



Benchmark Retirement Fund

Quarterly Investment Report: As at 30 June 2022

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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%
Ninety One Namibia Opportunity Fund*	Aggressive	CPI+6%	CPI+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:

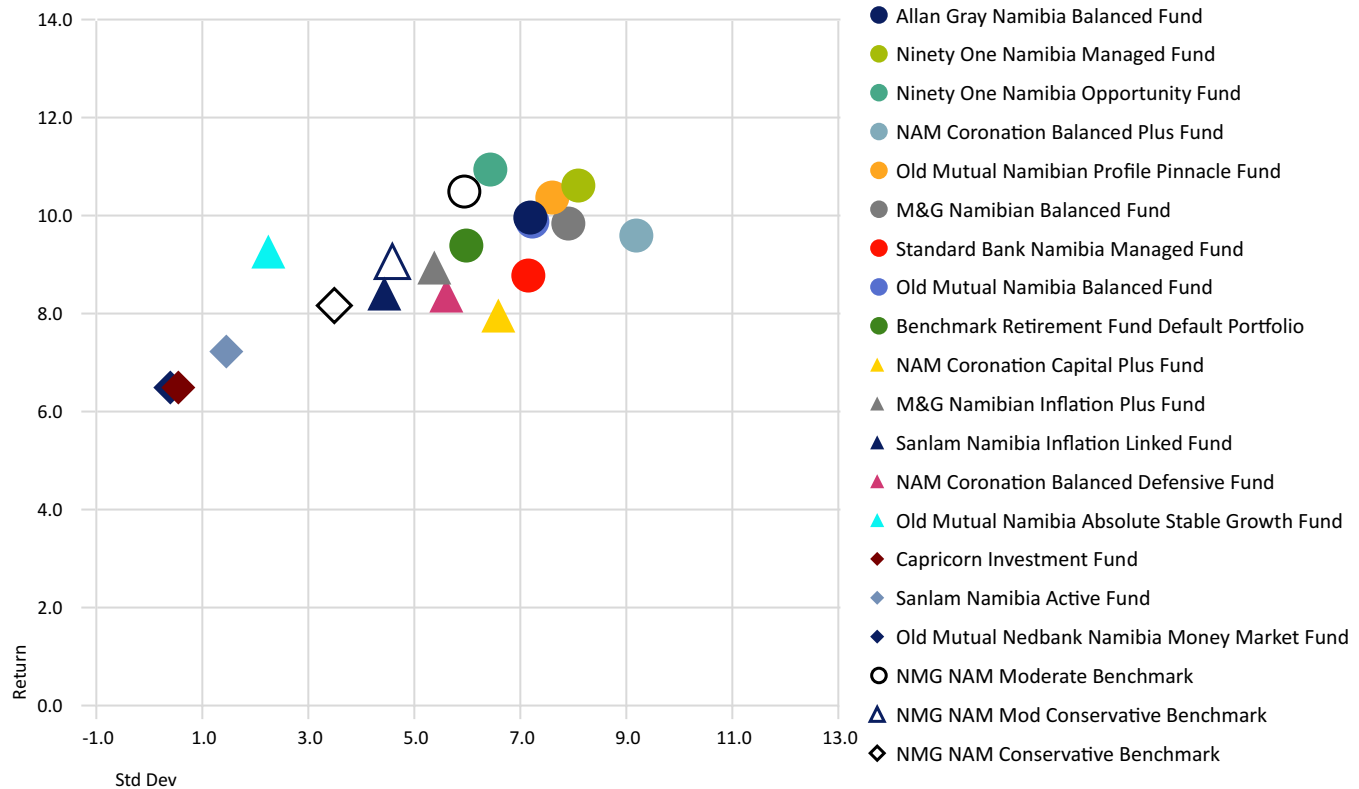
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

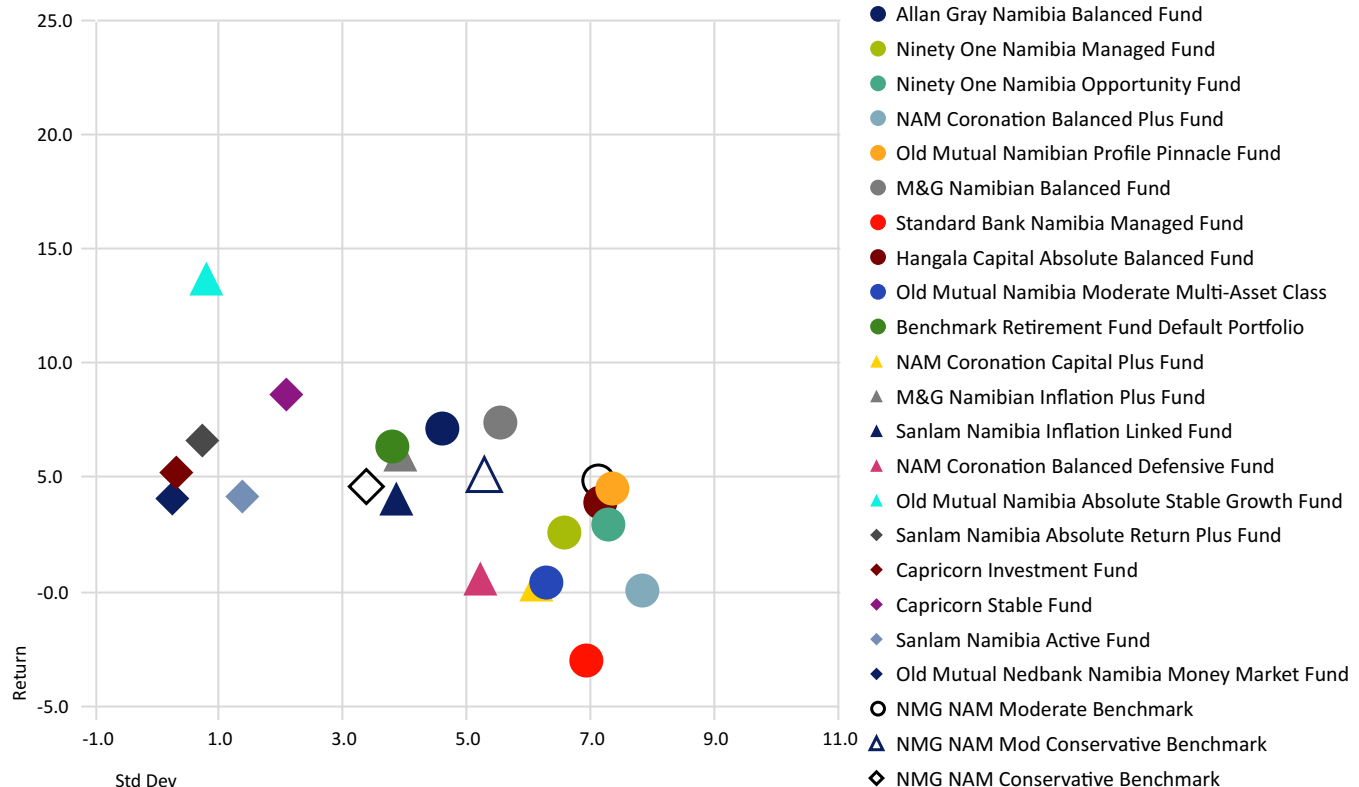
Risk-Reward - Over the long term

Time Period: 01-Jul-12 to 30-Jun-22



Risk-Reward - Over the short term

Time Period: 01-Jul-21 to 30-Jun-22



Market Overview

Markets

Markets continued weaker to close off the first half of 2022 as the weakest first half in decades. The S&P 500 closed over 20% lower (-17.84% on a total return basis in ZAR), the worst since 1970. The tech-heavy NASDAQ ended the first half down 29.5%, its worst ever drop for H1.

South African stocks suffered a similarly weak Q2, but given a better Q1, their year-to-date performances are looking considerably better than their global peers. Namibian stocks were similarly spared on a relative basis for the year to date, despite a negative Q2 2022.

However, when looking across sectors on the JSE, all major indices posted losses in Q2. The only sector to still be in the green for the year to date is Financials, driven mainly by the banks. On a sector basis in Namibia, consumer and financial stocks have outperformed on a year-to-date basis. However, over the quarter, all sectors posted losses.

South African domestic cash and inflation-linked bonds produced positive returns, but nominal bonds came under pressure as yield curves globally moved higher in response to a tighter monetary policy response.

After strengthening early in Q2, the rand and Namibian Dollar resumed their weakening trend largely against the backdrop of a globally strong US Dollar. The dollar is largely being driven by tighter US monetary policy, with the overall dollar index strengthening by around 8% over Q2! The rand weakness of about 12% was also accelerated further by negative sentiment amid a resumption in load shedding among other domestic risks, all of which served to overshadow a continued current account surplus which remains a rand positive factor.

Economy

Global growth forecasts have been revised lower in the IMF's most recent World Economic Outlook update, with the war in Ukraine persisting and the world facing a confluence of higher inflation, supply chain bottlenecks, and energy insecurity.

The effect of much tighter monetary policy has raised the risk of a sharper slowdown with some expecting a recession in the face of even more policy tightening.

Emerging markets were also revised lower albeit by a lower margin. The exception in the emerging market space is China which has been revised sharply lower in 2022, mainly to encapsulate the continued effect of hard lockdowns (China's zero COVID strategy). The IMF revised South African growth higher possibly to capture the effect of higher commodity prices feeding into GDP through the current account. Namibia's projections were not adjusted in this update.

Stagflation, which is a scenario where inflation remains higher for longer while growth remains lower for longer, remains a real risk in selected economies.

Inflation

Inflation has accelerated even further, pushing to 9.1% in the US and approaching that level (currently 8.6%) in the Eurozone. Last quarter we highlighted the divergence in the narrative between the US Fed and the European Central Bank citing that the ECB remained behind the curve and would likely need to "catch up".

Underlying inflationary pressures remain in play although commodity prices have begun to tail off as recession fears build. That said, energy prices remain sticky.

South African inflation printed at 7.4% in June, a second consecutive month above the SARB's targeted 3-6% range and the highest since May 2009. Transport inflation (+20%) remains a key contributor to inflation, driven by higher fuel prices. Similarly, food inflation (+8.6%) remains a large contributor as well. Of concern is the fact that core inflation (excluding food and fuel) continued to tick higher to 4.4%, the highest since March 2019.

Namibian inflation has also ticked higher over the quarter, rising from 4.5% in March to current levels of 6%. These levels are elevated and are the highest since June 2017. Transportation inflation (+18.6% on the back of higher fuel prices) and food inflation (+7%) are key drivers.

Policy rates, yields, and the yield curve

After commencing its hiking cycle in March 2022 with a 25-bps hike, the Fed has kept its foot firmly on the brakes with a 50-bps hike in May and 75 bps in June. The 75-bps hike was the first of that magnitude since 1994, almost 28 years!

Expectations for the July meeting are for a further 75 bps or even higher at 100 bps.

The ECB commenced its own hiking cycle, with a surprise 50 bps hike in an acknowledgment that they were 'behind the curve' relative to other major central banks. The Bank of Canada followed through with a 100-bps hike.

Following its hike of 25 bps in March, the SARB hiked rates by 50 bps in May and post-quarter end, surprising the market with a 75-bps hike in July. The SARB remains concerned that inflationary risks remain to the upside.

After commencing rate hikes in February 2022, the Bank of Namibia continued increasing the repo rate with a hike of 25 bps in April and 50 bp in June. This takes the repo rate to 4.75%. Citing inflationary pressures, the Bank of Namibia also remains cognizant of the need to protect the 1-1 peg between the South African rand and the Namibian dollar.

Global yield curves appear to have flattened considerably as a response to tighter monetary policy impacting the short end, while the long end of the curve remains relatively more anchored.

In aggregate, yield curves globally have moved higher. This has impacted the returns of bonds but similarly has filtered through into equity valuations as the risk-free and discount rate has escalated. The shape of yield curves has also flattened somewhat as the market grapples with perceptions of central bank credibility, inflation expectations, and the risk of recession stalling the pace of policy tightening.

Higher rates have buoyed the dollar, and this is starting to impact corporate profitability in the US as well.

Market Overview

Periodic Table

Best ↑ ↓ Worst	Namibia: Local 27.7	Namibia: Financials 25.1	Namibia: Local 34.3	Namibia: Basic Materials 166.1	Namibia: Basic Materials 32.6	Namibia: Basic Materials 32.3	Namibia: Basic Materials 29.1	Namibia: Basic Materials 28.9	Namibia: Basic Materials 41.3	Namibia: Financials 4.9
	Namibia: Consumer Staples 24.1	Namibia: Consumer Staples 25.0	Namibia: Consumer Staples 10.0	Namibia: Overall 27.8	Namibia: Consumer discretionary 29.6	Namibia: Consumer Staples 16.1	Namibia: IJG ALBI(All Bond) 12.1	Namibia: IJG ALBI(All Bond) 14.4	Namibia: Overall 33.9	Namibia: IJG Money Market 2.5
	Namibia: Financials 21.5	Namibia: Local 23.5	Namibia: IJG Money Market 6.5	Namibia: Local 15.2	Namibia: Financials 27.5	Namibia: IJG ALBI(All Bond) 11.0	Namibia: Consumer Staples 9.7	Namibia: Consumer discretionary 6.1	Namibia: Consumer Staples 32.6	Namibia: Consumer discretionary 2.5
	Namibia: IJG Money Market 5.4	Namibia: Overall 13.7	Namibia: IJG ALBI(All Bond) 1.1	Namibia: Financials 14.1	Namibia: Overall 26.4	Namibia: IJG Money Market 7.8	Namibia: IJG Money Market 7.5	Namibia: IJG Money Market 5.8	Namibia: Consumer discretionary 32.4	Namibia: IJG ALBI(All Bond) 0.9
	Namibia: Overall 4.9	Namibia: IJG ALBI(All Bond) 8.8	Namibia: Consumer discretionary -1.7	Namibia: Consumer Staples 13.9	Namibia: Local 14.1	Namibia: Local 7.2	Namibia: Overall 4.6	Namibia: Overall -2.0	Namibia: Financials 22.7	Namibia: Overall -2.1
	Namibia: IJG ALBI(All Bond) 4.5	Namibia: IJG Money Market 5.8	Namibia: Financials -4.6	Namibia: IJG ALBI(All Bond) 11.7	Namibia: IJG ALBI(All Bond) 13.1	Namibia: Overall 4.5	Namibia: Local 3.0	Namibia: Consumer Staples -10.2	Namibia: Local 21.6	Namibia: Local -3.8
	Namibia: Basic Materials -10.1	Namibia: Consumer discretionary 5.4	Namibia: Overall -17.8	Namibia: Consumer discretionary 11.2	Namibia: IJG Money Market 8.3	Namibia: Financials 1.5	Namibia: Financials -1.9	Namibia: Local -22.2	Namibia: IJG ALBI(All Bond) 4.4	Namibia: Consumer Staples -5.2
	Namibia: Consumer discretionary -20.9	Namibia: Basic Materials -5.5	Namibia: Basic Materials -63.3	Namibia: IJG Money Market 7.6	Namibia: Consumer Staples -7.0	Namibia: Consumer discretionary -9.4	Namibia: Consumer discretionary -34.7	Namibia: Financials -22.4	Namibia: IJG Money Market 4.2	Namibia: Basic Materials -8.4
	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD

Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	-24.4	-8.4	11.2	20.1	33.0	12.0
Namibia: Consumer discretionary	-13.2	2.5	-5.1	4.2	0.2	3.0
Namibia: Financials	-16.2	4.9	17.3	-2.3	5.5	9.6
Namibia: Consumer Staples	-15.6	-5.2	27.8	5.0	7.4	13.0
Namibia: Local	-1.8	-3.8	17.1	-2.3	1.5	12.8
Namibia: Overall	-19.2	-2.1	15.3	7.6	12.9	9.7
Namibia: IJG ALBI(All Bond)	0.9	0.9	3.3	7.6	10.0	8.8
Namibia: IJG Money Market	1.3	2.5	4.7	5.4	6.4	6.4

Market Overview

RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	-11.7	-8.3	4.7	8.2	8.7	10.5
RSA: SWIX	-10.6	-5.5	2.8	5.6	5.9	9.3
RSA: Capped SWIX	-10.6	-4.6	6.9	6.8	5.9	9.1
RSA: Top 40 (Large Caps)	-11.8	-8.5	4.6	8.6	9.3	10.7
RSA: Mid Cap	-12.7	-6.6	3.9	4.5	4.5	7.6
RSA: Small Cap	-5.5	-1.7	19.5	15.0	6.4	10.3
RSA: Listed Property	-11.6	-12.7	0.2	-9.0	-7.3	2.7
RSA: Resources	-21.9	-7.7	8.5	15.9	21.7	7.3
RSA: Industrials 25	-2.6	-16.1	-7.2	5.2	4.2	11.7
RSA: Financial 15	-15.6	1.4	16.9	-0.6	4.9	8.9
RSA: All Bond Index	-3.7	-1.9	1.3	5.8	7.8	7.2
RSA: Inflation Linked Bonds	2.9	3.3	10.7	7.3	5.5	6.3
RSA: STeFI Composite (Cash)	1.2	2.2	4.2	5.0	5.9	6.1

Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years
Namibia CPI	2.5	4.4	6.0	4.1	4.0

Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	4.9	3.3	18.2	14.4	12.8	8.6
Platinum	3.4	-2.9	-1.7	8.8	4.2	2.4
Copper	-10.6	-12.7	0.8	17.1	11.8	8.1
Oil	19.3	51.5	75.3	26.1	24.5	8.9

International Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	-5.9	-17.8	2.6	16.3	16.4	21.1
UK: FTSE 100	-0.5	-8.9	6.7	6.0	6.8	11.3
Japan: Nikkei 225 Average	-4.8	-19.3	-12.4	6.6	8.5	15.3
MSCI Emerging Markets	-1.7	-16.6	-16.5	3.3	4.4	7.9
MSCI World	-5.9	-18.2	-1.3	13.0	13.2	18.0
MSCI All Country World	-5.3	-17.9	-2.9	12.2	12.4	17.2
USA: DJ Industrial Average	0.0	-12.2	4.3	12.7	15.0	19.7

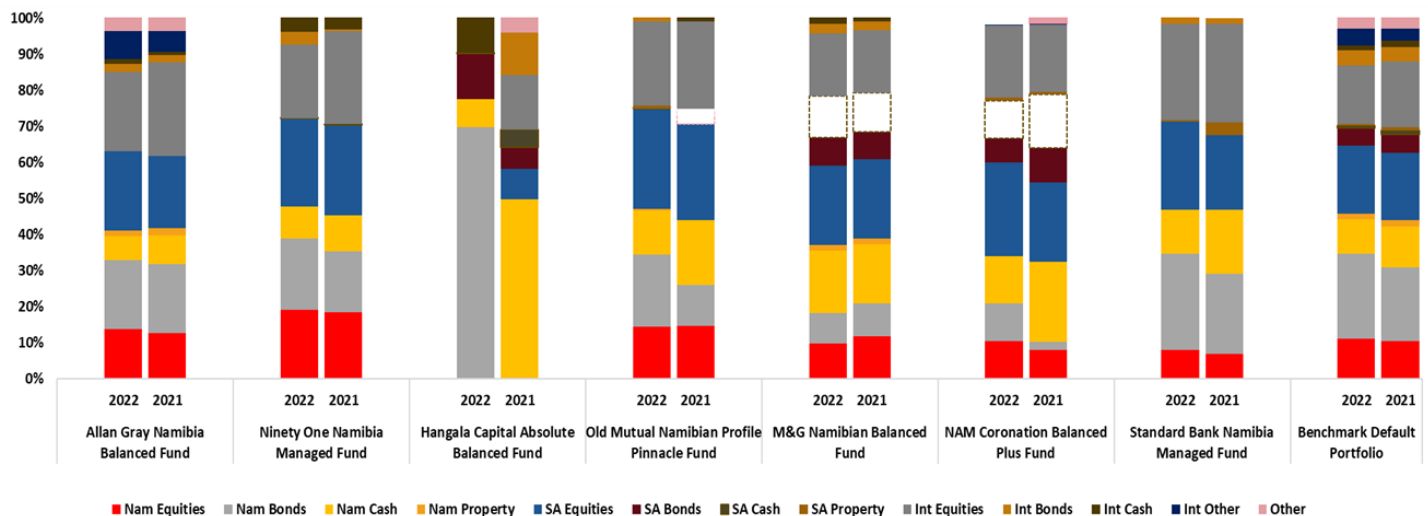
Global Fixed Income

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	5.6	-7.8	0.4	2.2	3.8	6.3
JP Morgan 6 Months Cash	12.1	2.8	15.0	6.2	6.2	8.6

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 June 2022 as compared to 30 June 2021



Notes 30 June 2022:

- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property, Hedged Equity and Commodities.
- NAM Coronation Balanced: Other represents Commodities and preference shares and International Other represents property and commodities.
- 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.
- Negative allocation to an asset class is represented by dashed bars.
- Hangala Absolute: Other represents Preference shares and investment in a clean energy and infrastructure fund

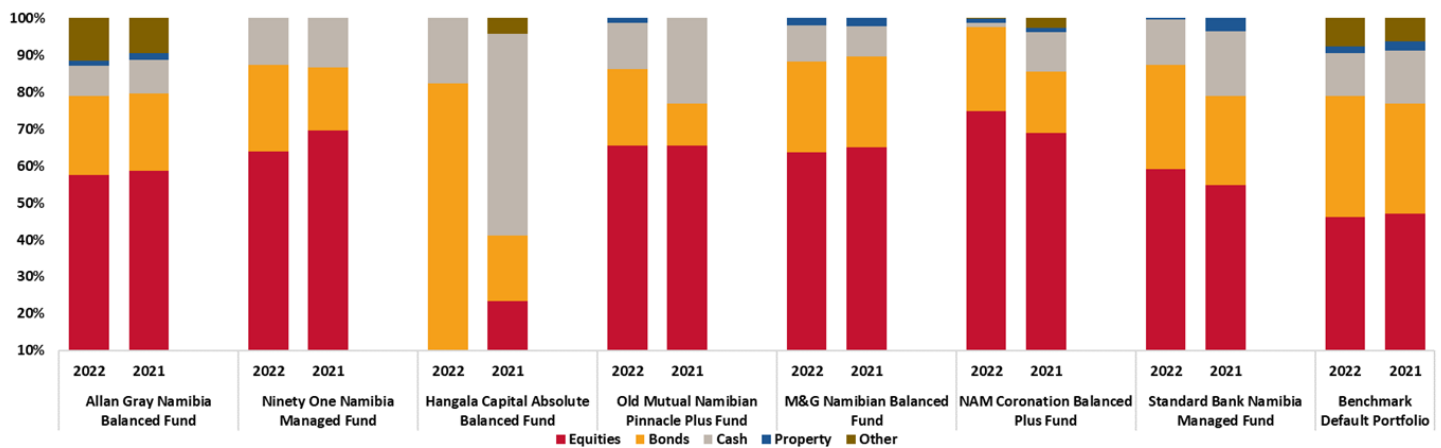
Notes 30 June 2021:

- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property, Hedged Equity and Commodities.
- NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Property.
- 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.
- Negative allocation to an asset class is represented by dashed bars.
- Hangala Absolute: Other represents Preference shares and investment in a clean energy and infrastructure fund

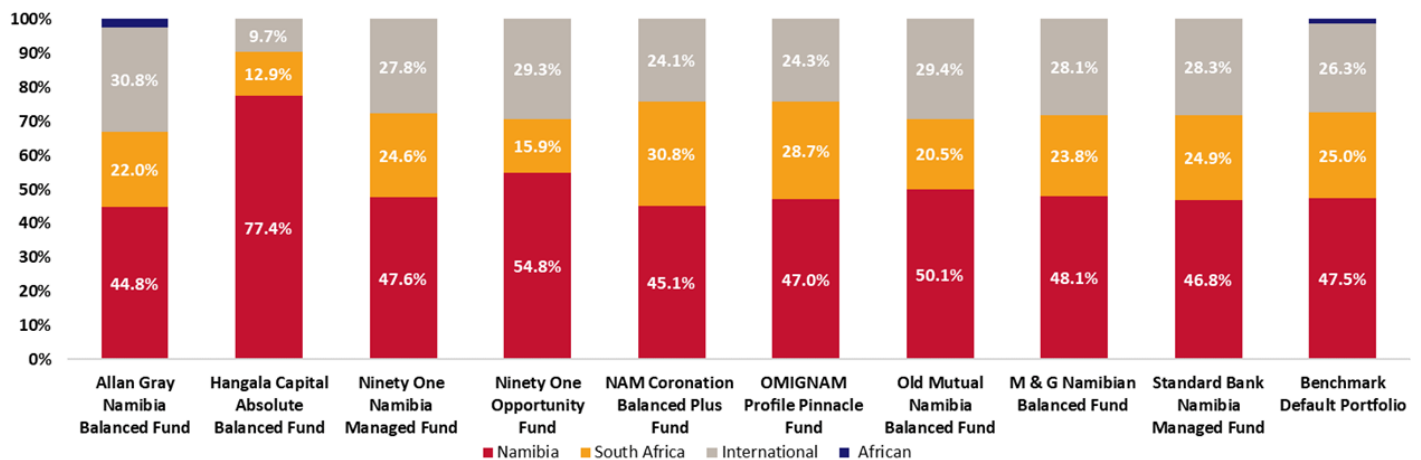
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 June 2022 as compared to 30 June 2021



Geographical Split as at 30 June 2022:



Notes:

Allan Gray: 2.4% African

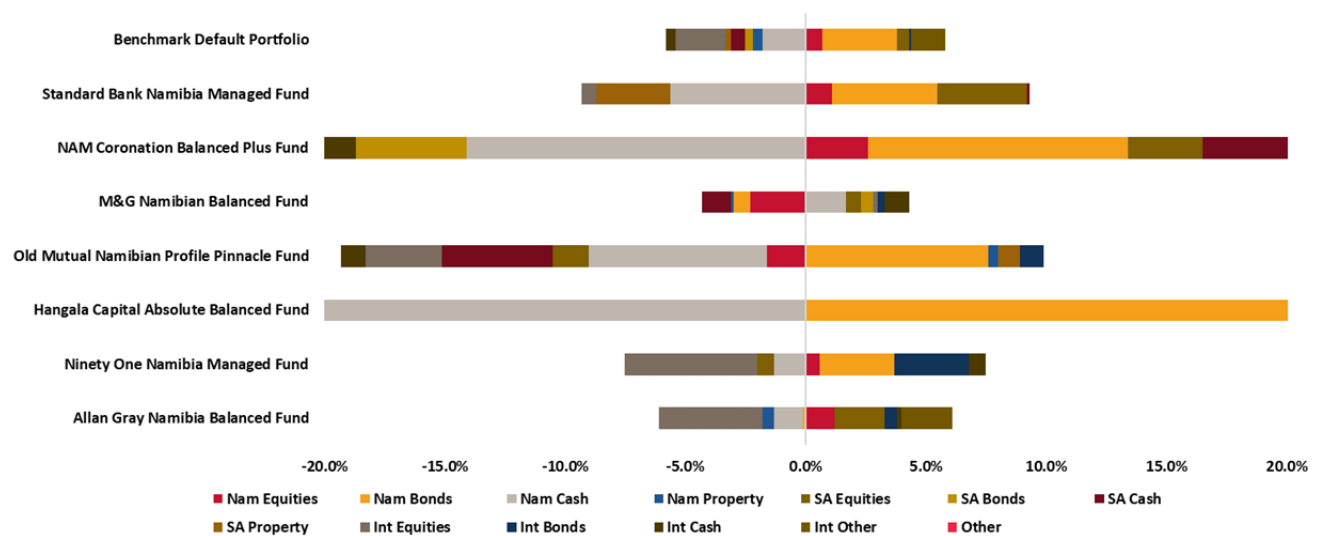
Benchmark Default: 1.2% African

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 June 2022**. 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 large shift from their Namibian Cash position in Quarter 1 into Namibian Bonds. This large movement is due to the underlying co-manager of the Fund changing, and the change being effective at the end of April 2022. M&G made the fewest changes to their portfolio over the last year, similar to the last two quarters. Overall, even excluding the Hangala Capital Absolute Fund movements, the largest quantitative changes in the majority of portfolios was an increase in exposure to Namibian Bonds, and a reduction in the Namibian cash. Most Managers reduced their position in Namibian Cash, as they expect an uptick in the market after a tough quarter 2. 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 June 2022

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	7.1	7.0	6.1	10.0
Hangala Capital Absolute Balanced Fund	3.9	6.5	6.9	6.7
NAM Coronation Balanced Plus Fund	0.1	7.1	6.4	9.6
Ninety One Namibia Managed Fund	2.6	6.8	7.5	10.6
Ninety One Namibia Opportunity Fund**	3.0	8.0	8.7	10.9
Old Mutual Namibia Balanced Fund*	0.4	5.1	7.1	9.9
Old Mutual Namibian Profile Pinnacle Fund	4.5	7.6	7.7	10.3
Standard Bank Namibia Managed Fund	-3.0	4.2	6.8	8.8
M&G Namibian Balanced Fund	7.4	7.6	7.9	9.8
Benchmark Retirement Fund Default Portfolio	6.3	6.5	6.4	9.4
NMG SA Moderate Benchmark	4.4	8.6	8.9	10.3
NMG NAM Moderate Benchmark	4.9	8.4	10.1	10.5
FTSE/JSE All Share TR ZAR	4.7	8.2	8.7	10.5
NAM CPI + 6%	12.3	10.3	10.2	11.1

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

**Investment by Benchmark into the fund was only made in April 2022. Returns beyond that period are for illustrative purposes.

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
Ninety One Namibia Opportunity Fund**	7.7	9.4	8.9	12.4
Old Mutual Namibia Balanced Fund*	9.8	6.8	7.8	11.0
Old Mutual Namibian Profile Pinnacle Fund	16.6	7.7	7.7	10.9
Standard Bank Namibia Managed Fund	10.0	8.5	7.8	10.8
M&G 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

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

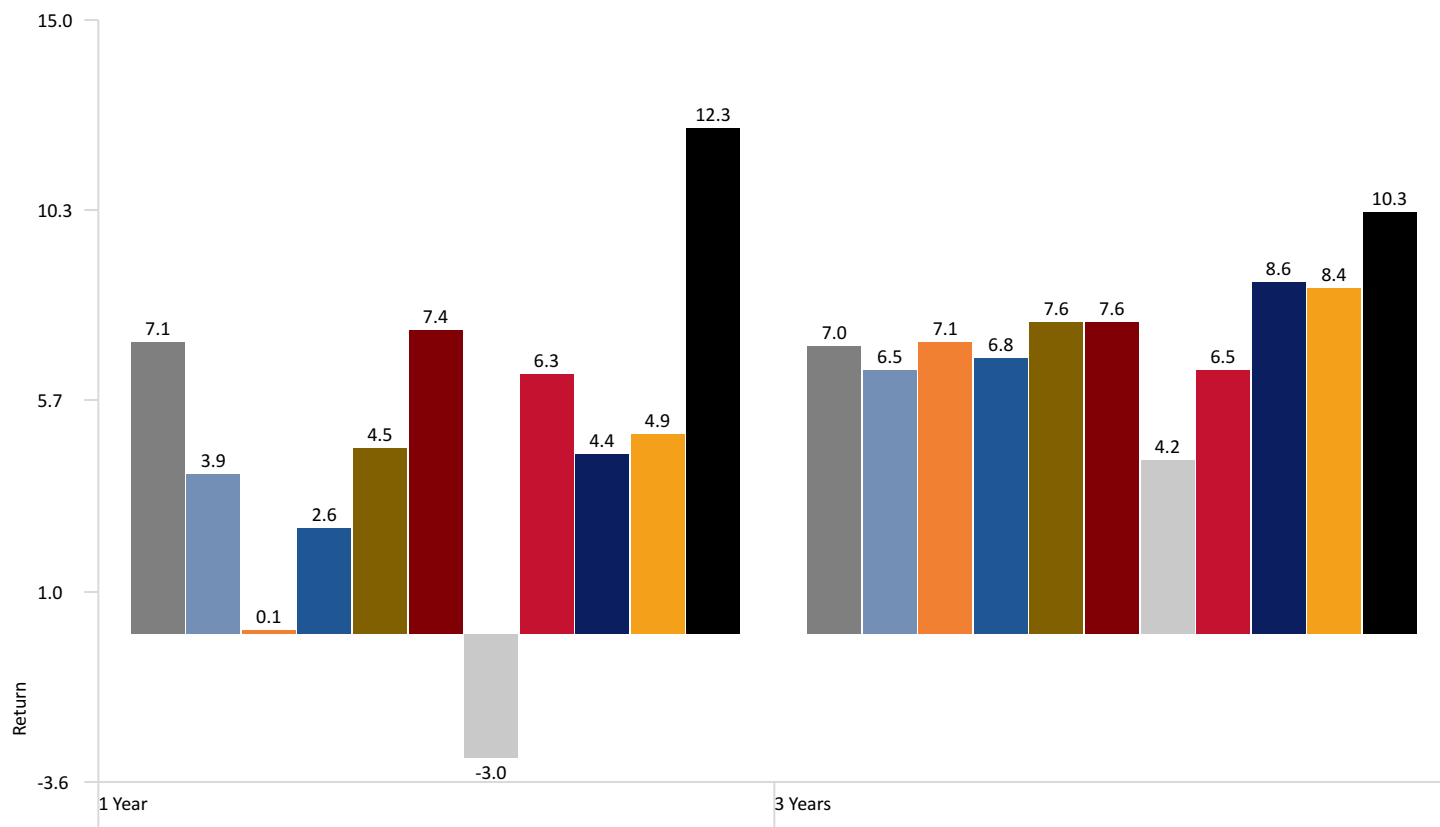
**Investment by Benchmark into the fund was only made in April 2022. Returns beyond that period are for illustrative purposes.

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.

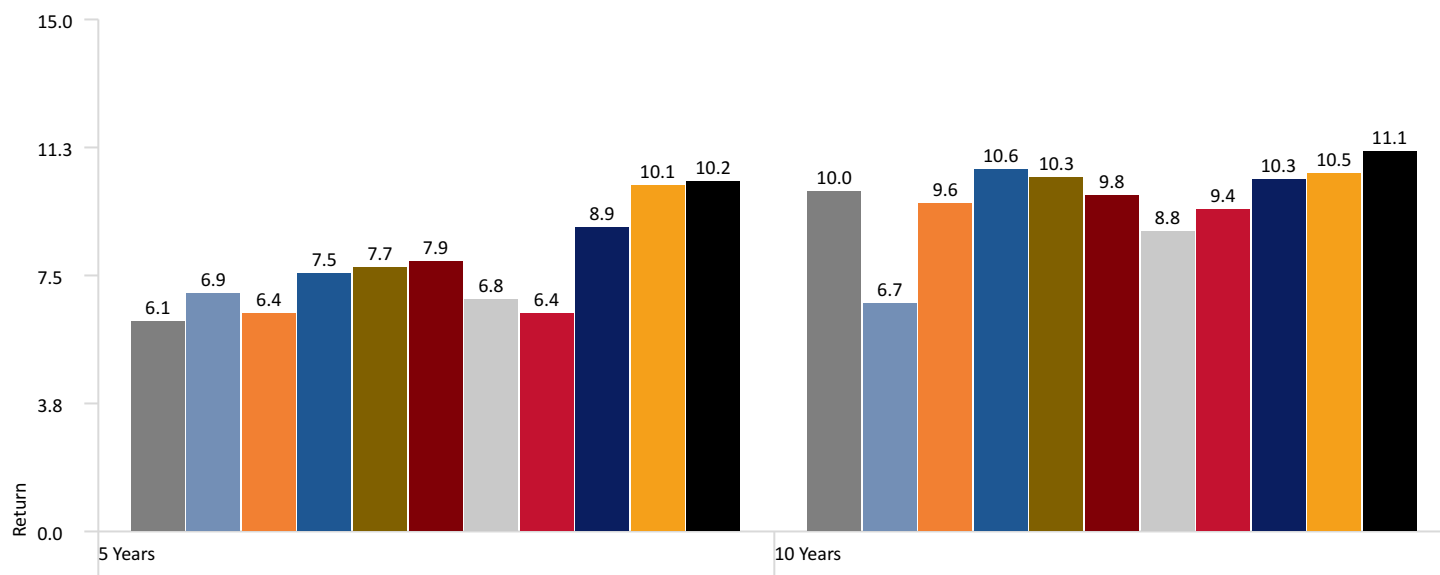
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 30 June 2022



5 & 10 years performance for the period ending 30 June 2022



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

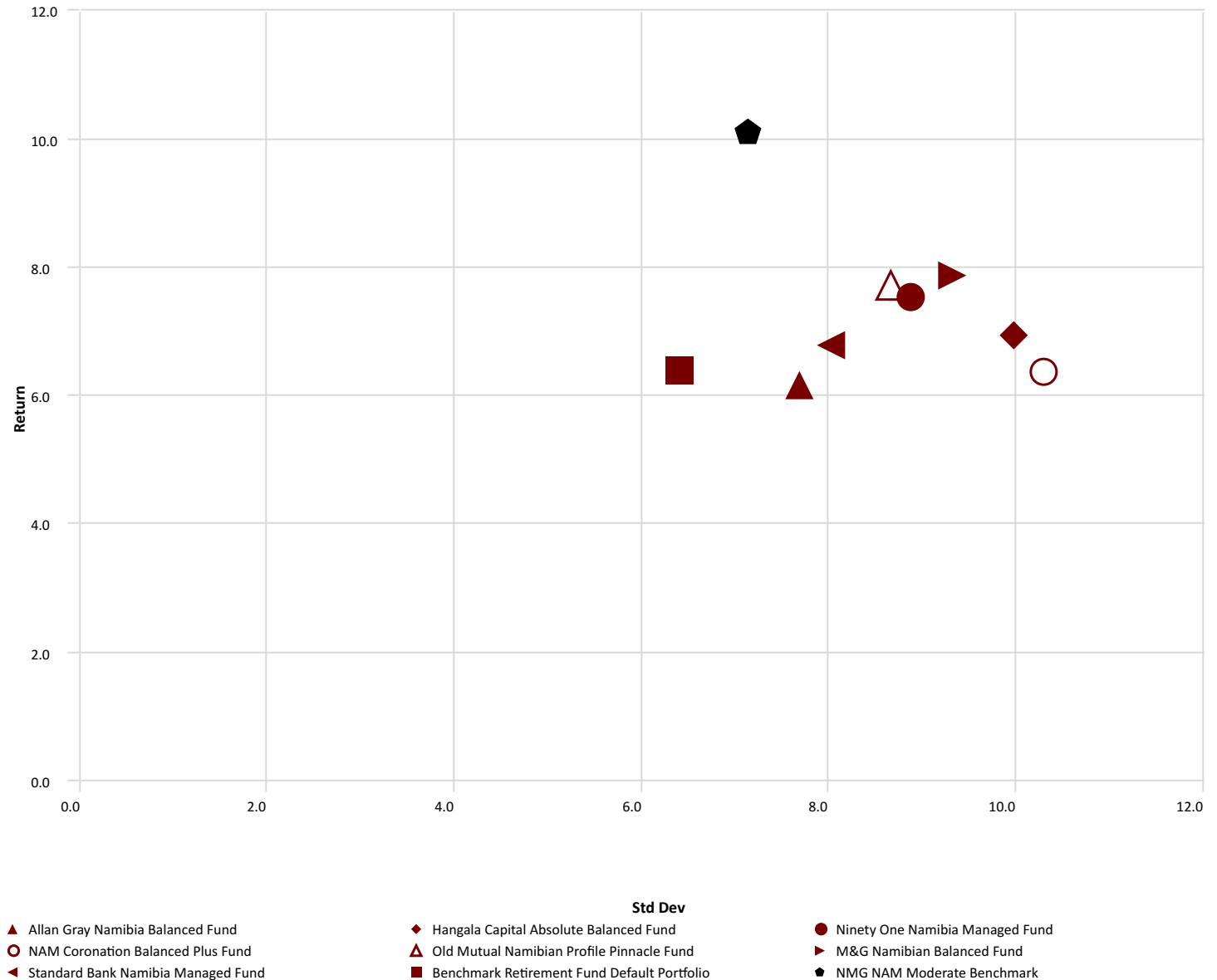
Performance Comparison

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

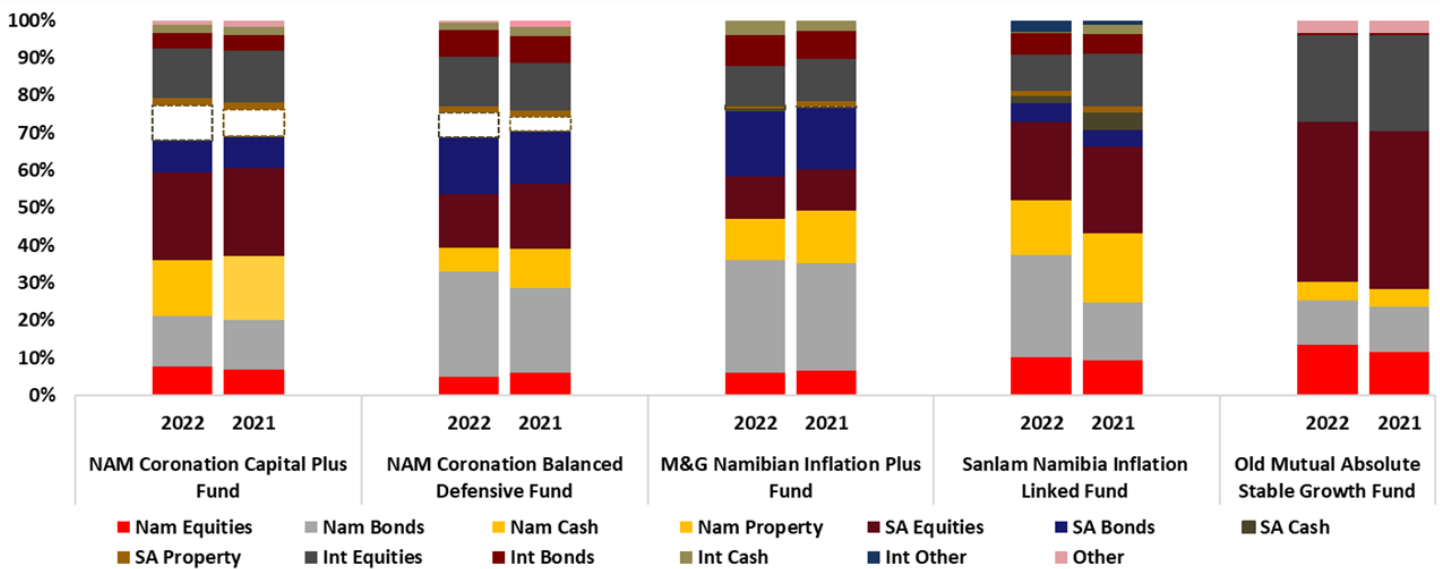
Time Period: 01-Jul-17 to 30-Jun-22



Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 June 2022 as compared to 30 June 2021



Notes 30 June 2022:

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

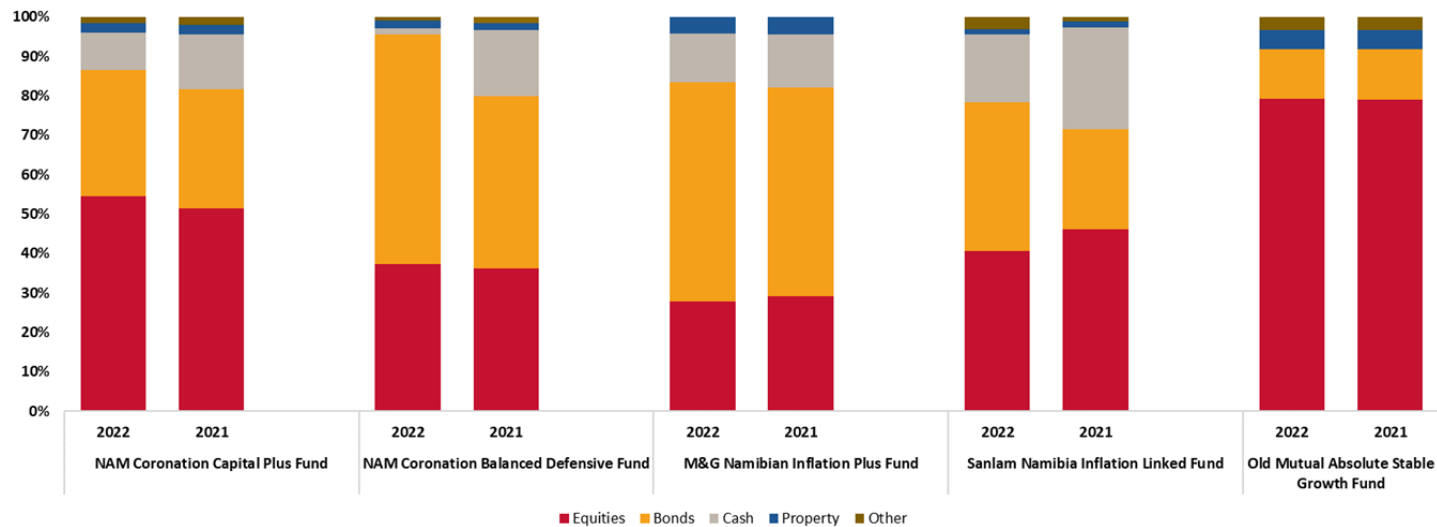
Notes 30 June 2021:

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

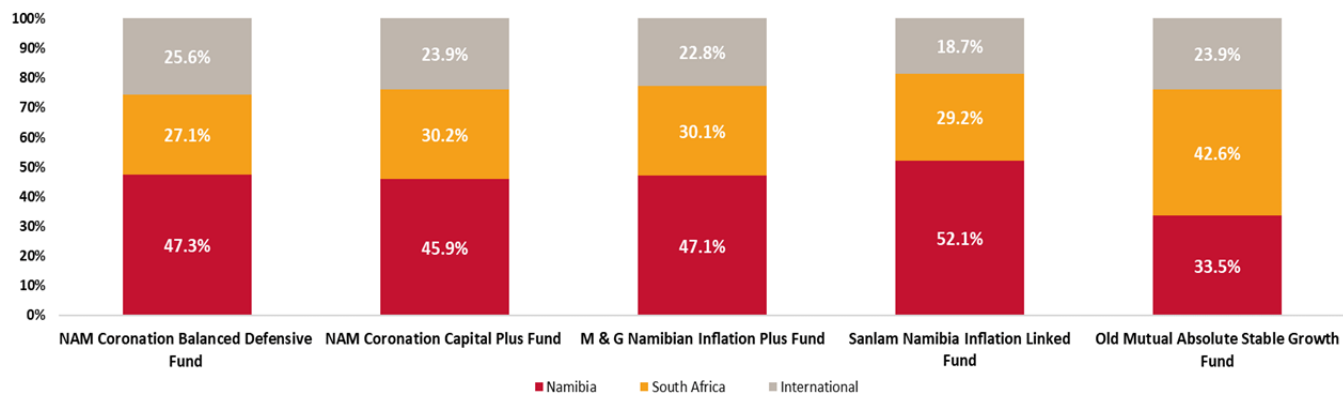
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 June 2022 compared 30 June 2021



Geographical Split as at 30 June 2022:



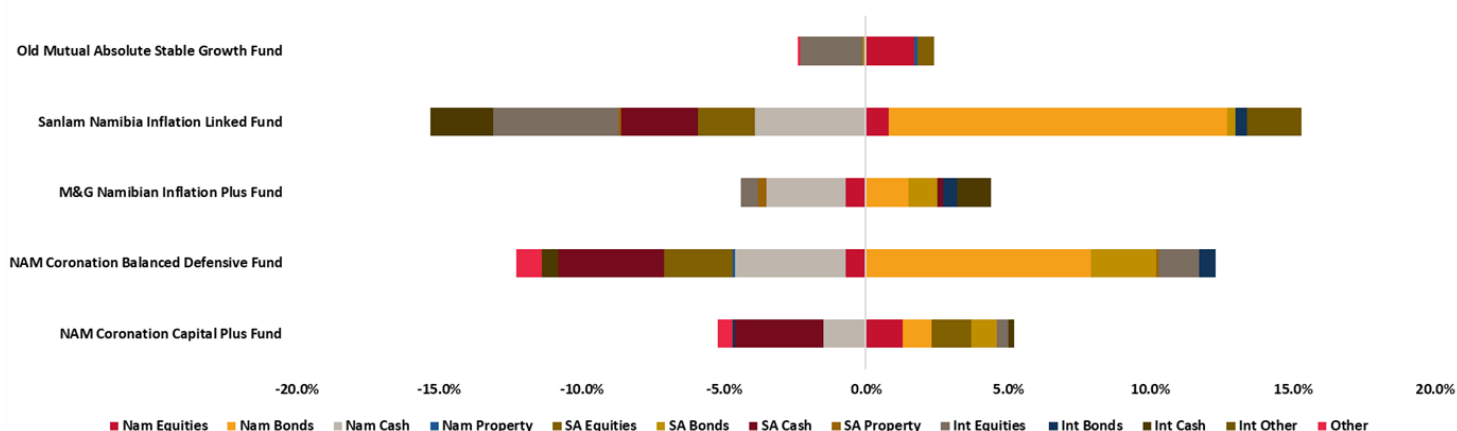
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

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 **30 June 2022**. 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 Sanlam Namibia Inflation Linked Fund made the biggest change to their portfolio over the last year, with the major change being the increase in Namibian Bonds, similar to the previous quarter. The Old Mutual Absolute Stable Growth Fund made the fewest changes over the last year. Similar to the Moderate Portfolios, the largest quantitative changes in the majority of portfolios were an increase in exposure to Namibian Bonds, and a reduction in Cash (Namibian). Most Managers decreased their position in South African Cash International Bonds once again. 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 June 2022

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	0.6	5.5	6.0	8.4
NAM Coronation Capital Plus Fund	0.3	5.8	5.6	8.0
M&G Namibian Inflation Plus Fund	6.0	6.1	6.9	8.9
Sanlam Namibia Inflation Linked Fund	4.1	5.8	6.4	8.4
Old Mutual Absolute Stable Growth Fund	13.7	7.1	7.1	9.3
NMG NAM Mod Conservative Benchmark	5.1	7.7	9.4	9.0
NAM CPI + 4%	10.2	8.2	8.2	9.0

Trailing Returns as at 30 June 2021

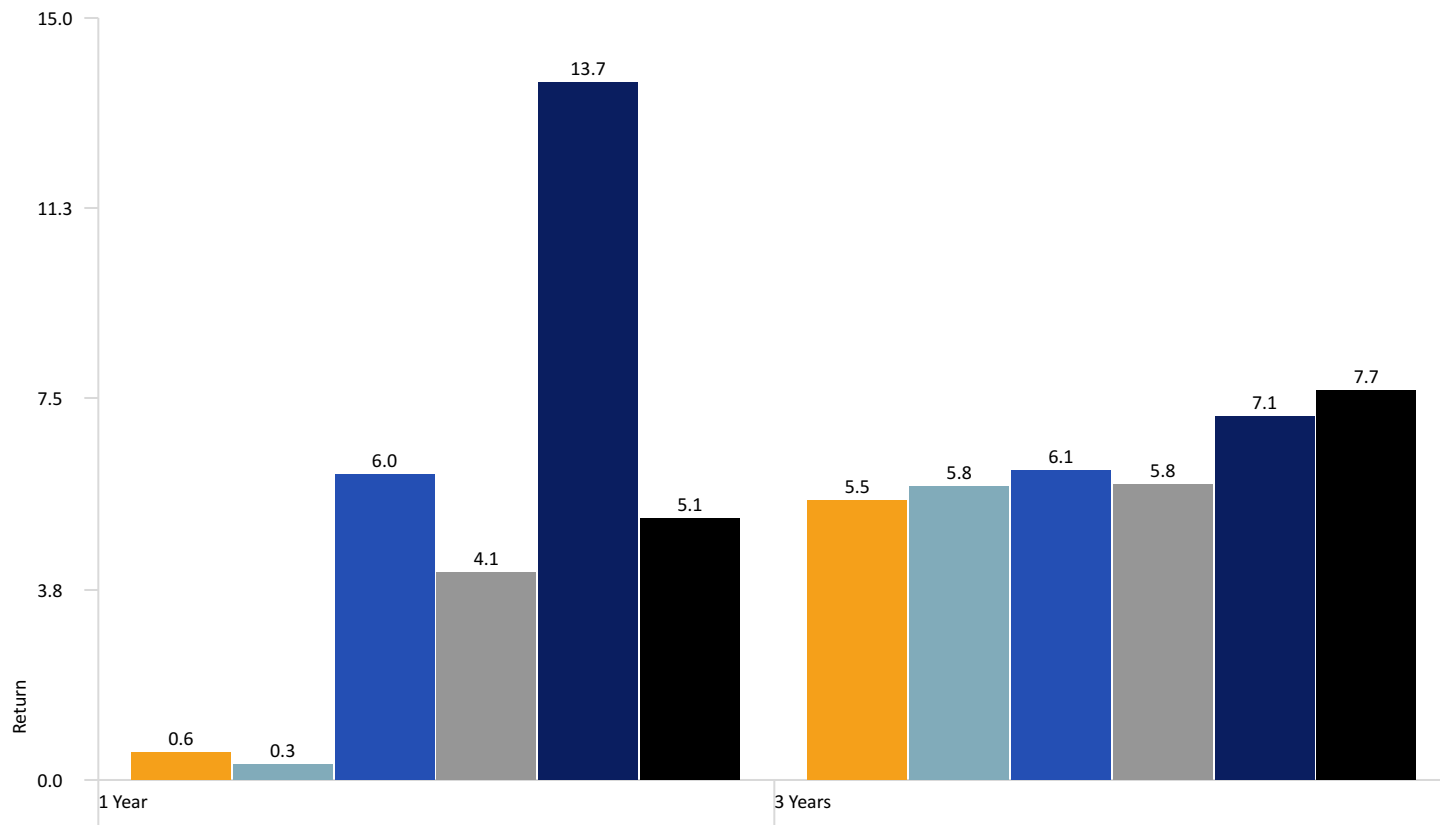
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	12.7	7.5	6.9	9.6
NAM Coronation Capital Plus Fund	14.7	7.3	6.1	8.9
M&G Namibian Inflation Plus Fund	10.0	6.6	6.2	9.7
Sanlam Namibia Inflation Linked Fund	6.7	6.8	6.9	9.2
Old Mutual Absolute Stable Growth Fund	10.0	4.4	5.8	9.1
NMG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

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.

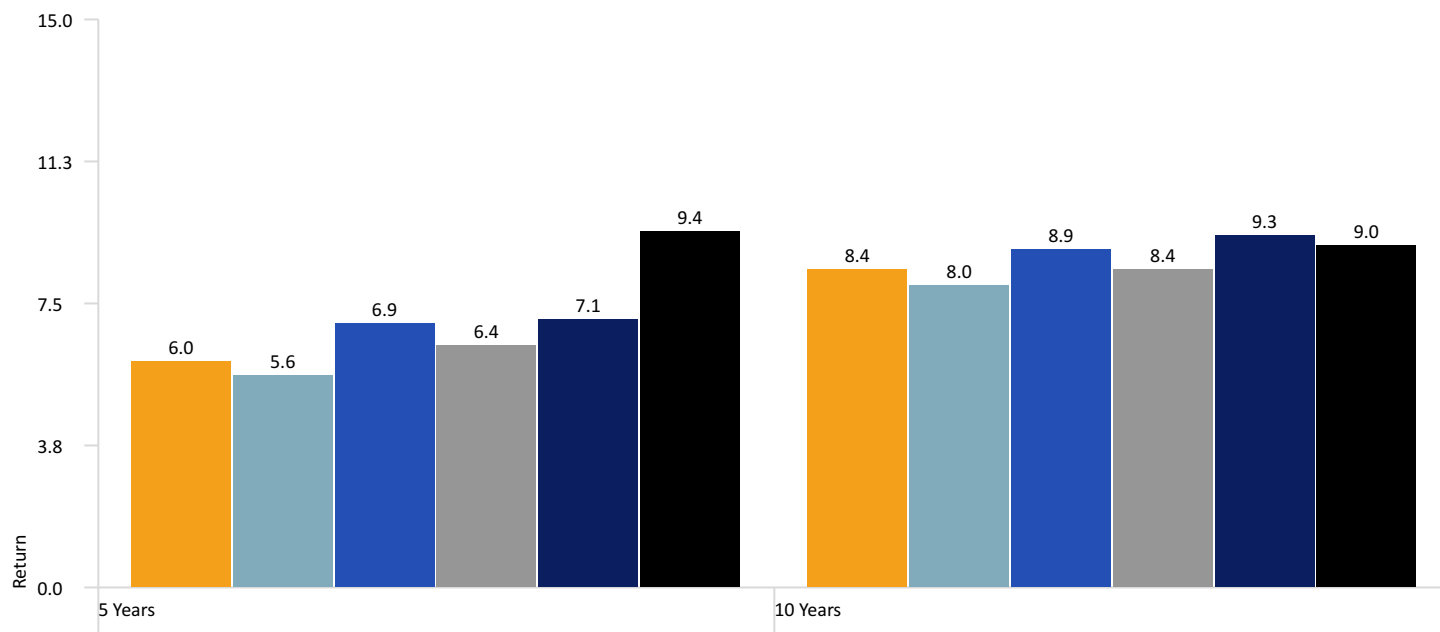
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 30 June 2022



5 & 10 years performance for the period ended 30 June 2022



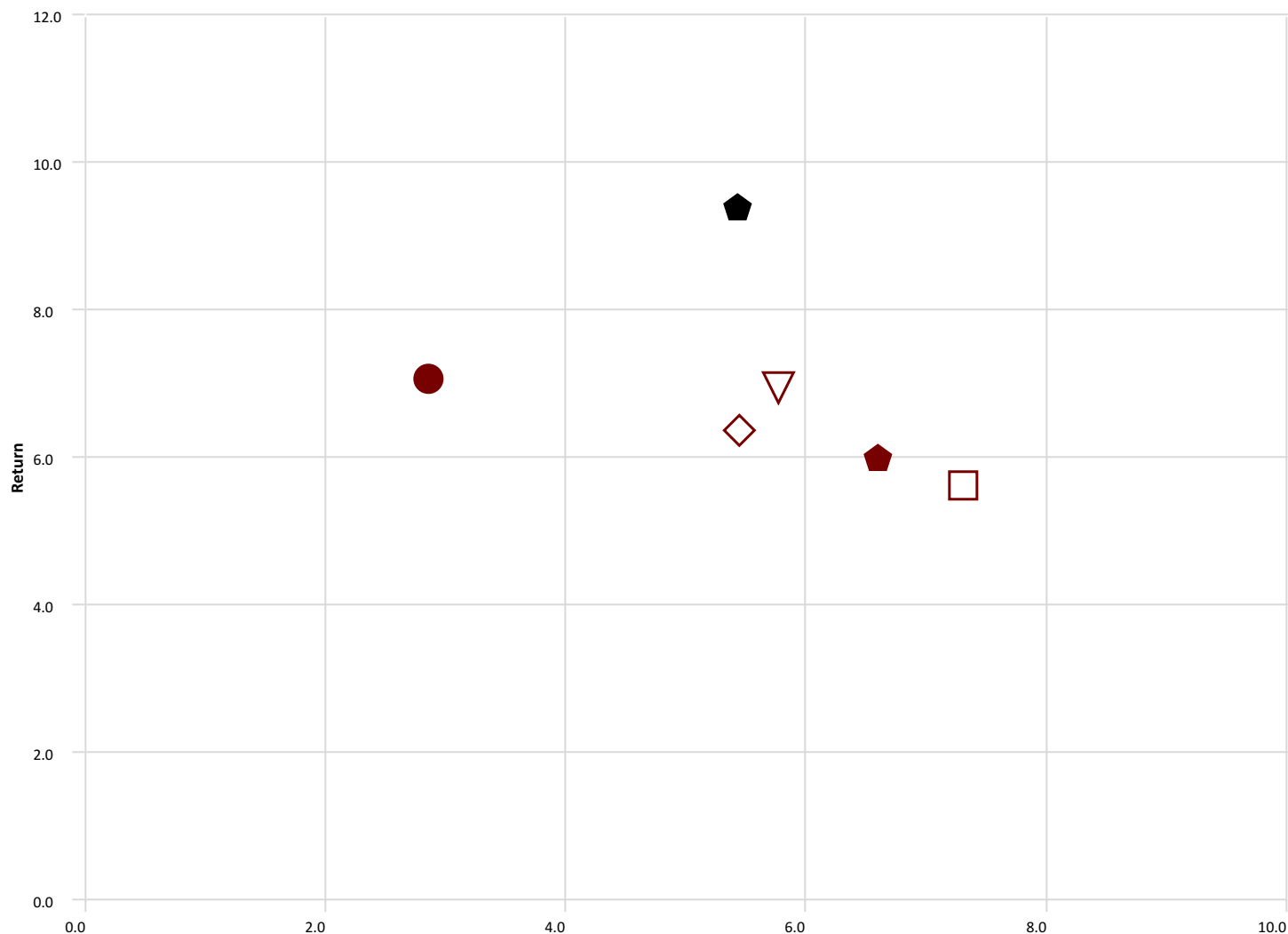
Performance Comparison

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-17 to 30-Jun-22

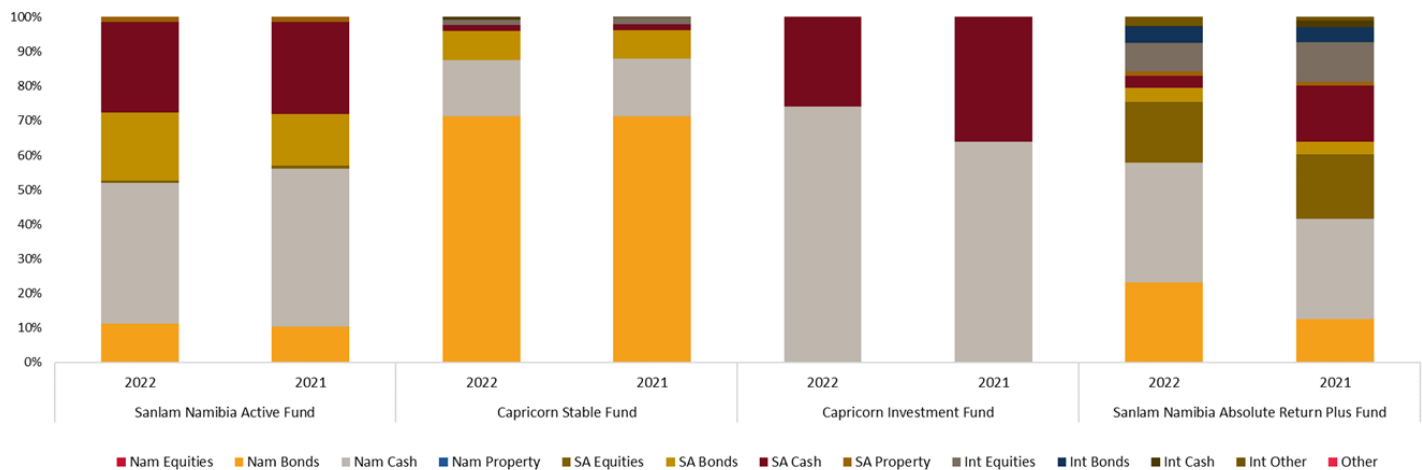


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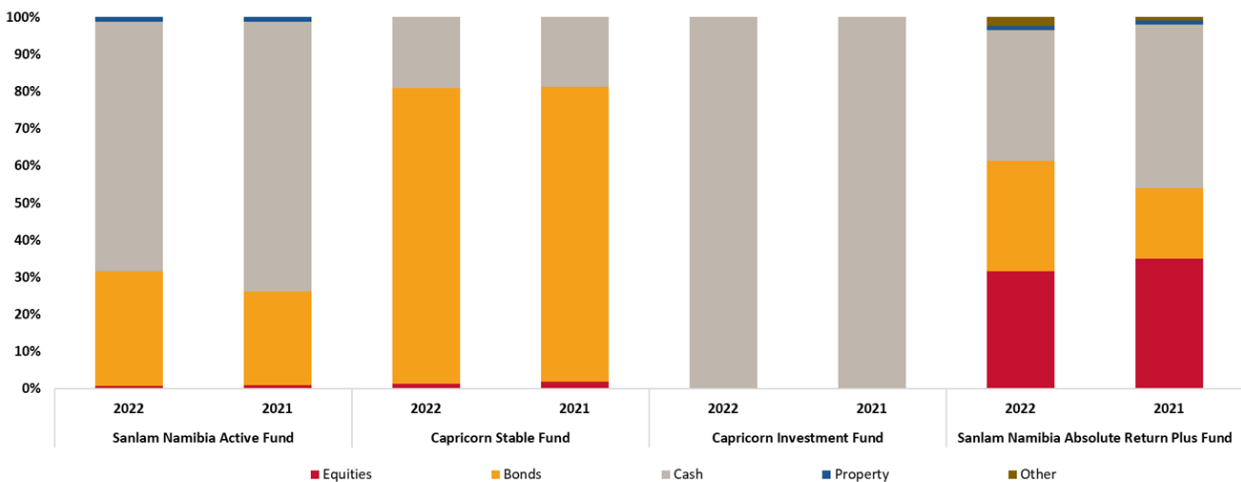
Performance Comparison

Low Risk and Capital Preservation Portfolios

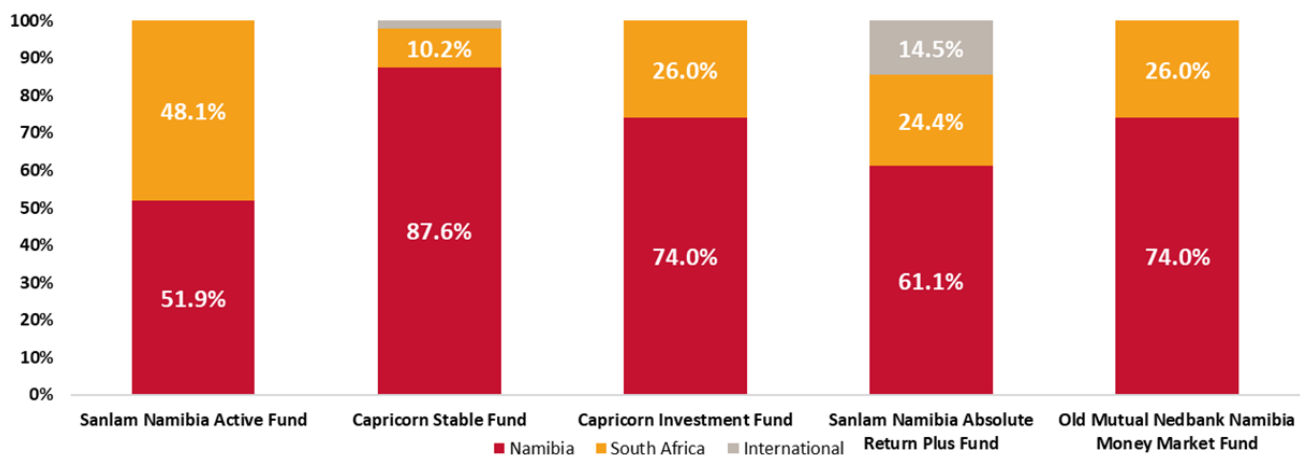
Asset Allocation as at 30 June 2022 as compared to 30 June 2021



The total Namibian exposure is 51.9% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 87.6% 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 61.1% exposure to Namibian assets.



Geographical Split as at 30 June 2022:



*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 June 2022

	1 Year	3 Years	5 Years	10 Years
Capricorn Stable Fund*	8.7	7.9	8.0	—
Sanlam Namibia Absolute Return Plus Fund**	6.6	6.4	6.4	—
Sanlam Namibia Active Fund	4.2	5.3	6.5	7.2
NAM CPI	6.0	4.1	4.0	4.8
NAM CPI + 2%	8.1	6.1	6.1	6.9
FTSE/JSE ALB 1-3 Yr TR ZAR	4.3	6.5	7.7	7.1

*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 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 2022

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	5.2	5.6	6.5	6.5
Old Mutual Nedbank Namibia Money Market*	4.0	5.2	6.2	6.5
NAM CPI + 1%	7.0	5.1	5.1	5.9
IJG Money Market GR NAD	4.7	5.4	6.4	6.4

*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 June 2021

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	4.6	6.4	7.1	6.5
Old Mutual Nedbank Namibia Money Market*	4.2	6.4	7.1	6.7
NAM CPI + 1%	5.1	4.4	5.1	5.9
IJG Money Market GR NAD	4.5	6.4	7.1	6.5

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 June 2022

	1 Year	3 Years	5 Years	01-Jan-16 - 30-Jun-22
Allegrow Fund*	-22.8	-7.9	-0.4	-1.8
Caliber Capital Fund (A)	7.1	7.4	7.8	6.7
IJG Frontier Investment Fund	19.2	-9.8	-8.2	-5.2
NAM CPI + 4.5%	10.8	8.7	8.7	9.6

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 June 2021

	1 Year	3 Years	5 Years	01-Jan-16 - 30-Jun-21
Allegrow Fund	—	1.1	2.5	2.5
Caliber Capital Fund (A)	6.3	8.3	7.3	6.6
IJG Frontier Investment Fund	-16.5	-21.4	-10.9	-9.0
NAM CPI + 4.5%	8.7	8.0	8.7	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.

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.