Benchmark Retirement Fund

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Quarterly Investment Report: As at 30 June 2021

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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 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 Capital 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	IJG 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 Capital 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.
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.

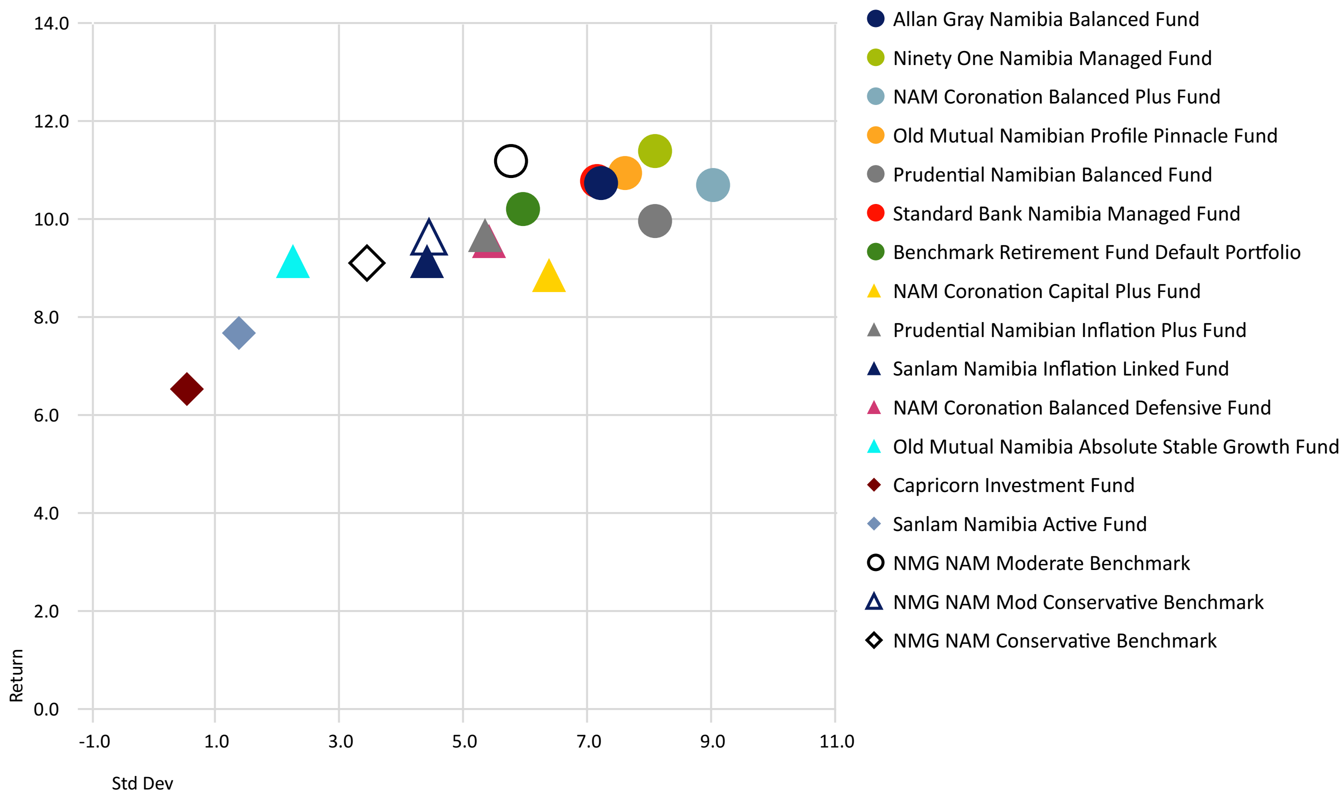
- **Capital preservation portfolios:** There should be no risk of capital loss on a monthly basis.

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

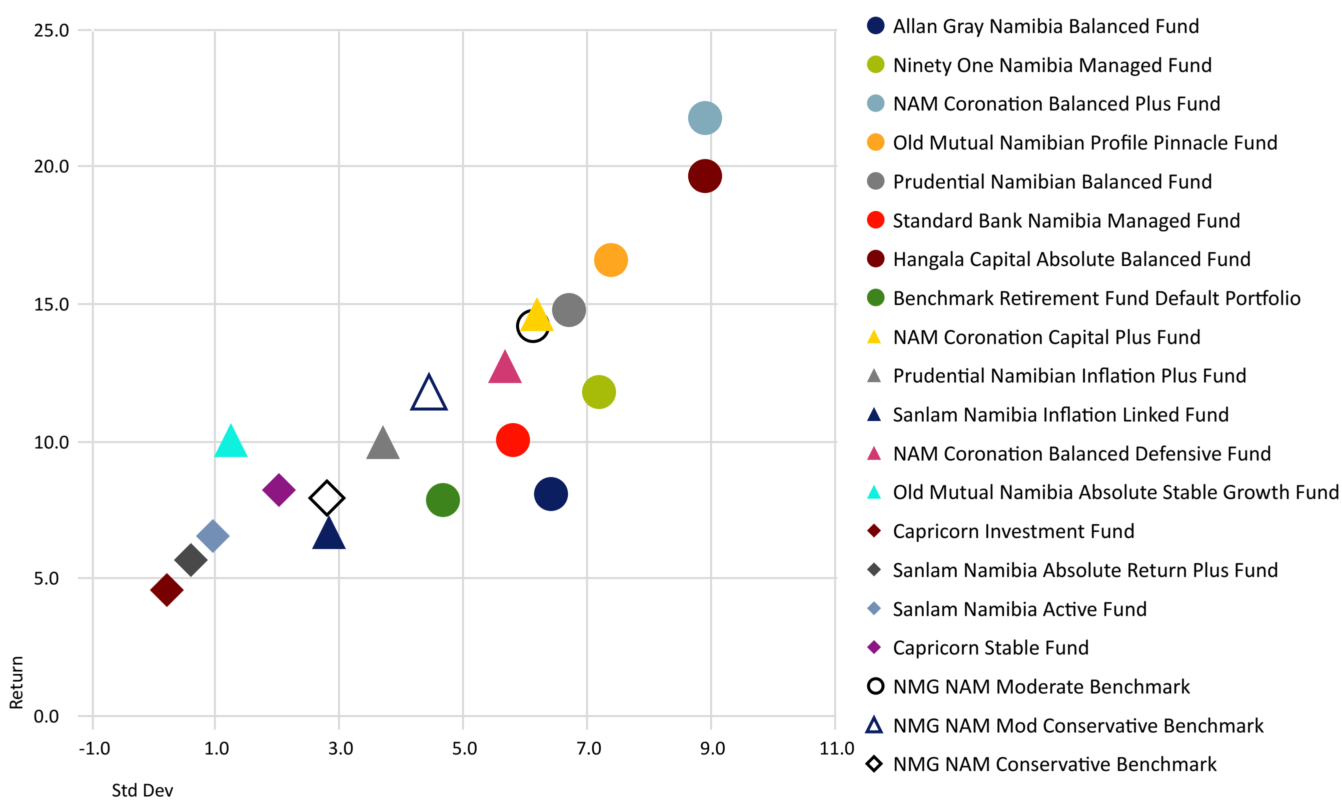
Risk-Reward - Over the long term

Time Period: 01 Jul 2011 to 30 Jun 2021



Risk-Reward - Over the short term

Time Period: 01 Jul 2020 to 30 Jun 2021



Source: Morningstar Direct

Market Overview

Our local market progressed positively for the first two months of the quarter but followed most of its global peers into a decline in June. The JSE's positive run ended abruptly as South Africa's FTSE JSE All Share Index ended the quarter flat. One certain positive note was that the mid-year return is still up 13.2%.

The Covid-19 pandemic continues to hold countries hostage, with the emergence of the Delta variant spreading quickly in many parts of the world. The World Health Organization (WHO) has noted that the Delta variant is about 55% more transmissible than the Alpha variant, making it likely to dominate in the months ahead as 96 countries have reported cases of the Delta variant. President Ramaphosa also moved South Africa to an adjusted lockdown level 4 on the back of a resurgence in infections driven by the Delta variant. This is sure to impact the performance of the local market heading into Quarter 3.

The second quarter of 2021 saw a significant rise in inflation which prompted the Federal Reserve (FED) in America to start signalling a rise in interest rates sooner than previously expected. The talks of earlier normalising surprised the market, with anticipated rate hikes expected at the end of 2023. This caused some market jitters throughout June, however, the Fed has confirmed that monetary policy will remain accommodative for now given that inflation is transitory.

China has also indicated that it is targeting more balanced economic growth. Consumption and services have continued to recover, while exports and the housing market are fading on lower Covid-related demand. Commodity prices have begun to drop on the back of this normalisation and on China's strong rhetoric against commodity price manipulations. China's slowdown is a headwind for commodity prices and despite global fiscal spending supporting commodities, we can expect further commodity headwinds into the end of the year.

South Africa's first-quarter GDP rose more than expected, at an annualised 4.6% quarter-on-quarter, but growth remains constrained by load-shedding, which returned to stage four in June, and unemployment levels at record highs. SA's local economic news was also dominated by political events throughout the second quarter of 2021. The Government announced the loosening of power-generating restrictions in South Africa and the sale of a majority stake at cash-strapped SAA with a black-owned consortium pumping in more than R3 billion to get the majority slice of the stake. The Constitutional Court ruling sentencing Former President Jacob Zuma to 15 months of jail time for contempt of court has sent a very loud signal that no South African is above the law. This is sure to have several high-ranking ANC members fearing a little and points to President Ramaphosa slowly getting the upper hand within the ANC. While the SA economy continues to be volatile, we are expecting to see an improvement towards the third quarter as the national vaccine roll-out gathers momentum.

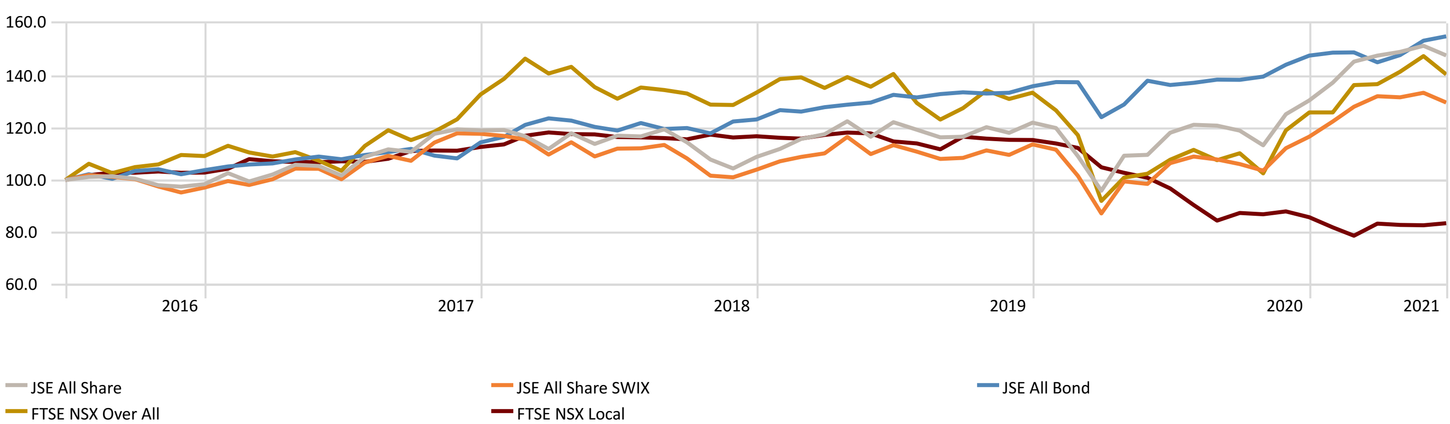
Namibia's domestic economy slowed during the first quarter of 2021 driven by weak performances in mining, construction, manufacturing, wholesale/retail trade, and tourism sectors which continued to struggle with the impact of the COVID-19 pandemic. We also witnessed a rise in Namibia's inflation rate during the first quarter of 2021, driven mainly by higher inflation for foo d and housing. The Namibia Dollar weakened year on year against the British Pound and Euro mainly driven by a widening fiscal deficit, weak growth prospects, and a peak in the daily COVID-19 cases at the beginning of the year in South Africa and Namibia.

Key Indicators as at 30/06/2021

N$/US$	N$14.24/$
N$/£	N$20.14/£
NAM/€	N$17.31/€
NAM Inflation rate	4.10%
NAM repo rate	3.50%
Oil Price (per barrel)	US$73.50/barrel
Gold Price (per oz)	US$1,769.61 /oz

Investment Growth for Selected Indices

Time Period: 01 Jul 2016 to 30 Jun 2021



Investment Growth for Selected Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
JSE All Share	0.0	13.2	25.1	8.1	8.1	10.9
JSE All Share SWIX	-1.8	11.2	21.8	5.0	5.3	10.4
JSE All Bond	6.9	5.0	13.7	9.2	9.2	8.5
FTSE NSX Over All	2.7	11.6	30.3	2.3	7.0	4.9
FTSE NSX Local	0.2	-2.7	-13.8	-10.5	-3.6	9.1

Source: Morningstar Direct

Market Overview

Periodic Table

	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Best	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	JSE SA Listed Property 19.3
	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	FTSE/JSE All Share TR ZAR 13.2
	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 SA Re-sources 12.8
	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 Industrial 12.5
	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 NSX Over All 11.6
	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	STeFI 3 Month 6.9	STeFI 3 Month 4.8	JSE Financial 15 10.6
	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	MSCI World 10.2
	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 All Bond 5.0
	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	STeFI 3 Month 1.7
Worst	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	FTSE NSX Local -2.7

Asset Class Periodic Returns

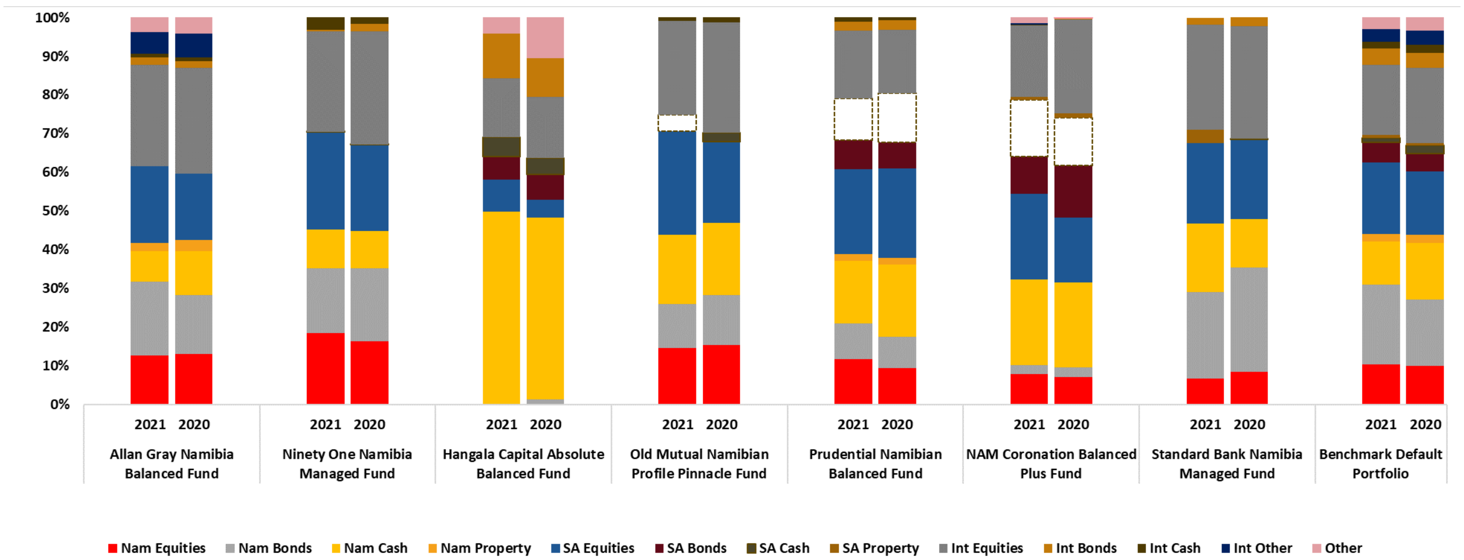
	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	0.0	13.2	25.1	8.1	8.1	10.9
JSE SA Resources	-5.0	12.8	29.6	20.9	20.6	5.7
JSE Industrial	0.1	12.5	17.1	6.8	6.2	14.6
JSE Financial 15	8.1	10.6	33.4	-2.4	2.3	9.5
JSE SA Listed Property	12.1	19.3	25.2	-8.9	-6.9	5.1
JSE All Bond	6.9	5.0	13.7	9.2	9.2	8.5
STeFI 3 Month	0.9	1.7	3.5	5.6	6.2	5.9
MSCI World	4.3	10.2	14.8	17.2	14.9	19.9
FTSE NSX Local	0.2	-2.7	-13.8	-10.5	-3.6	9.1
FTSE NSX Over All	2.7	11.6	30.3	2.3	7.0	4.9

Source: Morningstar Direct

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 June 2021 as compared to 30 June 2020



Notes 30 June 2021:

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, Prudential and Old Mutual 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 Absolute: Other represents Preference shares and investment in a clean energy and infrastructure fund

Notes 30 June 2020:

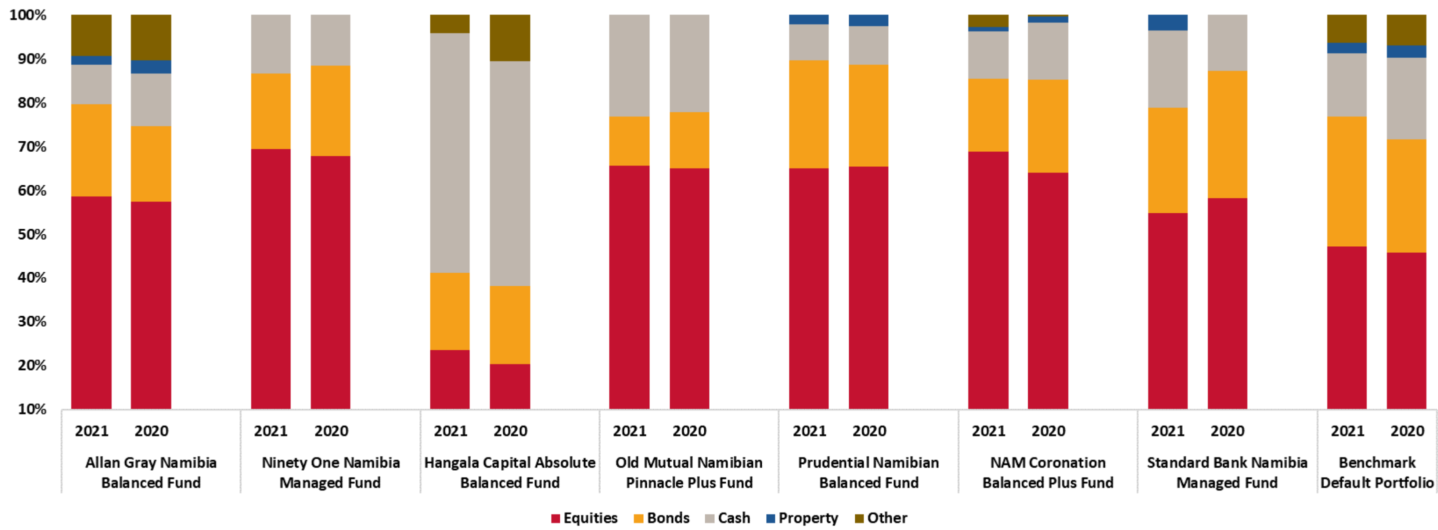
1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced 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 offseting 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 Absolute: Other represents Preference shares and investment in a clean energy and infrastructure fund

Source: Morningstar Direct

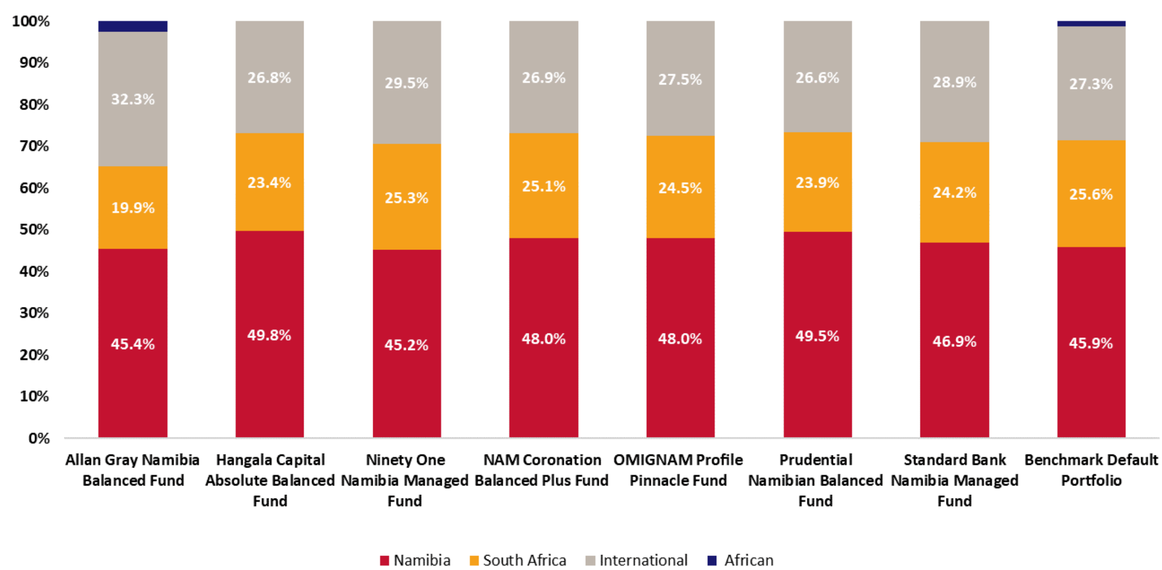
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 June 2021 as compared to 30 June 2020



Geographical Split as at 30 June 2021:



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

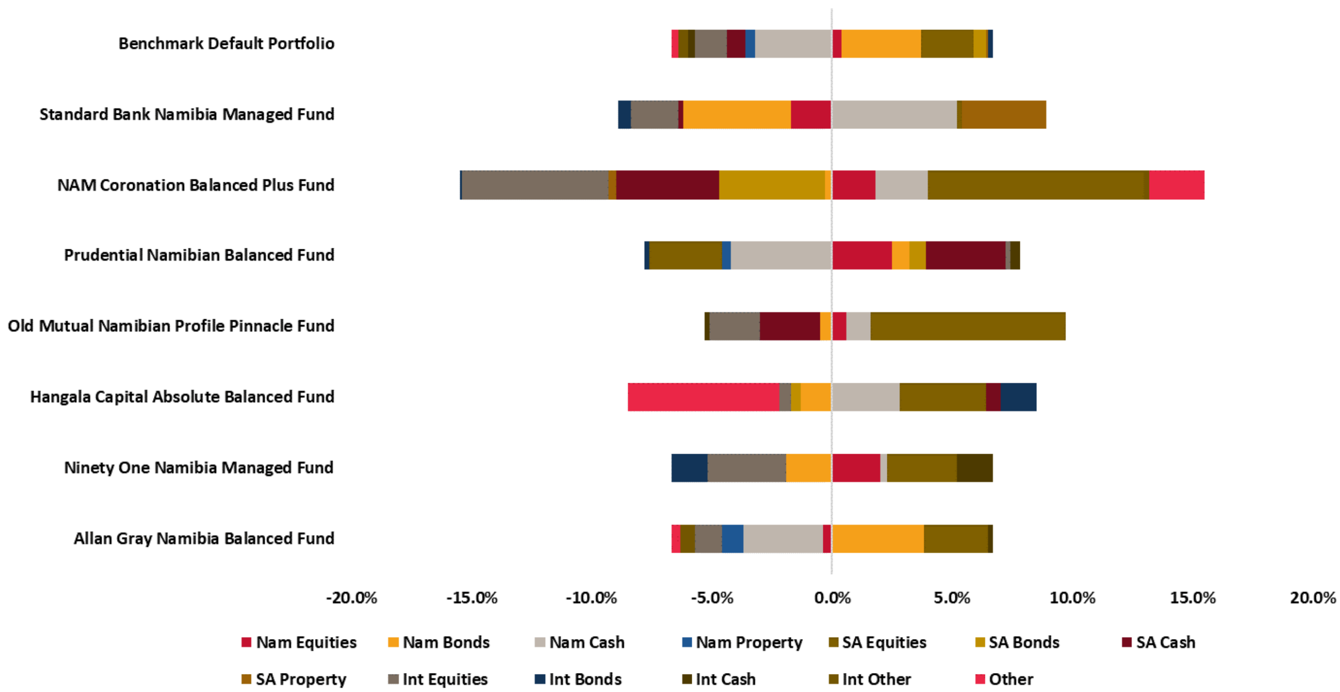
Source: Morningstar Direct

Performance Comparison

Moderate 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 **30 June 2021.** 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.



Most managers made relatively few changes to their asset allocation over the quarter, apart from NAM Coronation who saw the largest change in portfolio assets. NAM Coronation increased their SA Equity exposure significantly which was funded by a reduction in International Equities. This theme was not uncommon over the quarter, with most managers increasing their exposure to both South African and Namibian assets, while reducing international holdings. A key contributor has been the appreciation of the Rand relative to the US Dollar over the past 12 months. An interesting observation over the quarter was that Standard bank increased their exposure to SA Property from 0.0% to 3.0%, a decision which would have served them well given the asset classes strong performance over this period. The remaining managers are seemingly still reluctant to invest in this asset class, with few holding any direct SA Property positions. It is important to take cognizance of the fact that these changes are not only due to active management decisions made by the underlying managers, but also due to market movements.

Source: Morningstar Direct

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 30 June 2021

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	8.1	4.3	5.3	10.7
Hangala Capital Absolute Balanced Fund	19.7	7.2	6.4	—
NAM Coronation Balanced Plus Fund	21.8	7.9	6.8	10.7
Ninety One Namibia Managed Fund	11.8	7.8	7.7	11.4
Old Mutual Namibian Profile Pinnacle Fund	16.6	7.7	7.7	10.9
Standard Bank Namibia Managed Fund	10.0	8.6	7.8	10.8
Prudential Namibian Balanced Fund	14.8	6.8	7.3	9.9
Benchmark Retirement Fund Default Portfolio	7.9	5.3	5.6	10.2
NMG SA Moderate Benchmark	15.9	9.5	8.5	11.2
NMG NAM Moderate Benchmark	14.2	10.4	10.4	11.2
FTSE/JSE All Share TR ZAR	25.1	8.1	8.1	10.9
NAM CPI + 6%	10.3	9.6	10.3	11.1

Trailing Returns as at 30 June 2020

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	5.8	5.2	7.1	10.8
Hangala Capital Absolute Balanced Fund	-3.0	4.0	2.2	—
NAM Coronation Balanced Plus Fund	0.8	3.8	3.8	8.8
Ninety One Namibia Managed Fund	6.1	7.8	6.8	11.9
Old Mutual Namibian Profile Pinnacle Fund	2.3	6.0	6.3	11.4
Standard Bank Namibia Managed Fund	6.1	9.2	6.5	11.2
Prudential Namibian Balanced Fund	1.1	5.8	5.8	10.1
Benchmark Retirement Fund Default Portfolio	5.2	5.9	6.7	10.7
NMG SA Moderate Benchmark	5.8	8.1	7.1	11.2
NMG NAM Moderate Benchmark	6.5	10.5	9.1	11.3
FTSE/JSE All Share TR ZAR	-3.3	5.1	4.2	10.9
NAM CPI + 6%	8.3	9.5	10.8	11.2

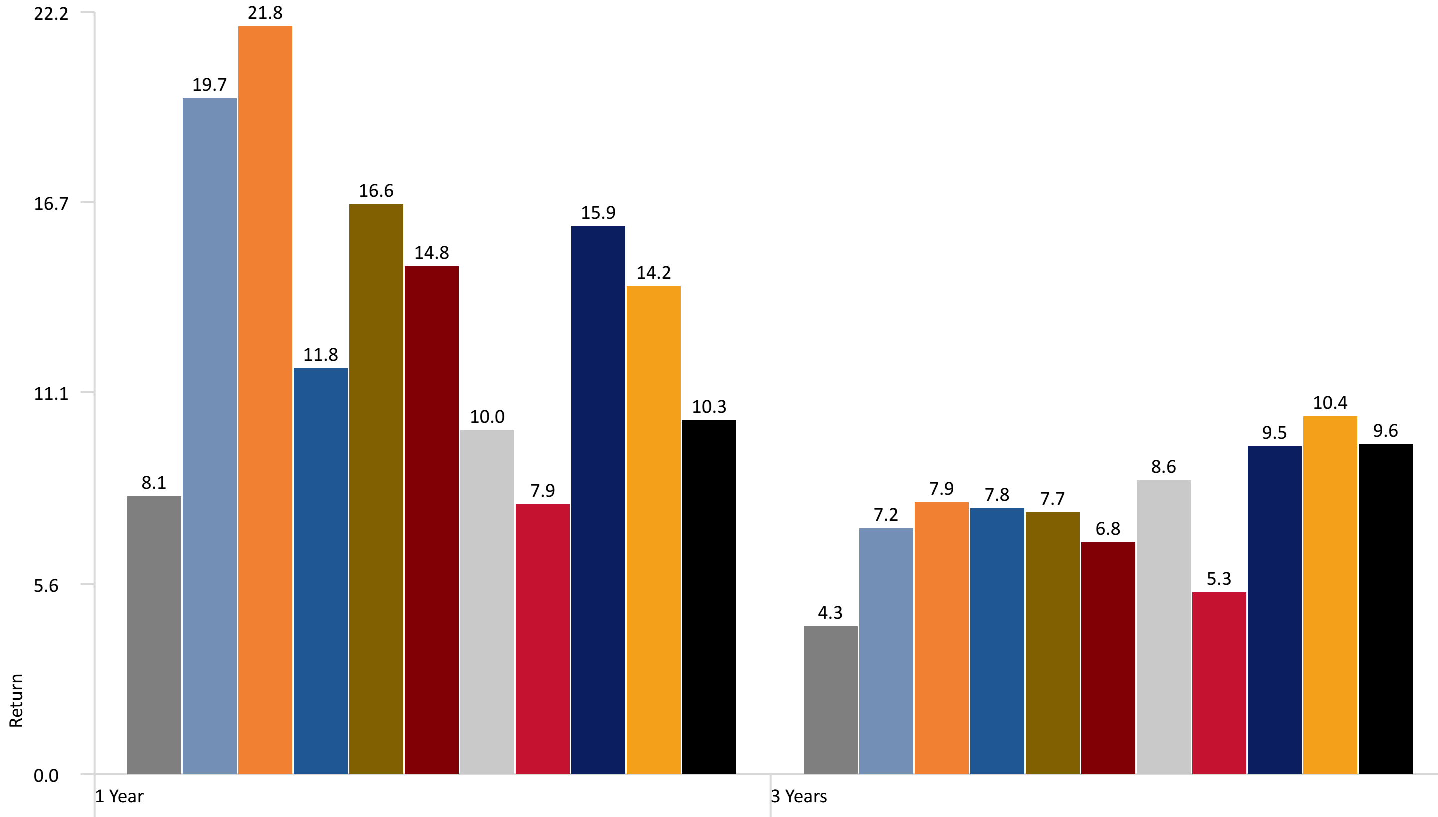
The returns for the Default Portfolio and the Allan Gray Namibia Balanced Fund (segregated) are received from Retirement Fund Solutions. The returns for the Old Mutual AGP portfolios are sourced from the NMG Survey data. The remaining returns are net money-weighted rate of return values calculated by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

Source: Morningstar Direct

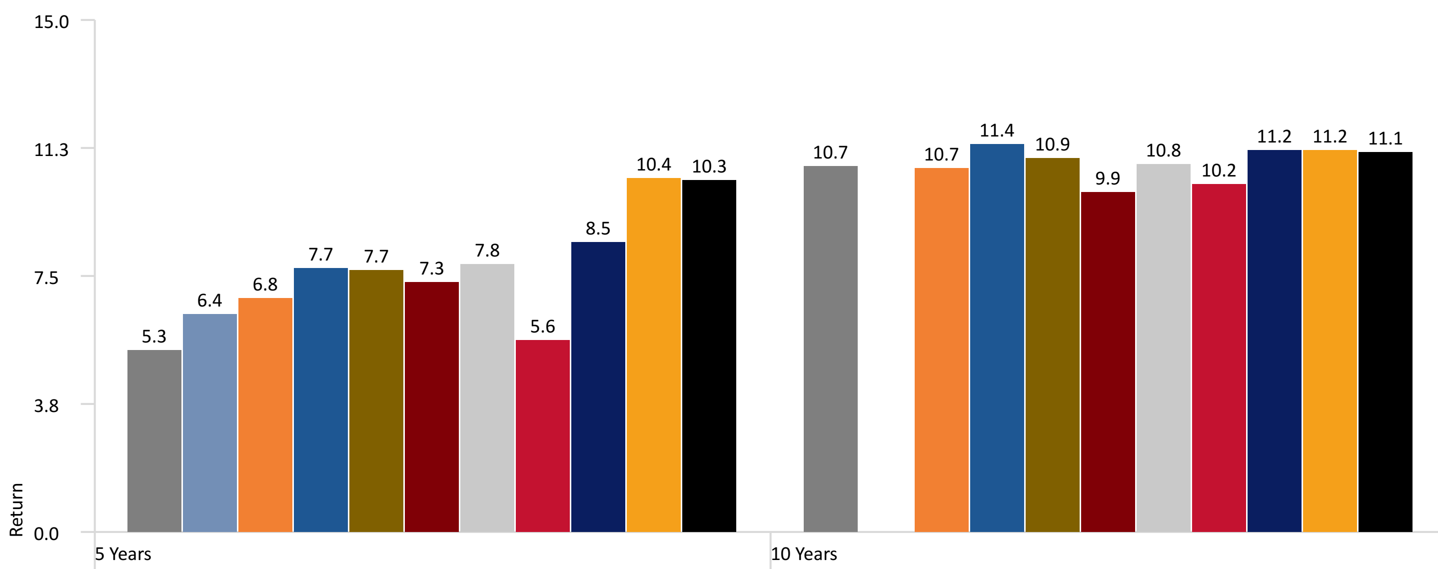
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 30 June 2021



5 & 10 years performance for the period ending 30 June 2021



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

Source: Morningstar Direct

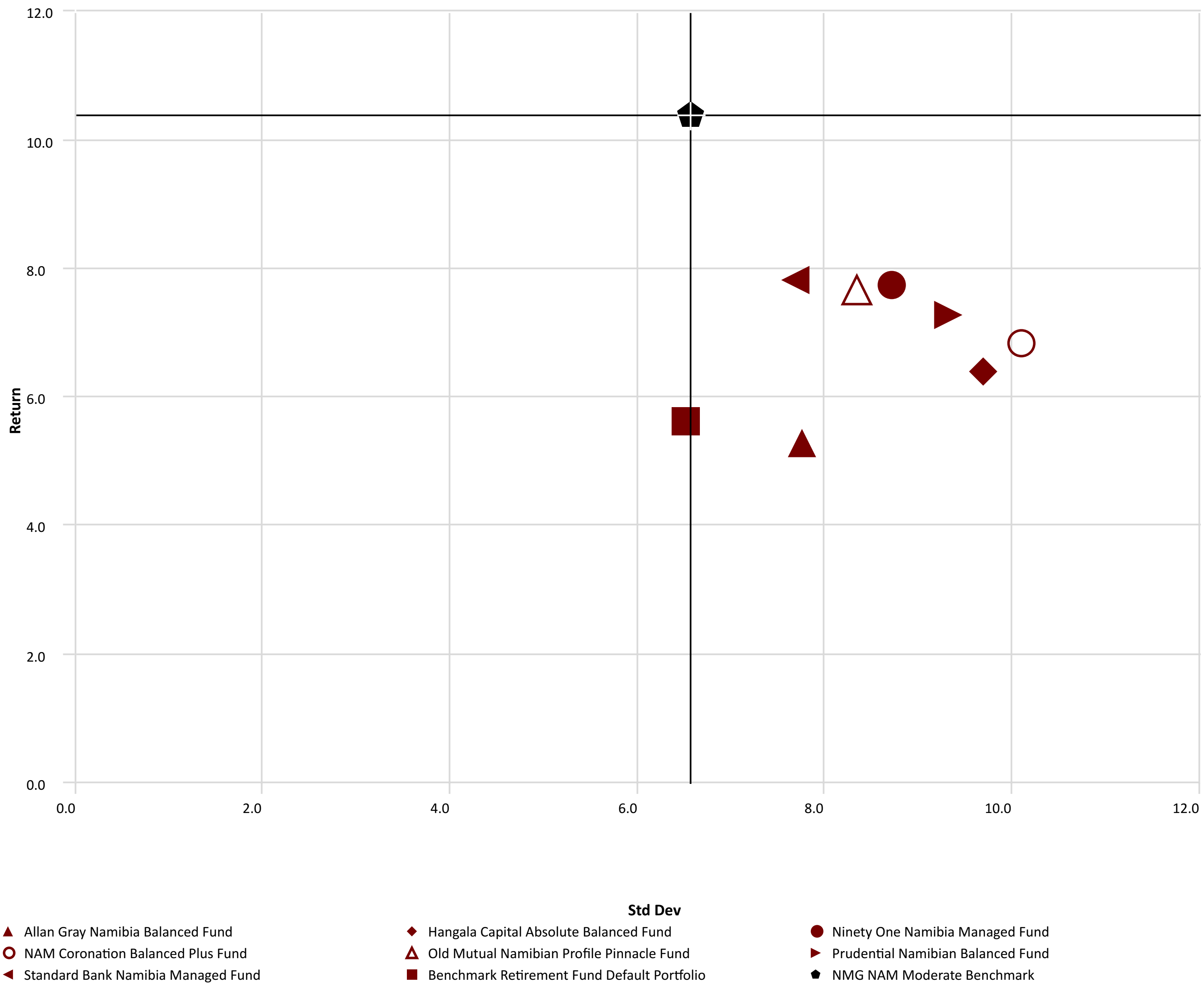
Performance Comparison

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 Jul 2016 to 30 Jun 2021

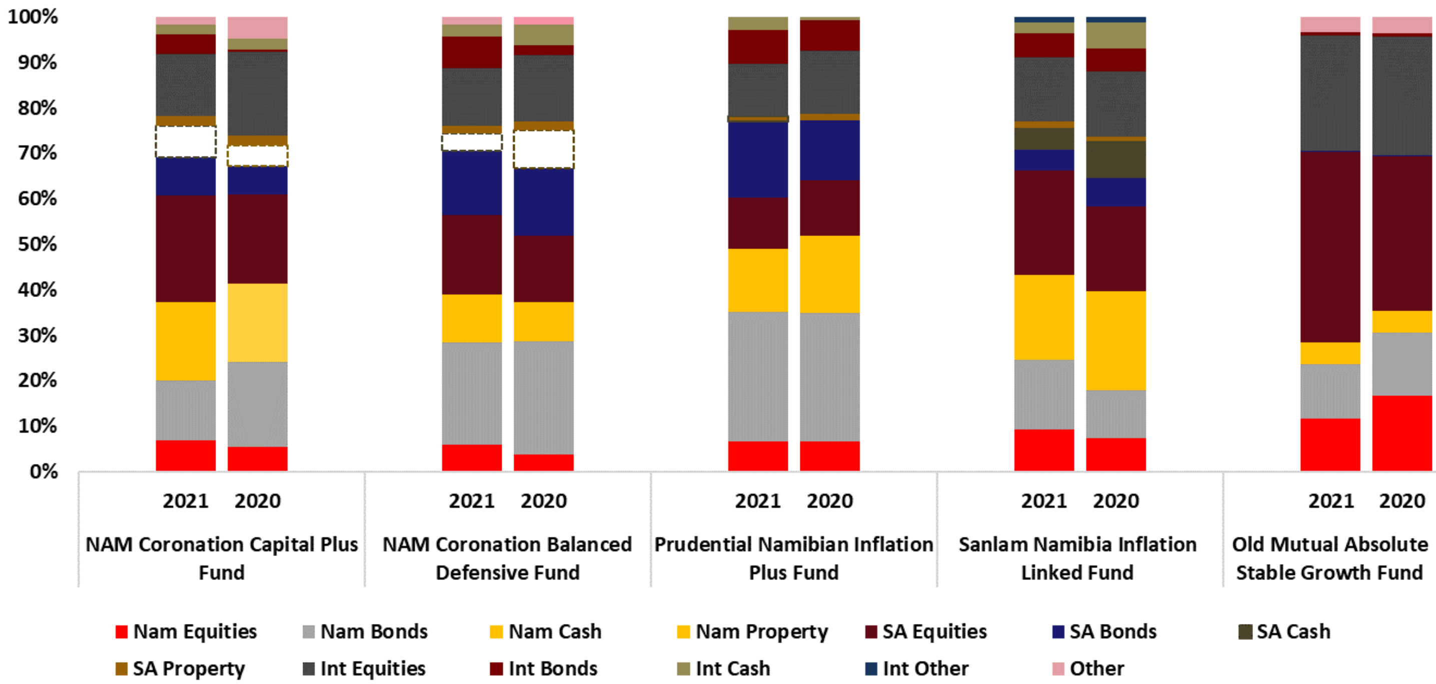


Source: Morningstar Direct

Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 June 2021 as compared to 30 June 2020



Notes 30 June 2021:

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 30 June 2020:

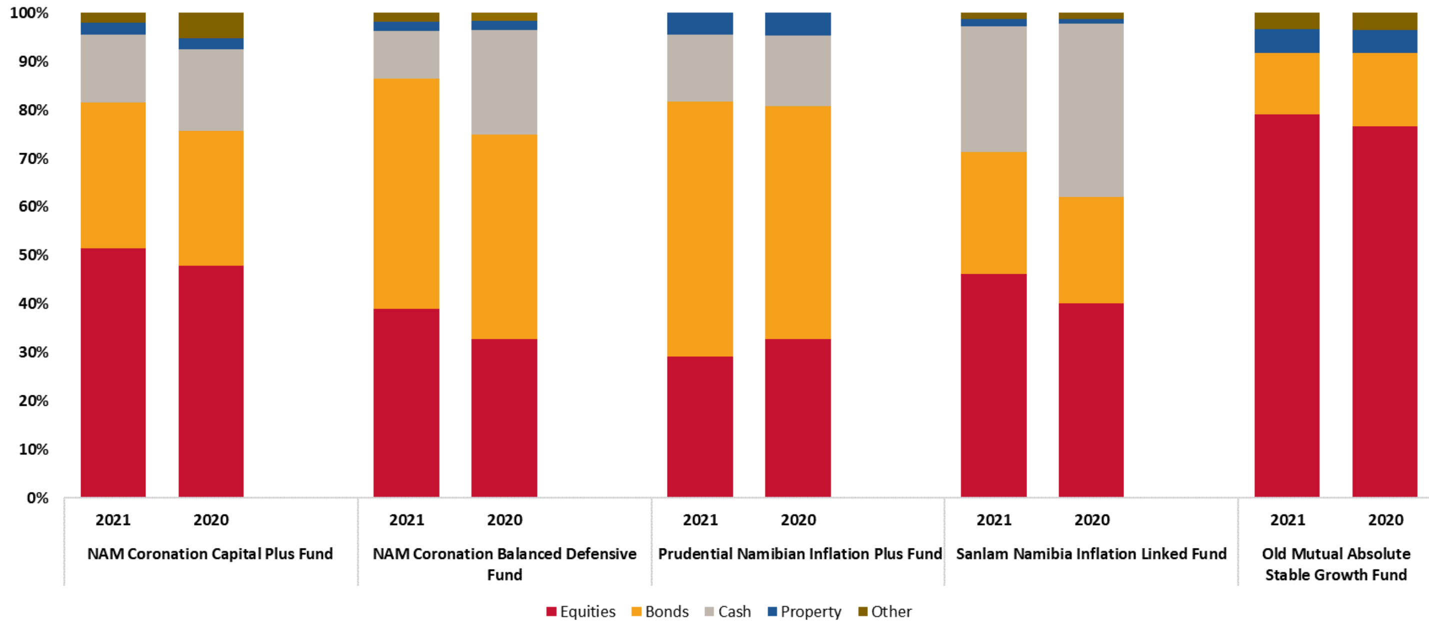
1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive NAM Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
4. NAM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

Source: Morningstar Direct

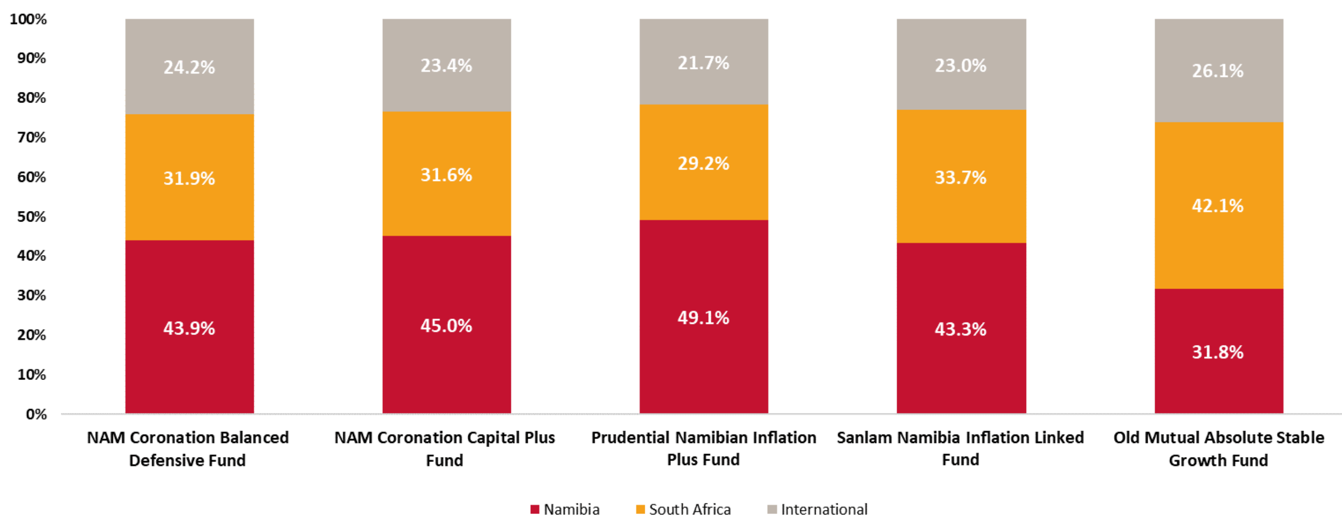
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 June 2021 as compared to 30 June 2021



Geographical Split as at 30 June 2021:



*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
**Note: The NAM Balanced Defensive fund breached below the 45% Namibian Asset Allocation and was not compliant as at 30 June 2021. This was due to an outflow on 30 June 2021, but was subsequently rectified on 5th July 2021.

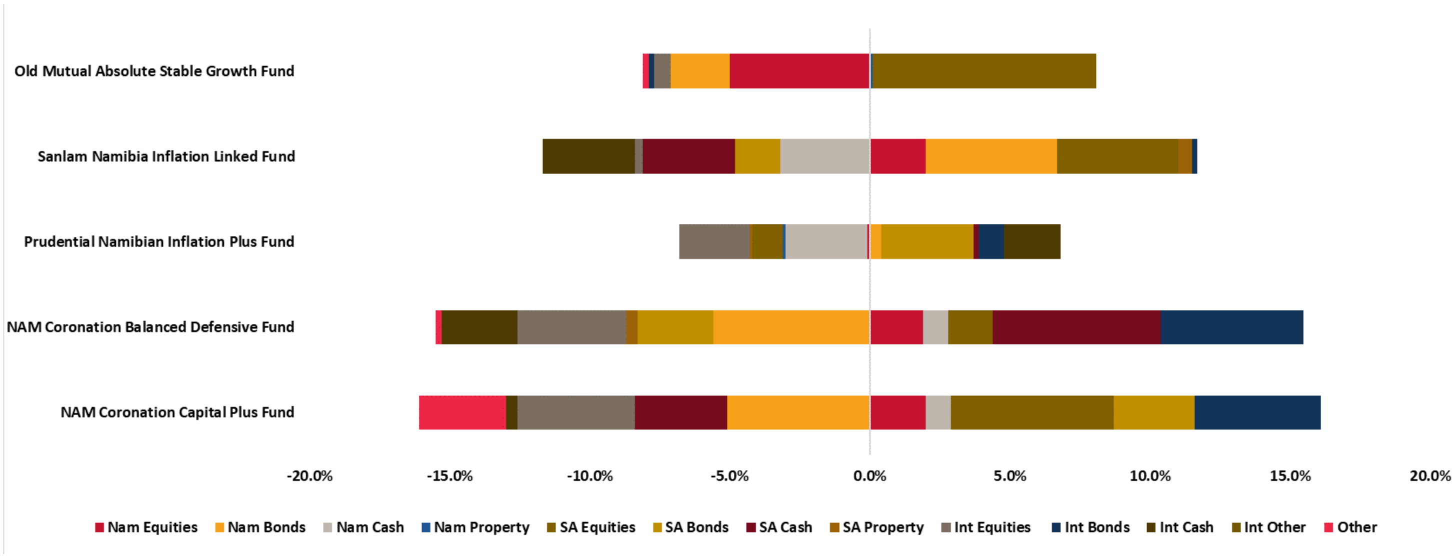
Source: Morningstar Direct

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 **30 June 2021.** 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.



Unlike the Moderate Risk portfolios, the Moderate-Low Managers made significant changes to their portfolios over the past 12-months, apart from the Prudential portfolio. As witnessed last quarter, the two NAM Coronation saw the largest changes to the underlying asset mix over the year, with the largest change coming from a decrease in Namibian Bond exposure by over 5.0%, while increasing their international bond exposure by roughly the same amount. Most managed reduced their Namibian and International exposure, in favour for SA Equities. It is important to take cognizance of the fact that these changes are not only due to active management decisions made by the underlying managers, but also due to market movements.

Source: Morningstar Direct

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 30 June 2021

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	12.7	7.5	6.9	9.6
NAM Coronation Capital Plus Fund	14.7	7.3	6.1	8.9
Prudential Namibian Inflation Plus Fund	10.0	6.6	6.2	9.7
Sanlam Namibia Inflation Linked Fund	6.7	6.8	6.9	9.2
Old Mutual Absolute Stable Growth Fund	10.0	4.4	5.8	9.1
NMG NAM Mod Conservative Benchmark	11.8	9.7	9.6	9.6
NAM CPI + 4%	8.2	7.5	8.2	9.0

Trailing Returns as at 30 June 2020

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	3.6	5.7	5.9	9.5
NAM Coronation Capital Plus Fund	2.9	4.6	4.5	8.9
Prudential Namibian Inflation Plus Fund	2.4	6.2	6.2	9.9
Sanlam Namibia Inflation Linked Fund	6.8	7.0	7.2	9.8
Old Mutual Absolute Stable Growth Fund	-1.7	4.0	5.6	9.6
NMG NAM Mod Conservative Benchmark	6.1	10.0	8.7	9.7
NAM CPI + 4%	6.2	7.5	8.7	9.1

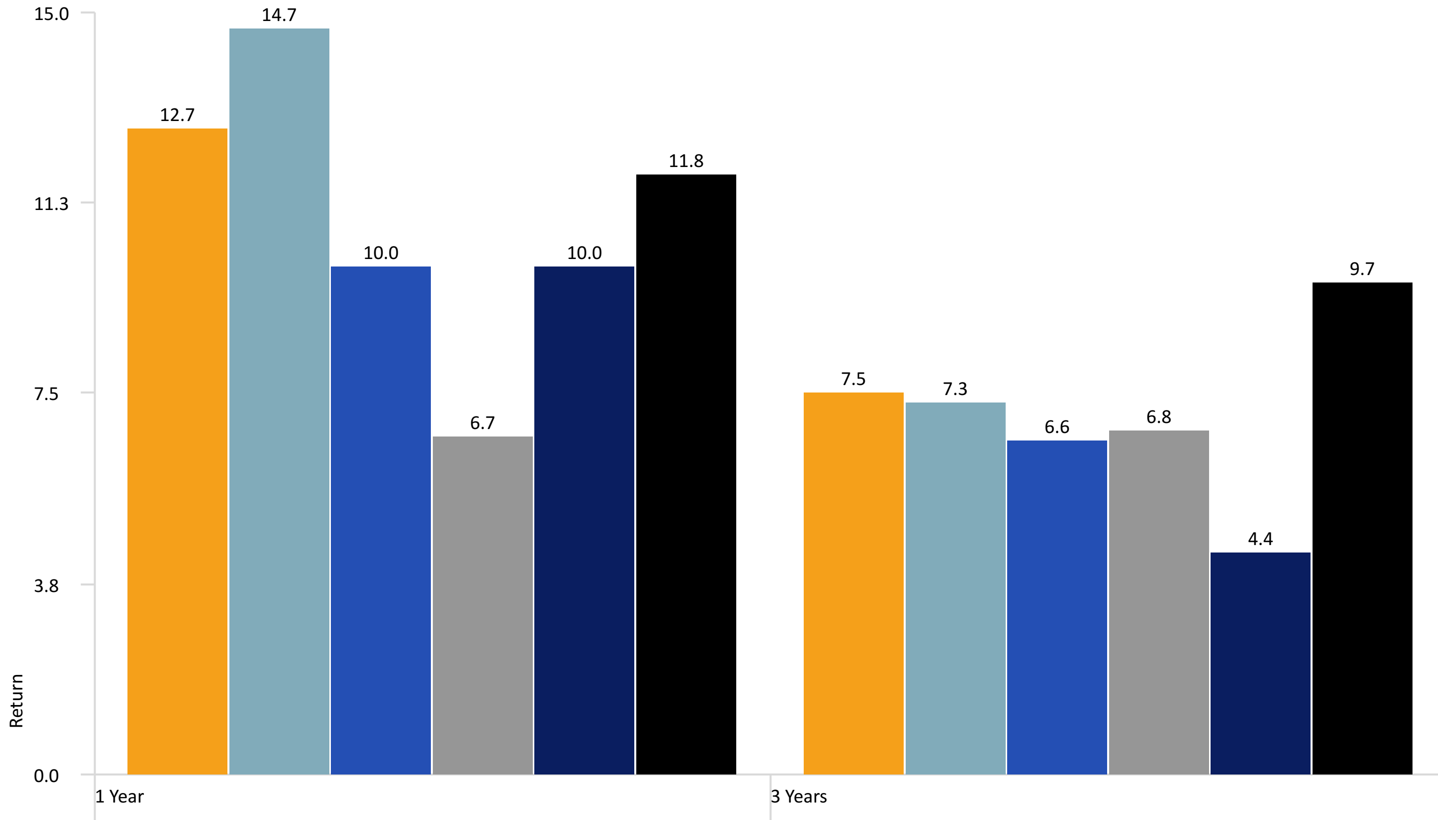
The returns for the Old Mutual AGP portfolios are sourced from the NMG Survey data. The remaining returns are net money-weighted rate of return values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

Source: Morningstar Direct

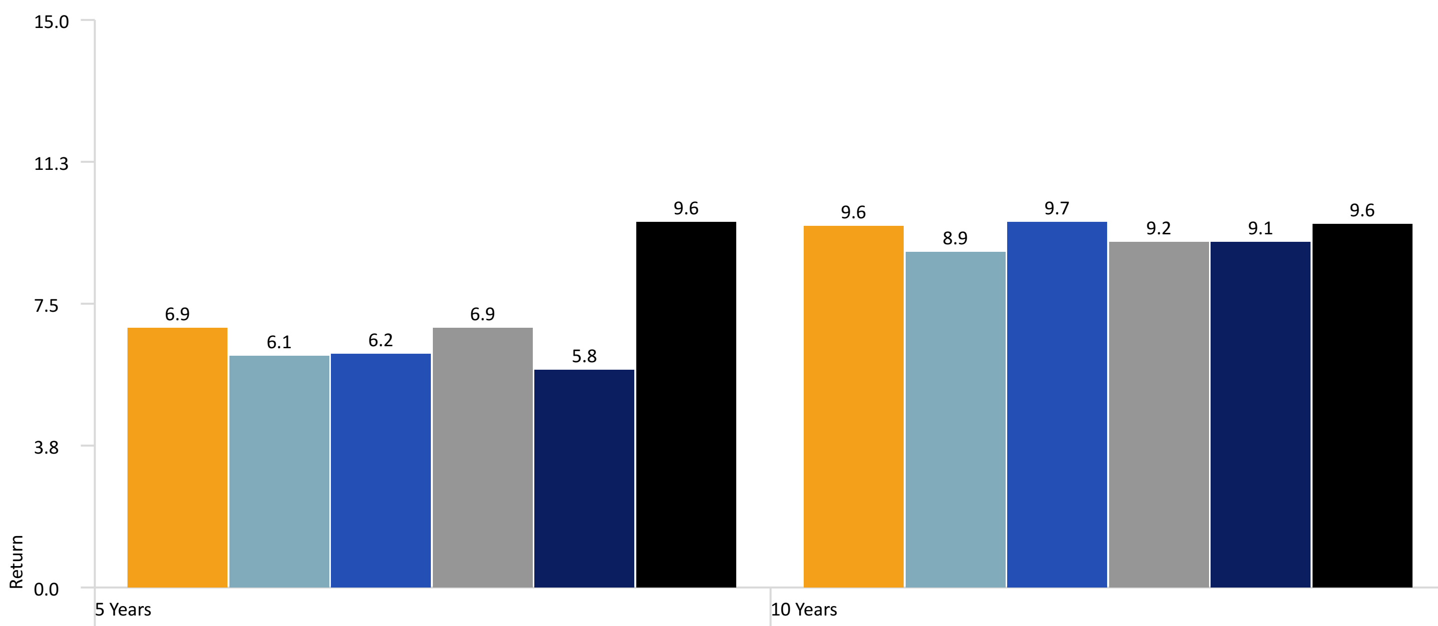
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 30 June 2021



5 & 10 years performance for the period ended 30 June 2021



NAM Coronation Balanced Defensive Fund
NAM Coronation Capital Plus Fund
Prudential Namibia Inflation Plus Fund
Sanlam Namibia Inflation Linked Fund
Old Mutual Absolute Stable Growth Fund
NMG NAM Mod Conservative Benchmark

Source: Morningstar Direct

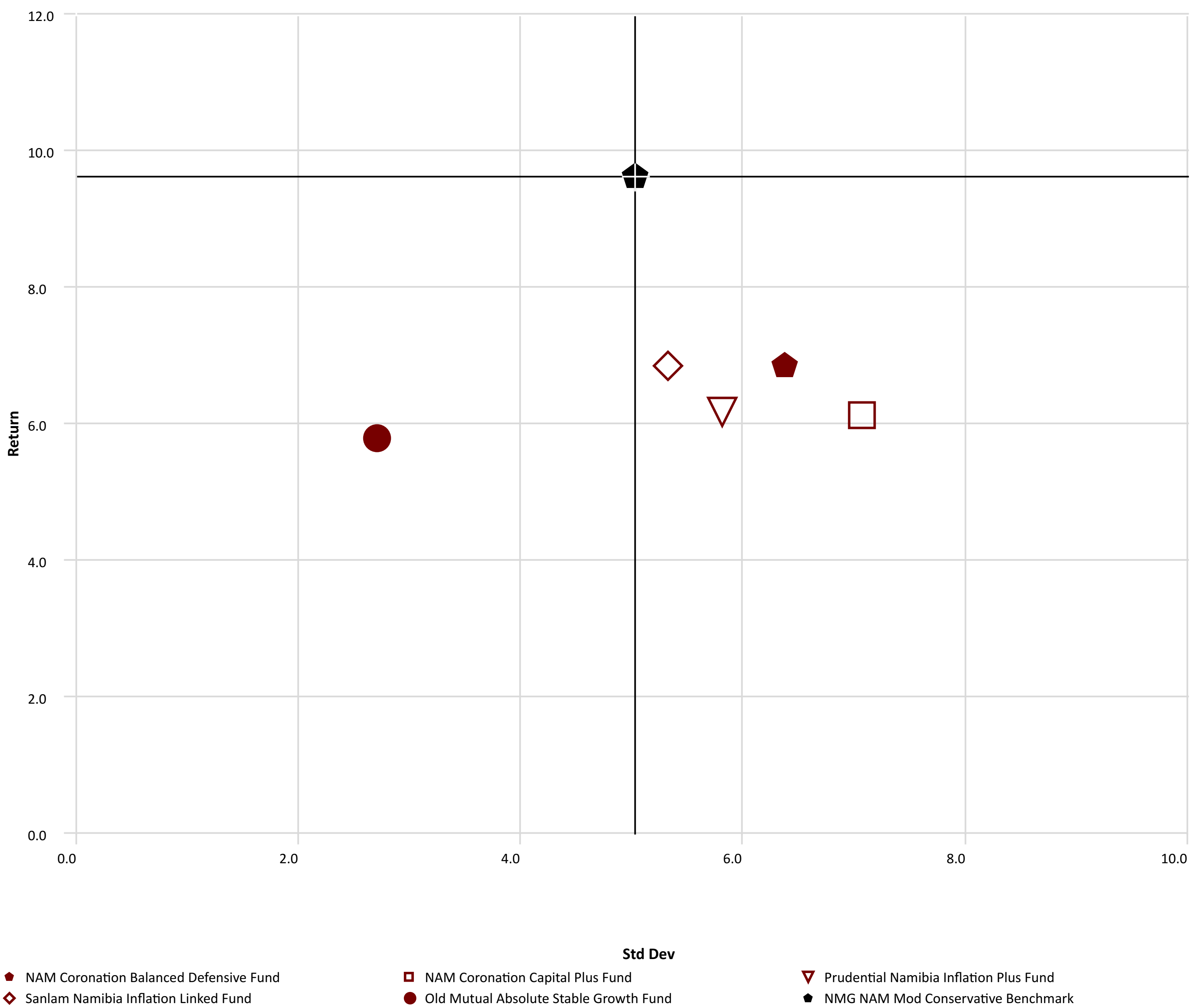
Performance Comparison

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 Jul 2016 to 30 Jun 2021

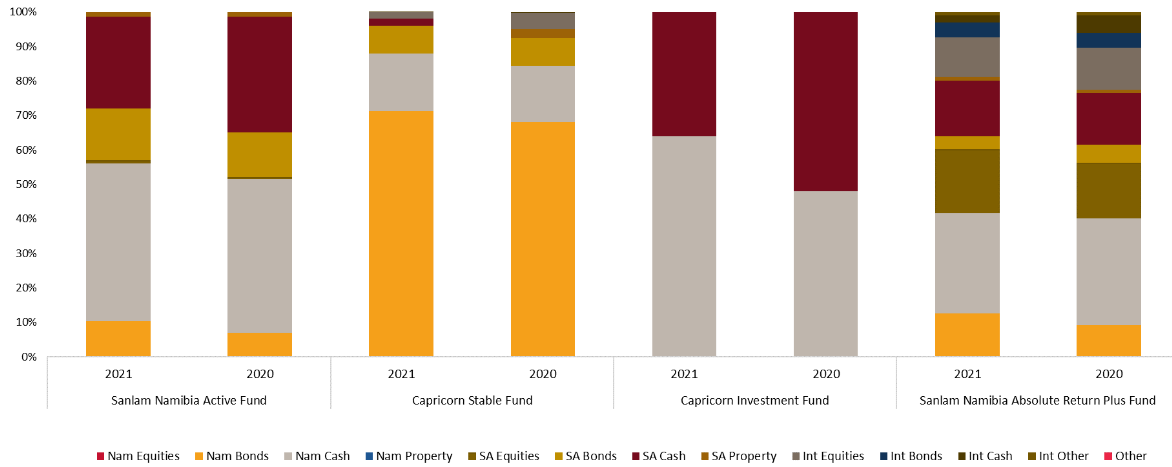


Source: Morningstar Direct

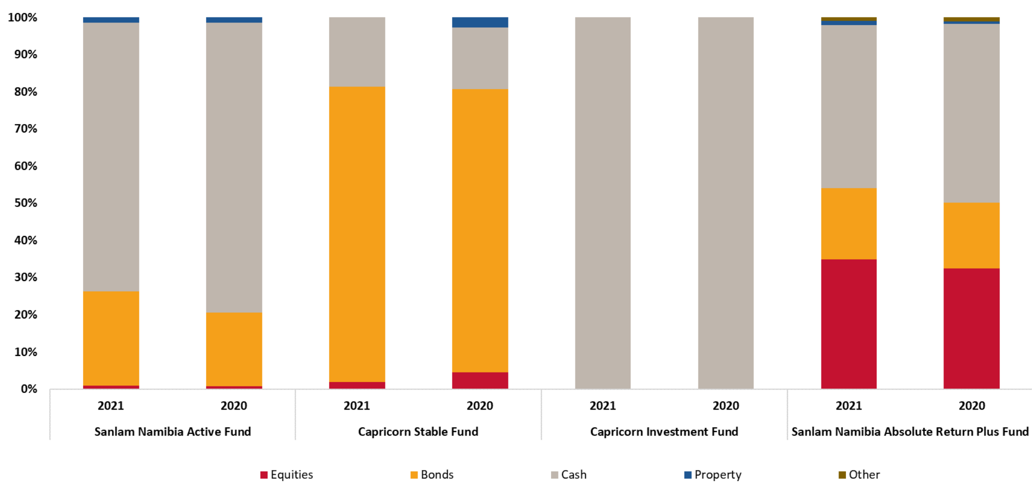
Performance Comparison

Low Risk and Capital Preservation Portfolios

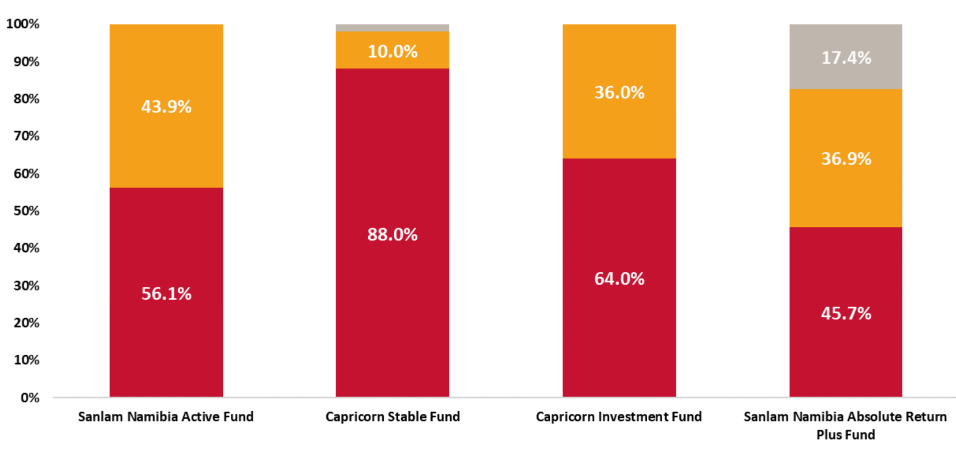
Asset Allocation as at 30 June 2021 as compared to 30 June 2020



The total Namibian exposure is 56.1% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 88.0% of the funds assets are currently invested 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 45.7% exposure to Namibian assets.



Geographical Split as at 30 June 2021:



*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.

Source: Morningstar Direct

Performance Comparison

Low Risk and Capital Preservation Portfolios

Trailing Returns as at 30 June 2021

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	8.2	8.0	7.9	—
Sanlam Namibia Absolute Return Plus Fund**	5.7	6.4	6.2	—
Sanlam Namibia Active Fund	6.6	6.8	7.3	7.7
NAM CPI	4.1	3.4	4.0	4.8
NAM CPI + 2%	6.1	5.4	6.1	6.9
FTSE/JSE ALB 1-3 Yr TR ZAR	4.9	8.8	8.5	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 30 June 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	6.7	7.6	7.8	—
Sanlam Namibia Absolute Return Plus Fund**	6.9	6.6	6.9	—
Sanlam Namibia Active Fund	5.3	7.3	7.8	7.9
NAM CPI	2.1	3.3	4.6	4.9
NAM CPI + 2%	4.2	5.4	6.6	7.0
FTSE/JSE ALB 1-3 Yr TR ZAR	10.6	9.7	9.0	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 30 June 2021

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	4.6	6.4	7.1	6.5
NAM CPI + 1%	5.1	4.4	5.1	5.9
IJG Money Market GR NAD	4.5	6.4	7.1	6.5

Trailing Returns as at 30 June 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	7.0	7.6	7.5	6.7
NAM CPI + 1%	3.2	4.4	5.6	6.0
IJG Money Market GR NAD	7.0	7.6	7.6	6.7

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

Source: Morningstar Direct

Performance Comparison

Unlisted Investments

Trailing Returns as at 30 June 2021

	1 Year	3 Years	01 Jan 2016 - 30 Jun 2021
Allegrow Fund	—	1.1	2.5
Caliber Capital Fund (A)	6.3	8.3	6.6
IJG Frontier Investment Fund	-16.5	-21.4	-9.0
NAM CPI + 4.5%	**8.7**	**8.0**	**9.3**

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 30 June 2020

	1 Year	3 Years	01 Jan 2016 - 30 Jun 2020
Allegrow Fund	1.3	8.3	3.1
Caliber Capital Fund (A)	8.7	8.5	6.6
IJG Frontier Investment Fund	-26.3	-13.2	-7.3
NAM CPI + 4.5%	**6.8**	**8.0**	**9.5**

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.

Source: Morningstar Direct

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.

Appendix A: Replacement Ratios

The following table represents some salary replacement ratios:

Assumed NET Contributions towards retirement i.e. AFTER all costs for risk and administration etc. (as % of pensionable salary)					
Assumed Investment Return for 30 years before retirement (after fees)	**8%**	**10%**	**12%**	**14%**	**16%**
CPI + 5%	47%	59%	70%	82%	94%
CPI + 4%	39%	49%	59%	69%	79%
CPI + 3%	33%	42%	50%	58%	67%
CPI + 2%	28%	35%	42%	50%	57%

The Trustees consider an appropriate post retirement income to be 60% of pre-retirement pensionable income after 30 years of service (assuming that 2% accumulates for each year of service). This ratio is defined as the salary replacement ratio. The above table shows a range of ratios for various net retirement funding contribution rates in relation to real investment returns, assuming retirement at age 60. Other assumptions are:

Pre-retirement:

- **Real rate of return before retirement is dependent on the investment portfolio chosen;**
- Salaries are assumed to increase in line with price inflation. In order to assess the impact of a salary increase of 1.0% per annum above inflation, one needs to look at a 1.0% per annum lower real return (e.g. if the targeted real rate of return on the selected investment portfolio is CPI + 4% then one needs to look at the results of CPI + 3% in the above table to see the salary replacement ratio if salaries increase 1.0% per annum above price inflation);
- No break in service or 100% preservation of accumulated fund credit where there is a change of employer;
- Full fund credit available on retirement (one-third and two-thirds) is used to generate the pension; and
- Effect of tax is not taken into account.

Post retirement

- Single life with-profit annuity is purchased at age 60 years; and
- Allowance for future pension increases is approximately 2/3rds of price inflation.

Source: Morningstar Direct