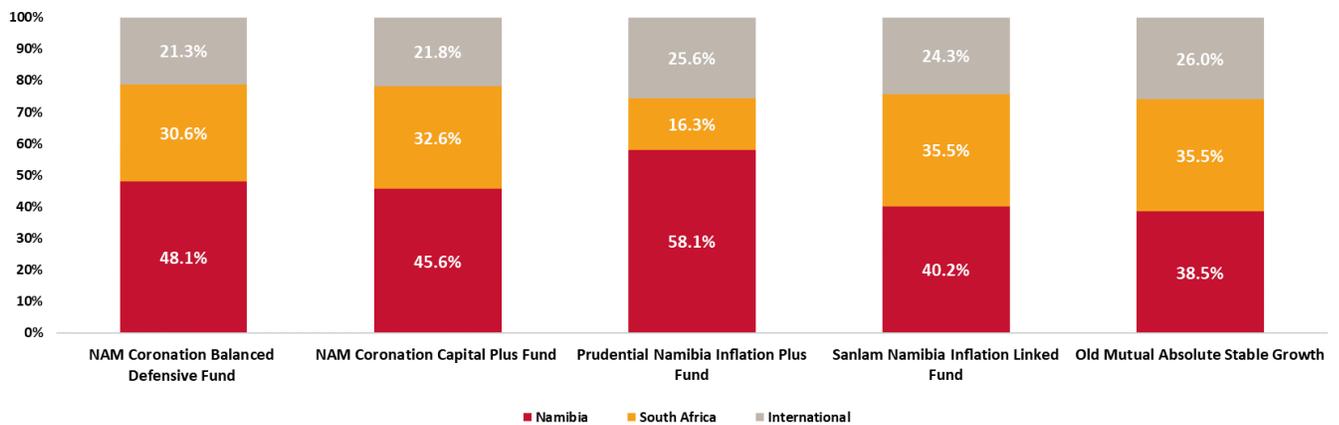
Performance Comparison

Moderate-Low Risk Portfolios

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



Geographical Split as at 31 December 2018:

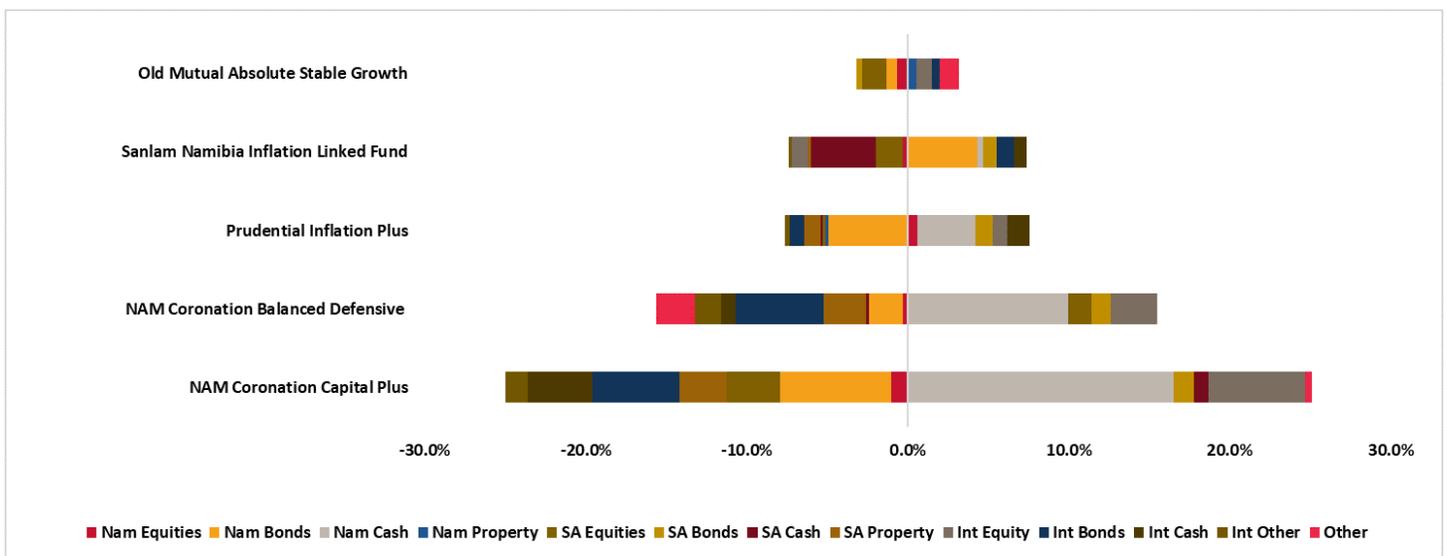


Performance Comparison

Moderate-Low Risk Portfolios

Change in Asset Allocation

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



Prudential, Sanlam and Old Mutual all increased their international assets while the two NAM portfolios decreased their exposure by lowering their international bonds and cash allocations. NAM and Sanlam increased their Namibian assets over the year while Prudential and Old Mutual decreased theirs marginally. All portfolios however increased their Namibian cash positions. Namibian property remained relatively unchanged over the year, in contrast to SA property which decreased considerably across all portfolios. Regarding South African assets, all managers reduced their exposure to the region with the majority of managers decreasing their SA equity positions. The most overall changes were made within the two NAM portfolio's, with large increases in Namibian cash and relatively large decreases in International and Namibian bonds. Old Mutual made the least changes to its portfolio over the year.

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 31 December 2018

| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| NAM Coronation Balanced Defensive Fund | 1.6 | 4.6 | 6.6 | 10.3 |
| NAM Coronation Capital Plus Fund | -2.0 | 2.9 | 4.9 | 9.6 |
| Prudential Namibia Inflation Plus Fund | 2.1 | 5.1 | 7.4 | 10.3 |
| Sanlam Namibia Inflation Linked Fund | 2.9 | 5.2 | 7.4 | 10.2 |
| Old Mutual Absolute Stable Growth | 6.0 | 7.5 | 10.1 | 11.6 |
| NMG NAM Mod Defensive Benchmark | 4.8 | 7.0 | 8.2 | 10.0 |
| CPI + 4% | 9.4 | 10.1 | 9.4 | 9.8 |

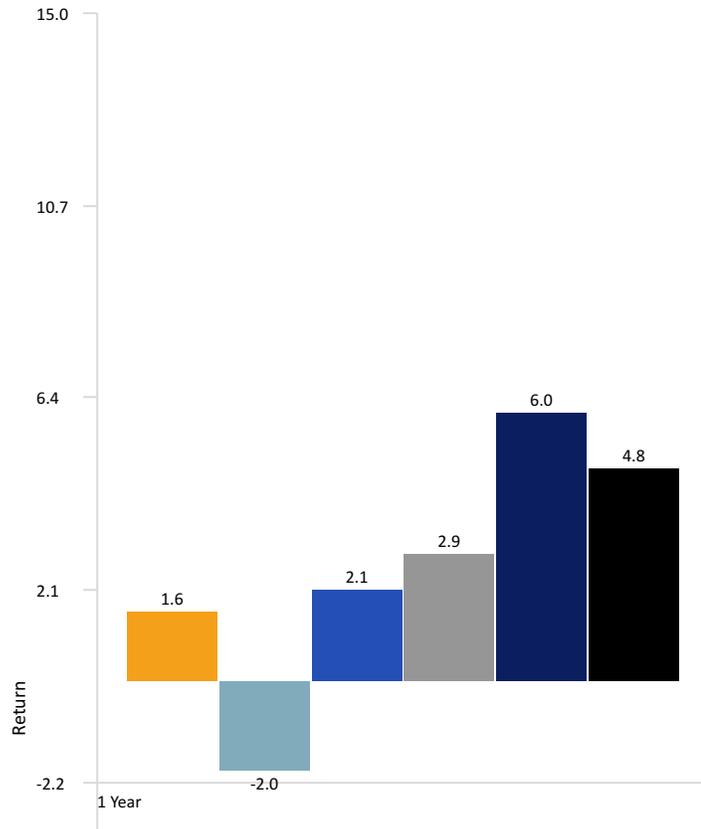
Trailing Returns as at 31 December 2017

| | 1 Year | 3 Year | 5 Year | 10 Year |
|--|--------|--------|--------|---------|
| NAM Coronation Balanced Defensive Fund | 8.1 | 7.1 | 9.8 | 10.1 |
| NAM Coronation Capital Plus Fund | 7.2 | 5.7 | 9.1 | — |
| Prudential Namibia Inflation Plus Fund | 10.5 | 8.1 | 10.1 | 10.0 |
| Sanlam Namibia Inflation Linked Fund | 8.2 | 8.2 | 9.9 | 9.9 |
| Old Mutual Absolute Stable Growth | 9.1 | 9.5 | 11.7 | — |
| NMG NAM Mod Defensive Benchmark | 9.6 | 8.4 | 9.5 | 10.4 |
| NAM CPI + 4% | 9.4 | 9.6 | 9.3 | 10.4 |

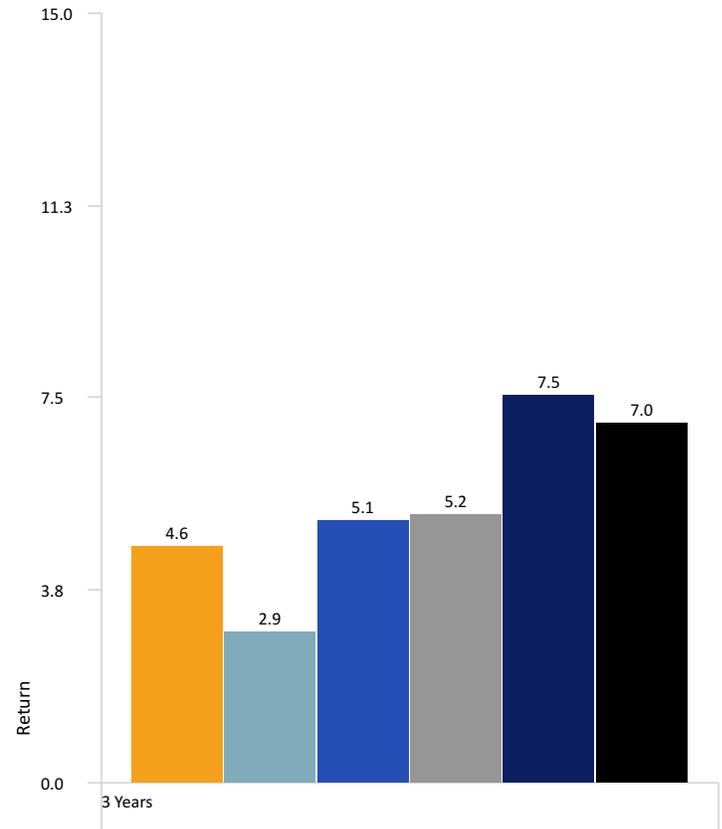
Performance Comparison

Moderate-Low Risk Portfolios

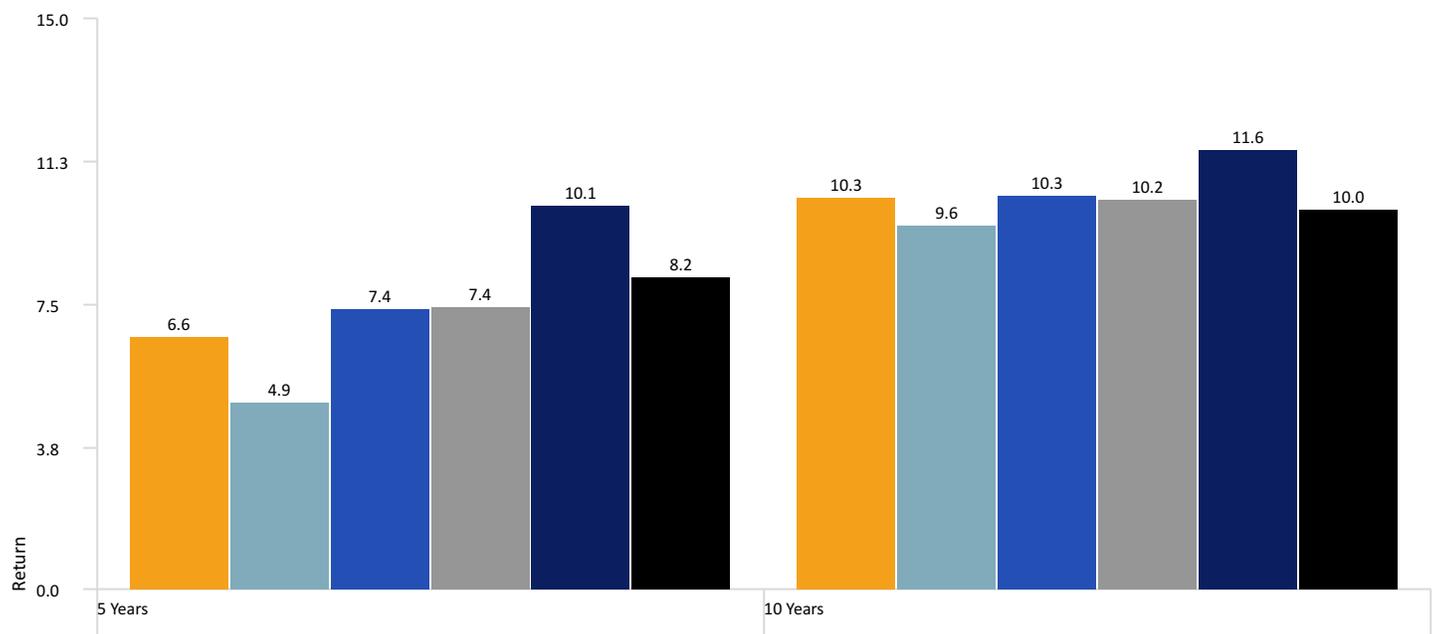
1 year performance for the period ended 31 December 2018



3 years performance for the period ended 31 December 2018



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



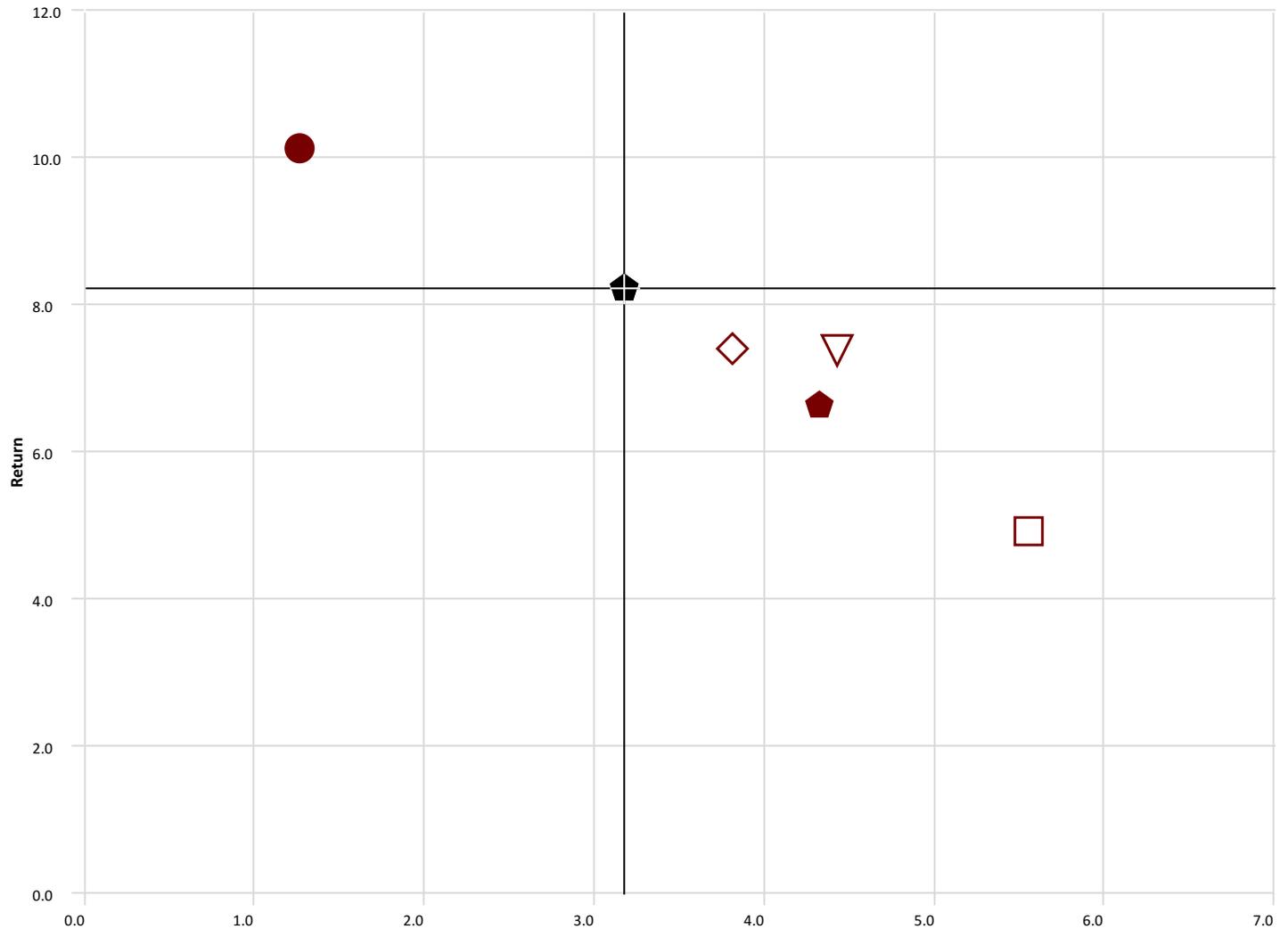
Performance Comparison

Moderate-Low Risk 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-Jan-14 to 31-Dec-18

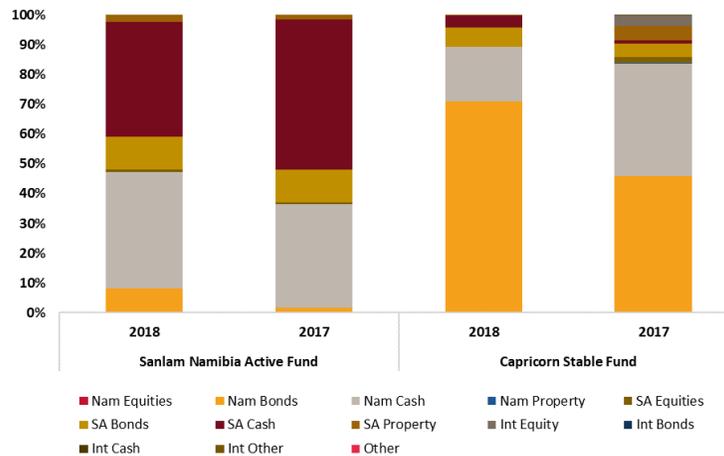


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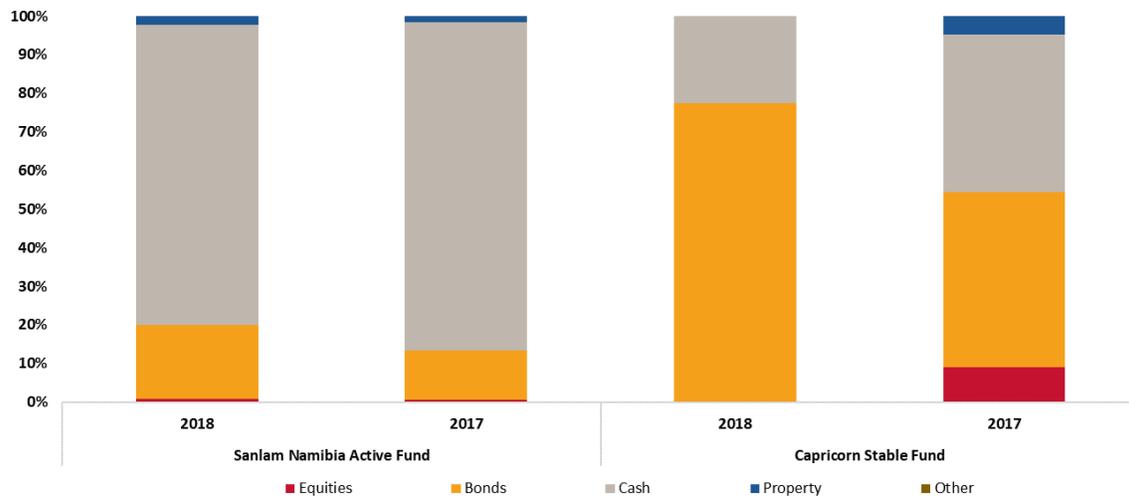
Performance Comparison

Low Risk and Capital Preservation Portfolios

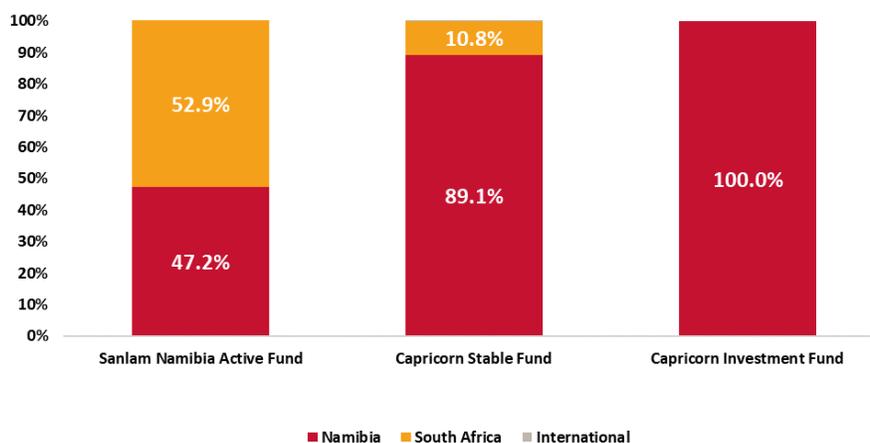
Asset Allocation as at 31 December 2018 as compared to 31 December 2017



The total Namibian exposure is 47.2% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. It invests 89.1% in Namibian assets. 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 December 2018

| | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|--------|---------|---------|----------|
| Capricorn Stable | 5.5 | 7.8 | — | — |
| Sanlam Namibia Active Fund | 7.3 | 8.7 | 8.2 | 8.3 |
| NAM CPI | 5.1 | 5.9 | 5.2 | 5.5 |
| NAM CPI + 2% | 7.3 | 8.0 | 7.3 | 7.7 |
| Beassa 1-3 Yr TR ZAR | 9.1 | 9.6 | 7.8 | 7.7 |

Trailing Returns as at 31 December 2017

| | 1 Year | 3 Year | 5 Year | 10 Year |
|----------------------------|--------|--------|--------|---------|
| Capricorn Stable | 9.4 | — | — | — |
| Sanlam Namibia Active Fund | 8.6 | 8.5 | 8.0 | 8.9 |
| NAM CPI | 5.2 | 5.4 | 5.1 | 6.1 |
| NAM CPI + 2% | 7.3 | 7.5 | 7.2 | 8.3 |
| Beassa 1-3 Yr TR ZAR | 9.6 | 7.9 | 6.9 | 8.1 |

Trailing Returns as at 31 December 2018

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------|--------|---------|---------|----------|
| Capricorn Investment Fund | 7.7 | 7.9 | 7.2 | 6.9 |
| NAM CPI + 1% | 6.2 | 6.9 | 6.2 | 6.6 |
| IJG Money Market GR NAD | 7.8 | 7.9 | 7.2 | 6.9 |

Trailing Returns as at 31 December 2017

| | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------|--------|--------|--------|---------|
| Capricorn Investment Fund | 8.6 | 7.4 | 6.7 | 7.3 |
| NAM CPI + 1% | 6.2 | 6.4 | 6.2 | 7.2 |
| IJG Money Market GR NAD | 8.3 | 7.5 | 6.7 | — |

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 13: 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.