



Benchmark Retirement Fund

Quarterly Investment Report: As at 31 December 2021

Table of Contents

| | | |
|----|--------------------------------|----|
| 1. | Introduction | 3 |
| 2. | Market Overview | 5 |
| 3. | Performance Comparison | 8 |
| 4. | Glossary | 23 |
| 5. | Appendix A: Replacement Ratios | 25 |

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% |
| M&G 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% |
| M&G 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:

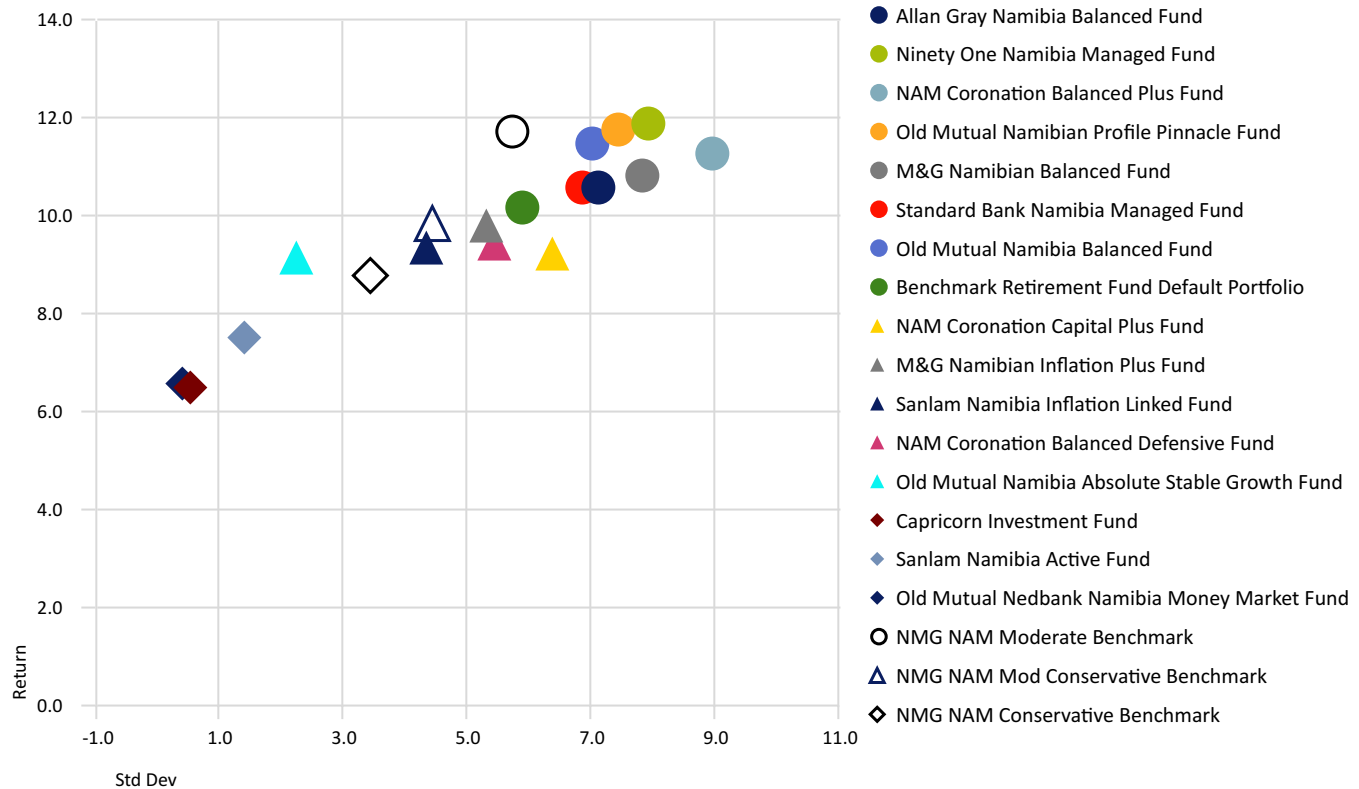
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

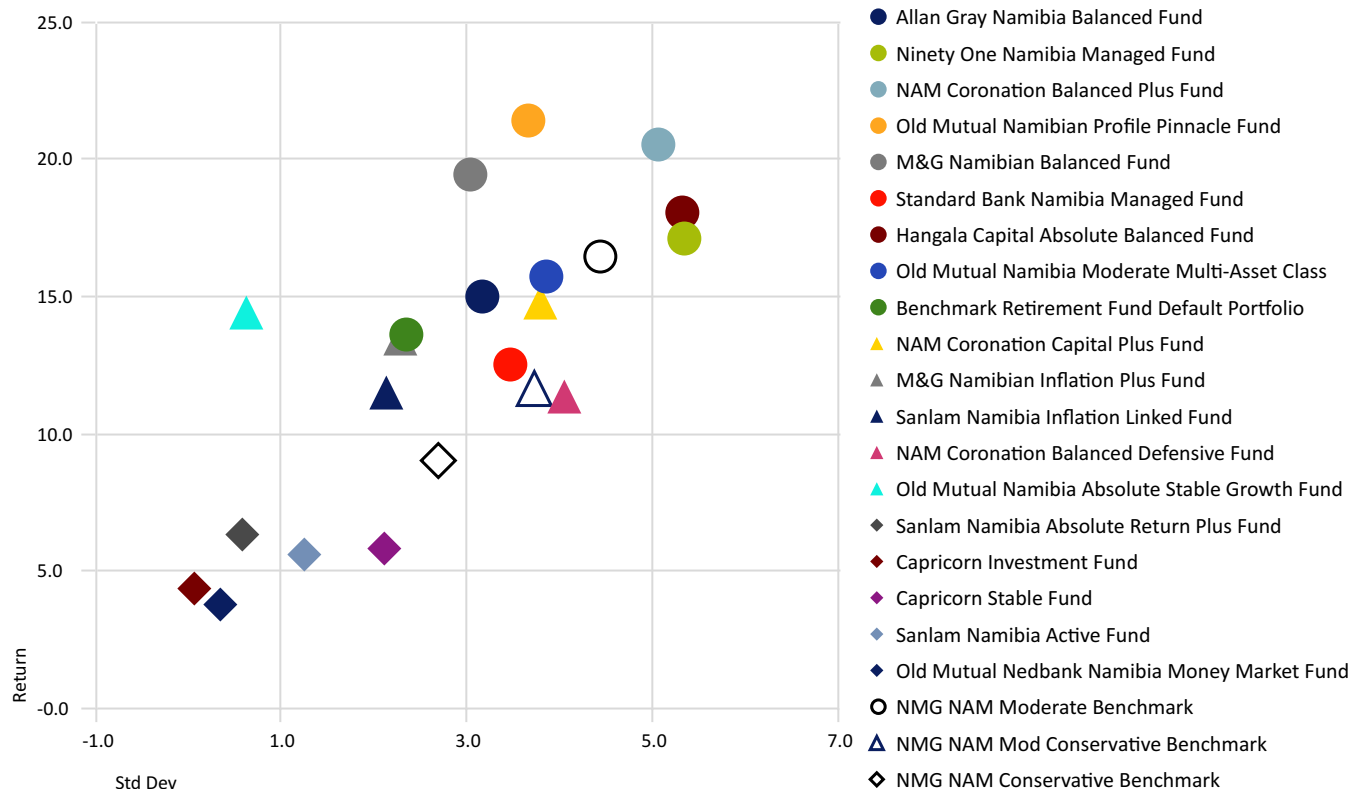
Risk-Reward - Over the long term

Time Period: 01-Jan-12 to 31-Dec-21



Risk-Reward - Over the short term

Time Period: 01-Jan-21 to 31-Dec-21



Market Overview

Q4 of 2021 capped out a strong year for equities overall with Namibian equities (NSX Overall +27.5%) marginally lagging major global equity markets (32.94%). The S&P 500 in the US (frequently used as the major global benchmark equity index) ended near record highs and a staggering 119% off its March 2020 (1st wave pandemic) lows.

The 'risk on' sentiment occurred against the backdrop of a pandemic in retreat, with the Omicron variant deemed more infectious but significantly less severe than prior COVID variants. While the detection and identification of the Omicron variant in Southern Africa initially resulted in a significant selloff in regional markets, these losses were quickly reversed with SA and Namibia markets also closing the year off at close to record highs.

Market dynamics – Global and domestic

Overall, for 2021, equities remained the stand-out performer as an asset class followed by bonds and cash. This is largely characteristic of generalized 'risk on' markets. The sectoral breakdown of equity performance yields some interesting insights.

Globally

Throughout the year, info tech and real estate led the charge and they remained strong into Q4. General commodities and materials which had lagged for most of the year came through strongly in Q4 as supply chain bottlenecks, a backlog in investment, and long lead times from investment to supply all proved supportive.

Energy, by contrast, started the year off strong but faltered around October and had to claw its way back up. Energy and oil prices have also been impacted by travel restrictions with Omicron causing some dislocations later in the quarter as travel restrictions were put on and then back off again.

Financials similarly lagged in Q4. This is interesting as a rising rate cycle that increasingly began to feature in the narrative should have proven supportive of bank stocks especially.

Toward the latter part of Q4, tech and growth stocks began to lag the broader US index indicating a rising degree of caution as well as some sectoral and style rotation.

Domestically:

Namibian (NSX Overall +27.5%) markets largely took their lead from global counterparts with some subtle differences. Namibian equities, while up for the year, trailed global and SA equities marginally with the NSX overall (27.5%) lagging by 173 bps and the NSX local (16%) significantly lagging.

The JSE Listed property sector enjoyed a strong year (+36.9%) but relatively weaker Q4 (+8.3%) than its global counterparts. This is largely due to the extremely low base effects from the preceding year as well as an early commencement to rate hikes in South Africa. Increased vacancies and lower lease reversions are also some fundamental aspects resulting in this divergence between SA real estate and the world.

The Financials sector trailed in Q4 (+2.2%), largely in line with similar trends in global markets. Resources were the best performing sector in Q4 2021 (+21.6%) as SA markets benefitted from the tailwinds of higher commodity prices boosting company results in this sector.

Steinhoff was an unlikely star performer surging in the quarter and leading up to being one of the best-performing stocks for the year (+383%) as creditors supported a settlement deal with the former owners of Tekkie Town. On the downside, Naspers remained a drag. While flat for the quarter, it has failed to recoup massive losses from earlier in the year (ending the year -17.9%) on the back of Chinese regulatory changes and pressure on Tencent specifically.

Economic growth

The IMF, in its October 2021 World Economic Outlook, projected global growth at 5.9% in 2021 and 4.9% in 2022, slightly below prior estimates. The revision was largely on the back of a weaker outlook for advanced economies and because of the supply chain issues which remained pervasive.

Commodity exporters remained well buffered by strong commodity prices and improved trade balances.

In the US, fiscal stimulus filtered through strongly into consumer spend and confidence levels. Regionally, China was the only major global economy to not go into contraction during 2020. The performance of Sub-Saharan Africa as a whole has been poorer than other regions with South Africa a laggard and expected to revert to low single digits over the long term.

The challenge heading into 2022 will be how world growth copes with a stimulating environment in retreat, both from a fiscal and monetary perspective.

Inflation

Supply chain issues and commodity prices proved a concern for the inflation outlook. The US Federal Reserve's 'transitory' inflation view gave way to sterner wording and a more hawkish outlook toward the latter part of the quarter. By the end of Q4, the Fed had commenced a tapering of its bond purchases and had begun indicating a hiking cycle likely in the first half of 2022. This is in response to near-term US inflation rising to multi-decade highs around 7%. The Fed move is likely aimed at preserving credibility and anchoring inflation expectations.

In contrast, the ECB and BOE have indicated that rates may stay low for longer, expecting inflation risks to moderate. The PBOC has also taken a more dovish approach in China to support economic growth. These act as a counterbalance to a more hawkish Fed.

Namibian CPI rose to 4.5% in December 2021.

The consensus expectation for SA CPI was 5.7% with the main upside surprises coming from the transportation category (+16.8%) adding 2.3 percentage points and food and non-alcoholic beverages (5.5%) adding 0.9 percentage points. As such, commodity prices, especially oil and food, will need to be watched closely to inform an easing in near-term inflationary pressures. Base effects should also start coming into play from the end of Q1 2022 which may then see inflation easing, and potentially easing rising rate pressure although the current pathway is higher.

There is also the potential continued upside risk emanating from significant proposed electricity tariff hikes as highlighted by Eskom's application to NERSA for a 20.5% increase in the coming year. These factors in totality may well keep the SARB on a more hawkish footing.

Policy rates, yields, and the yield curve

The Bank of Namibia opted to keep its own policy rate on hold at 3.75% at its December 2021 meeting with the current rate deemed appropriate within the context of the Namibian dollar's peg to the Rand as well as the weak economic outlook in Namibia and its own international financial obligations.

While Namibian and South African rates generally tend to move in lockstep with Namibian rates marginally higher, there have been periods in the past where they have diverged for brief periods. The last sustained period of higher SA rates was from 2007 to 2009. As such, we would watch this closely but do not anticipate a pressure point at this stage.

After bottoming in early December 2021 around 1.3% amid Omicron fears, the US 10-year yield has resumed its uptrend in line with the expectation for tighter monetary policy. In contrast, the SA 10-year yield spiked to around 9.9% in late November as emerging markets and SSA in particular bore the brunt of the Omicron scorn. It subsequently normalized ending Q4 relatively unchanged but with a downside bias.

In aggregate, the world's economy appears to be stabilizing while coming to grips with an ever-changing pandemic. This is a double-edged sword as stabilization is the very reason why accommodative policies are being reconsidered and calibrated. The impact of these shifts will likely result in near-term pressure points with the market becoming more sensitized to valuations and risk budgets.

Market Overview

Periodic Table

| | | | | | | | | | | |
|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| Best ↑ ↓ Worst | 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 36.9 | JSE SA Listed Property 36.9 |
| | 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 | MSCI World 32.9 | MSCI World 32.9 |
| | 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 32.3 | JSE SA Re- sources 32.3 |
| | 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 | FTSE/JSE All Share TR ZAR 29.2 | FTSE/JSE All Share TR ZAR 29.2 |
| | 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 27.5 | FTSE NSX Over All 27.5 |
| | 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 27.4 | JSE Financial 15 27.4 |
| | 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 24.4 | JSE Industrial 24.4 |
| | 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 | FTSE NSX Local 16.0 | FTSE NSX Local 16.0 |
| | 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 | JSE All Bond 8.4 | JSE All Bond 8.4 |
| | 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 | STeFI 3 Month 3.6 | STeFI 3 Month 3.6 |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | YTD |

Asset Class Periodic Returns

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------|-----------------|------|--------|---------|---------|----------|
| FTSE/JSE All Share TR ZAR | 15.1 | 29.2 | 29.2 | 15.7 | 11.4 | 12.2 |
| JSE SA Resources | 21.6 | 32.3 | 32.3 | 27.3 | 22.9 | 7.8 |
| JSE Industrial | 16.8 | 24.4 | 24.4 | 16.4 | 10.2 | 15.2 |
| JSE Financial 15 | 2.2 | 27.4 | 27.4 | 1.1 | 4.3 | 10.5 |
| JSE SA Listed Property | 8.3 | 36.9 | 36.9 | -2.9 | -4.4 | 5.9 |
| JSE All Bond | 2.9 | 8.4 | 8.4 | 9.1 | 9.1 | 8.2 |
| STeFI 3 Month | 0.9 | 3.6 | 3.6 | 5.1 | 5.9 | 5.8 |
| MSCI World | 14.4 | 32.9 | 32.9 | 26.6 | 19.3 | 21.3 |
| FTSE NSX Local | 15.0 | 16.0 | 16.0 | -5.2 | -0.7 | 9.1 |
| FTSE NSX Over All | 8.8 | 27.5 | 27.5 | 6.3 | 8.0 | 6.5 |

Market Overview

Other FTSE/JSE Indices

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|---------------------------------|-----------------|------|--------|---------|---------|----------|
| FTSE/JSE Resources 10 | 22.2 | 32.4 | 32.4 | 26.2 | 22.5 | 7.4 |
| FTSE/JSE Industrials 25 | 16.8 | 24.4 | 24.4 | 16.4 | 10.2 | 15.2 |
| FTSE/JSE Financial 15 | 2.2 | 27.4 | 27.4 | 1.1 | 4.3 | 10.5 |
| FTSE/JSE Top 40 | 16.3 | 28.4 | 28.4 | 16.7 | 12.4 | 12.3 |
| FTSE/JSE Mid Cap | 3.8 | 28.9 | 28.9 | 8.5 | 4.3 | 9.8 |
| FTSE/JSE Small Cap | 8.8 | 59.1 | 59.1 | 15.0 | 6.0 | 11.8 |
| FTSE/JSE Dividend Plus | 15.4 | 37.1 | 37.1 | 14.5 | 13.5 | 10.9 |
| FTSE/JSE Preference Share | 17.3 | 45.0 | 45.0 | 15.1 | 11.1 | 7.9 |
| FTSE/JSE SA Listed Property Cap | 8.3 | 37.1 | 37.1 | -5.7 | -6.8 | 4.3 |

Consumer Price Index

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years |
|-------------|-----------------|-----|--------|---------|---------|
| Namibia CPI | 1.2 | 4.5 | 4.5 | 3.1 | 3.9 |

Commodities

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|-----------------|------|--------|---------|---------|----------|
| LBMA Gold Price | 9.9 | 3.9 | 3.9 | 16.1 | 13.0 | 8.8 |
| LBMA Platinum | 5.6 | 3.3 | 3.3 | 10.5 | 4.5 | 3.4 |
| LME Copper | 13.7 | 36.0 | 36.0 | 21.7 | 15.5 | 9.8 |
| Oil Price Brent Crude | 5.1 | 63.1 | 63.1 | 17.1 | 9.8 | 3.6 |

International Indices

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|-----------------|------|--------|---------|---------|----------|
| MSCI ACWI | 13.3 | 29.3 | 29.3 | 25.2 | 18.6 | 20.4 |
| MSCI World | 14.4 | 32.9 | 32.9 | 26.6 | 19.3 | 21.3 |
| MSCI Emerging Markets | 4.8 | 6.2 | 6.2 | 15.3 | 13.7 | 13.3 |

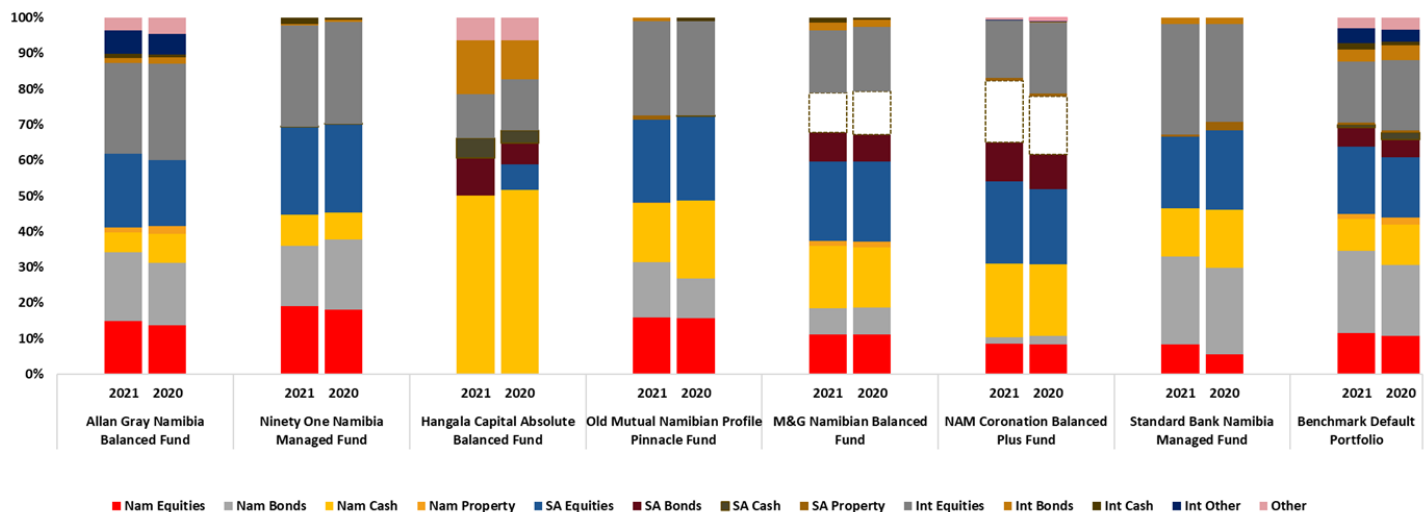
Other International Indices

| | Current Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|-----------------|------|--------|---------|---------|----------|
| DJ Industrial Average | 14.4 | 31.4 | 31.4 | 22.7 | 19.1 | 22.3 |
| Nikkei 225 Average | 0.6 | 3.9 | 3.9 | 17.2 | 14.4 | 18.4 |
| FTSE 100 | 11.6 | 27.5 | 27.5 | 13.2 | 9.9 | 12.8 |
| S&P 500 | 17.8 | 39.8 | 39.8 | 30.5 | 22.2 | 24.8 |

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2021 as compared to 31 December 2020



Notes 31 December 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

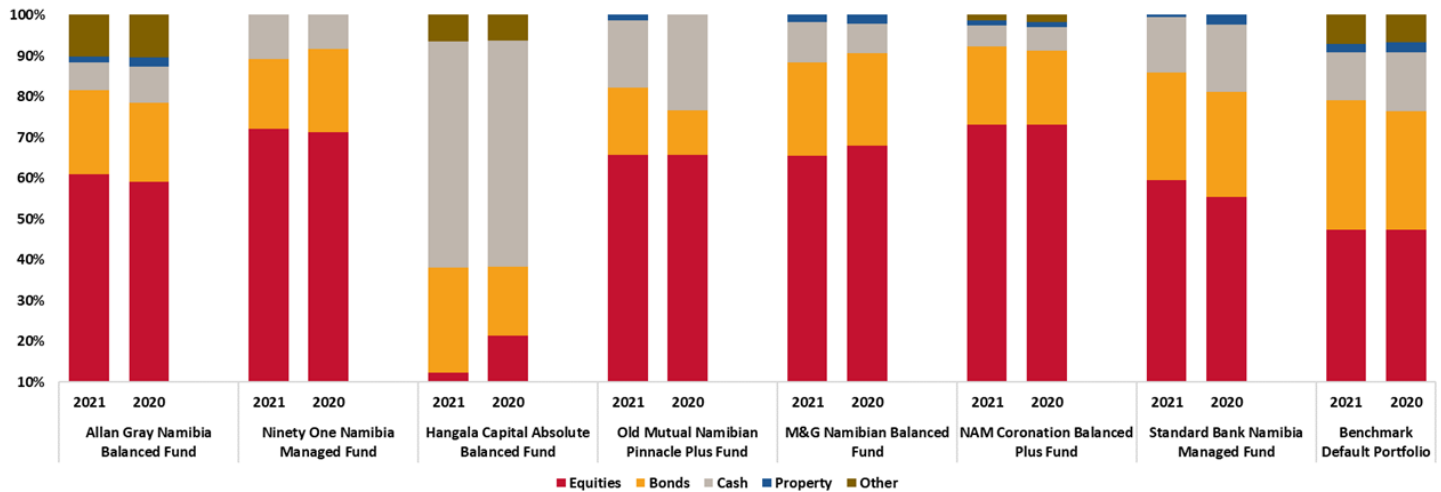
Notes 31 December 2020:

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 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

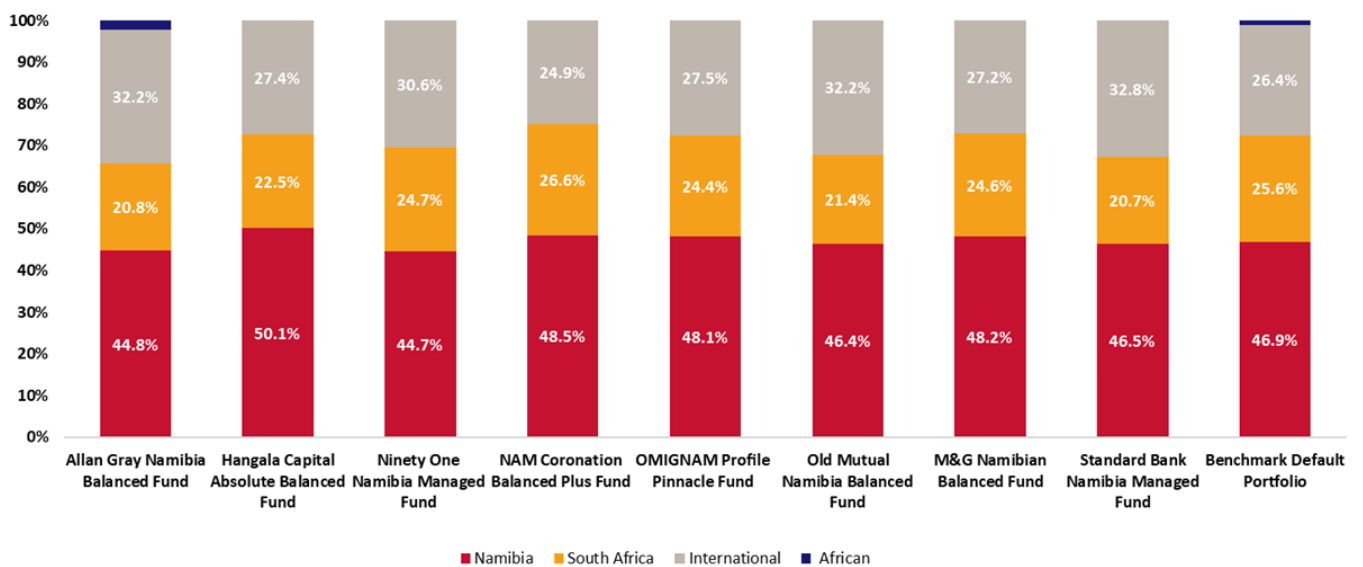
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2021 as compared to 31 December 2020



Geographical Split as at 31 December 2021:



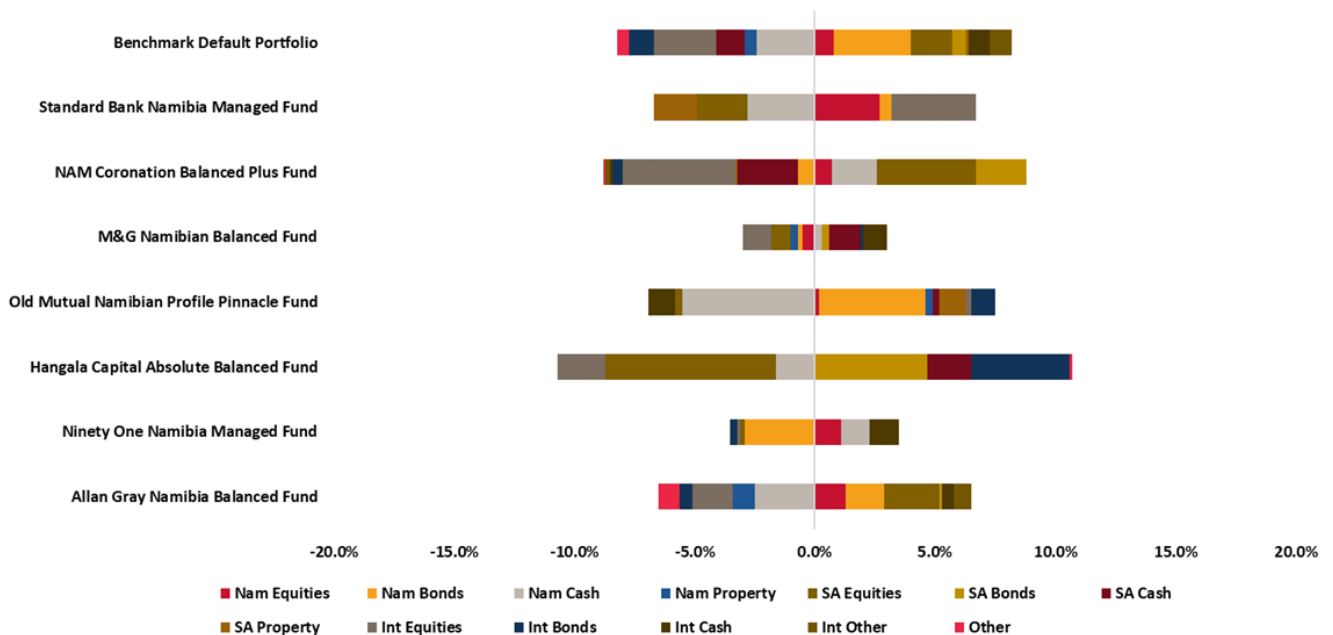
Notes:
 Allan Gray: 2.2% African
 Benchmark Default: 1.1% African

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 **31 December 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 Hangala Capital Absolute Fund made the biggest change to their portfolio over the last year, with a shift mainly around the reduction of local (SA) equities to international and SA Bonds. M&G and Ninety One made the fewest changes to their portfolio over the last year. Overall, the largest quantitative changes in the majority of portfolios were an increase in exposure to South African bonds, and a reduction in the Namibian cash. All Managers increased their position in South African Bonds. Minimal changes were made with respect to Namibian Property over 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 31 December 2021

| | 1 Year | 3 Years | 5 Years | 10 Years |
|---|--------|---------|---------|----------|
| Allan Gray Namibia Balanced Fund | 15.0 | 8.3 | 7.0 | 10.6 |
| Hangala Capital Absolute Balanced Fund | 18.0 | 10.5 | 8.5 | — |
| NAM Coronation Balanced Plus Fund | 20.5 | 13.8 | 9.3 | 11.3 |
| Ninety One Namibia Managed Fund | 17.1 | 11.5 | 9.8 | 11.9 |
| Old Mutual Namibia Balanced Fund* | 15.8 | 11.0 | 9.7 | 11.5 |
| Old Mutual Namibian Profile Pinnacle Fund | 21.4 | 12.3 | 10.0 | 11.7 |
| Standard Bank Namibia Managed Fund | 12.5 | 10.9 | 9.5 | 10.6 |
| M&G Namibian Balanced Fund | 19.4 | 11.4 | 9.0 | 10.8 |
| Benchmark Retirement Fund Default Portfolio | 13.6 | 8.6 | 7.3 | 10.2 |
| NMG SA Moderate Benchmark | 21.1 | 14.3 | 11.0 | 11.7 |
| NMG NAM Moderate Benchmark | 16.5 | 13.1 | 11.8 | 11.7 |
| FTSE/JSE All Share TR ZAR | 29.2 | 15.7 | 11.4 | 12.2 |
| NAM CPI + 6% | 10.8 | 9.3 | 10.2 | 10.9 |

*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 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 Capital 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 Namibia Balanced Fund* | 6.2 | 5.7 | 7.2 | 10.7 |
| Old Mutual Namibian Profile Pinnacle Fund | 6.1 | 5.2 | 6.4 | 10.3 |
| Standard Bank Namibia Managed Fund | 8.4 | 7.6 | 6.6 | 10.6 |
| M&G 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 | 11.1 | 9.7 | 10.2 | 10.8 |
| 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 |

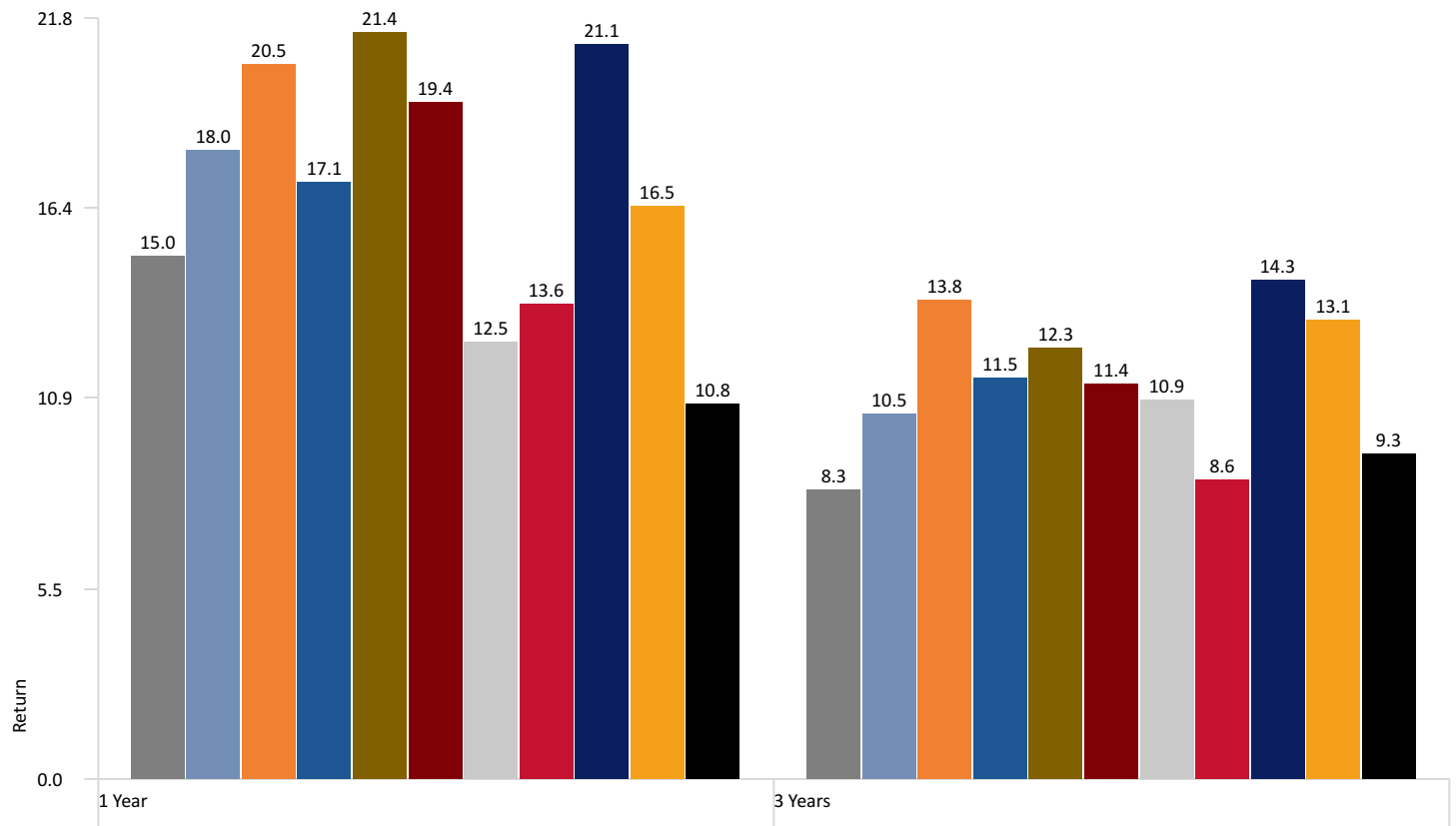
*Investment by Benchmark into the fund was only made at the end of May 2021. Returns beyond that period are for illustrative purposes.

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.

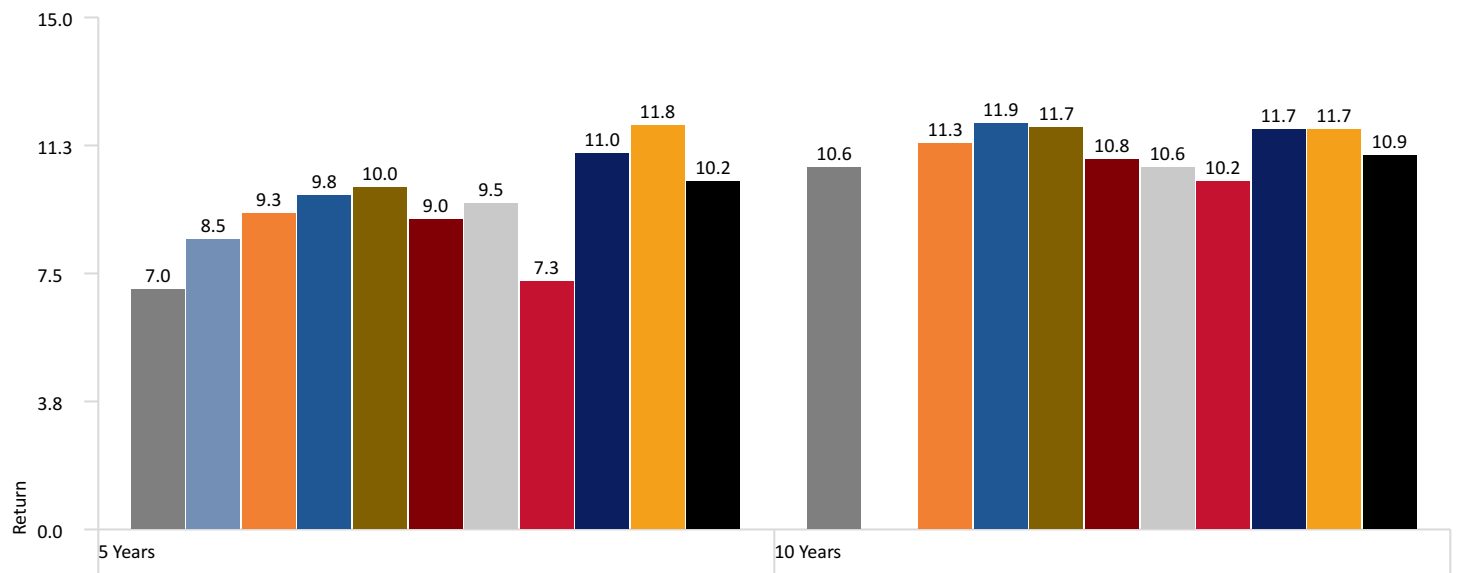
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 31 December 2021



5 & 10 years performance for the period ending 31 December 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
 M&G Namibian Balanced Fund
 NMG SA Moderate Benchmark

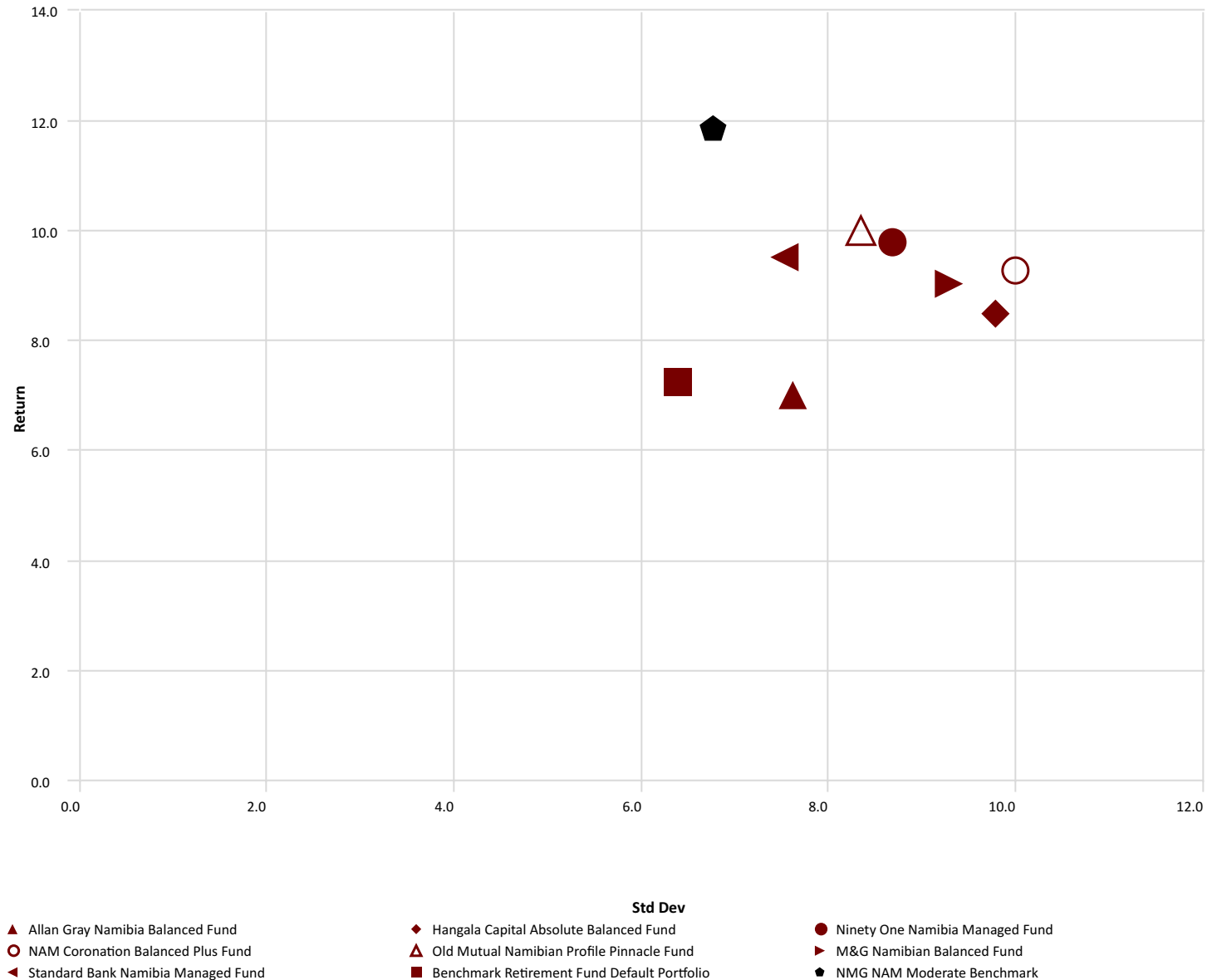
Performance Comparison

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

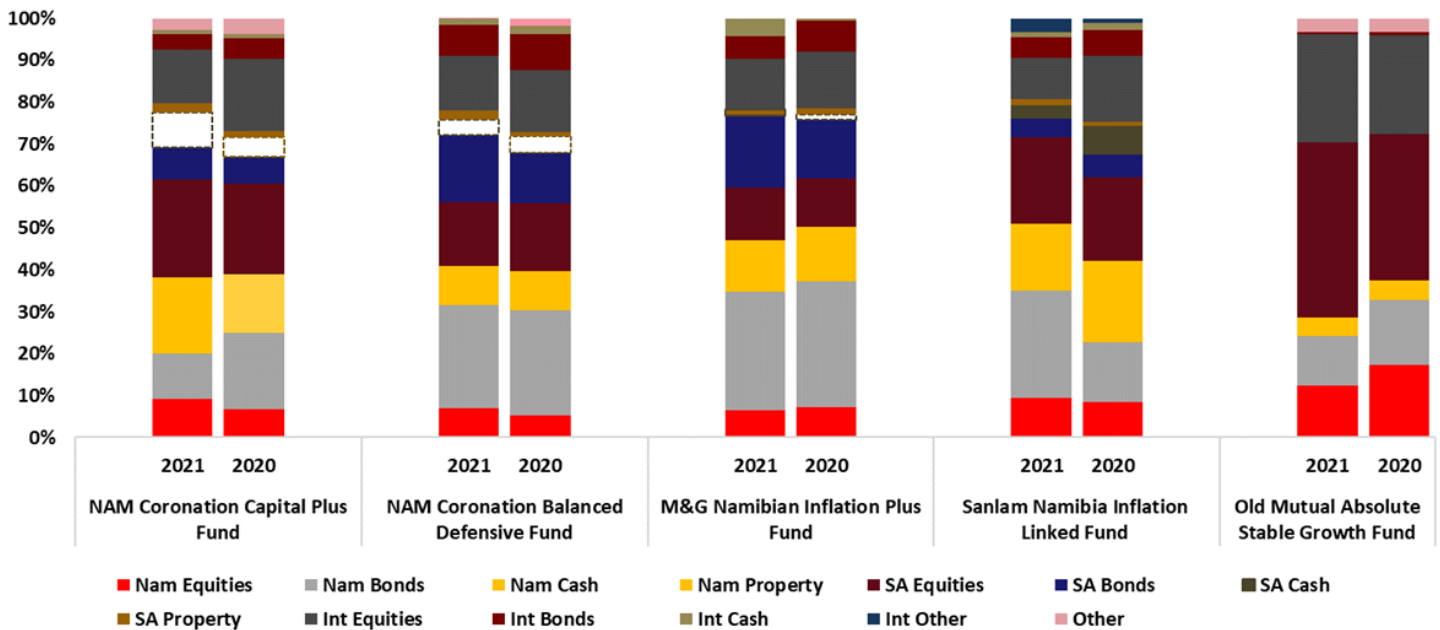
Time Period: 01-Jan-17 to 31-Dec-21



Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2021 as compared to 31 December 2020



Notes 31 December 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

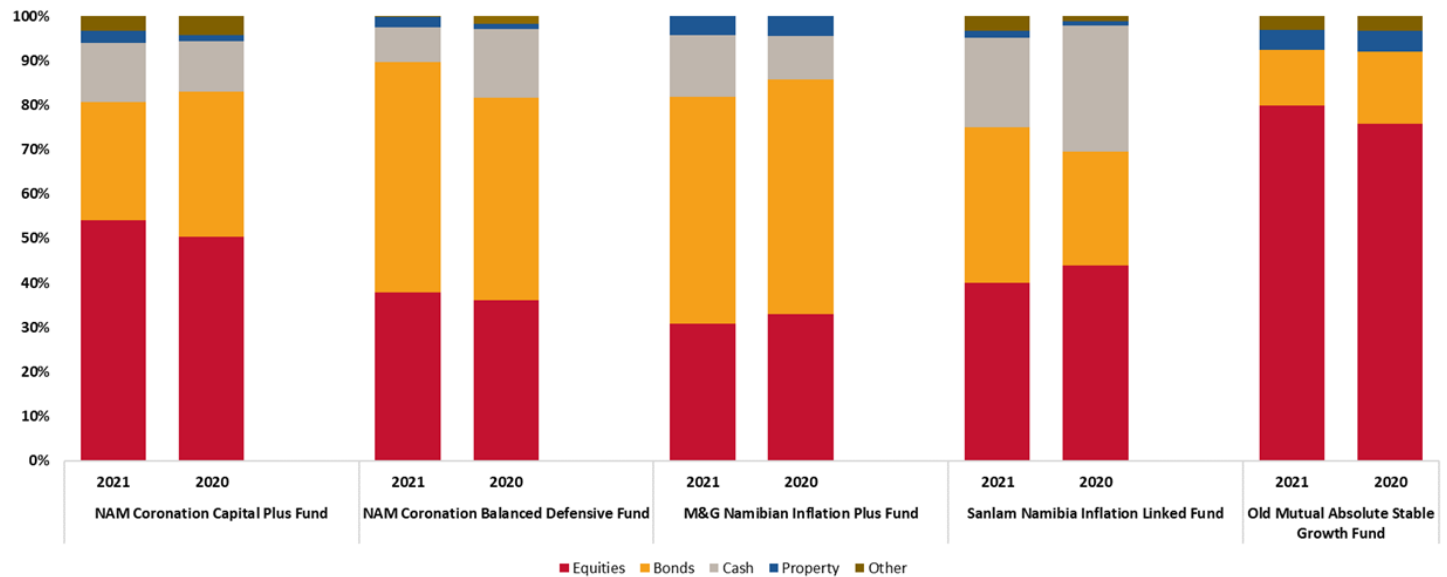
Notes 31 December 2020:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive 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

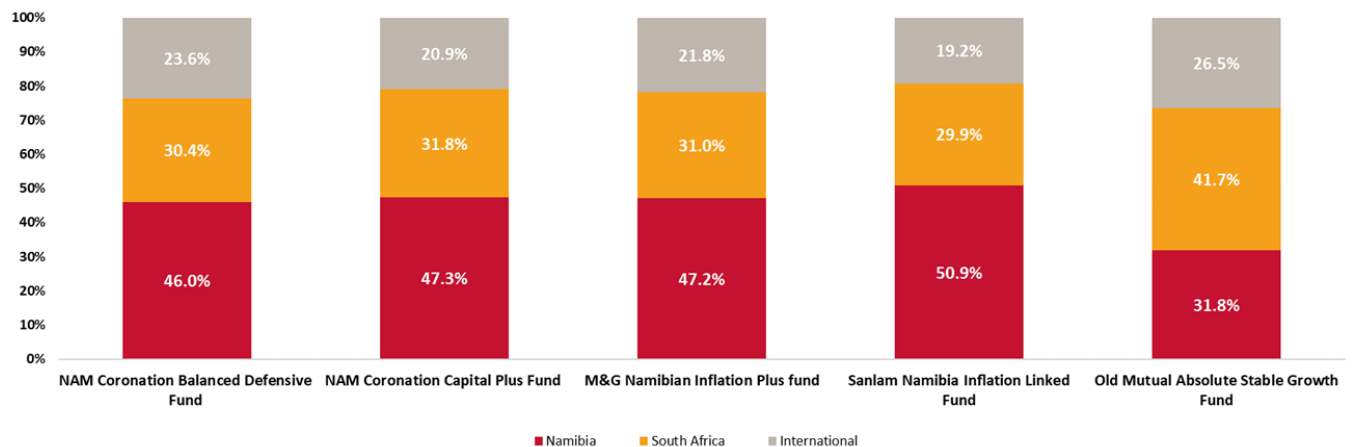
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2021 as compared to 31 December 2020



Geographical Split as at 31 December 2021:



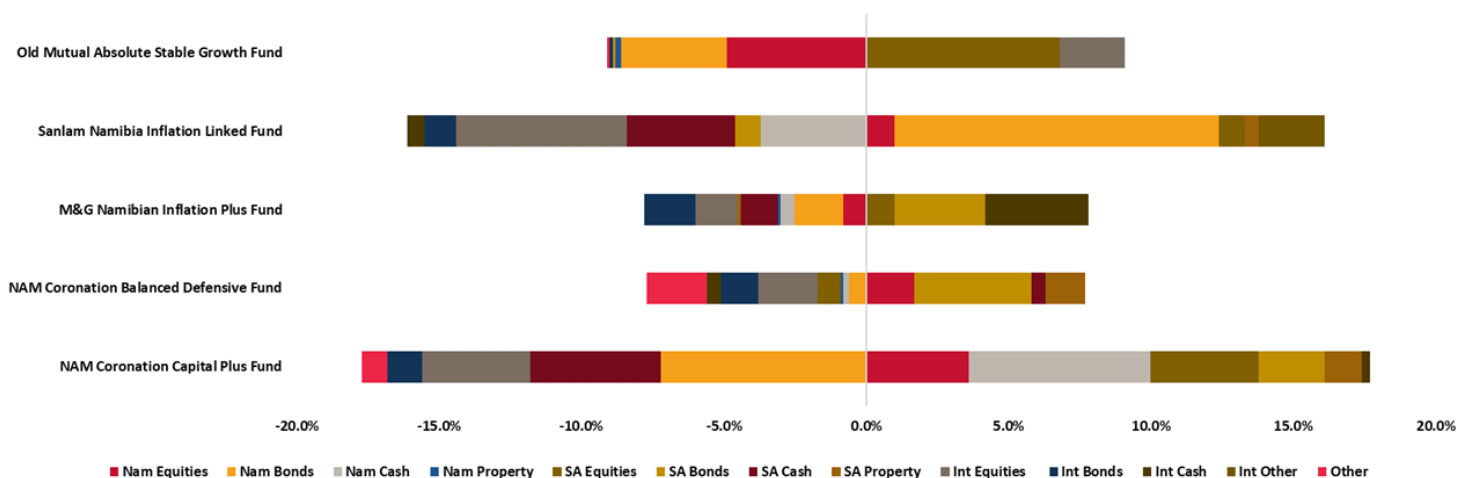
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

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 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 Capital Plus Fund made the biggest change to their portfolio over the last year, with a vast change to asset allocation over a host of classes. The NAM Coronation Balanced Defensive Fund made the fewest changes over the last year. Overall, the largest quantitative changes in the majority of portfolios were an increase in exposure to South African equities, and a reduction in International Equities. All Managers decreased their position in International Bonds. Minimal changes were made with respect to Namibian Property over 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-Low Risk Portfolios

Trailing Returns as at 31 December 2021

| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| NAM Coronation Balanced Defensive Fund | 11.4 | 9.6 | 7.7 | 9.4 |
| NAM Coronation Capital Plus Fund | 14.8 | 11.0 | 7.5 | 9.2 |
| M&G Namibian Inflation Plus Fund | 13.5 | 8.9 | 7.8 | 9.8 |
| Sanlam Namibia Inflation Linked Fund | 11.5 | 9.4 | 7.8 | 9.3 |
| Old Mutual Absolute Stable Growth Fund | 14.4 | 5.9 | 6.5 | 9.1 |
| NMG NAM Mod Conservative Benchmark | 11.6 | 10.7 | 10.4 | 9.8 |
| NAM CPI + 4% | 8.7 | 7.3 | 8.1 | 8.8 |

Trailing Returns as at 31 December 2020

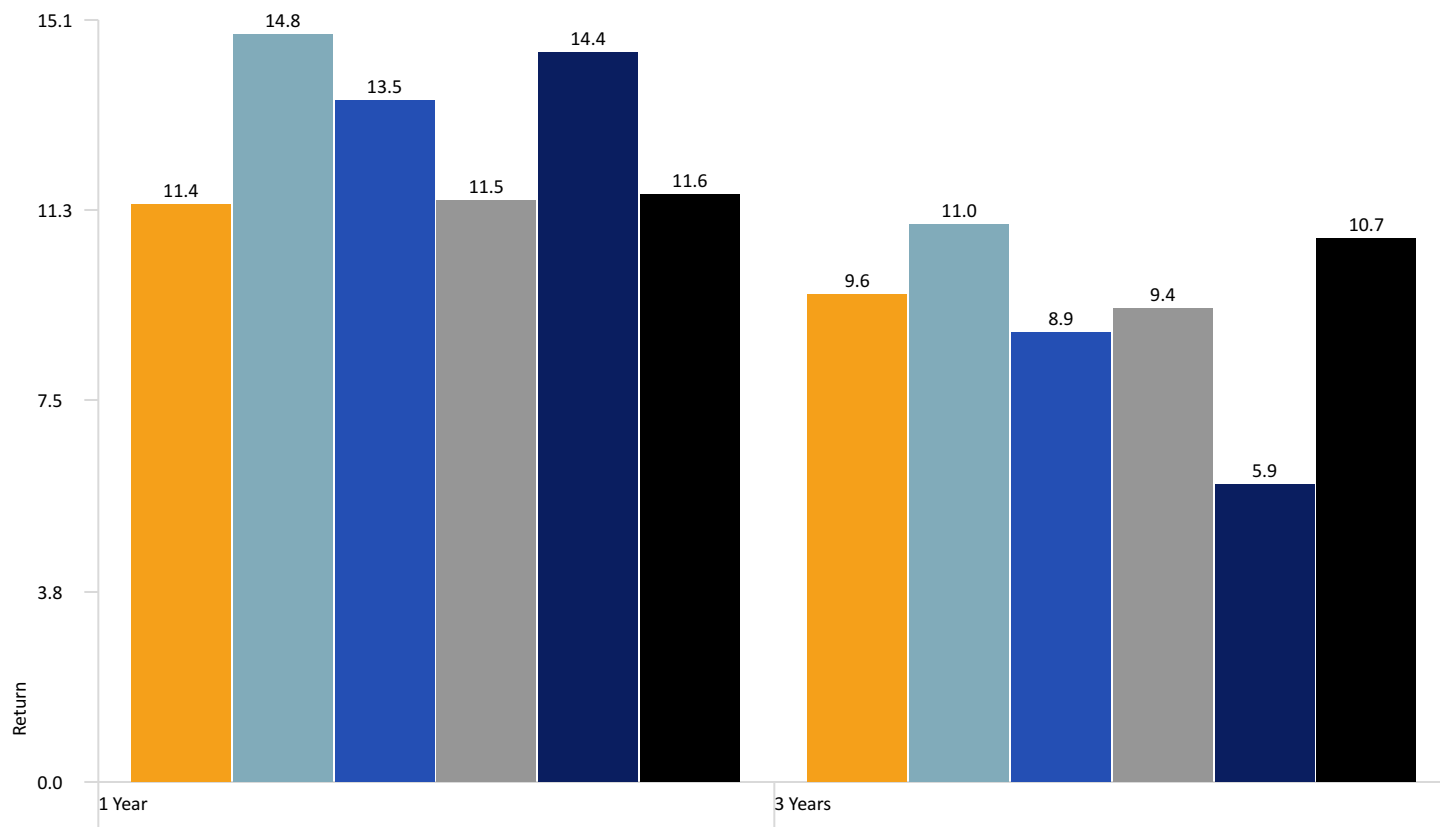
| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| NAM Coronation Balanced Defensive Fund | 6.7 | 6.3 | 6.2 | 9.3 |
| NAM Coronation Capital Plus Fund | 7.4 | 5.3 | 5.4 | 8.3 |
| M&G Namibian Inflation Plus Fund | 3.8 | 5.1 | 5.7 | 9.5 |
| Sanlam Namibia Inflation 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 Conservative Benchmark | 10.5 | 9.3 | 10.0 | 9.4 |
| NAM CPI + 4% | 6.5 | 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.

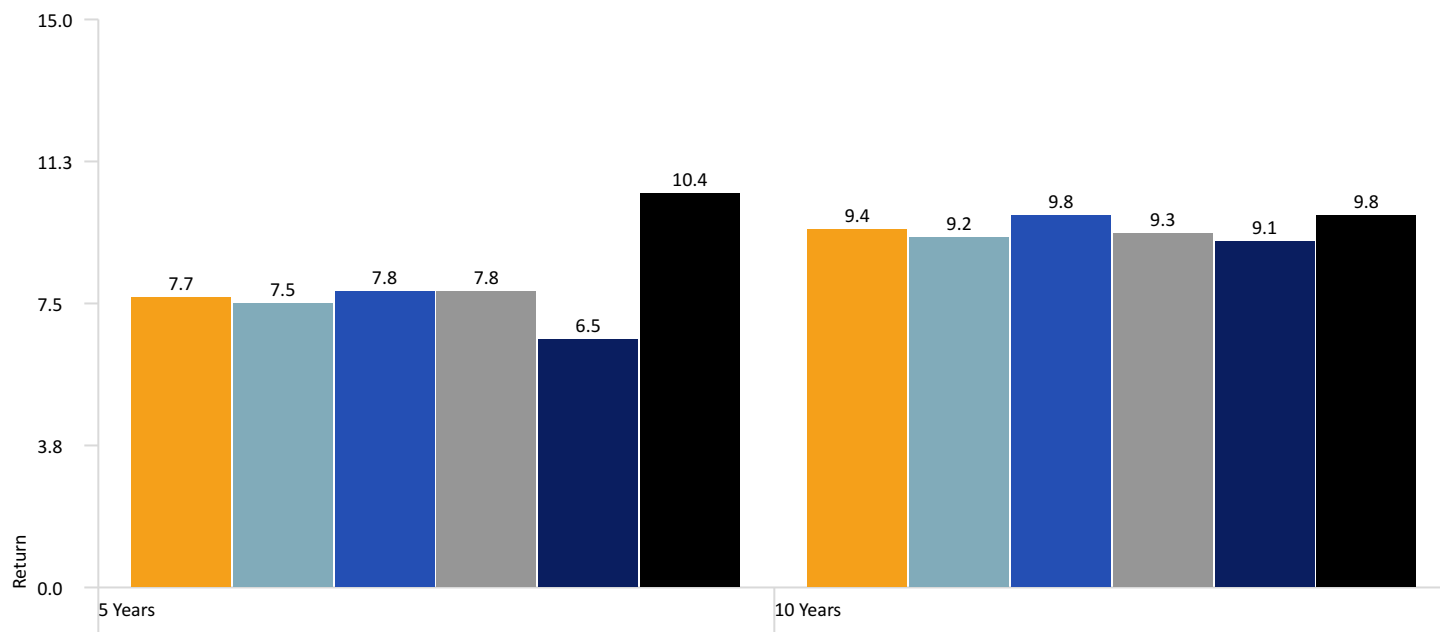
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 31 December 2021



5 & 10 years performance for the period ended 31 December 2021



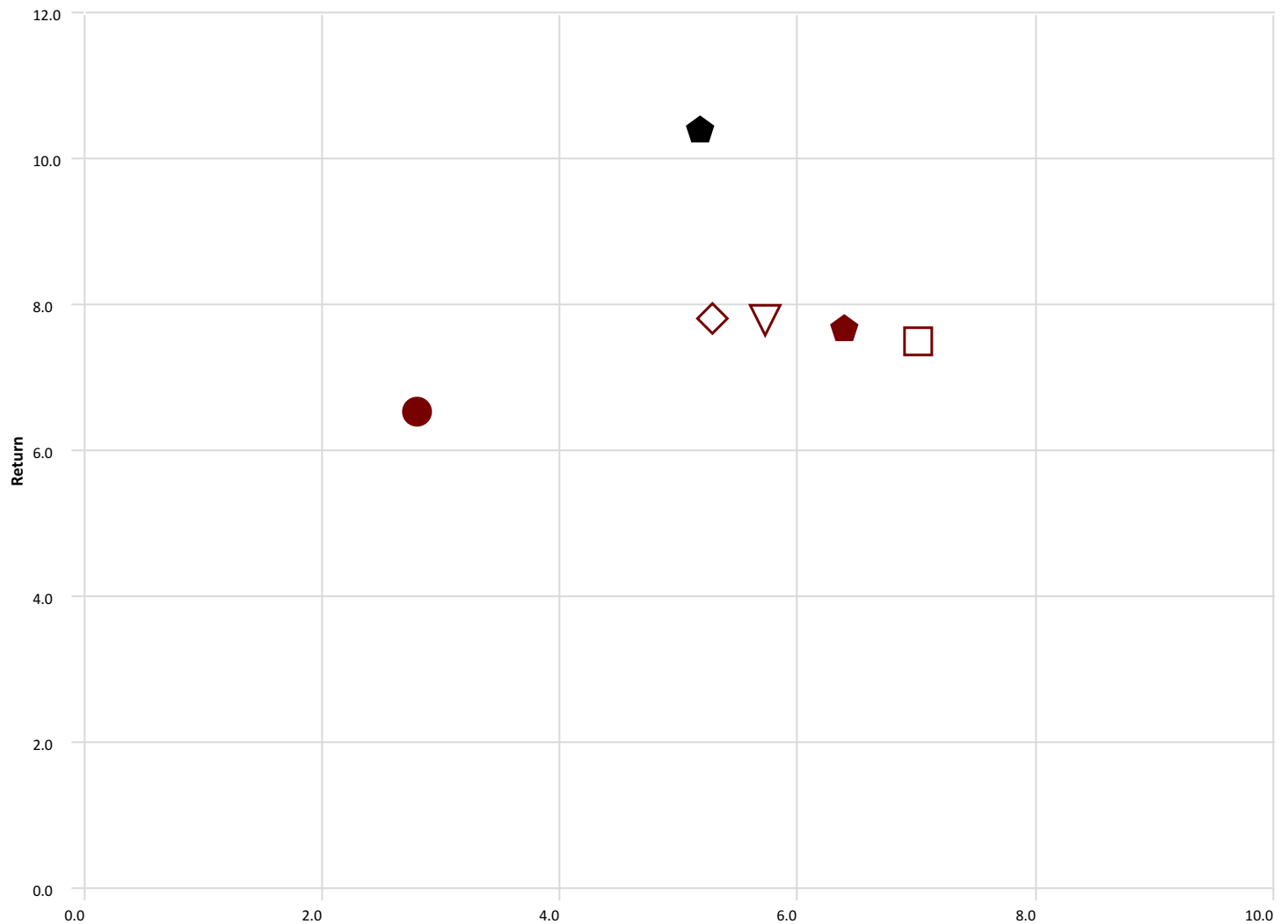
Performance Comparison

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-Jan-17 to 31-Dec-21

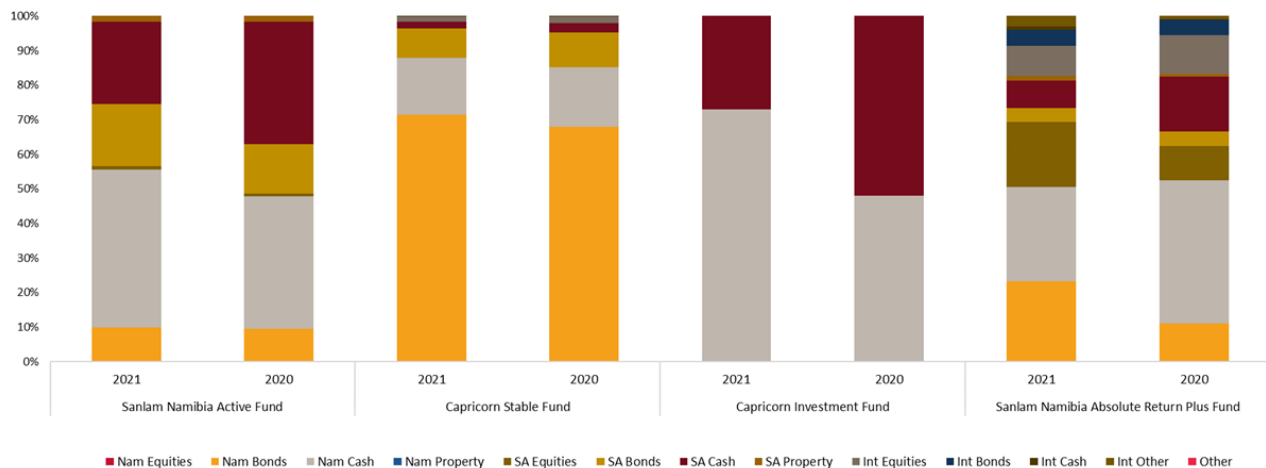


- ◆ NAM Coronation Balanced Defensive Fund
 ◻ NAM Coronation Capital Plus Fund
 ▽ M&G Namibia Inflation Plus Fund
- ◇ Sanlam Namibia Inflation Linked Fund
 ● Old Mutual Absolute Stable Growth Fund
 ◆ NMG NAM Mod Conservative Benchmark

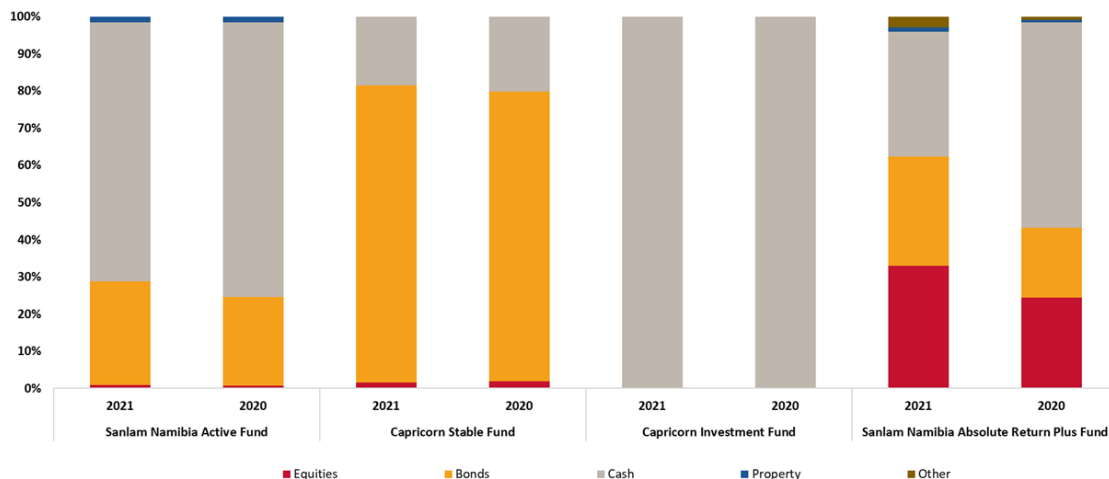
Performance Comparison

Low Risk and Capital Preservation Portfolios

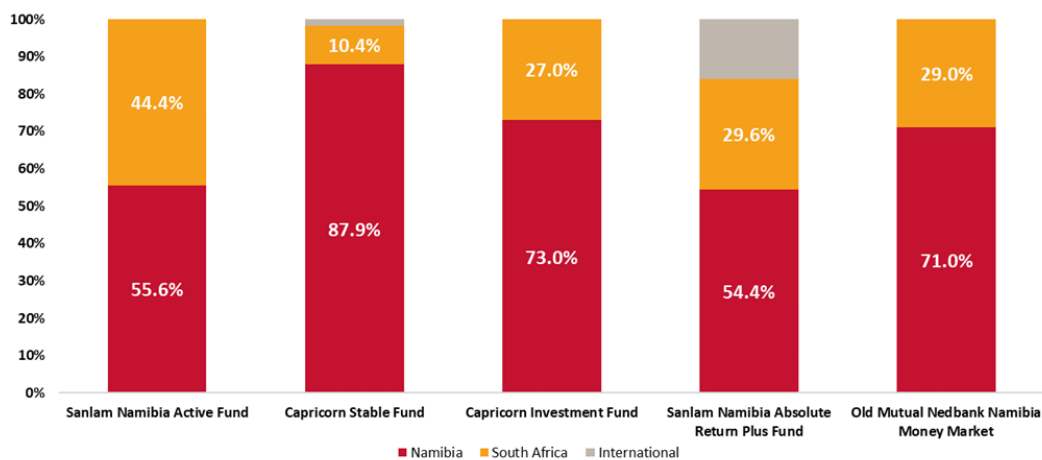
Asset Allocation as at 31 December 2021 as compared to 31 December 2020



The total Namibian exposure is 55.6% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 87.9% 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 54.4% exposure to Namibian assets.



Geographical Split as at 31 December 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 31 December 2021

| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| Capricorn Stable Fund* | 5.8 | 7.8 | 7.6 | — |
| Sanlam Namibia Absolute Return Plus Fund** | 6.3 | 6.5 | 6.4 | — |
| Sanlam Namibia Active Fund | 5.6 | 6.3 | 7.0 | 7.5 |
| NAM CPI | 4.5 | 3.1 | 3.9 | 4.7 |
| NAM CPI + 2% | 6.6 | 5.2 | 6.0 | 6.7 |
| FTSE/JSE ALB 1-3 Yr TR ZAR | 4.2 | 7.7 | 8.4 | 7.5 |

*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 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 2021

| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| Capricorn Investment Fund | 4.3 | 5.9 | 6.8 | 6.5 |
| Old Mutual Nedbank Namibia Money Market* | 3.7 | 5.7 | 6.6 | 6.5 |
| NAM CPI + 1% | 5.5 | 4.2 | 5.0 | 5.7 |
| IJG Money Market GR NAD | 4.2 | 5.8 | 6.7 | 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 31 December 2020

| | 1 Year | 3 Years | 5 Years | 10 Years |
|--|--------|---------|---------|----------|
| Capricorn Investment Fund | 5.9 | 7.0 | 7.4 | 6.6 |
| Old Mutual Nedbank Namibia Money Market* | 5.7 | 7.1 | 7.4 | 6.8 |
| NAM CPI + 1% | 3.4 | 4.4 | 5.5 | 6.0 |
| IJG Money Market GR NAD | 5.8 | 7.0 | 7.4 | 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 31 December 2021

| | 1 Year | 3 Years | 5 Years | 01-Jan-16 - 31-Dec-21 |
|------------------------------|------------|------------|------------|-----------------------|
| Allegrow Fund* | -23.0 | -8.0 | -1.4 | -2.0 |
| Caliber Capital Fund (A) | 6.5 | 7.8 | 8.0 | 6.6 |
| IJG Frontier Investment Fund | 13.2 | -9.0 | -8.3 | -5.6 |
| NAM CPI + 4.5% | 9.2 | 7.8 | 8.6 | 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 31 December 2020

| | 1 Year | 3 Years | 5 Years | 01-Jan-16 - 31-Dec-20 |
|------------------------------|------------|------------|------------|-----------------------|
| Allegrow Fund | 1.3 | 1.1 | 2.8 | 2.8 |
| Caliber Capital Fund (A) | 7.4 | 8.5 | 6.6 | 6.6 |
| IJG Frontier Investment Fund | -13.9 | -17.1 | -9.0 | -9.0 |
| NAM CPI + 4.5% | 7.0 | 8.0 | 9.2 | 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.

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.