



Benchmark Retirement Fund

Quarterly Investment Report: As at 30 September 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 Namibia Balanced Fund*	Moderate	None	CPI+5%
Old Mutual Namibian Profile Pinnacle Fund	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 ¹	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 ¹	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%
Old Mutual Namibia Nedbank Money Market Fund	Low	NAM Call Rate	CPI
Capricorn Investment Fund	Capital Preservation	7 day Repo Rate	CPI to CPI + 1%

*Segregated Portfolio

**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:

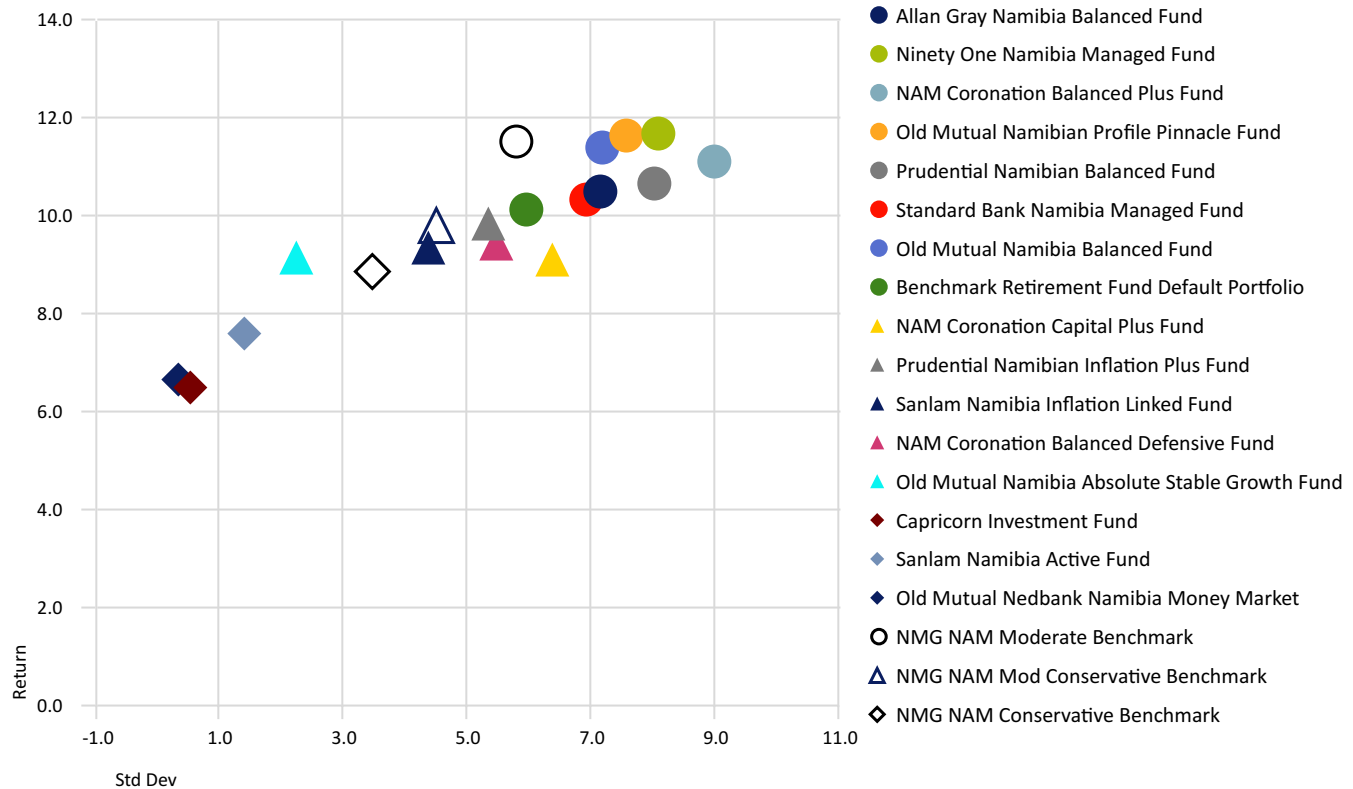
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

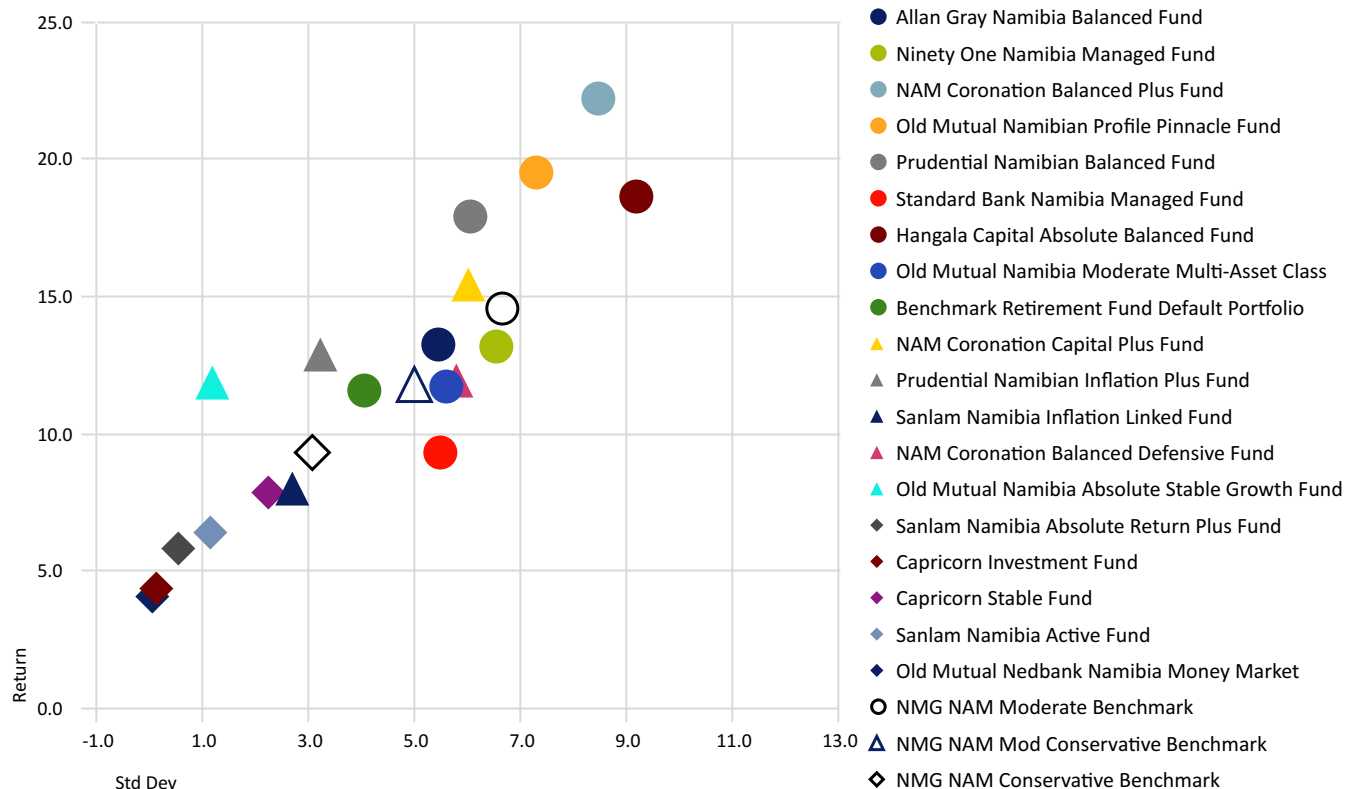
Risk-Reward - Over the long term

Time Period: 01-Oct-11 to 30-Sep-21



Risk-Reward - Over the short term

Time Period: 01-Oct-20 to 30-Sep-21



Market Overview

The third quarter of the year got off to a positive start during July and August for both local and global markets, with the MSCI World Index (USD) returning +0.7% and +2.5% respectively. The positive run sadly came to an end with the MSCI World Index (USD) closing September -4.2% and the third quarter -0.01% slightly in the red. JSE All Share -3.1% and the NSX Overall closed down -4.7%. There is currently a large amount of volatility in the market, which can be attributed to refreshed fears and uncertainty around the deadlier Covid Delta variant, increased risk of global inflation, Central Banks start tapering sooner and concerns around China's property debt crisis and energy shortages.

COVID-19 and the highly transmissible Delta variant have continued to drive uncertainty over the past 3-month period both from a local and global perspective. South Africa moved to adjusted alert Level 1 on the last day of September marking the end of the third wave and further relaxing restrictions on movement and trade. Namibia has thankfully also seen its active covid cases drop to just over 1000 following the peak of over 25,000 active cases in July. Despite that, SA and Namibia have still not made it off the UK's "red list" — a disappointment for the tourism sector.

Global inflation continues to remain elevated, with the US recording YoY inflation of 5.3% in August - its largest year-over-year increase since September 2008, with SA and Namibian inflation recordings at **4.9%** and **3.4%** respectively. The Fed believes elevated readings will soon subside as they are affected by the anniversary effects of the depressed prices from last year. The market seems to be losing trust in this narrative and is starting to believe inflation may stay elevated for longer than anticipated. Oil prices have also risen to above \$80 for the first time in three years, up +50% since the beginning of the year. Elevated levels of inflation may lead to an increase in interest rates, which are currently projected to rise by the 1st Quarter of 2022.

The Federal Open Market Committee (FOMC) in their latest meeting suggested that the first-rate hike has moved from early 2023 to late 2022. FED Chair Jerome Powell also confirmed that he does not expect the Fed to begin rate increases until after completion of the tapering process starting in November and coming to completion mid-way through 2022.

The most concerning news over the quarter has once again come out of China, however, in a change of events, this is not virus related. China has tightened the control of its big tech companies, with multiple rounds of regulations brought against them over the course of the year, in the name of anti-trust cyber security, essentially wanting to better align corporate goals and national social goals. The end of September also saw a liquidity crisis at China's second-largest property developer - Evergrande. Reports emerged that the property developer defaulted on two interest payments and a reason why investors are starting to ask questions about the health of the Chinese economy.

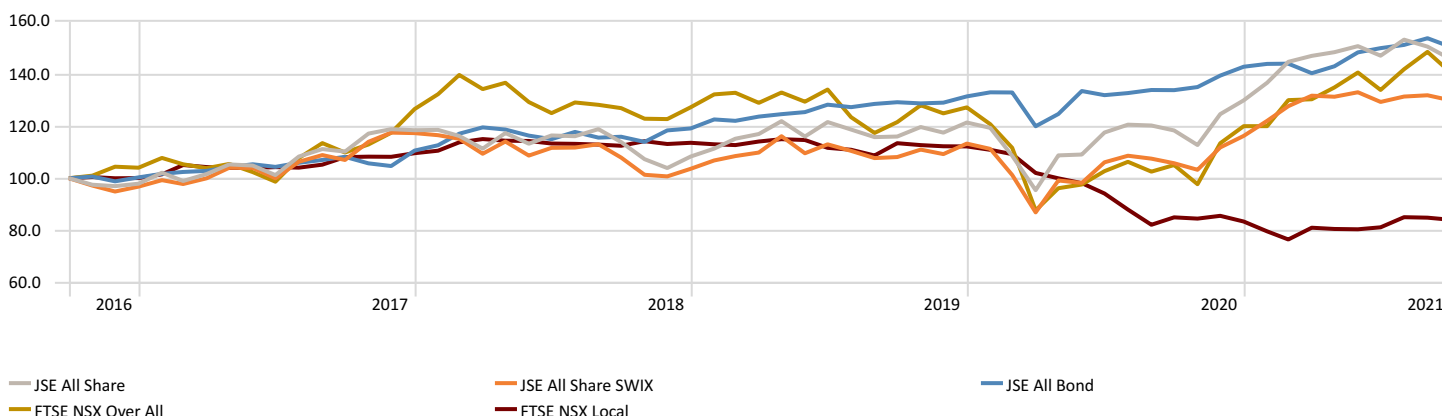
Quarter 3 was volatile for local equity markets with the Commodity sector impacted the most. The FTSE/JSE Resources 10 Index ending September deep in the red -9.5% and the quarter down -3.8%. The regulatory "crackdown" in China on Chinese Tech companies also impacted SA market heavyweights Naspers -16.9% and Prosus -14.5% driving the FTSE/JSE All Share Index down -3.1% for September. On a positive note, South Africa's economy (GDP) grew by 1.3% quarter on quarter beating market expectations of 0.7% growth. The SARB kept interest rates unchanged but highlighted increased risks to near-term inflation.

Key Indicators as at 30/09/2021

N\$/US\$	N\$15.09/\$
N\$/E	N\$20.32/E
NAM/€	N\$17.46/€
NAM Inflation rate	3.40%
NAM repo rate	3.75%
Oil Price (per barrel)	US\$77.81 barrel
Gold Price (per oz)	US\$1,728.92 /oz

Investment Growth for Selected Indices

Time Period: 01-Oct-16 to 30-Sep-21



Investment Growth for Selected Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
JSE All Share	-0.8	12.2	23.2	8.6	7.8	11.5
JSE All Share SWIX	0.5	11.8	22.9	6.4	5.4	10.9
JSE All Bond	0.4	5.4	12.5	9.1	8.5	8.3
FTSE NSX Over All	5.1	17.3	33.9	3.5	7.1	6.6
FTSE NSX Local	3.6	0.8	-1.1	-9.2	-3.4	8.1

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	JSE SA Listed Property 26.4
	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 Financial 15 24.7
	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	FTSE NSX Over All 17.3
	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	MSCI World 16.2
	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 12.2
	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 SA Re- sources 8.8
	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	JSE Industrial 6.5
	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 5.4
	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 2.6
	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 0.8
	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD

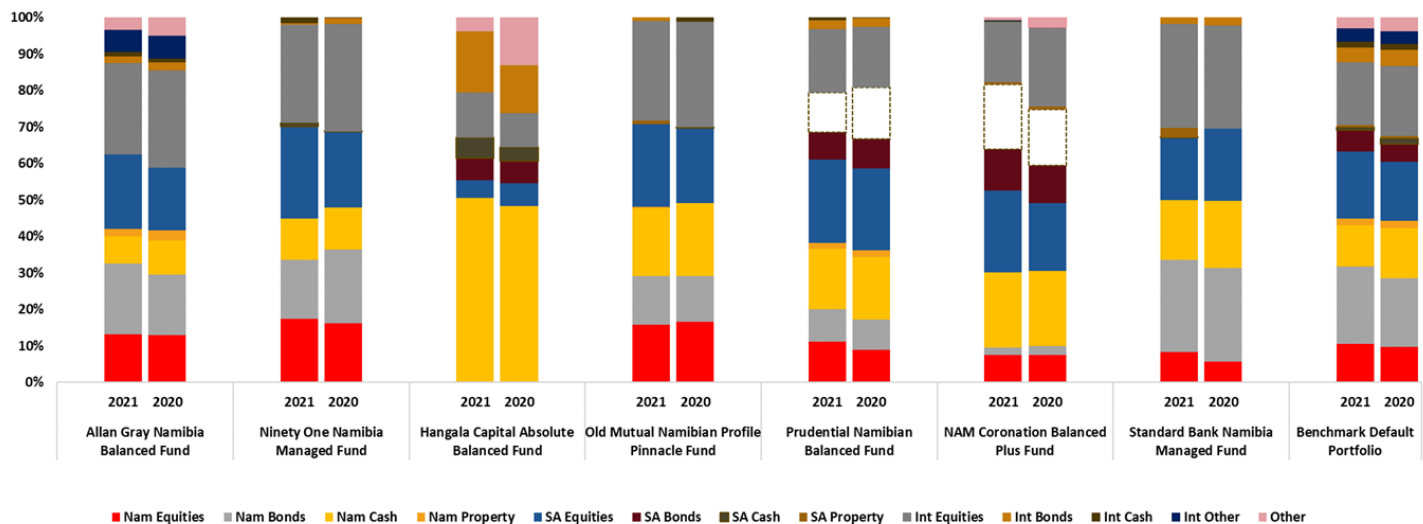
Asset Class Periodic Returns

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE/JSE All Share TR ZAR	-0.8	12.2	23.2	8.6	7.8	11.5
JSE SA Resources	-3.6	8.8	17.8	17.4	17.9	6.4
JSE Industrial	-5.3	6.5	13.8	8.0	5.7	14.4
JSE Financial 15	12.7	24.7	49.7	0.2	4.5	11.3
JSE SA Listed Property	5.9	26.4	54.4	-6.8	-5.6	5.5
JSE All Bond	0.4	5.4	12.5	9.1	8.5	8.3
STeFI 3 Month	0.9	2.6	3.5	5.4	6.0	5.9
MSCI World	5.5	16.2	16.7	16.1	16.4	20.6
FTSE NSX Local	3.6	0.8	-1.1	-9.2	-3.4	8.1
FTSE NSX Over All	5.1	17.3	33.9	3.5	7.1	6.6

Performance Comparison

Moderate Risk Portfolios

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



Notes 30 September 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

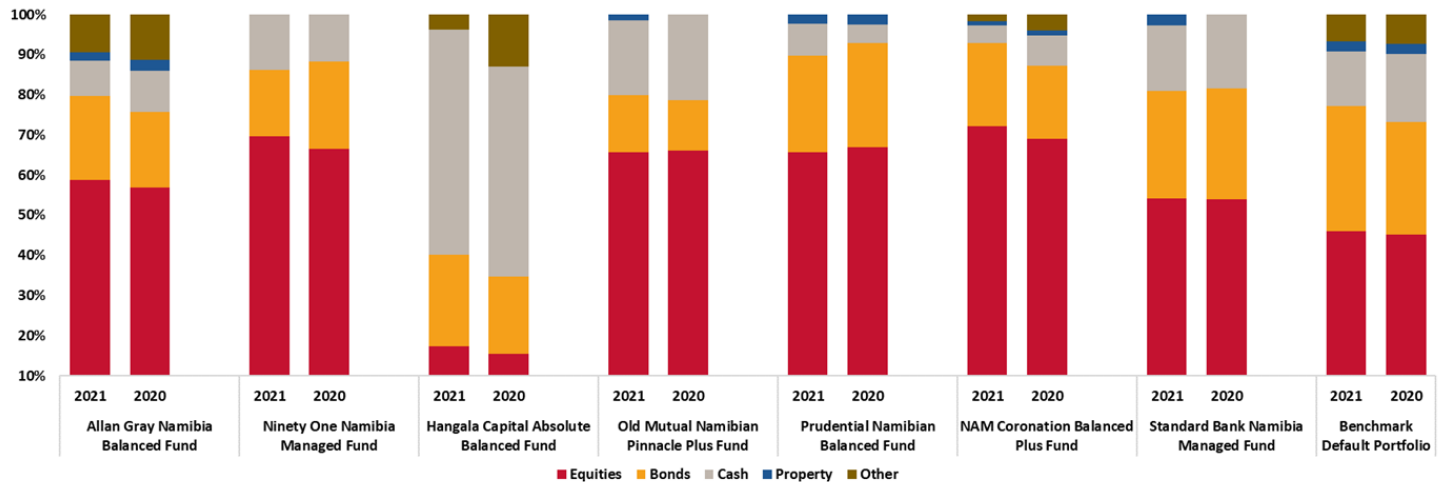
Notes 30 September 2020:

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 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

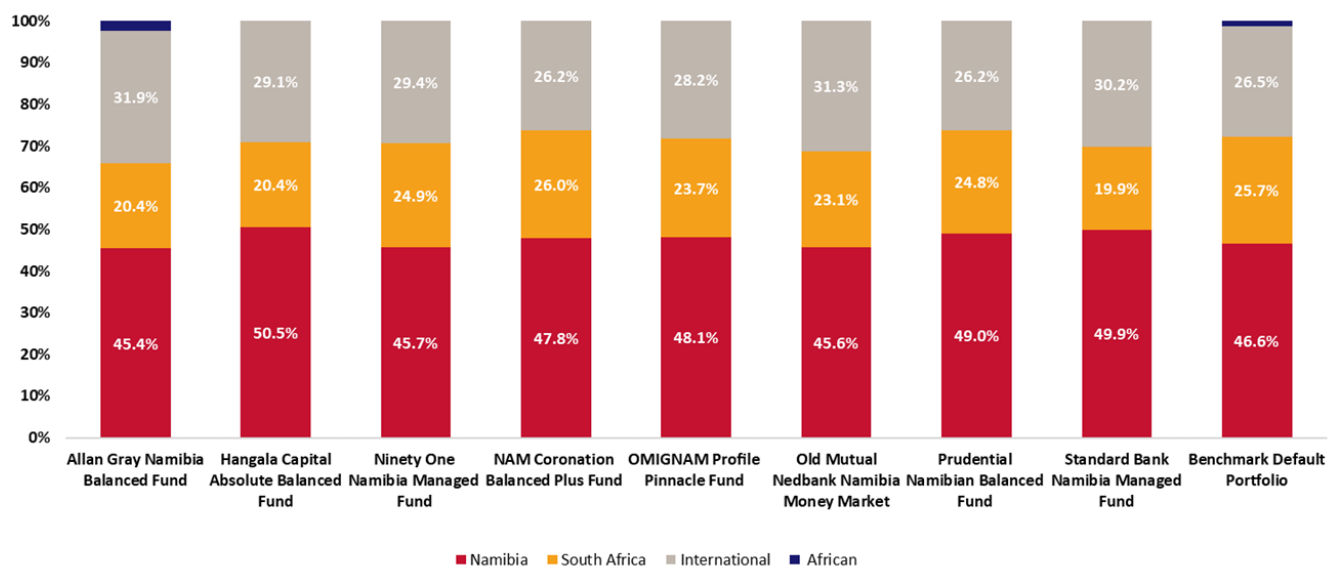
Performance Comparison

Moderate Risk Portfolios

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



Geographical Split as at 30 September 2021:



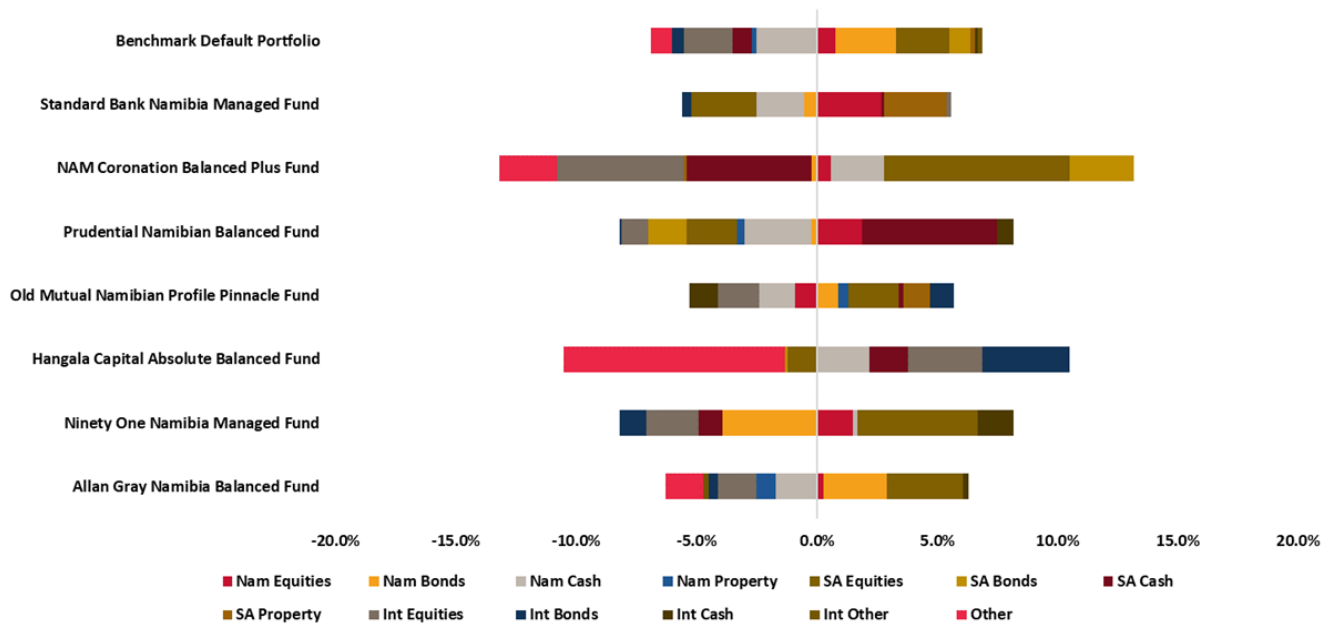
Notes:
 Allan Gray: 2.3% African
 Benchmark Default: 1.2% African

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 September 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.



The NAM Coronation Balanced Plus Fund both made the biggest change to their portfolio over the last year, with an equities shift from International to local (SA and Namibia) exposure, and a shift from SA cash to SA Bonds due to current low cash yields. Standard Bank and Allan Gray made the fewest changes to their portfolio over the last year. Overall, the largest changes in the majority of portfolios were an increase in exposure to South African equities, and a reduction in the Namibian equities. Minimal changes were made with respect to international Cash and Bonds over the year, most managers slightly reduced their international equity exposure. This is in line with managers moving from foreign equity exposure to domestic (South African) equity exposure over the course of the year. 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.

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 30 September 2021

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	13.3	4.9	5.6	10.5
Hangala Capital Absolute Balanced Fund	18.6	6.9	6.3	—
NAM Coronation Balanced Plus Fund	22.2	9.0	7.3	11.1
Ninety One Namibia Managed Fund	13.2	7.4	8.0	11.6
Old Mutual Namibia Balanced Fund*	11.7	6.7	8.0	11.4
Old Mutual Namibian Profile Pinnacle Fund	19.5	8.3	8.4	11.6
Standard Bank Namibia Managed Fund	9.3	7.5	8.1	10.3
Prudential Namibian Balanced Fund	17.9	7.1	7.7	10.6
Benchmark Retirement Fund Default Portfolio	11.6	5.7	6.0	10.1
NMG SA Moderate Benchmark	16.1	9.7	8.7	11.3
NMG NAM Moderate Benchmark	14.5	10.3	10.5	11.5
FTSE/JSE All Share TR ZAR	23.2	8.6	7.8	11.5
NAM CPI + 6%	9.7	9.2	10.1	11.0

*Investment by Benchmark into the fund was only made at the end of May 2021. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 30 September 2020

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	0.9	2.9	5.9	10.3
Hangala Capital Absolute Balanced Fund	-0.7	2.0	3.0	—
NAM Coronation Balanced Plus Fund	2.6	2.7	4.7	9.0
Ninety One Namibia Managed Fund	4.3	5.5	6.7	11.0
Old Mutual Namibia Balanced Fund*	4.4	6.1	7.5	10.8
Old Mutual Namibian Profile Pinnacle Fund	3.1	4.6	6.2	10.6
Standard Bank Namibia Managed Fund	7.5	8.3	6.9	10.7
Prudential Namibian Balanced Fund	1.6	4.1	5.9	9.2
Benchmark Retirement Fund Default Portfolio	2.1	4.0	6.0	9.9
NMG SA Moderate Benchmark	6.7	6.5	7.1	10.5
NMG NAM Moderate Benchmark	7.4	8.9	9.4	10.7
FTSE/JSE All Share TR ZAR	2.0	2.4	4.7	9.6
NAM CPI + 6%	8.6	9.7	10.8	11.2

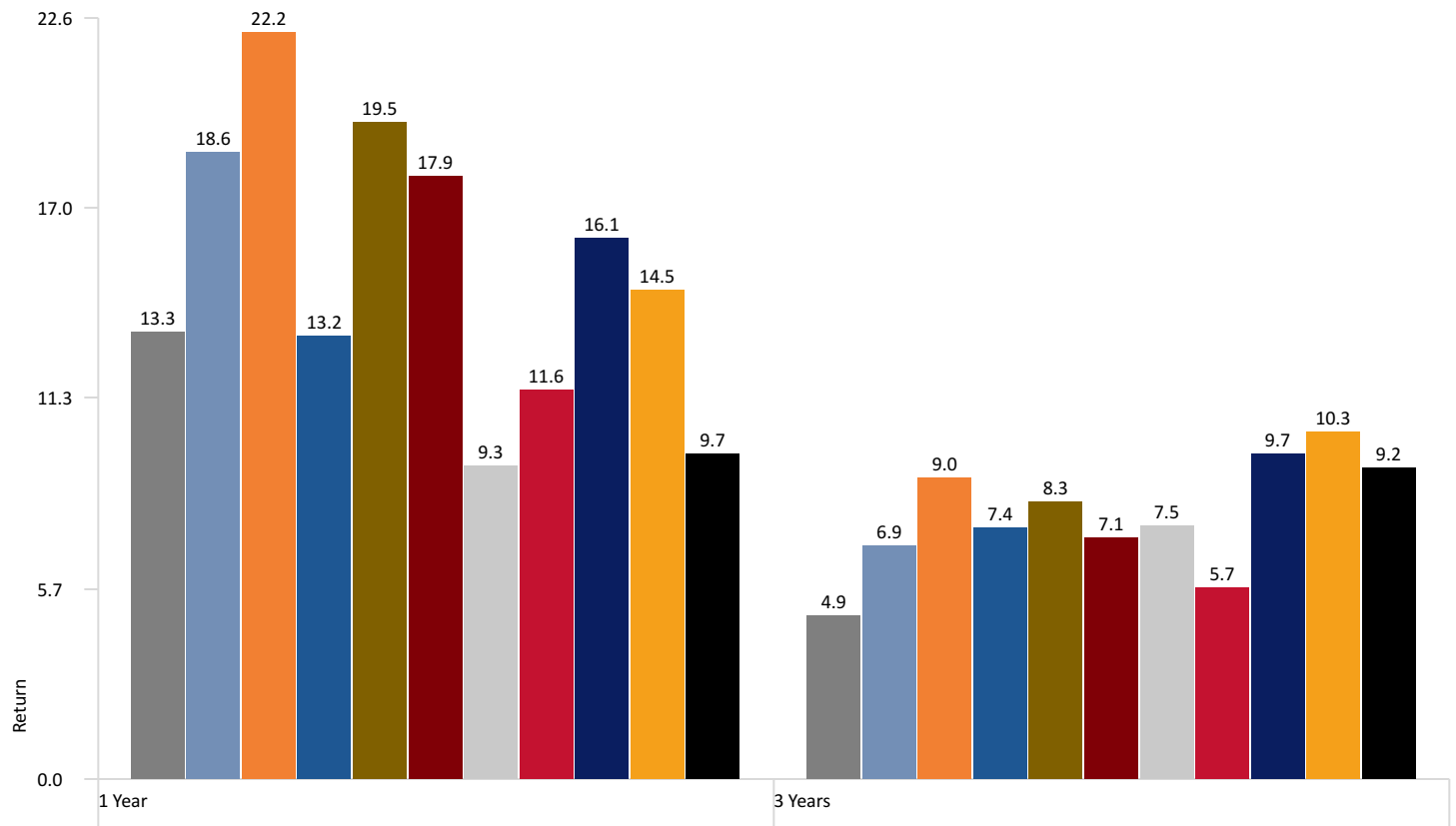
*Investment by Benchmark into the fund was only made at the end of May 2021. Returns beyond that period are for illustrative purposes.

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.

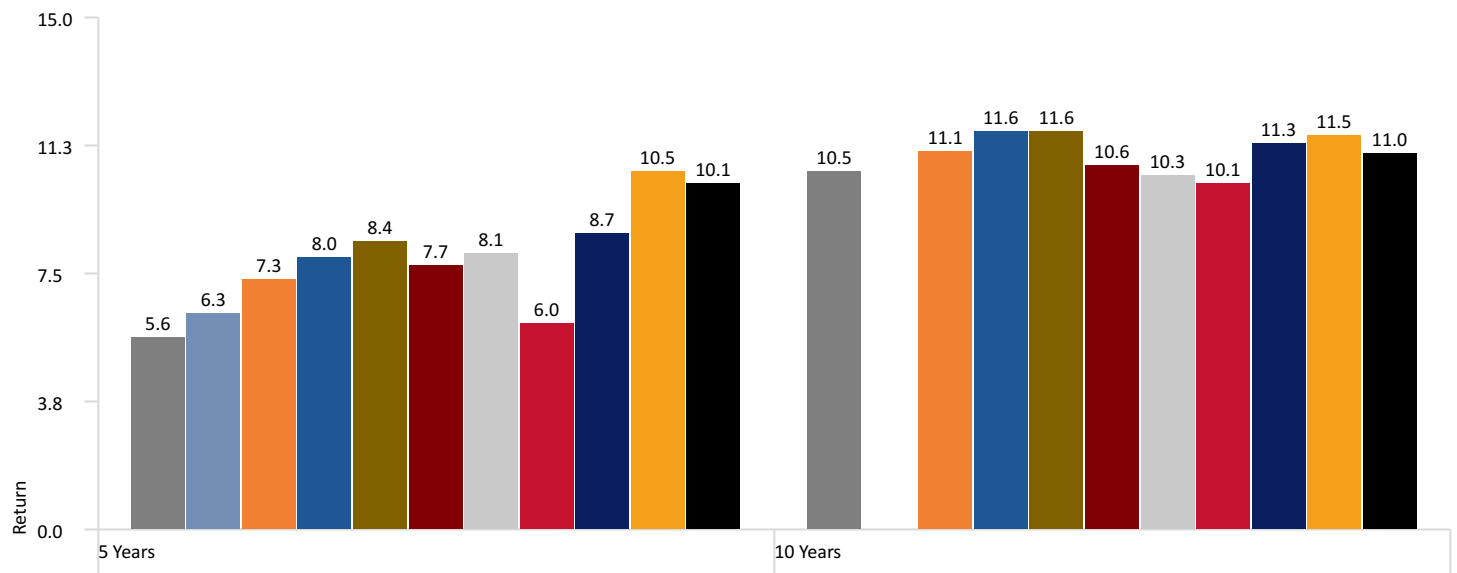
Performance Comparison

Moderate Risk Portfolios

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



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



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

Hangala Capital 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

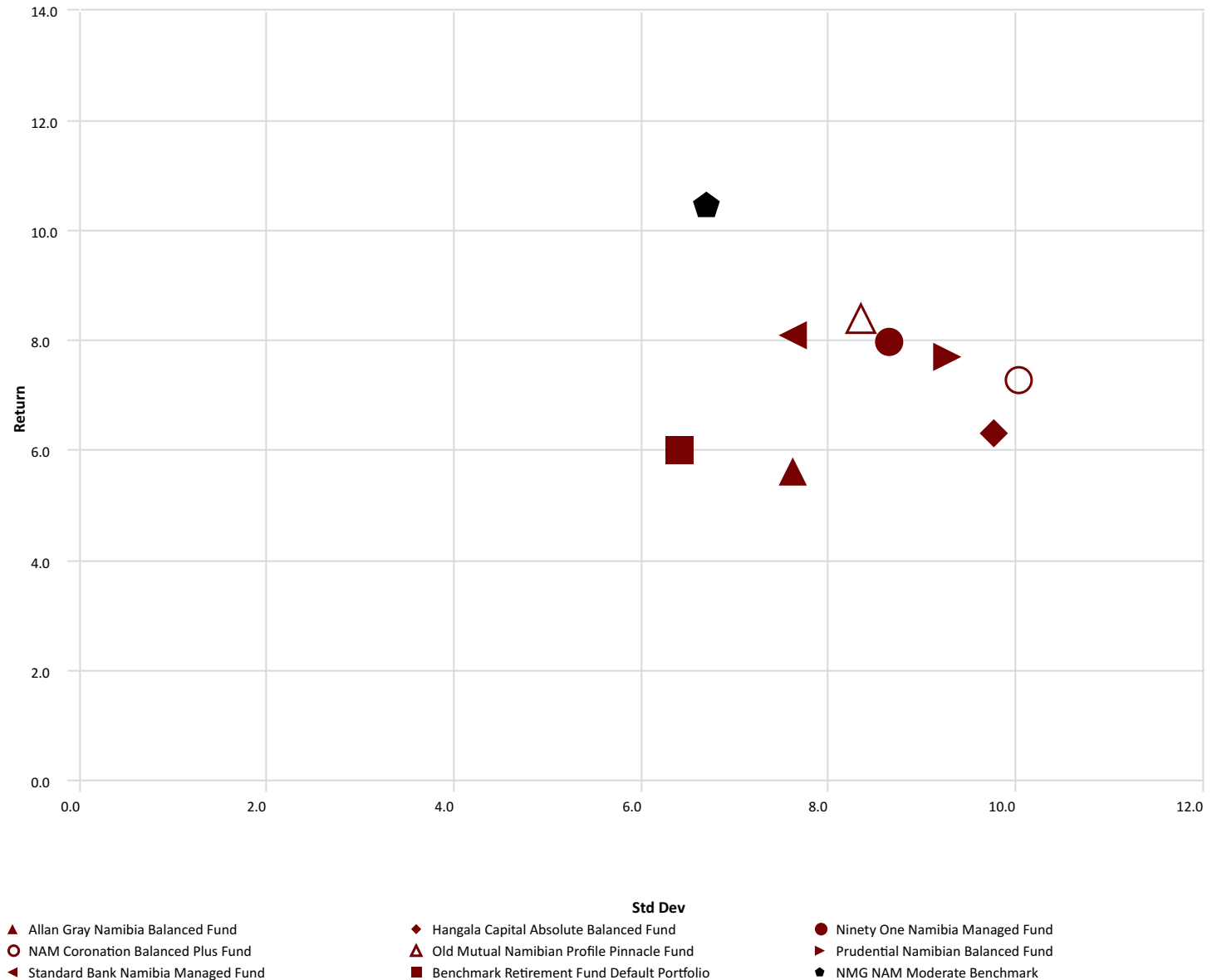
Performance Comparison

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

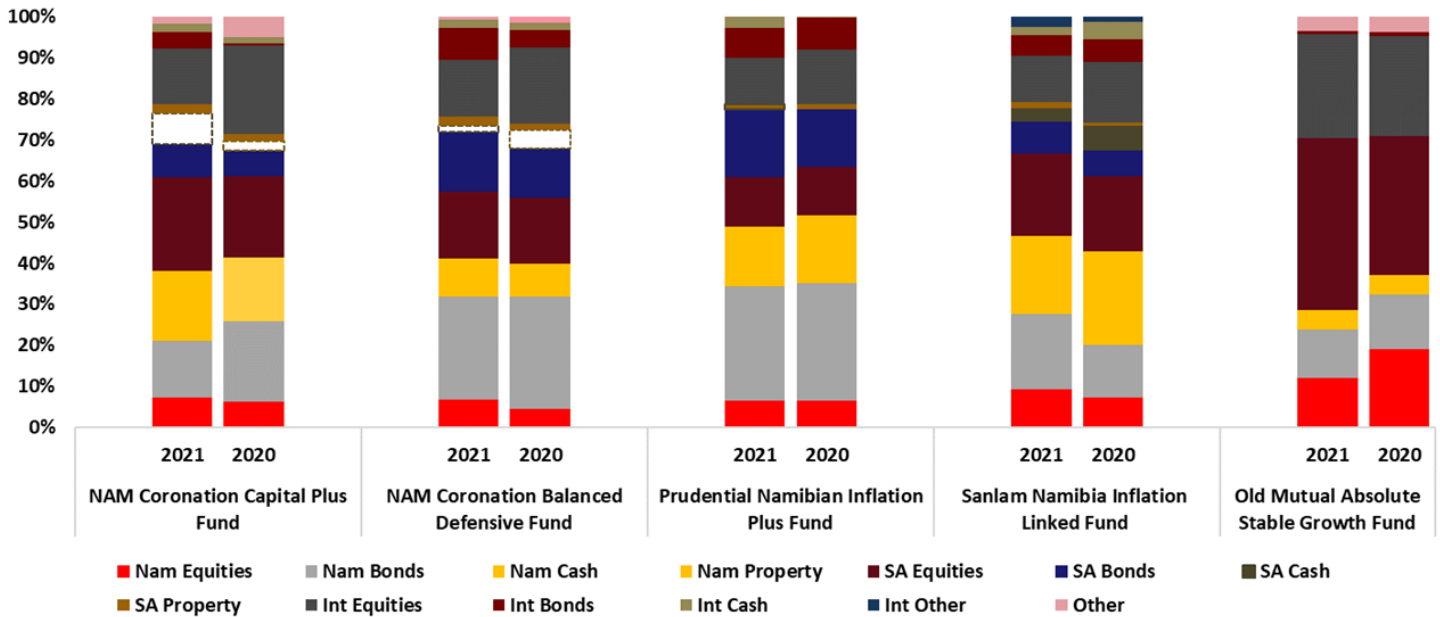
Time Period: 01-Oct-16 to 30-Sep-21



Performance Comparison

Moderate-Low Risk Portfolios

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



Notes 30 September 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

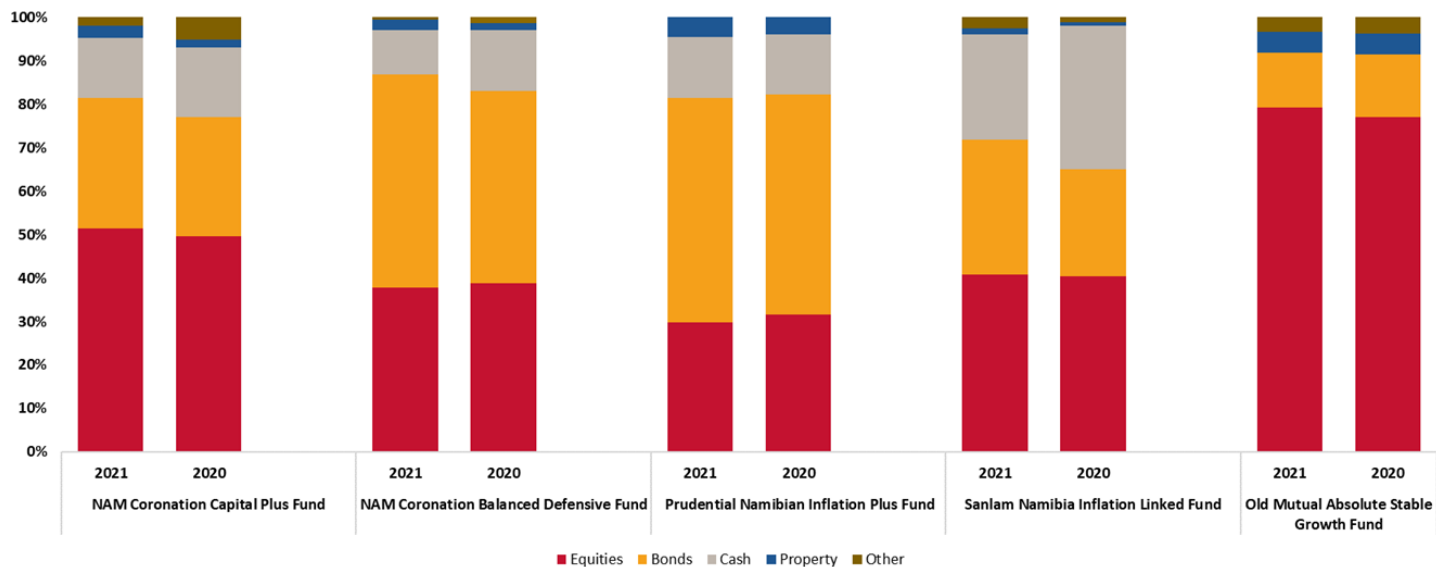
Notes 30 September 2020:

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

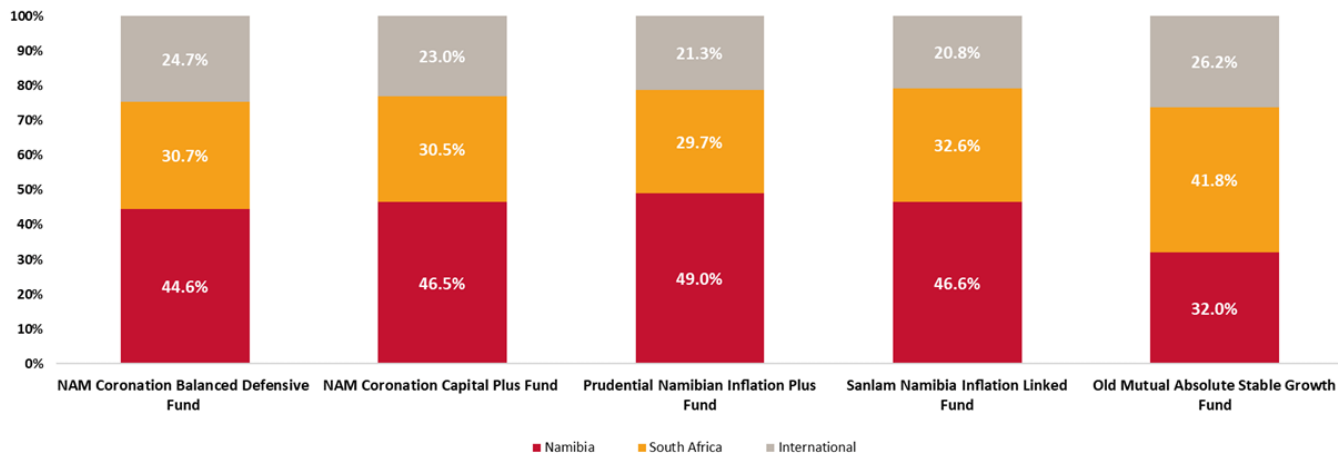
Performance Comparison

Moderate-Low Risk Portfolios

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



Geographical Split as at 30 September 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

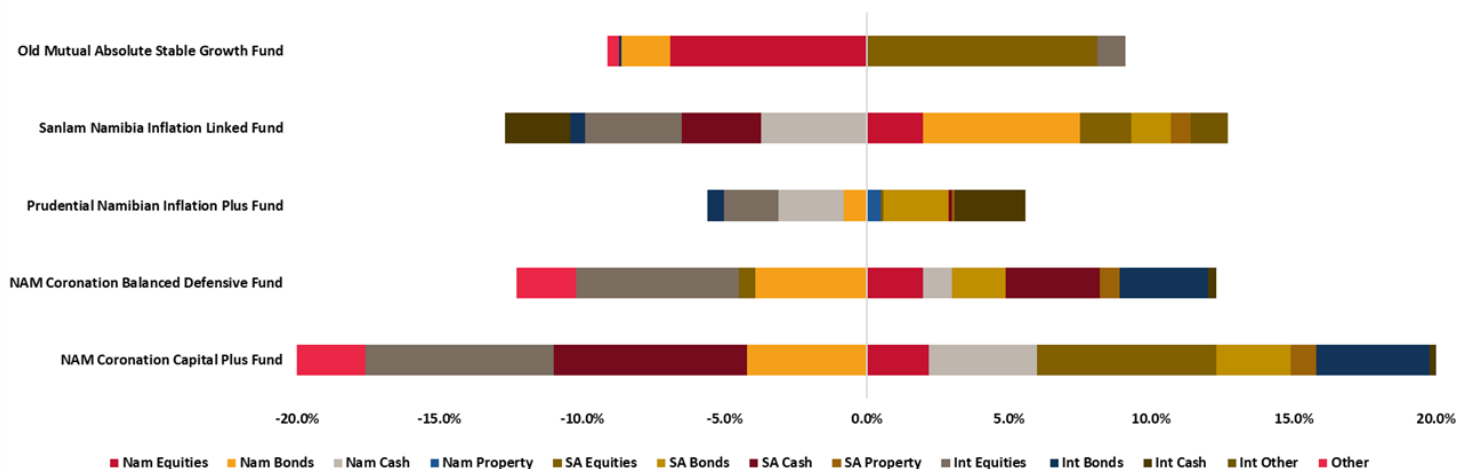
**Note: The NAM Balanced Defensive fund breached below the 45% Namibian Asset Allocation and was not compliant as at 30 September 2021. This was due to a instrument classification on Bloomberg and how it is classified on the NAM Fund fact sheet. NAM Asset managers has requested NAMFISA to confirm the correct classification, once feedback has been received by the Regulator the reporting will be updated.

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 September 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.



NAM Coronation Capital Plus Fund had the largest asset allocation change over the course of the year, with similar movements from international equities to South African and Namibian equities. The only general consensus between the managers was the reduction of international equities, with the other assets class movements not showing any strong correlation. 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.

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 30 September 2021

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	11.9	7.3	6.6	9.4
NAM Coronation Capital Plus Fund	15.4	7.8	6.3	9.1
Prudential Namibian Inflation Plus Fund	12.9	6.7	6.6	9.8
Sanlam Namibia Inflation Linked Fund	8.0	7.0	7.0	9.3
Old Mutual Absolute Stable Growth Fund	11.9	5.0	6.1	9.2
NMG NAM Mod Conservative Benchmark	11.8	9.6	9.6	9.8
NAM CPI + 4%	7.6	7.2	8.1	8.9

Trailing Returns as at 30 September 2020

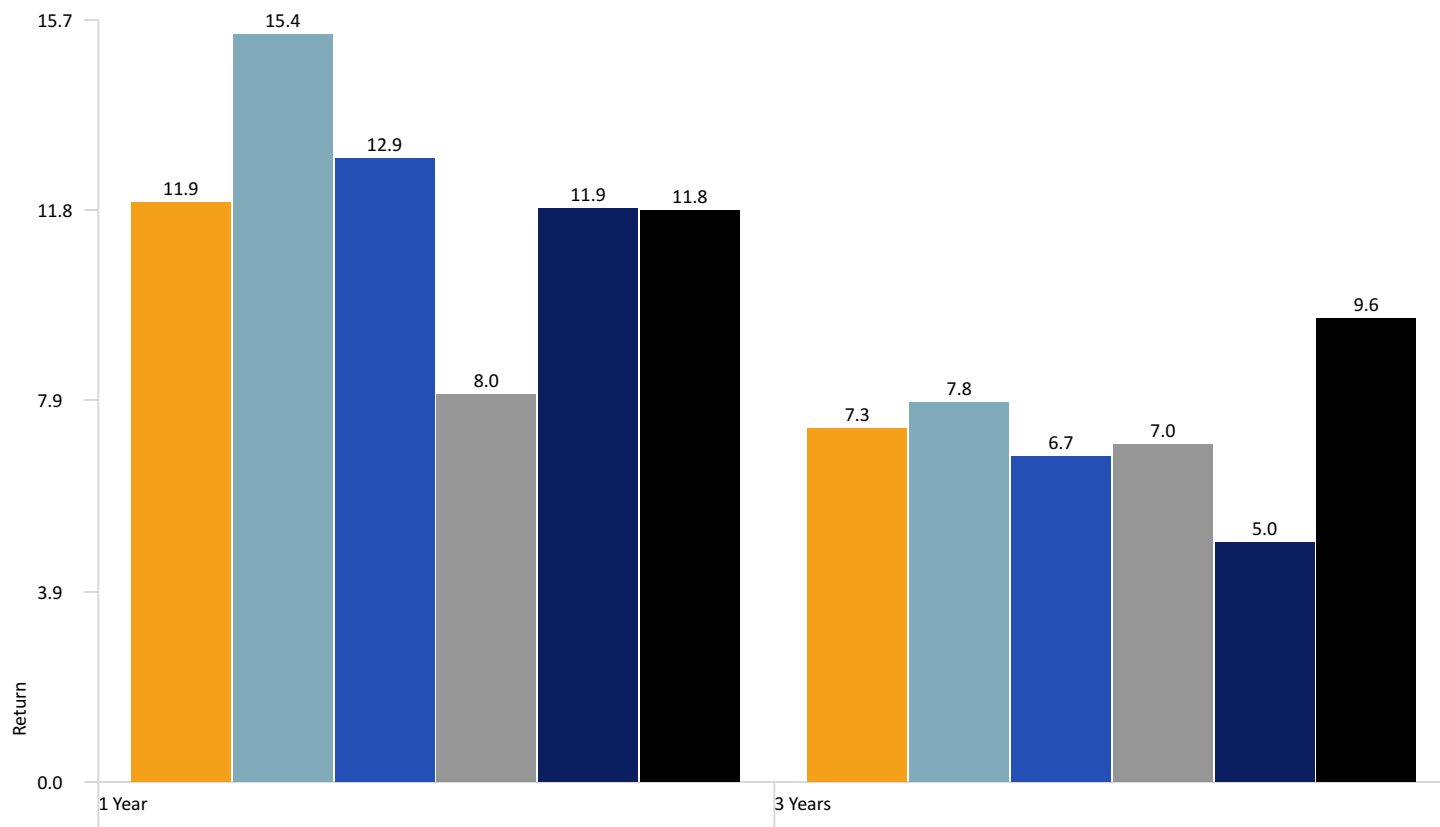
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	3.0	4.7	6.1	9.1
NAM Coronation Capital Plus Fund	2.6	3.5	5.1	8.1
Prudential Namibian Inflation Plus Fund	1.0	4.6	5.8	9.2
Sanlam Namibia Inflation Linked Fund	5.9	6.3	7.2	9.4
Old Mutual Absolute Stable Growth Fund	-0.8	3.9	5.4	9.5
NMG NAM Mod Conservative Benchmark	7.1	8.7	8.9	9.2
NAM CPI + 4%	6.5	7.6	8.8	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.

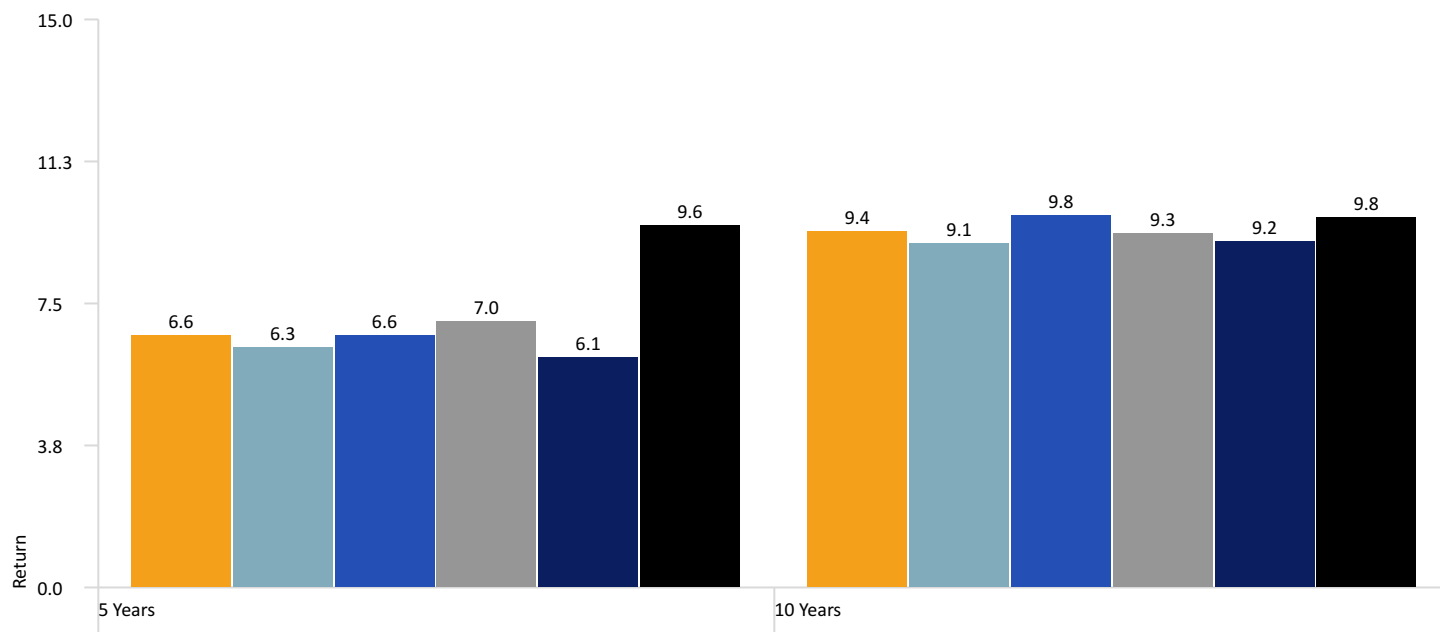
Performance Comparison

Moderate-Low Risk Portfolios

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



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



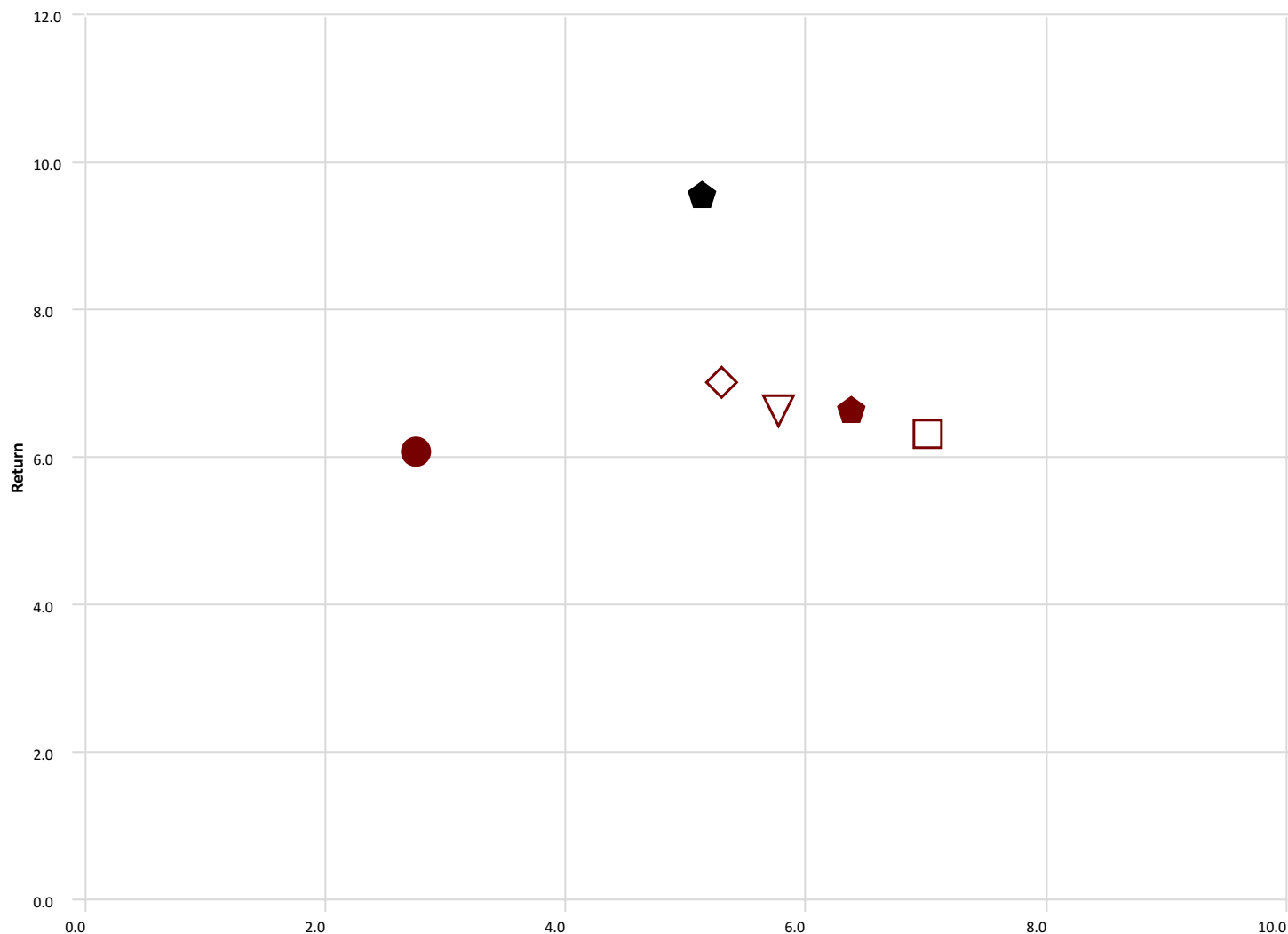
Performance Comparison

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-Oct-16 to 30-Sep-21

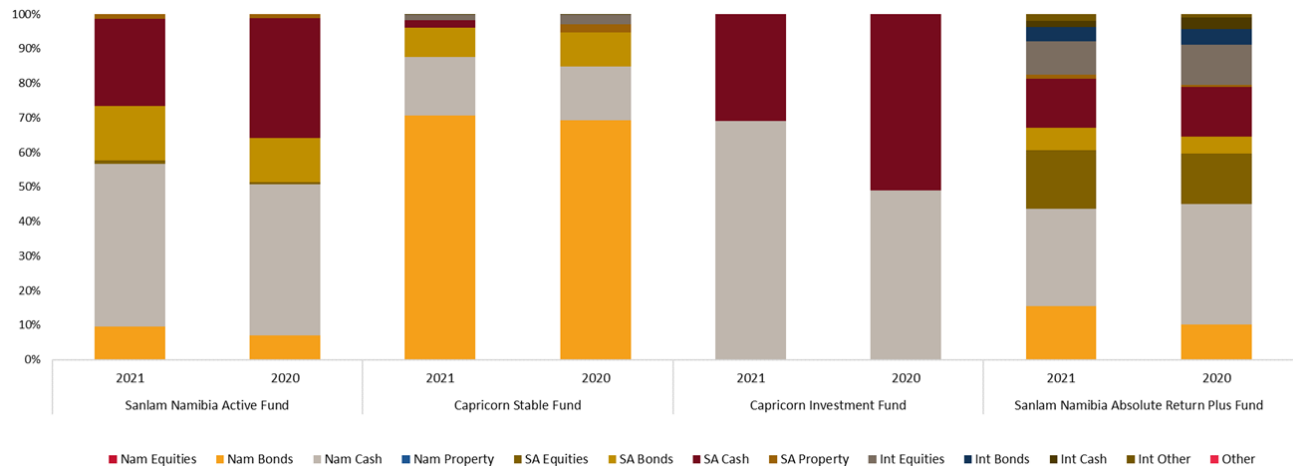


- Std Dev**
- NAM Coronation Balanced Defensive Fund
 - ◊ Sanlam Namibia Inflation Linked Fund
 - ◻ NAM Coronation Capital Plus Fund
 - Old Mutual Absolute Stable Growth Fund
 - ▽ Prudential Namibia Inflation Plus Fund
 - NMG NAM Mod Conservative Benchmark

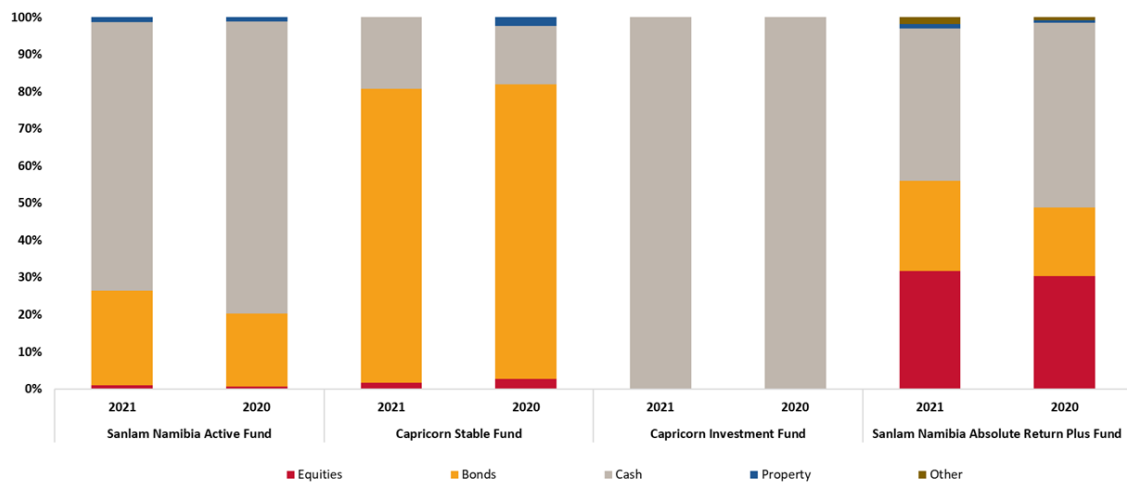
Performance Comparison

Low Risk and Capital Preservation Portfolios

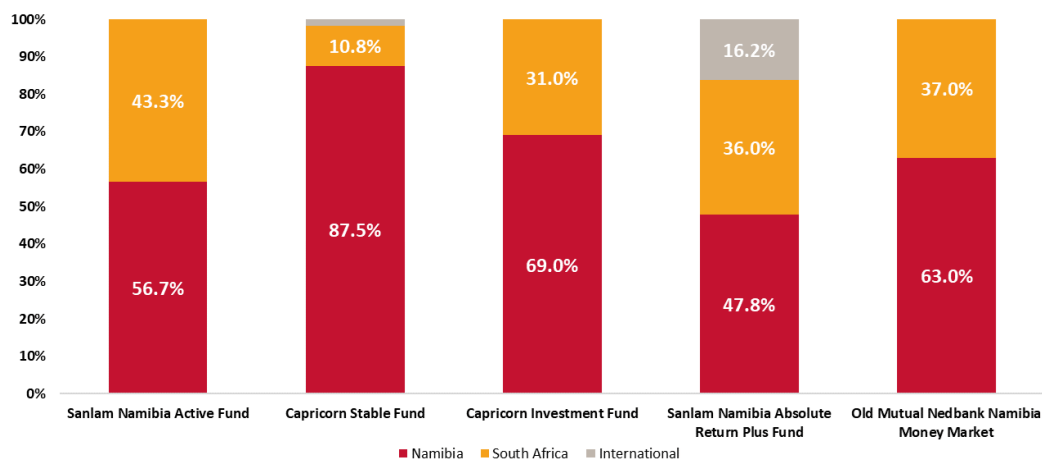
Asset Allocation as at 30 September 2021 as compared to 30 September 2020



The total Namibian exposure is 56.7% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 87.5% 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 47.8% exposure to Namibian assets.



Geographical Split as at 30 September 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.

Performance Comparison

Low Risk and Capital Preservation Portfolios

Trailing Returns as at 30 September 2021

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	7.8	7.5	7.6	—
Sanlam Namibia Absolute Return Plus Fund**	5.8	6.3	6.2	—
Sanlam Namibia Active Fund	6.4	6.6	7.1	7.6
NAM CPI	3.5	3.0	3.9	4.7
NAM CPI + 2%	5.5	5.1	6.0	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	4.0	8.7	8.4	7.6

*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 September 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	6.1	7.0	7.8	—
Sanlam Namibia Absolute Return Plus Fund**	5.9	6.6	6.6	—
Sanlam Namibia Active Fund	4.8	6.8	7.7	7.7
NAM CPI	2.4	3.5	4.6	4.9
NAM CPI + 2%	4.5	5.6	6.7	7.0
FTSE/JSE ALB 1-3 Yr TR ZAR	11.8	9.6	9.2	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 September 2021

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	4.3	6.1	7.0	6.5
Old Mutual Nedbank Namibia Money Market*	4.1	6.1	6.9	6.6
NAM CPI + 1%	4.5	4.1	4.9	5.8
IJG Money Market GR NAD	4.2	6.1	6.9	6.5

*Investment by Benchmark into the fund was only made at the end of December 2020. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 30 September 2020

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	6.6	7.3	7.6	6.7
Old Mutual Nedbank Namibia Money Market*	6.6	7.4	7.6	6.8
NAM CPI + 1%	3.4	4.5	5.6	5.9
IJG Money Market GR NAD	6.5	7.3	7.5	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.

Performance Comparison

Unlisted Investments

Trailing Returns as at 30 September 2021

	1 Year	3 Years	01-Jan-16 - 30-Sep-21
Allegrow Fund*	-22.9	-7.9	-2.1
Caliber Capital Fund (A)	6.4	8.0	6.6
IJG Frontier Investment Fund	11.1	-10.0	-6.1
NAM CPI + 4.5%	8.1	7.7	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.

*Fair value adjustment in September 2021.

Trailing Returns as at 30 September 2020

	1 Year	3 Years	01-Jan-16 - 30-Sep-20
Allegrow Fund	1.3	5.1	2.9
Caliber Capital Fund (A)	8.0	8.7	6.6
IJG Frontier Investment Fund	-22.2	-17.0	-9.4
NAM CPI + 4.5%	7.0	8.1	9.4

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.



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.