



Benchmark Retirement Fund

Quarterly Investment Report: As at 31 December 2020

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Introduction

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

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%
Ninety One Namibia Managed Namibia Fund	Moderate	None	CPI+5% to 6%
NAM Coronation Balanced Plus Fund	Moderate	None	CPI+5% to 6%
Old Mutual Namibian Profile Pinnacle Fund ⁱ	Moderate	None	CPI+5% to 6%
Prudential Namibian 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 Fund**** ⁱ	Moderate-Low	CPI+4.5%	CPI+4.5%
NAM Coronation Capital Plus Fund	Moderate-Low	CPI+4% (1 year)	CPI+4%
Prudential Namibian Inflation Plus Fund	Moderate-Low	CPI+4%	CPI+4%
Sanlam Namibia Inflation Linked Fund ⁱ	Moderate-Low	CPI+4%	CPI+4%
NAM Coronation Balanced Defensive Fund	Moderate-Low	IUG Money Market + 3%	CPI+2% to 3%
Sanlam Namibia Absolute Return Plus Fund ⁱ	Low	CPI +2%	CPI +2%
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. This portfolio is closed for new investments since May 2020. A new series has since been created.

i- Insurance Policy.

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:

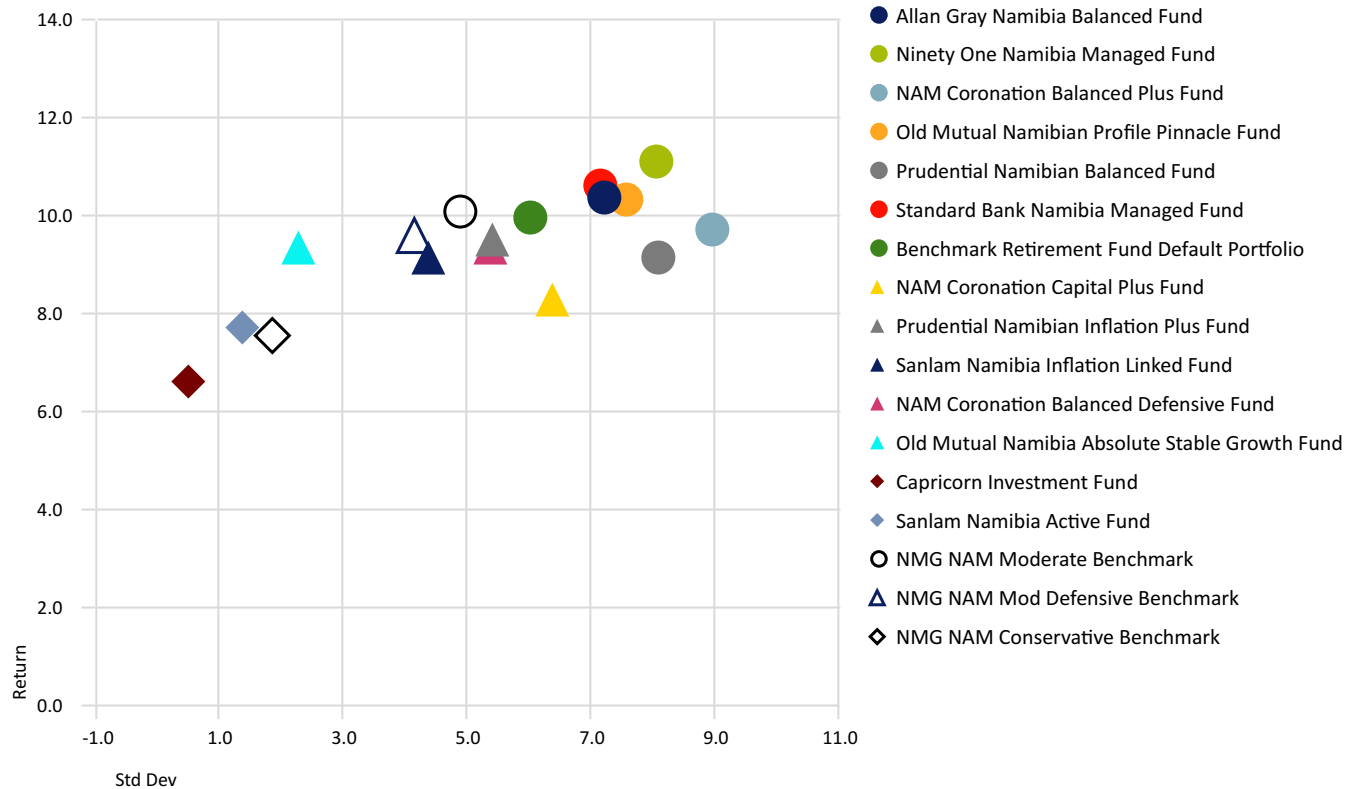
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential 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.

Introduction

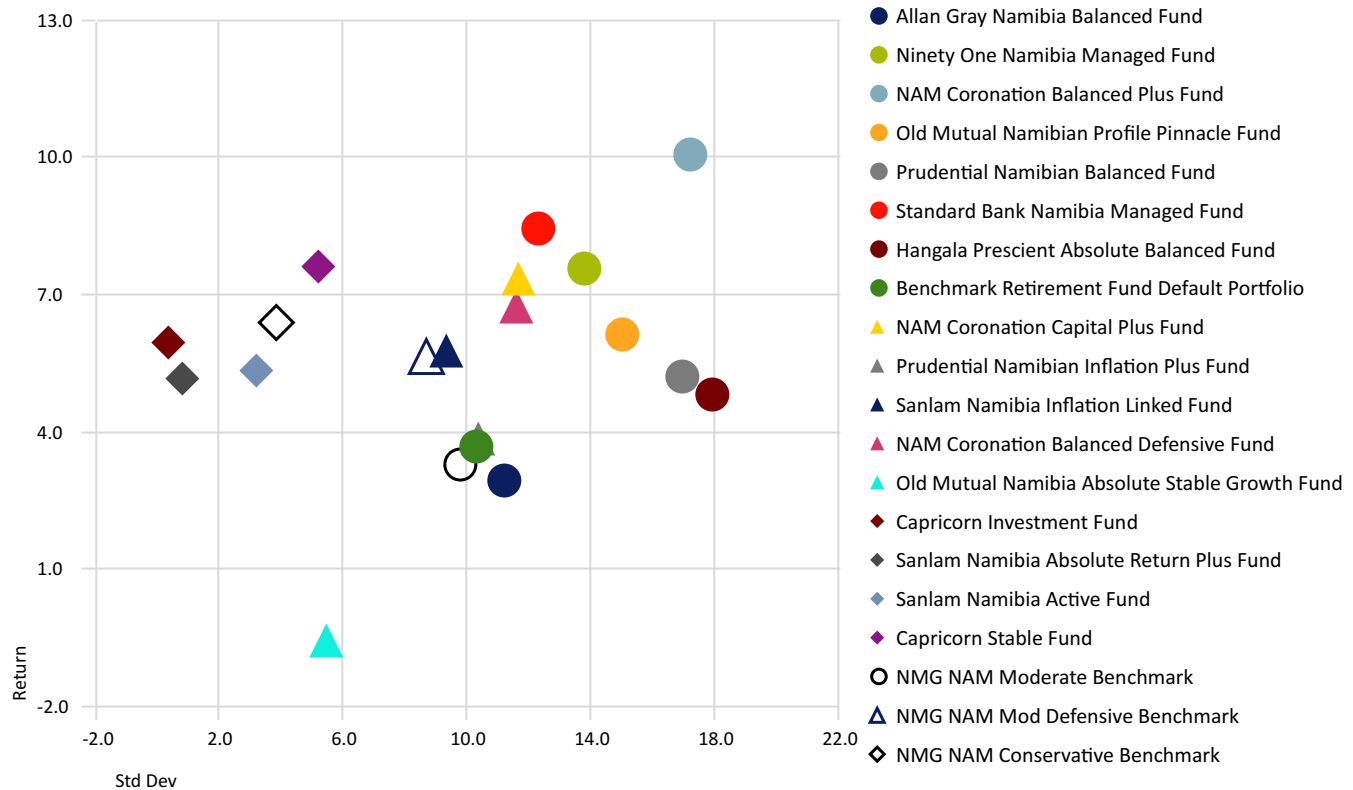
Risk-Reward - Over the long term

Time Period: 01 Jan 2011 to 31 Dec 2020



Risk-Reward - Over the short term

Time Period: 01 Jan 2020 to 31 Dec 2020



Market Overview

2020 has certainly been a rollercoaster year and while many are hailing 2020 as one of the worst years in history, the year ended on more than one positive note. After the first wave of the COVID-19 pandemic in Q1 2020 - which triggered a collapse in global equity markets, we watched as the rollout of unparalleled stimulus measures by major central banks and (more recently) vaccine breakthroughs sent markets soaring to record highs.

The US Federal Reserve (Fed) in their mid-December meeting said it would continue buying at least \$120bn of bonds every month until the US economy reaches full employment and inflation stays at 2%. This suggests a low-interest environment to at least 2023. US equity markets ended the year on a high with the S&P 500 closing the year 16.3% higher (+3.7% December), while the Dow Jones ended 2020 up 7.2% (+3.3% December). Both indices ending the year at record levels. Since US markets bottomed on 23 March, the S&P 500 has risen by an incredible 68%. However, the tech-heavy Nasdaq left these indices in the dust, gaining a mind-blowing 43.6% for the year (+5.7% December) as tech stocks rallied in the new normal. The historic gains in these indices came on the back of an extraordinary infusion of liquidity into the US monetary system by the Federal Reserve (Fed) - the biggest government stimulus in history, while optimism around COVID-19 vaccines being widely distributed also buoyed sentiment.

After lengthy negotiations, a Brexit deal was finally concluded on Christmas Eve. After a volatile year, the FTSE 100 ended 2020 14.3% in the red (its worst annual performance since 2008), although it did close (+3.1% higher in December). The UK is set to begin the rollout of a coronavirus vaccine developed by AstraZeneca and the University of Oxford, although Prime Minister Boris Johnson has indicated that more restrictions could be on the cards. Pfizer and Moderna have also both gone to market with Covid-19 vaccines and vaccination programmes will be rolled out globally this year.

South Africa's third-quarter GDP beat expectations, falling only 6% year-on-year. Mboweni's call to cut public wages was backed by the Labour Court, putting a significant amount of R38billion firmly back in government coffers and strengthening South Africa's financial position incrementally. While it may be a drop in the ocean it signals a step in the right direction, which should reassure foreign investors.

The positives abound but the news is tempered with the rising cases of Covid infections as we ride the second wave. Infection rates are higher, cases are more contagious, the incubation period is shorter, symptoms are more severe, and the death rate is higher. President Cyril Ramaphosa must balance reducing infection rates and boosting public safety, trying to bolster a failing economy while supporting businesses that have already taken huge knocks. The FTSE/JSE SWIX Index gained 4.0%, Industrials were down 1.1% and Financials were up 8.3%. The JSE All Bond Index advanced 2.4%, while the rand appreciated by 5.1% relative to the US dollar.

Eroded consumer and business confidence in Namibia, coupled with government's commitment to fiscal consolidation as well as a halt in foreign direct investment brought on by poor policy guidance means that domestic economic growth is expected to remain muted for the foreseeable future.

The annual inflation rate moved up to slightly to 2.4% in December, just above the 2.2% reported for November. As expected, inflationary pressure remains extremely subdued. Global oil prices remain one of the larger risks to our inflation forecast. However, the announcement by the Ministry of Mines and Energy at the beginning of December to cut the petrol and diesel prices by 30 cents and 20 cents per litre respectively, means that the lower transport inflation will continue having a meaningful impact. It is also unlikely that we will see raised rental prices in the next 12 months as many consumers remain under financial pressure.

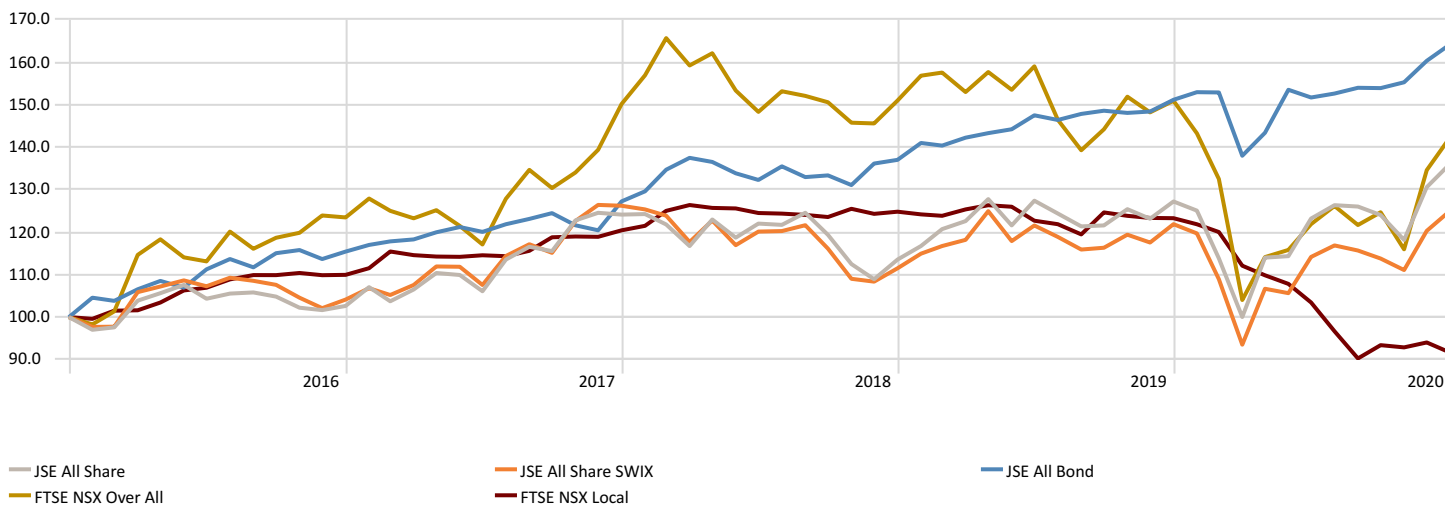
The Bank of Namibia projects the economy to contract by 7.3% in 2020 and to recover by 2.6% and 3.2% in 2021 and 2022, respectively.

Key Indicators as at 31/12/2020

N/US\$	N14.66/\$
N/£	N20.08£
N/€	N17.95/€
NAM Inflation rate	2.40%
NAM repo rate	3.75%
Oil Price (per barrel)	US\$51.17/barrel
Gold Price (per oz)	US\$1 898.36/oz

Investment Growth for Selected Indices

Time Period: 01 Jan 2016 to 31 Dec 2020



Investment Growth for Selected Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
JSE All Share	9.8	7.0	7.0	3.1	6.4	9.6
JSE All Share SWIX	9.9	2.6	2.6	-0.3	4.6	9.3
JSE All Bond	6.7	8.7	8.7	8.9	10.4	8.2
FTSE NSX Over All	14.2	-5.7	-5.7	-1.8	7.3	3.6
FTSE NSX Local	-1.9	-25.7	-25.7	-8.7	-1.7	10.2

Market Overview

Periodic Table

Best ↑ ↓ Worst	JSE Industrial 44.5	MSCI World 57.2	JSE Financial 15 27.8	MSCI World 33.5	JSE SA Re- sources 34.2	JSE Industrial 25.4	JSE SA Re- sources 15.5	JSE SA Re- sources 28.5	MSCI World 22.4	MSCI World 22.4
	JSE Financial 15 37.8	JSE Industrial 38.1	JSE SA Listed Property 26.6	FTSE NSX Local 28.0	FTSE NSX Over All 23.5	JSE Financial 15 24.4	JSE All Bond 7.7	MSCI World 24.8	JSE SA Re- sources 21.2	JSE SA Re- sources 21.2
	JSE SA Listed Property 35.9	FTSE/JSE All Share TR ZAR 21.4	FTSE NSX Local 17.3	JSE Industrial 17.9	JSE All Bond 15.4	FTSE NSX Over All 21.6	STeFI 3 Month 6.9	FTSE/JSE All Share TR ZAR 12.0	JSE Industrial 14.2	JSE Industrial 14.2
	FTSE/JSE All Share TR ZAR 26.7	FTSE NSX Local 21.3	JSE Industrial 17.2	JSE SA Listed Property 8.0	JSE SA Listed Property 10.2	FTSE/JSE All Share TR ZAR 21.0	MSCI World 6.7	JSE Industrial 11.0	JSE All Bond 8.7	JSE All Bond 8.7
	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	JSE All Bond 10.3	FTSE/JSE All Share TR ZAR 7.0	FTSE/JSE All Share TR ZAR 7.0
	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	STeFI 3 Month 6.9	STeFI 3 Month 4.8	STeFI 3 Month 4.8
	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 SA Listed Property 1.9	FTSE NSX Over All -5.7	FTSE NSX Over All -5.7
	JSE All Bond 15.9	JSE SA Re- sources 1.4	JSE All Bond 10.1	JSE All Bond -3.9	FTSE/JSE All Share TR ZAR 2.6	JSE All Bond 10.2	FTSE/JSE All Share TR ZAR -8.5	JSE Financial 15 0.9	JSE Financial 15 -19.7	JSE Financial 15 -19.7
	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 Industrial -17.9	FTSE NSX Over All 0.0	FTSE NSX Local -25.7	FTSE NSX Local -25.7
	JSE SA Re- sources 3.1	JSE All Bond 0.6	JSE SA Re- sources -14.7	JSE SA Re- sources -37.0	JSE Industrial -8.5	STeFI 3 Month 7.1	JSE SA Listed Property -25.3	FTSE NSX Local -1.2	JSE SA Listed Property -34.5	JSE SA Listed Property -34.5
	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD

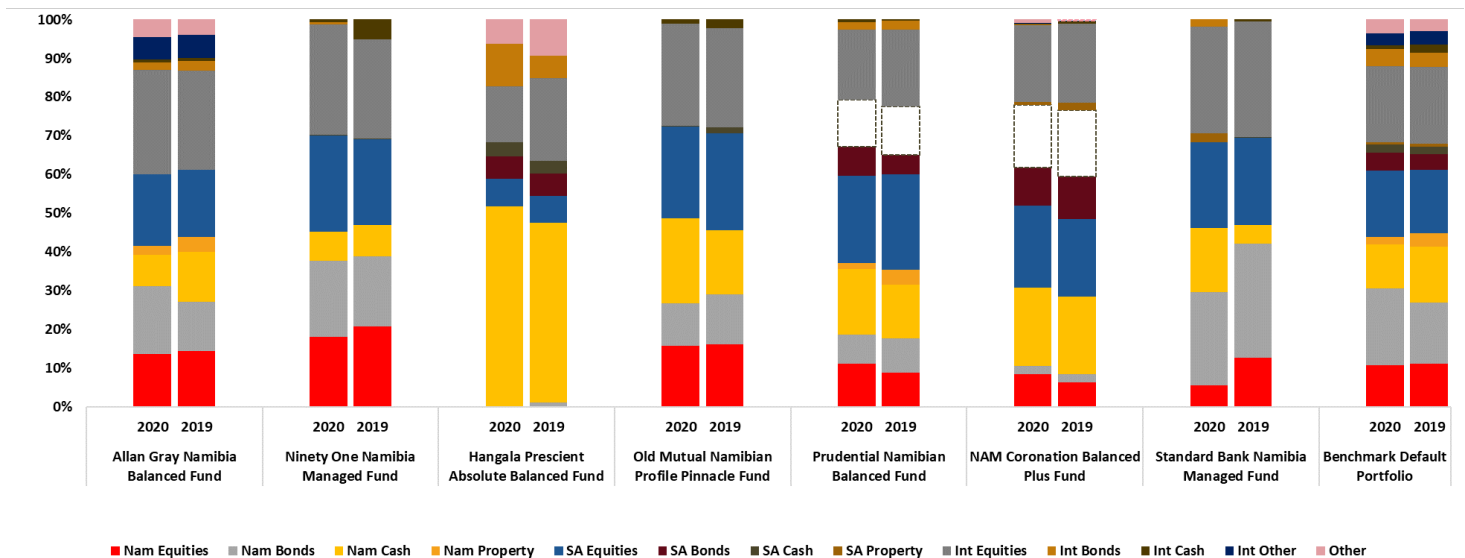
Asset Class Periodic Returns

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	9.8	7.0	7.0	3.1	6.4	9.6
JSE SA Resources	8.3	21.2	21.2	21.6	23.3	4.1
JSE Industrial	6.8	14.2	14.2	1.4	3.6	13.8
JSE Financial 15	20.1	-19.7	-19.7	-8.0	0.0	8.6
JSE SA Listed Property	22.2	-34.5	-34.5	-20.7	-8.4	3.5
JSE All Bond	6.7	8.7	8.7	8.9	10.4	8.2
STeFI 3 Month	0.8	4.8	4.8	6.2	6.6	6.0
MSCI World	0.5	22.4	22.4	17.7	11.6	19.7
FTSE NSX Local	-1.9	-25.7	-25.7	-8.7	-1.7	10.2
FTSE NSX Over All	14.2	-5.7	-5.7	-1.8	7.3	3.6

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2020 as compared to 31 December 2019



Notes 31 December 2020:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced: Other represents Commodities and preference shares and International Other represents property and commodities.
6. NAM Coronation and Prudential 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.
7. Negative allocation to an asset class is represented by dashed bars.
8. Hangala Prescient: Other represents Preference shares and investment in a clean energy and infrastructure fund

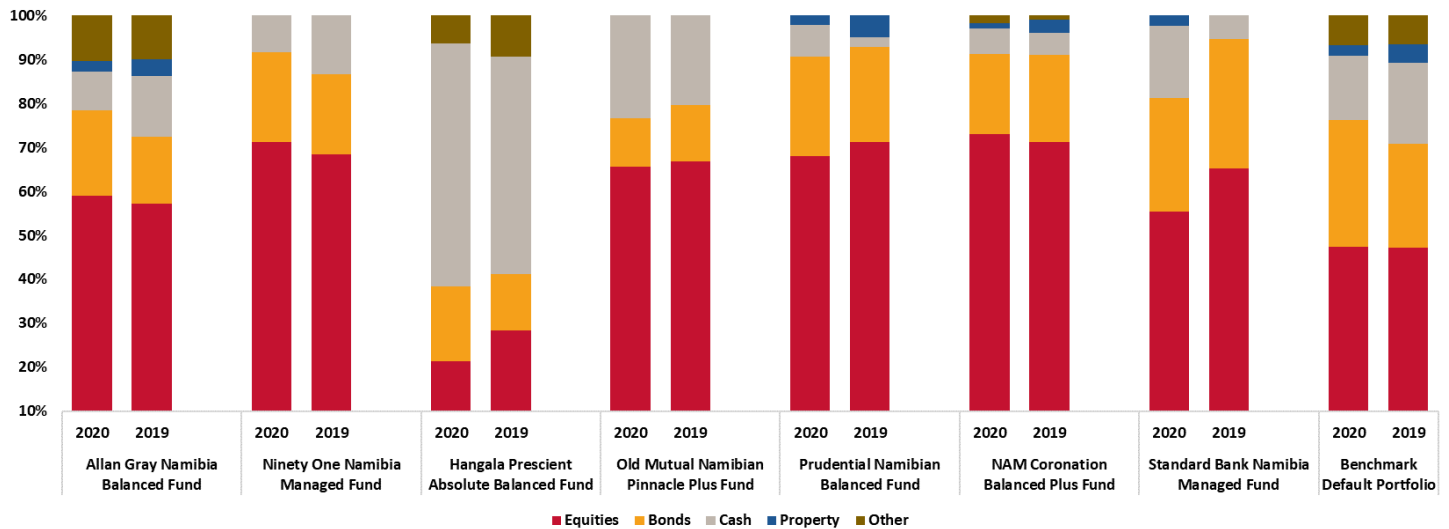
Notes 31 December 2019:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Property.
6. NAM Coronation and Prudential 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.
7. Negative allocation to an asset class is represented by dashed bars.
8. Hangala Prescient: Other represents Preference shares

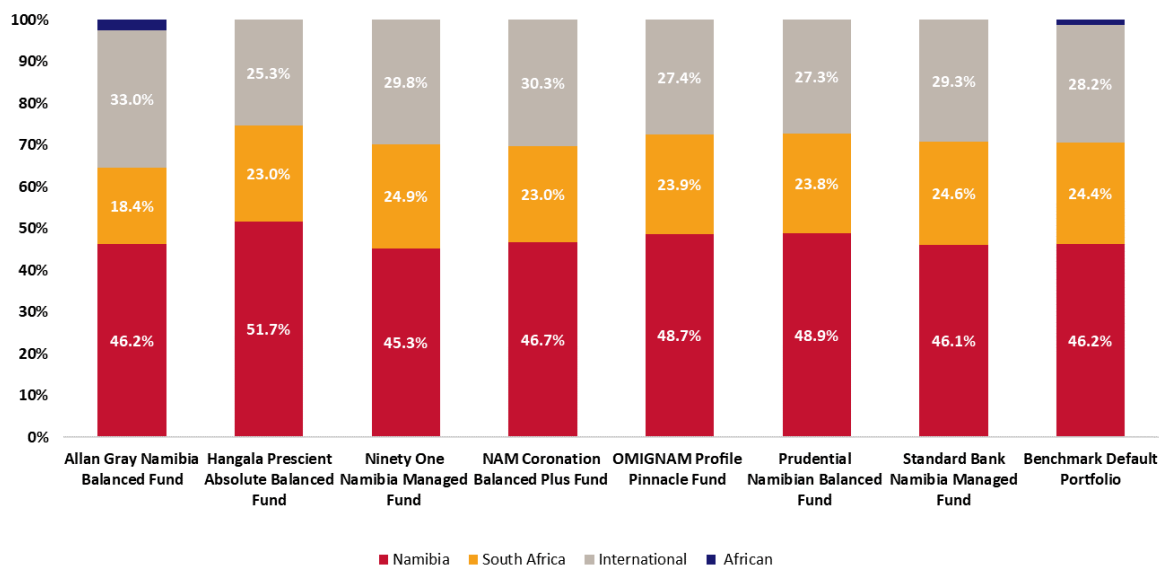
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2020 as compared to 31 December 2019



Geographical Split as at 31 December 2020:

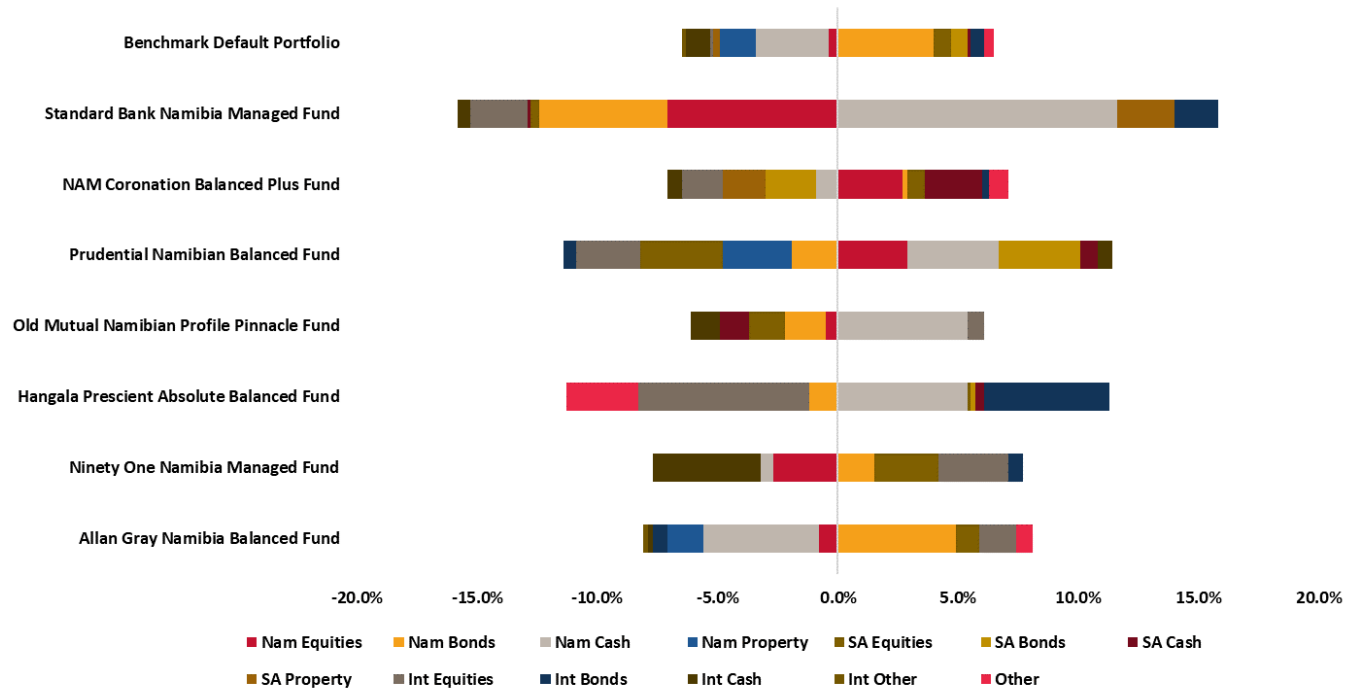


Notes:
 Allan Gray: 2.4% African
 Benchmark Default: 1.2% African

Performance Comparison

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 December 2020**. 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, Prudential and Hangala, made the most changes to their portfolio over the year, while Nam Coronation and Old Mutual had the least amount of changes. On average, managers continue to reduce their exposure to South African assets in favour of Namibian Cash and Bonds. Relative international equity exposure continues to fall, impacted by the local currency strengthening against the dollar over the quarter.

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 31 December 2020

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	2.9	3.5	4.8	10.4
Hangala Prescient Absolute Balanced Fund	4.8	3.8	4.5	—
NAM Coronation Balanced Plus Fund	10.1	4.7	5.1	9.7
Ninety One Namibia Managed Fund	7.6	6.4	6.2	11.1
Old Mutual Namibian Profile Pinnacle Fund	6.1	5.2	6.4	10.3
Standard Bank Namibia Managed Fund	8.4	7.6	6.7	10.6
Prudential Namibian Balanced Fund	5.2	4.7	6.0	9.1
Benchmark Retirement Fund Default Portfolio	3.7	4.5	5.3	10.0
NMG SA Moderate Benchmark	10.8	7.5	7.6	10.6
NMG NAM Moderate Benchmark	3.3	4.7	6.1	10.1
FTSE/JSE All Share TR ZAR	7.0	3.1	6.4	9.6
NAM CPI + 6%	8.5	9.6	10.8	11.2

Trailing Returns as at 31 December 2019

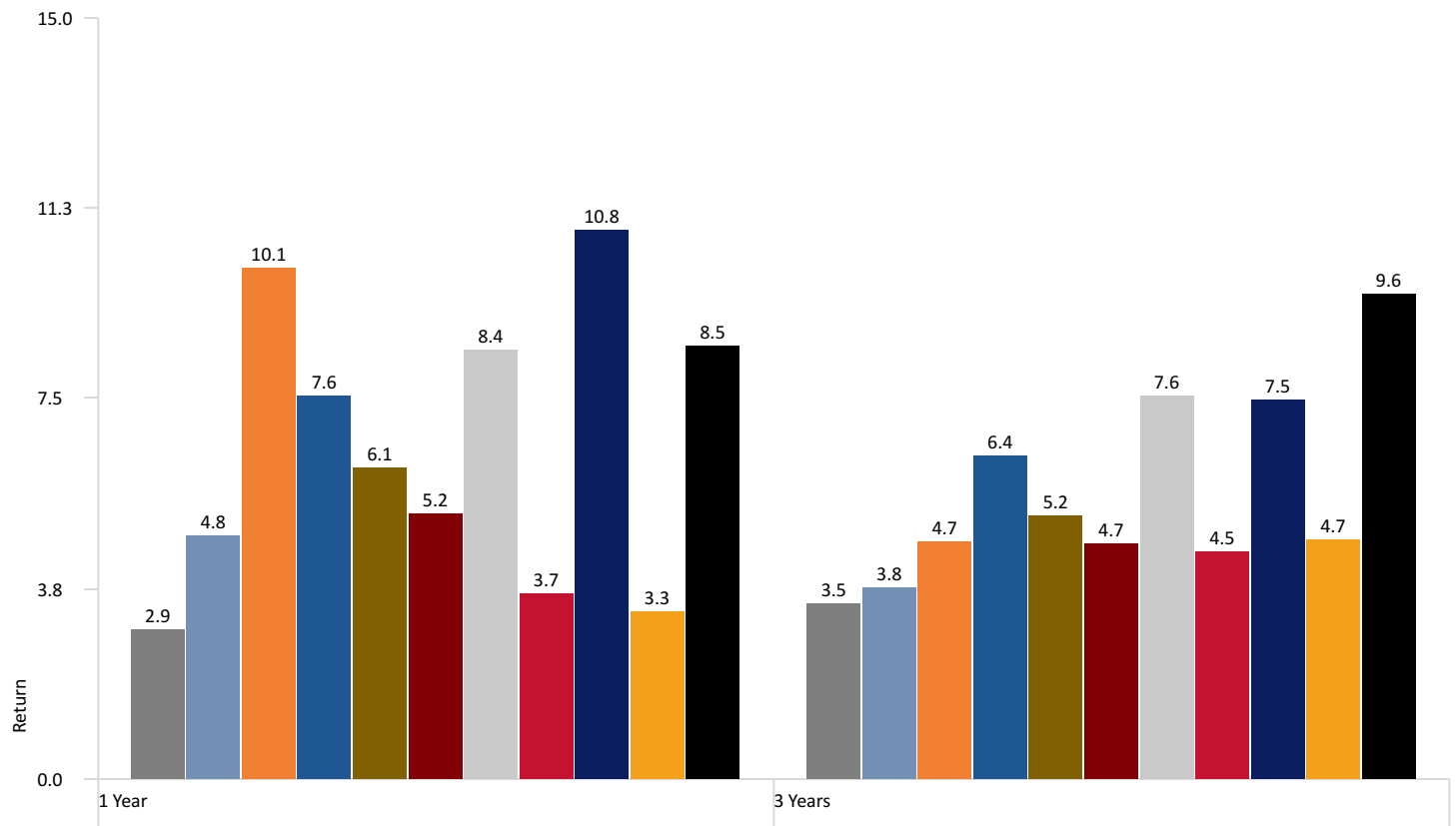
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	7.3	5.8	7.8	10.9
Hangala Prescient Absolute Balanced Fund	9.0	6.7	4.3	—
NAM Coronation Balanced Plus Fund	11.0	5.5	5.2	9.3
Ninety One Namibia Managed Fund	10.1	8.2	8.1	11.6
Old Mutual Namibian Profile Pinnacle Fund	10.0	7.7	7.6	11.3
Standard Bank Namibia Managed Fund	11.7	8.9	7.2	11.6
Prudential Namibian Balanced Fund	9.9	7.1	7.1	9.8
Benchmark Retirement Fund Default Portfolio	8.6	6.4	7.4	10.6
NMG SA Moderate Benchmark	11.3	7.8	7.2	10.7
NMG NAM Moderate Benchmark	7.7	7.1	7.7	11.0
FTSE/JSE All Share TR ZAR	12.0	7.4	6.0	10.8
NAM CPI + 6%	8.7	10.6	11.1	11.3

The returns for the Default Portfolio and the Allan Gray Namibia Balanced Fund (segregated) are received from Retirement Fund Solutions. The returns for the Old Mutual AGP portfolios are sourced from the NMG Survey data. The remaining returns are net money-weighted rate of return values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

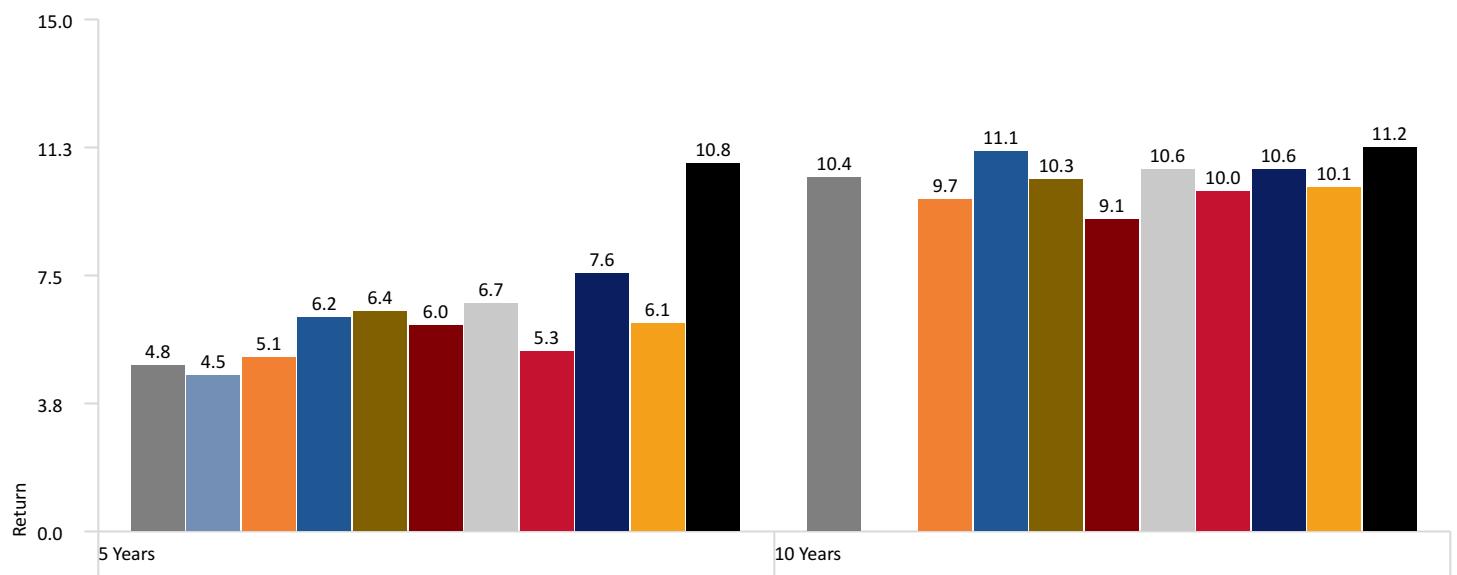
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 31 December 2020



5 & 10 years performance for the period ending 31 December 2020



Allan Gray Namibia Balanced Fund
 Ninety One Namibia Managed Fund
 Standard Bank Namibia Managed Fund
 NMG NAM Moderate Benchmark

Hangala Prescient Absolute Balanced Fund
 Old Mutual Namibian Profile Pinnacle Fund
 Benchmark Retirement Fund Default Portfolio
 NAM CPI + 6%

NAM Coronation Balanced Plus Fund
 Prudential Namibian Balanced Fund
 NMG SA Moderate Benchmark

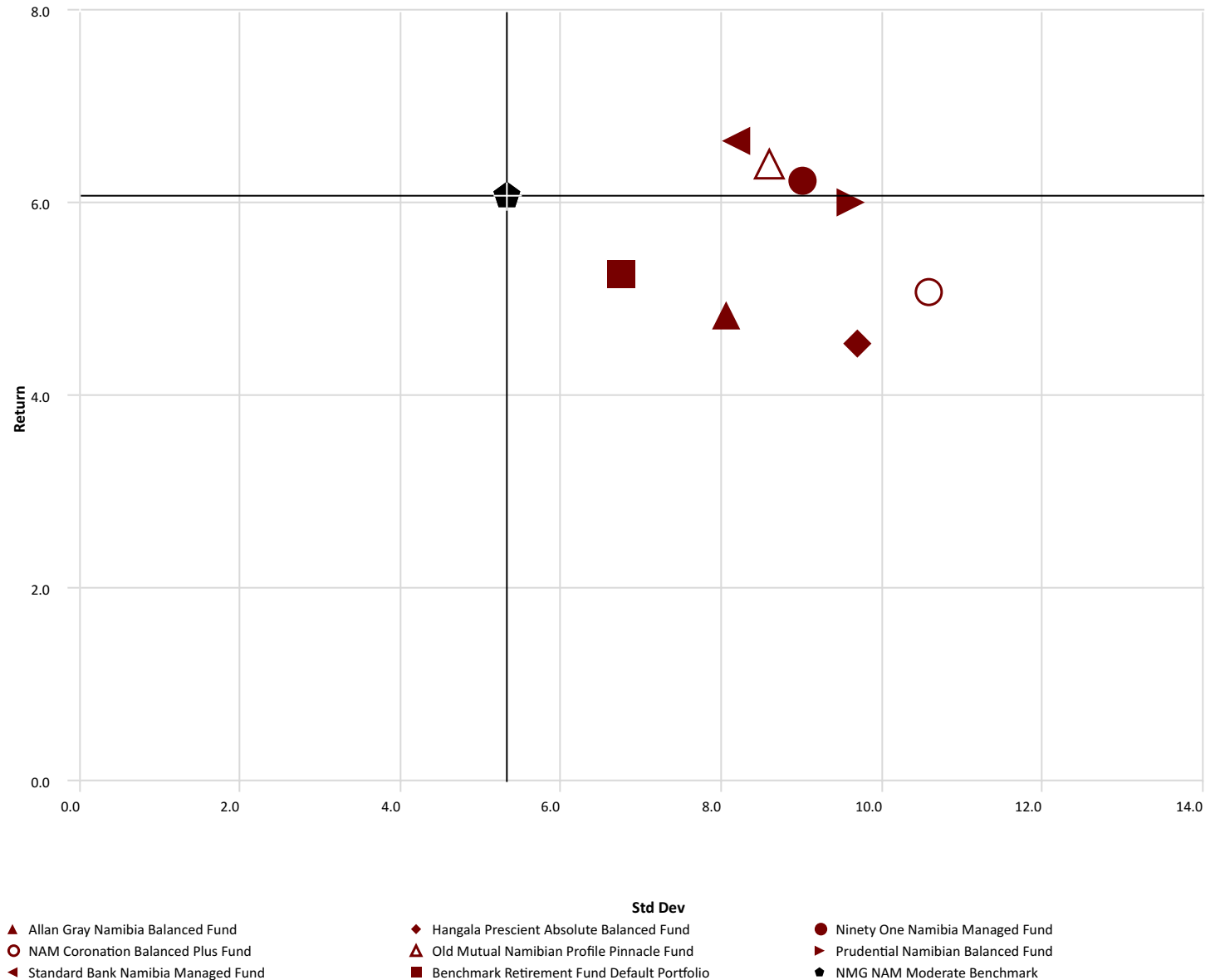
Performance Comparison

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 **net** of all investment charges.

Risk-Reward

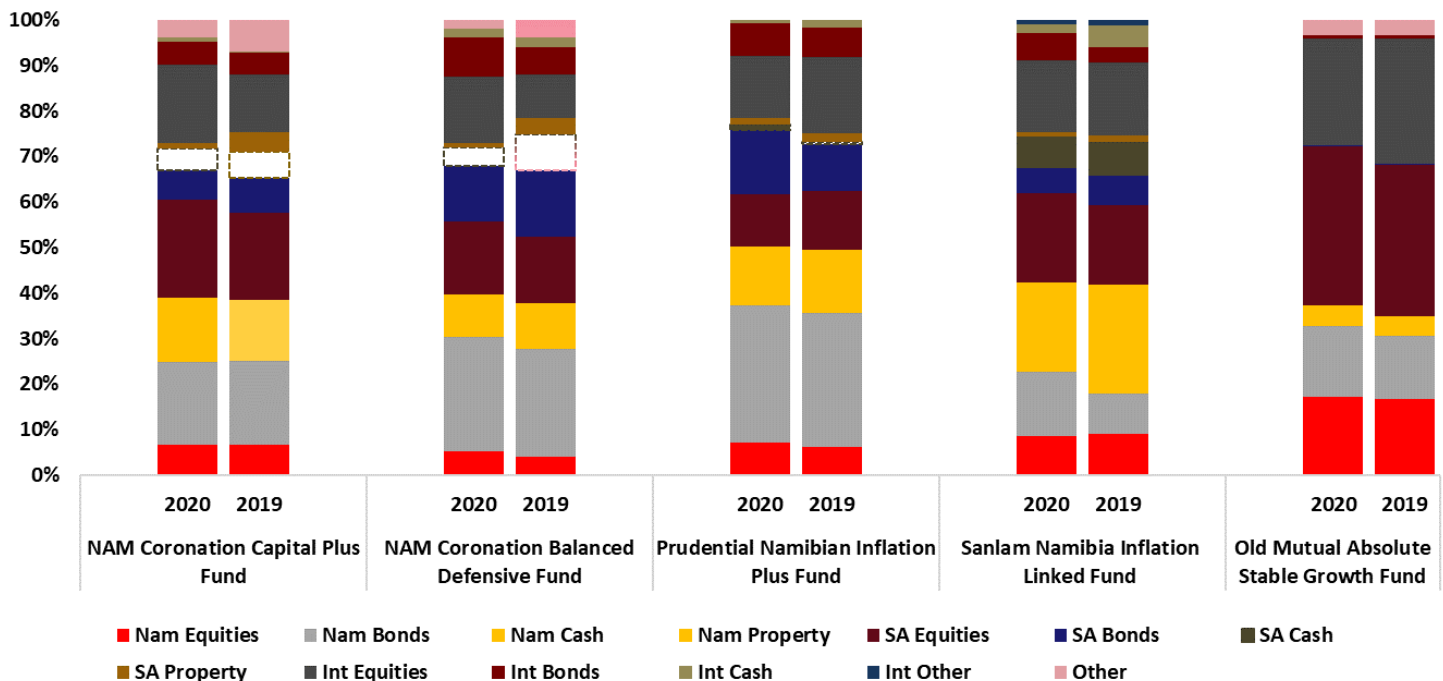
Time Period: 01 Jan 2016 to 31 Dec 2020



Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2020 as compared to 31 December 2019



Notes 31 December 2020:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
4. NAM Coronation Capital Plus SA 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. Old Mutual Stable Growth: Other represents Namibian Alternative Investments

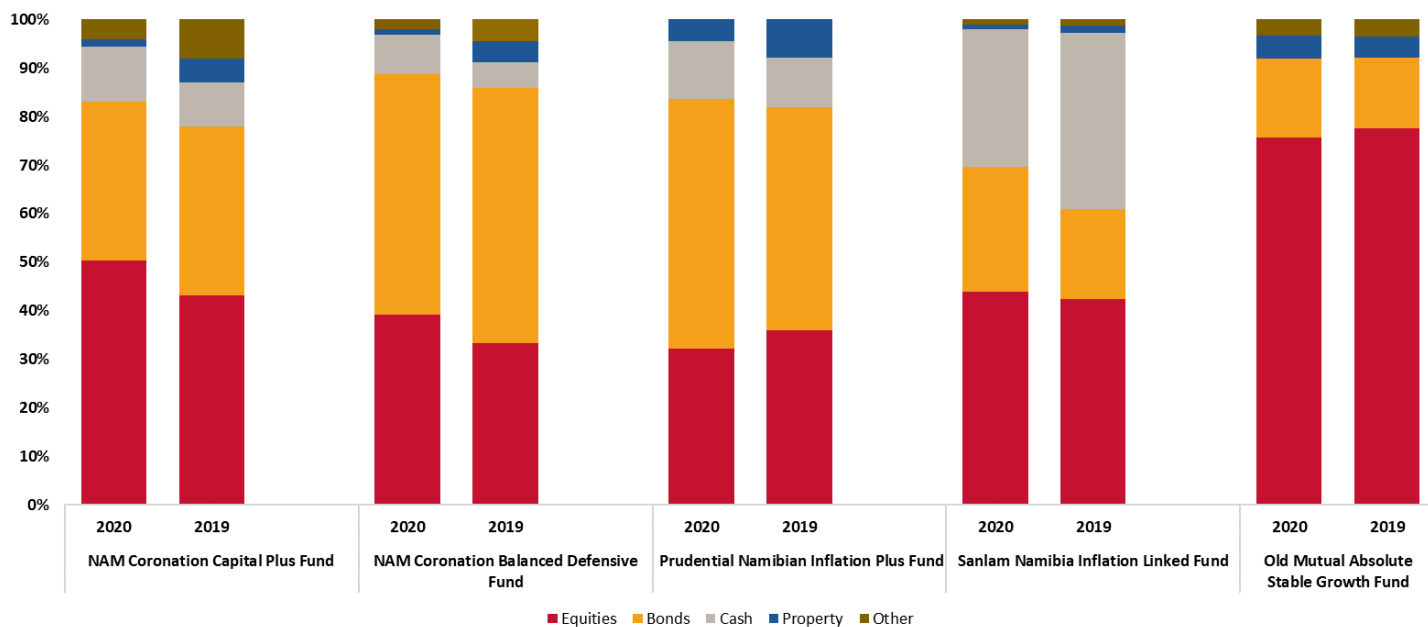
Notes 31 December 2019:

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 Balanced Defensive NAM Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
5. NAM Coronation Capital Plus SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
6. NAM Coronation Capital Plus & NAM Coronation Balanced Defensive: SA & NAM Other represents Commodities, Preference shares and other securities
7. Old Mutual Stable Growth: Other represents Namibian Alternative Investments

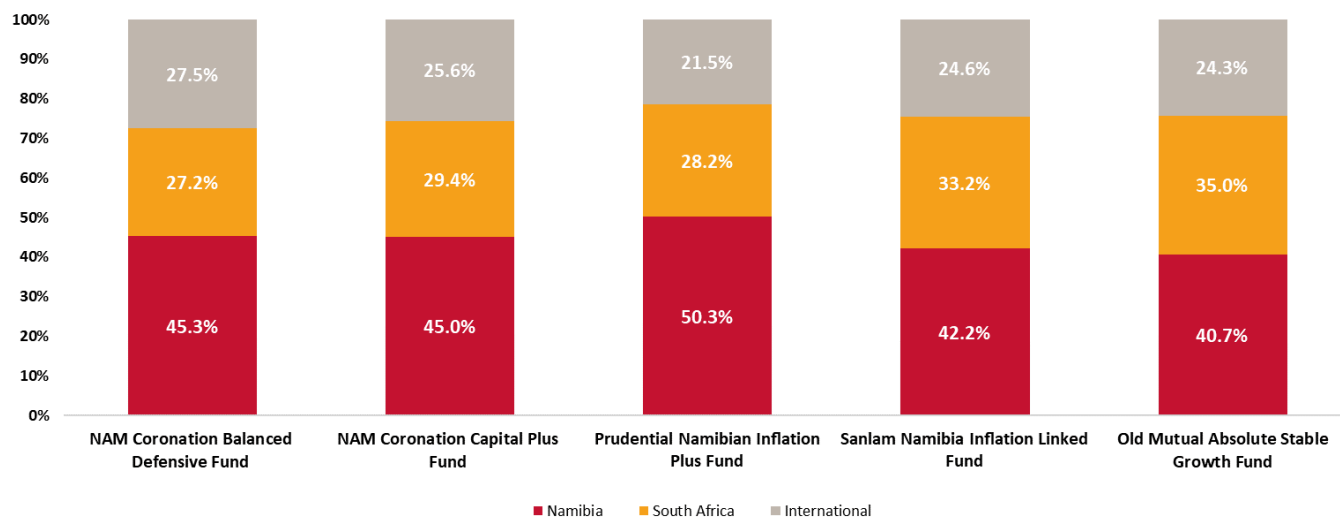
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2020 as compared to 31 December 2019



Geographical Split as at 31 December 2020:



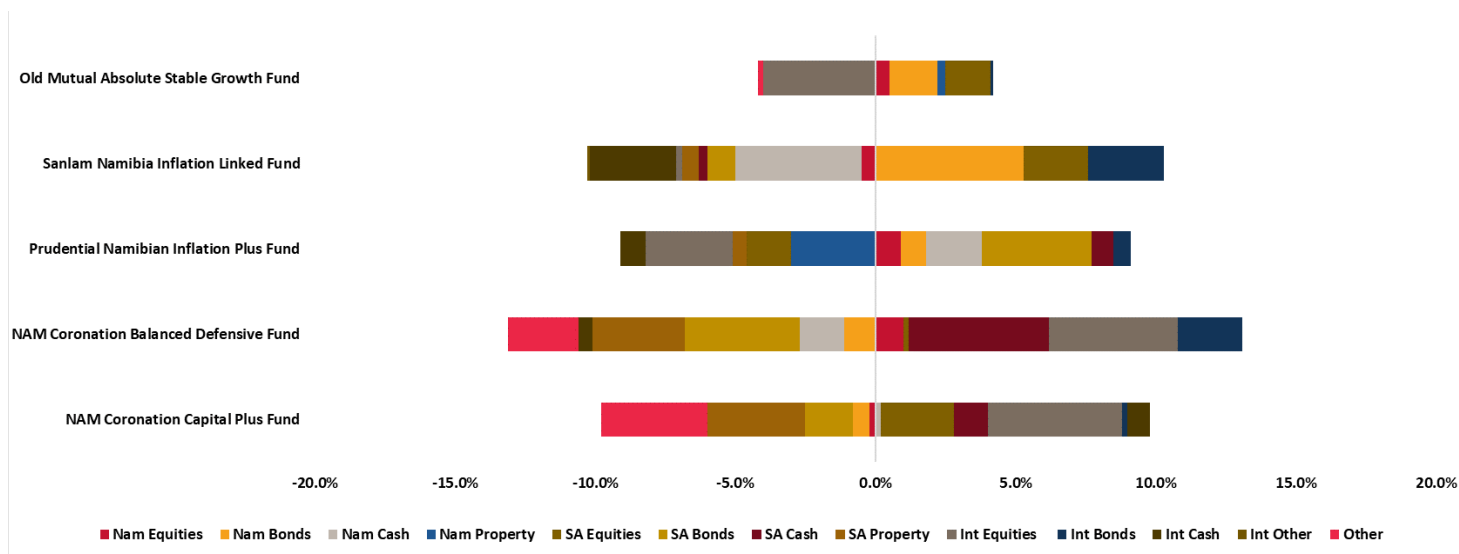
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

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 2020**. 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.



Old Mutual and Prudential made few changes to their allocations over the period, with the two NAM Coronation funds showing the largest changes to their allocation, similar to the previous quarter. The Old Mutual portfolio showed the largest increase in Namibian asset exposure year on year. Sanlam Inflation Linked fund reducing its exposure to Namibian cash in favour of local bonds, while NAM Coronation increased its International equity exposure significantly for both portfolios.

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 31 December 2020

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	6.7	6.3	6.2	9.3
NAM Coronation Capital Plus Fund	7.4	5.3	5.4	8.3
Prudential Namibian Inflation Plus Fund	3.8	5.1	5.7	9.5
Sanlam Namibia Inflation Linked Fund	5.8	6.5	6.4	9.1
Old Mutual Absolute Stable Growth Fund	-0.6	3.2	5.2	9.3
NMG NAM Mod Defensive Benchmark	5.7	6.1	6.9	9.6
NAM CPI + 4%	6.5	7.5	8.7	9.1

Trailing Returns as at 31 December 2019

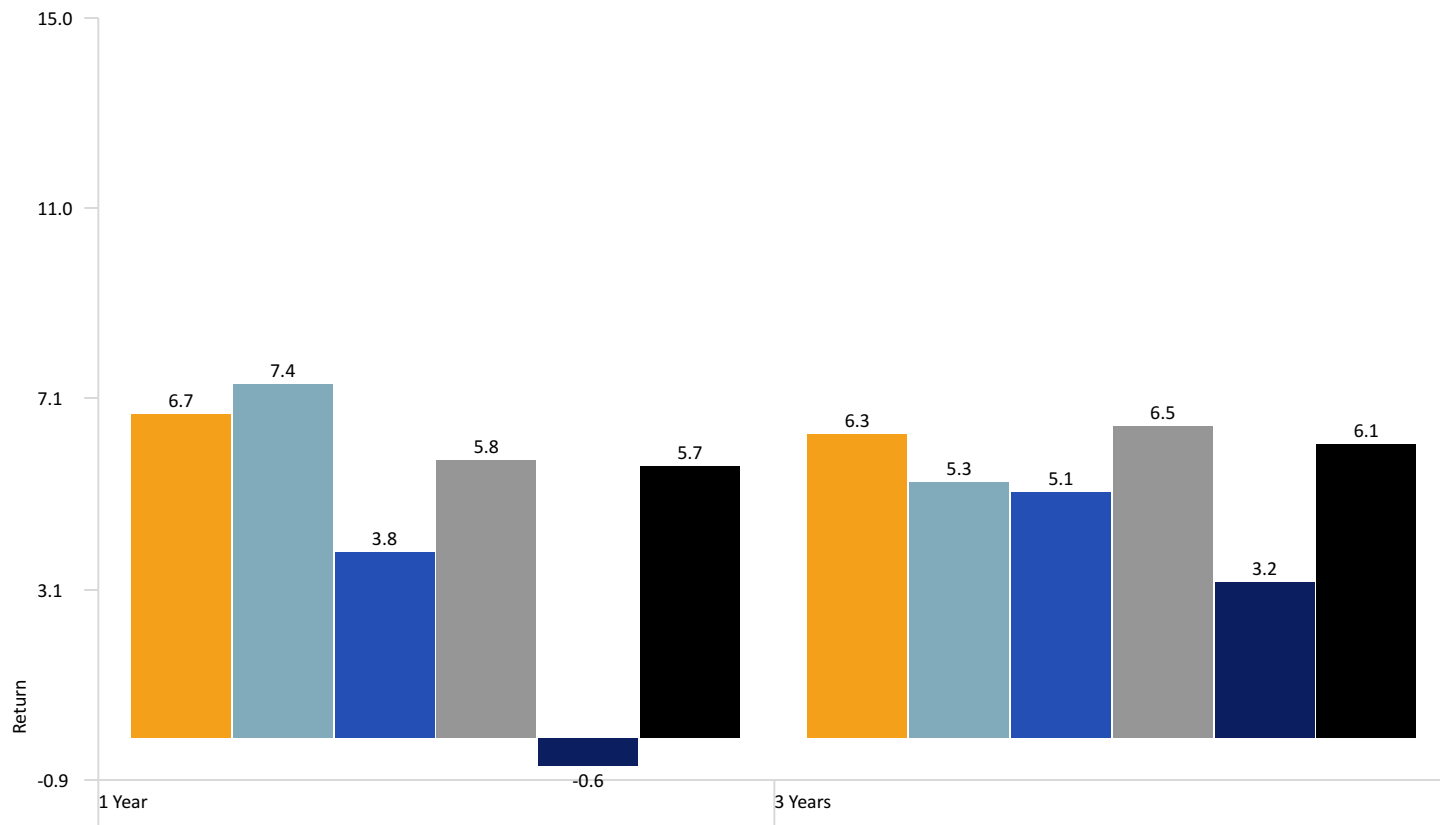
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	10.8	6.8	6.7	9.9
NAM Coronation Capital Plus Fund	11.0	5.2	5.1	9.2
Prudential Namibian Inflation Plus Fund	9.5	7.3	7.1	10.1
Sanlam Namibia Inflation Linked Fund	10.9	7.3	7.7	9.9
Old Mutual Absolute Stable Growth Fund	4.3	6.5	7.8	10.9
NMG NAM Mod Defensive Benchmark	7.9	7.4	7.6	10.2
NAM CPI + 4%	6.7	8.5	9.0	9.2

The returns for the Old Mutual AGP portfolios are sourced from the NMG Survey data. The remaining returns are net money-weighted rate of return values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

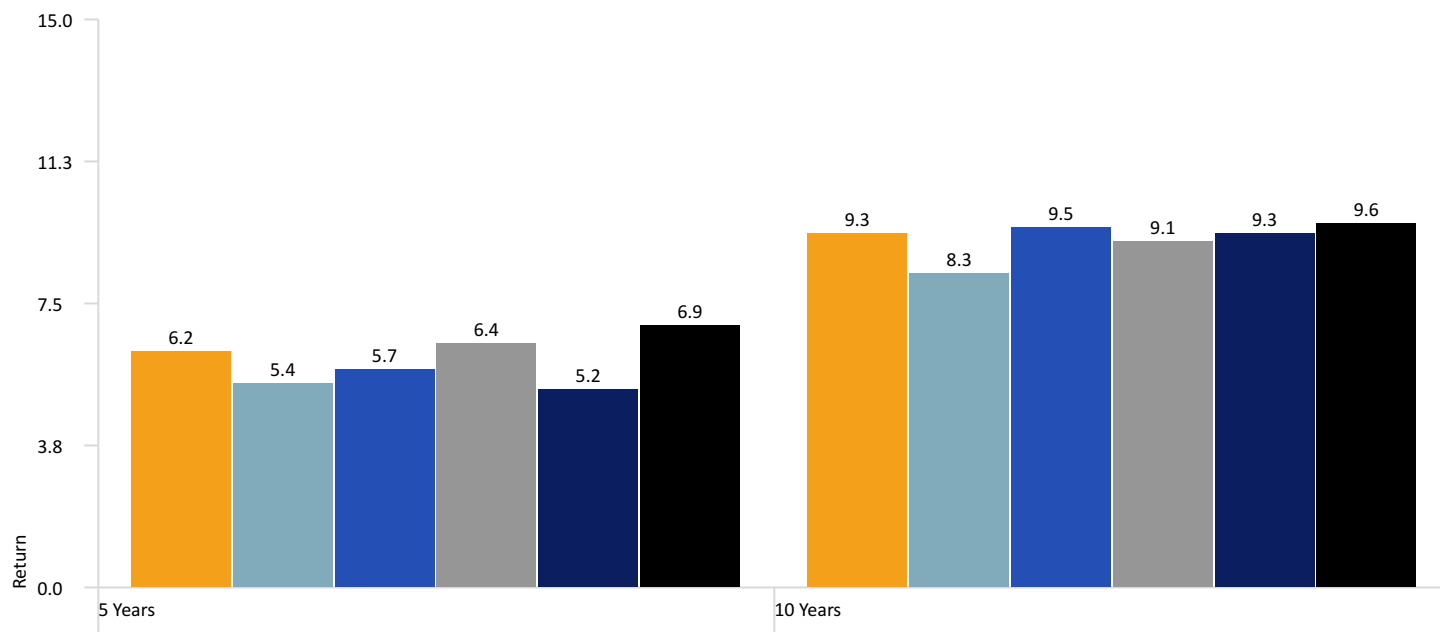
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 31 December 2020



5 & 10 years performance for the period ended 31 December 2020



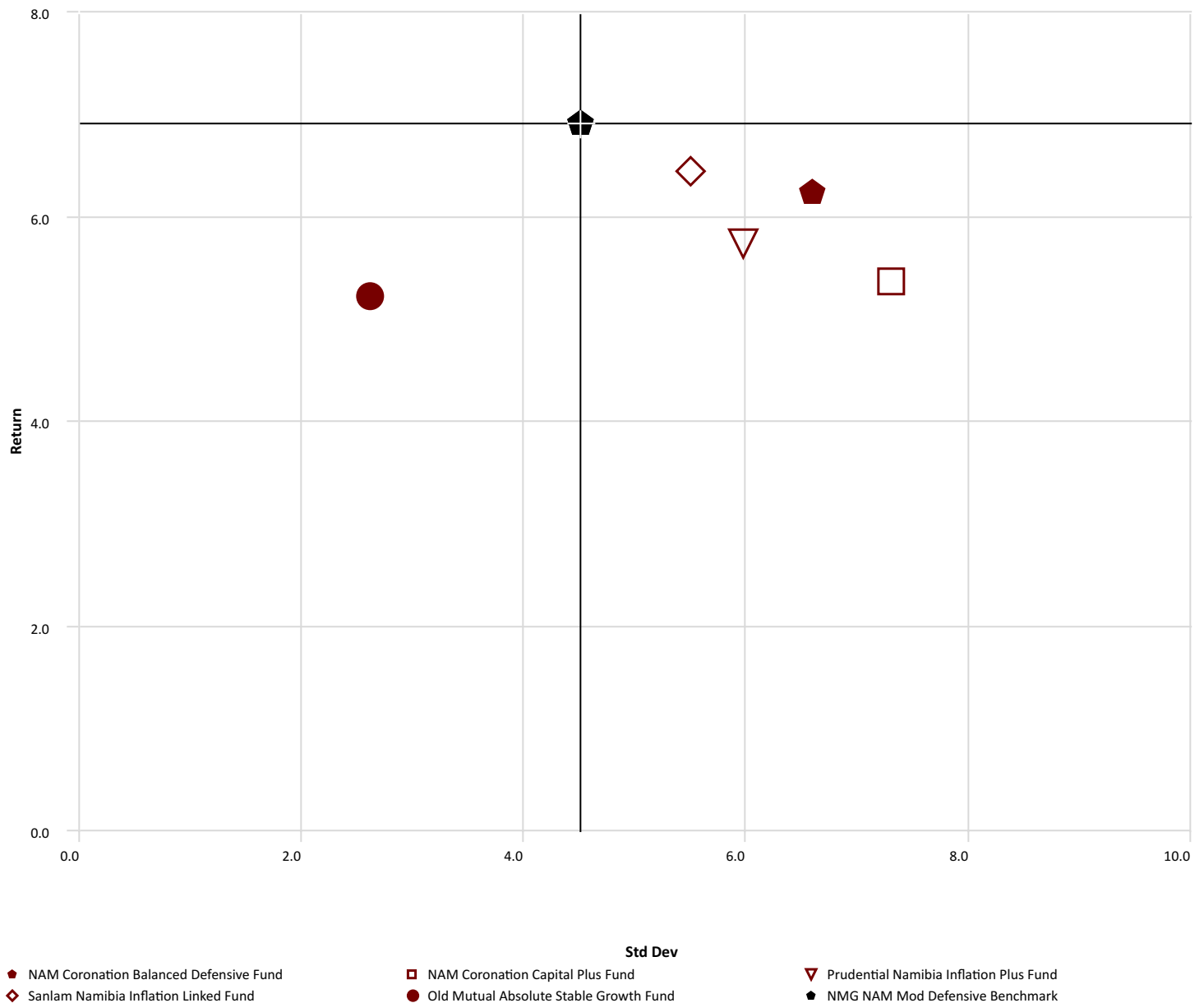
Performance Comparison

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 **net** of all investment charges.

Risk-Reward

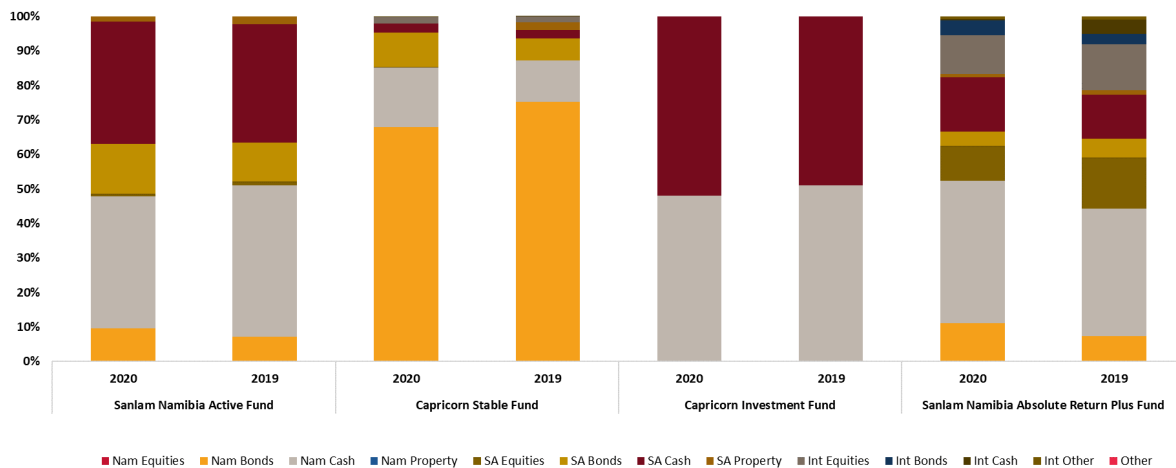
Time Period: 01 Jan 2016 to 31 Dec 2020



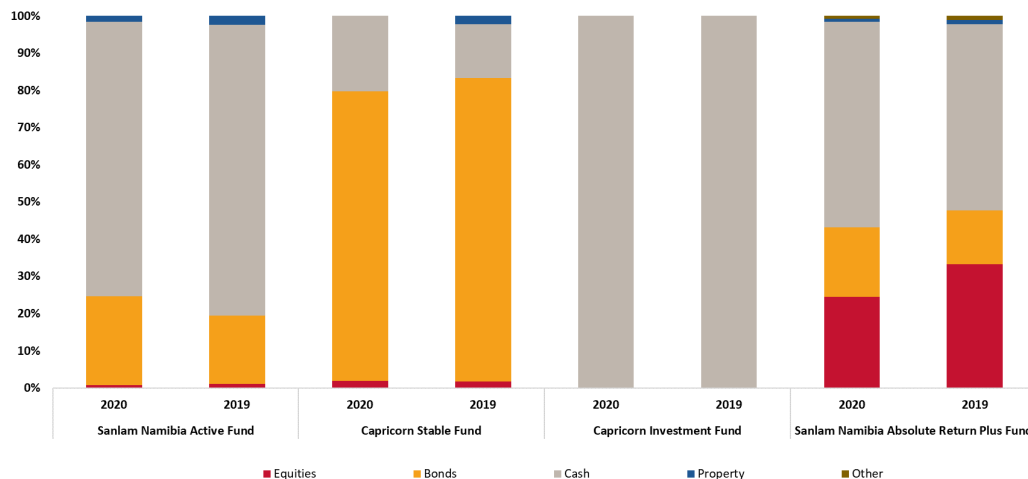
Performance Comparison

Low Risk and Capital Preservation Portfolios

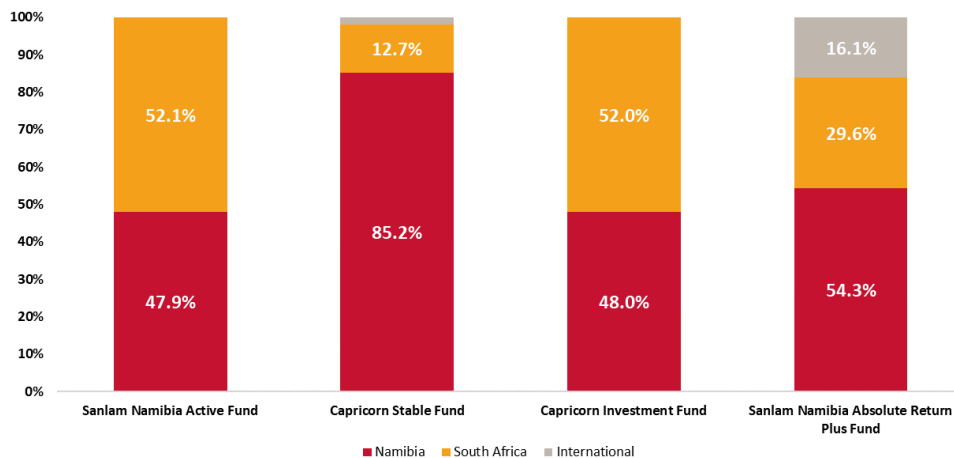
Asset Allocation as at 31 December 2020 as compared to 31 December 2019



The total Namibian exposure is 47.9% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. It invests 85.2% in Namibian assets. The Money Market Fund (Capricorn Investment Fund) is managed by Capricorn Asset Management and is mainly invested in Namibian & South African cash investments. The Sanlam Namibia Absolute Return Plus fund is a low risk smoothing product with 54.3% exposure to Namibian assets.



Geographical Split as at 31 December 2020:



*The Sanlam Namibia Absolute Return Plus fund is classified as an insurance policy and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure.

Performance Comparison

Low Risk and Capital Preservation Portfolios

Trailing Returns as at 31 December 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	7.6	7.7	8.2	—
Sanlam Namibia Absolute Return Plus Fund**	5.2	6.2	6.4	—
Sanlam Namibia Active Fund	5.3	6.9	7.9	7.7
NAM CPI	2.4	3.4	4.5	4.9
NAM CPI + 2%	4.4	5.4	6.6	7.0
FTSE/JSE ALB 1-3 Yr TR ZAR	11.5	9.4	9.6	8.0

*Investment by Benchmark into the fund was only made at the end of March 2019. Returns beyond that period are for illustrative purposes.

**Investment by Benchmark into the fund was only made during June of 2019. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 31 December 2019

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	9.9	8.3	—	—
Sanlam Namibia Absolute Return Plus Fund**	8.1	6.7	7.8	—
Sanlam Namibia Active Fund	8.0	8.0	8.2	8.3
NAM CPI	2.6	4.3	4.8	5.0
NAM CPI + 2%	4.6	6.4	6.9	7.1
FTSE/JSE ALB 1-3 Yr TR ZAR	7.5	8.8	8.1	7.7

*Investment by Benchmark into the fund was only made at the end of March 2019. Returns beyond that period are for illustrative purposes.

**Investment by Benchmark into the fund was only made during June of 2019. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 31 December 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	5.9	7.0	7.4	6.6
NAM CPI + 1%	3.4	4.4	5.5	6.0
IIG Money Market GR NAD	5.8	7.0	7.4	6.7

Trailing Returns as at 31 December 2019

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	7.4	7.9	7.5	6.7
NAM CPI + 1%	3.6	5.3	5.8	6.1
IIG Money Market GR NAD	7.5	7.9	7.5	6.8

The returns are net money-weighted rate of return values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

Performance Comparison

Unlisted Investments

Trailing Returns as at 31 December 2020

	1 Year	3 Years	01 Jan 2016 - 31 Dec 2020
Allegrow Fund	1.3	1.1	2.8
Caliber Capital Fund (A)	7.4	8.5	6.6
IJG Frontier Investment Fund	-13.9	-17.1	-9.0
NAM CPI + 4.5%	7.0	8.0	9.2

Due to the illiquid nature of unlisted investments, returns over shorter time periods may not be a true reflection of the funds' performance over that period.

Trailing Returns as at 31 December 2019

	1 Year	3 Years	01 Jan 2016 - 31 Dec 2019
Allegrow Fund	0.0	6.2	3.2
Caliber Capital Fund (A)	9.4	8.7	6.4
IJG Frontier Investment Fund	-22.7	-12.6	-7.7
NAM CPI + 4.5%	7.2	9.0	9.8

Due to the illiquid nature of unlisted investments, returns over shorter time periods may not be a true reflection of the funds' performance over that period.

The returns are net money-weighted rate of return values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

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 greater stability in returns and aim to preserve capital. These portfolios experience less volatility and may or may not have an underlying guarantee.

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 N\$20, N\$80, N\$100, N\$300, and N\$500 respectively, the median value would be N\$100, whereas the mean would be N\$200.

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 13 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.