



Benchmark Retirement Fund

Quarterly Investment Report: As at 31 December 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 Managers' Explicit Performance Objective	Return Expectations derived from Historical Experience (Before Fees)
Allan Gray Namibia Balanced Fund*	Moderate	None	CPI+5% to 6%
Ninety One Namibia Managed Fund	Moderate	None	CPI+5% to 6%
NAM Coronation Balanced Plus Fund	Moderate	None	CPI+5% to 6%
Old Mutual Namibian Profile Pinnacle Fund	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%
Benchmark Default Portfolio**	Moderate	-	CPI+5%
Old Mutual Namibia Absolute Stable Growth***j	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	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	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%
Ninety One Namibia High Income Fund	Low	IJG Money Market Index	CPI+1% to 2%
Capricorn Enhanced Cash Fund	Low	IJG 12 Month TB Index	CPI to CPI+1%
Capricorn Investment Fund	Capital Preservation	7 day Repo Rate	CPI

*Segregated Portfolio

**The Benchmark Default Portfolio is a combination of Allan Gray Namibia Balanced Fund (Segregated) (50%), M&G Namibia Inflation Plus Fund (20%), Sanlam Inflation Linked Fund (20%) Ninety One Namibia Opportunity Fund (10%).

***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.

j- 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:

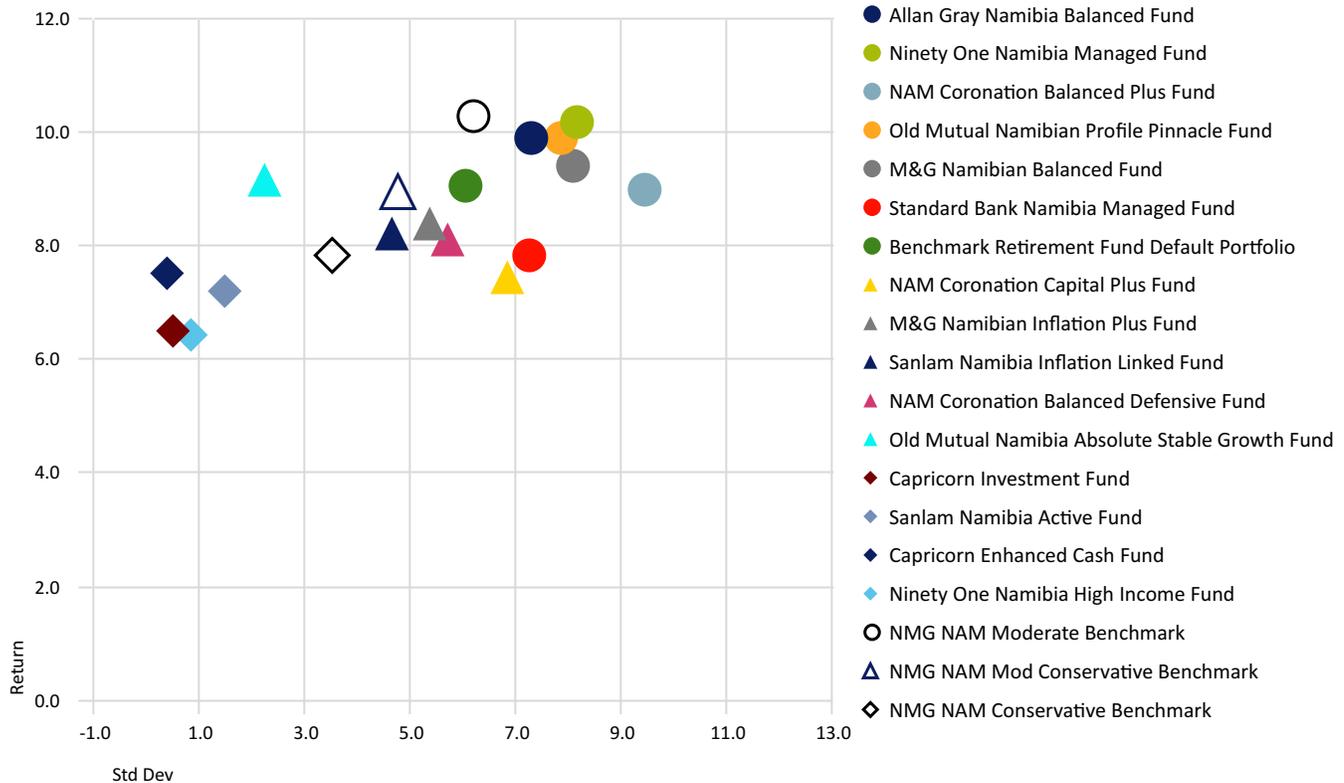
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

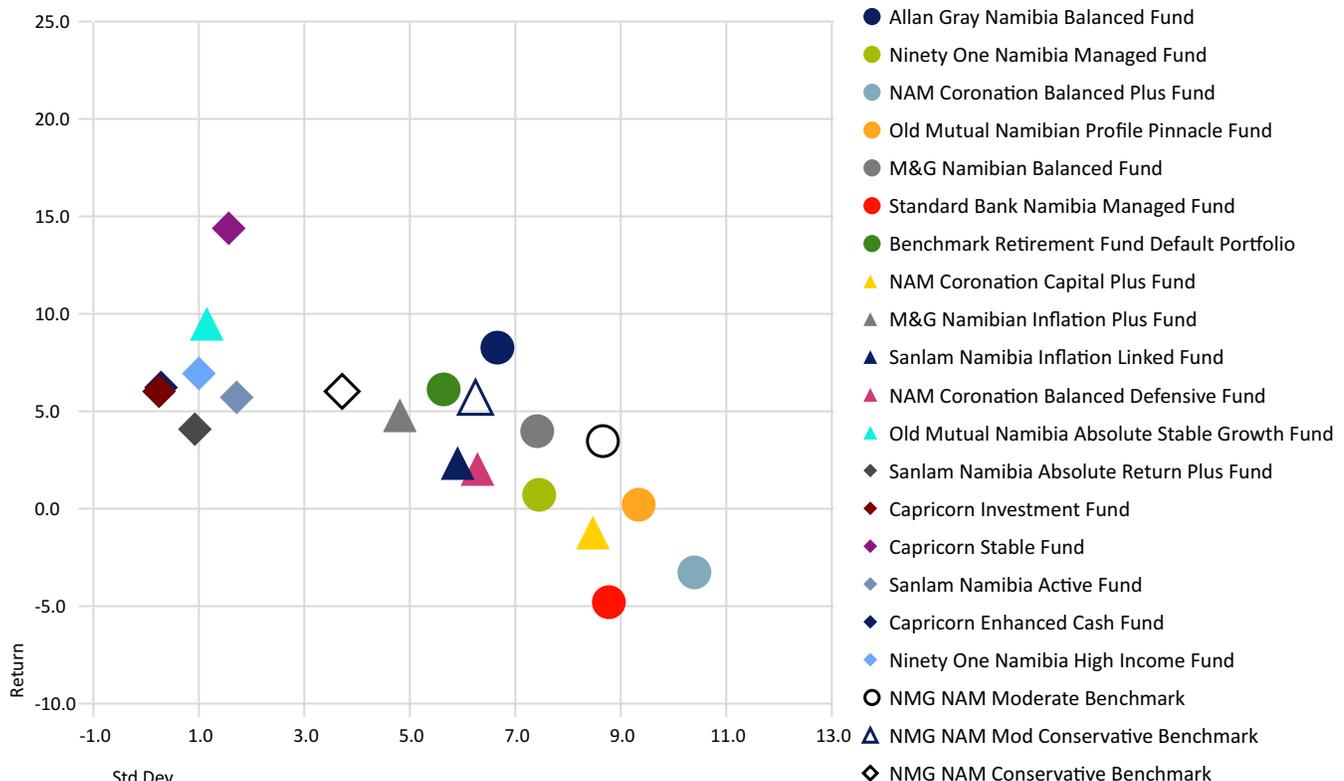
Risk-Reward - Over the long term

Time Period: 01-January-2013 to 31-December-2022



Risk-Reward - Over the short term

Time Period: 01-January-2022 to 31-December-2022



Market Overview

Markets

Risk assets enjoyed a strong performance in Q4 2022, with the key driver of the resumption in risk appetite globally being an expectation that the rate hike cycle is maturing and that global central banks would slow and then pause the pace of rate hikes.

Namibian stocks lagged their SA counterparts in Q4 and ended the year only slightly behind the JSE All share. The NSX Overall Index returned 9.7% for the year against a return of 2.0% on the NSX Local Index. Over the year, the standout performers featured many stocks in the financial sector, echoing the sectoral performance of the SA market. Telecoms and Consumer staples lagged the other sectors.

Namibian growth is expected to be 3% in 2022, increasing to 3.2% in 2023 and 2.7% in 2024. The IMF in their most recent Article IV report in December 2022, cited the mining rebound as a key growth driver with a slower recovery in the manufacturing and tertiary sectors. The IMF also praised Namibia's progress on medium-term fiscal consolidation and protective measures for the vulnerable population concerning food and fuel prices. They supported a delay in the operationalization of the sovereign wealth fund until public debt levels declined further, and foreign reserve levels were strengthened.

While SA markets enjoyed a positive Q1 and Q4 in 2022, in the US, the fourth quarter was the only gainer for the S&P 500, with the US ending the year with double-digit losses (in USD) on all major indices. The S&P 500 was down 19.44% in dollar terms but in Namibian Dollar, it was only down 12.70%. The difference of almost 7% can be attributed to the USD Namibian Dollar weakness over the year.

Globally, the energy sector remained the standout performer last year propelled by the war in Ukraine as well as massive shortfalls in production capacity for energy-related commodities. The energy was the only major subsector in the US to post a positive return for the year (+59%) with utilities in second place at -1.5% and consumer staples and healthcare at -3% and -3.5% respectively.

Gold rallied around 10% in Q4 to post a gain in line with inflation for the year, while platinum enjoyed a strong rally of over 14% albeit off a low base at the start of 2022. Demand for catalytic converters as well as potential hydrogen fuel cell technology has been key drivers of the PGM basket.

Lastly, the dollar remains a key driver of risk appetite. With a more hawkish FED relative to other central banks, a strong dollar view remained a dominant theme throughout the year. The rand depreciated against the dollar (7%), the pound (4.6%), and the euro (0.6%) in 2022, although as always there was considerable volatility during the year.

Economy

In the latest update from Q4 released early in 2023, the IMF has broadly revised their estimates for 2022 growth higher across the board except for China. This is largely due to the prolonged impact of the hard COVID lockdowns on that economy.

However, it is worth noting that China's growth has been revised sharply higher in 2023, while the UK has been revised sharply lower. Europe remains in the crosshairs with the Ukraine war on their border contributing to heightened risk and a muted economic growth outlook.

Revisions to US growth have generally been positive although the 2024 estimates recently released show growth lagging previous estimates of long-term growth.

Emerging markets (EM) growth was revised slightly higher across all three years. EMs are expected to continue holding their own as many continued to benefit from higher commodity prices. Energy producers were revised sharply higher in 2022 but are expected to moderate sharply in 2023 as energy prices are expected to normalize.

South Africa's growth was revised sharply higher to 2.6% in 2022. While better-than-expected trade data filtered through to the current account and hence, GDP, we believe that SA's challenges remain pronounced. This is reflected in the IMF's 2023 estimate for SA growth at 1.2%, sharply lower due to load shedding but remains significantly higher than the SARB's most recent estimate for growth in 2023 of only 0.3%. The impact of load shedding is acute and likely to remain a hard cap to growth in the medium term. The SARB estimates that it detracts as much as 2 percentage points from SA's potential economic growth.

Risks on the SA horizon are the potential 'greylisting' of SA due to inadequate measures to combat money laundering and illicit financial flows with other event risks centering on the State of the Nation Address, the budget, and upcoming cabinet appointments.

Inflation

Inflation remains a significant risk to markets globally but appears to be peaking. Namibian inflation peaked at 7.3% in August and has moderated to 6.9% by year-end. Unfortunately, despite a decline in inflationary pressures from higher fuel prices, food prices have remained elevated. Food inflation rose to 11.8% by year-end with double-digit increases in most food subcategories. The profile of the decline was somewhat different in the US where inflation peaked in June at 9.1% and has trended lower for each successive month to end the year at 6.5%.

Namibia's central bank continued with its hiking cycle in Q4. After starting 2022 at 4%, the Bank of Namibia hiked to end the year at 6.75%. Namibian inflation ended the year lower than South African inflation, but the stickiness of food inflation remains a concern. The Bank of Namibia will likely track SA policy moves closely albeit not in lockstep. The need to protect the 1-1 peg between the South African rand and the Namibian dollar remains a key determinant of how much flexibility the Bank of Namibia has.

Market Overview

Periodic Table

	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Best	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: Consumer discretionary 15.5	Namibia: Consumer discretionary 15.5
	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: Financials 11.3	Namibia: Financials 11.3
	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 Staples 11.0	Namibia: Consumer Staples 11.0
	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: Overall 9.7	Namibia: Overall 9.7
	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: IJG ALBI(All Bond) 8.4	Namibia: IJG ALBI(All Bond) 8.4
	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: Basic Materials 7.9	Namibia: Basic Materials 7.9
	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: IJG Money Market 5.7	Namibia: IJG Money Market 5.7
Worst	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: Local 2.0	Namibia: Local 2.0

Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	19.8	7.9	7.9	25.2	27.4	14.0
Namibia: Consumer discretionary	10.3	15.5	15.5	17.5	-0.8	1.3
Namibia: Financials	9.5	11.3	11.3	2.0	1.1	8.4
Namibia: Consumer Staples	5.1	11.0	11.0	9.7	11.0	11.8
Namibia: Local	8.8	2.0	2.0	-1.2	1.3	11.5
Namibia: Overall	13.5	9.7	9.7	12.9	9.5	9.6
Namibia: IJG ALBI(All Bond)	4.3	8.4	8.4	9.0	10.0	8.9
Namibia: IJG Money Market	1.7	5.7	5.7	5.2	6.2	6.5

Market Overview

RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	15.2	3.6	3.6	12.7	8.0	9.9
RSA: SWIX	12.4	3.6	3.6	8.8	4.4	8.5
RSA: Capped SWIX	12.2	4.4	4.4	10.1	4.9	8.3
RSA: Top 40 (Large Caps)	17.1	4.2	4.2	13.7	8.7	10.2
RSA: Mid Cap	8.0	1.6	1.6	3.9	3.2	7.1
RSA: Small Cap	4.4	7.6	7.6	19.5	6.9	9.8
RSA: Listed Property	19.3	0.5	0.5	-3.4	-7.2	2.8
RSA: Resources	17.6	6.2	6.2	19.4	20.2	7.7
RSA: Industrials 25	17.0	-3.4	-3.4	11.2	4.6	10.6
RSA: Financial 15	13.9	10.2	10.2	4.1	1.8	8.1
RSA: All Bond Index	5.7	4.3	4.3	7.1	7.8	7.1
RSA: Inflation Linked Bonds	2.0	4.3	4.3	7.9	5.2	5.0
RSA: STeFI Composite (Cash)	1.6	5.2	5.2	4.8	5.8	6.1

Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years
Namibia CPI	1.0	6.9	6.9	4.6	4.3

Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	2.7	7.1	7.1	13.4	14.1	8.2
Platinum	13.0	14.6	14.6	9.6	8.9	3.1
Oil	-7.5	17.8	17.8	16.6	12.0	4.5

International Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	1.8	-12.7	-12.7	14.9	16.6	20.7
UK: FTSE 100	10.9	-0.9	-0.9	6.6	7.5	10.6
Japan: Nikkei 225 Average	4.7	-13.8	-13.8	5.4	8.2	14.8
MSCI Emerging Markets	3.4	-17.2	-17.2	1.4	2.6	6.2
MSCI World	4.0	-12.3	-12.3	12.6	13.7	17.3
MSCI All Country World	4.0	-12.5	-12.5	11.6	12.7	16.4
USA: DJ Industrial Average	9.8	-0.7	-0.7	14.6	15.5	20.4

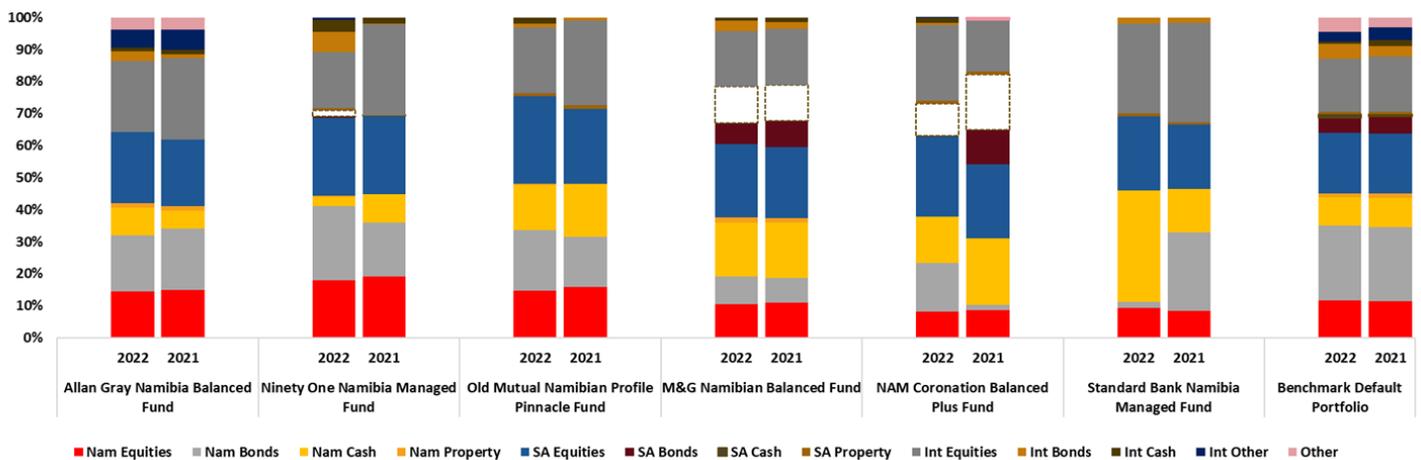
Global Fixed Income

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	-1.5	-6.3	-6.3	3.0	4.8	5.9
JP Morgan 6 Months Cash	-5.7	6.0	6.0	7.2	7.9	8.4

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2022 as compared to 31 December 2021



Notes 31 December 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.

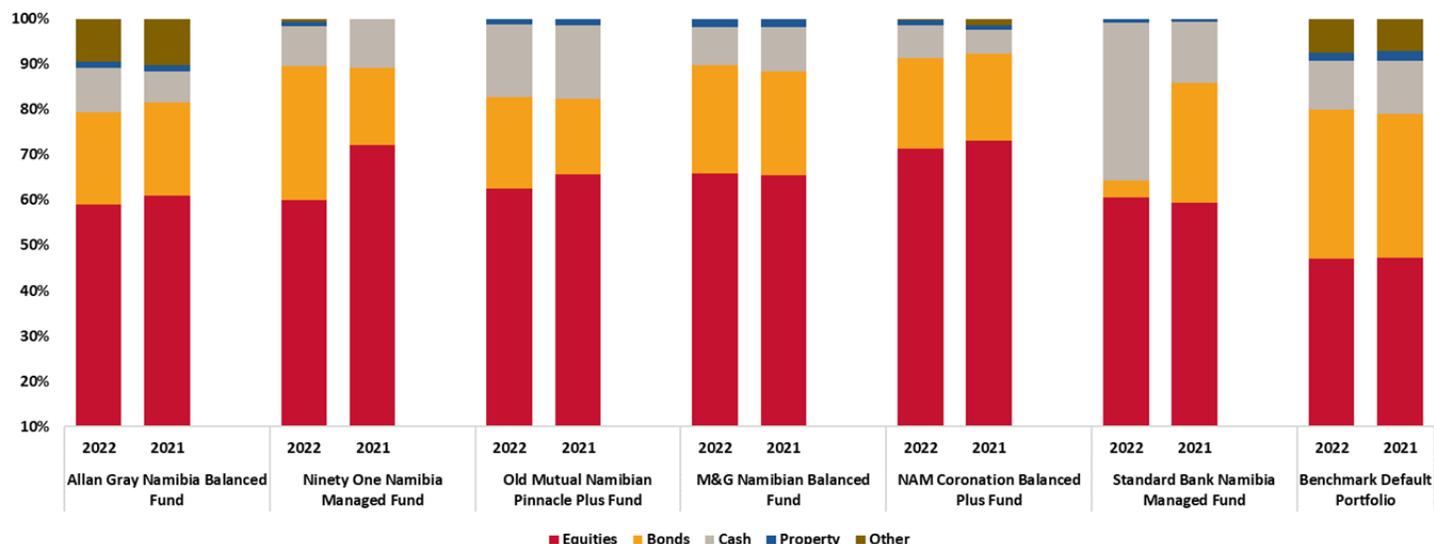
Notes 31 December 2021:

- 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.

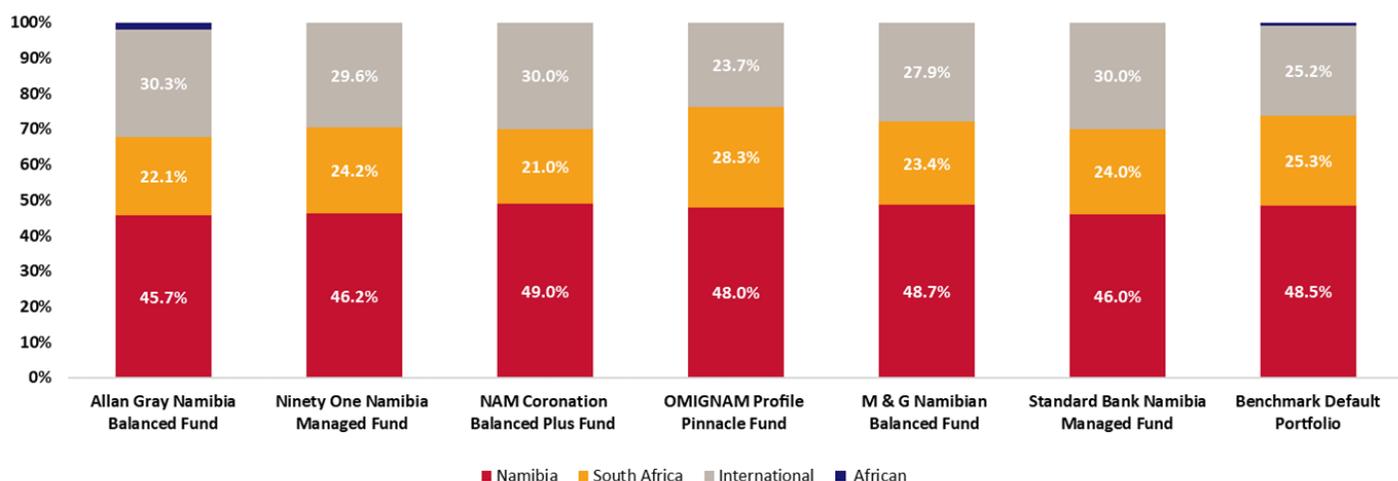
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 December 2022 as compared to 31 December 2021



Geographical Split as at 31 December 2022:



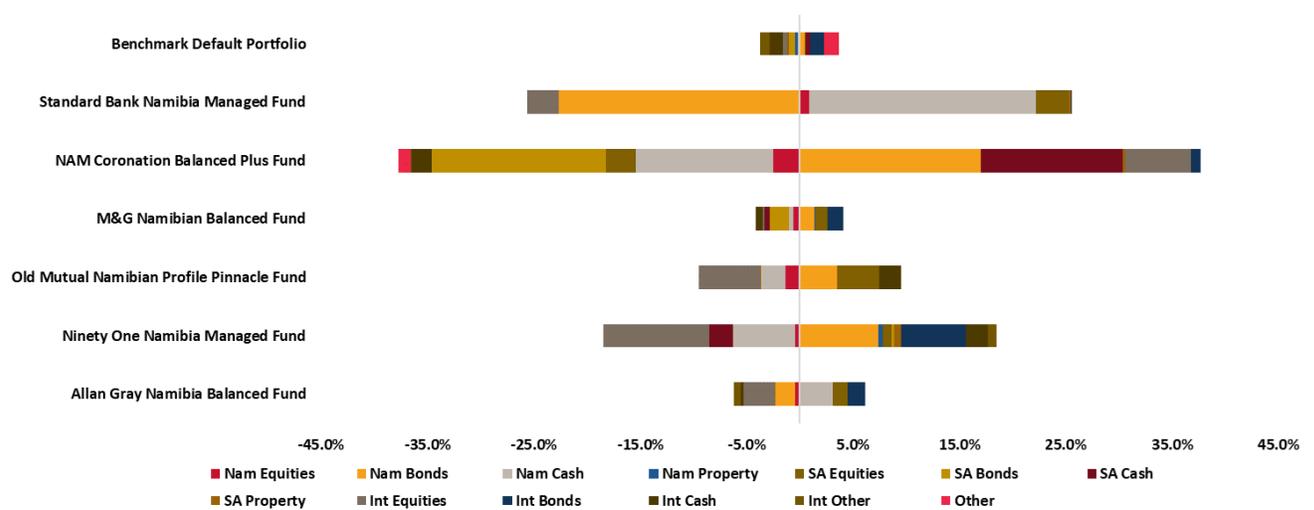
Notes:
Allan Gray: 1.9% African
Benchmark Default: 0.9% African

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 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 NAM Coronation Balanced Plus had the largest change to their portfolio over the last year, with a large shift from Into Namibian Bonds as well as into South African Cash. The Benchmark Default Portfolio made the fewest changes to their portfolio over the last year. Overall, 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 (except for the Standard Bank Managed Fund). 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 2022

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	8.2	8.6	6.6	9.9
NAM Coronation Balanced Plus Fund	-3.3	8.6	6.0	9.0
Ninety One Namibia Managed Fund	0.7	8.3	7.3	10.2
Old Mutual Namibian Profile Pinnacle Fund	0.2	8.9	7.2	9.9
Standard Bank Namibia Managed Fund	-4.8	5.1	5.9	7.8
M&G Namibian Balanced Fund	4.0	9.3	7.3	9.4
Benchmark Retirement Fund Default Portfolio	6.1	7.7	6.6	9.0
NMG SA Moderate Benchmark	1.0	10.6	8.7	9.7
NMG NAM Moderate Benchmark	3.5	10.2	9.7	10.3
FTSE/JSE All Share TR ZAR	3.6	12.7	8.0	9.9
NAM CPI + 6%	13.3	10.8	10.5	11.0

Trailing Returns as at 31 December 2021

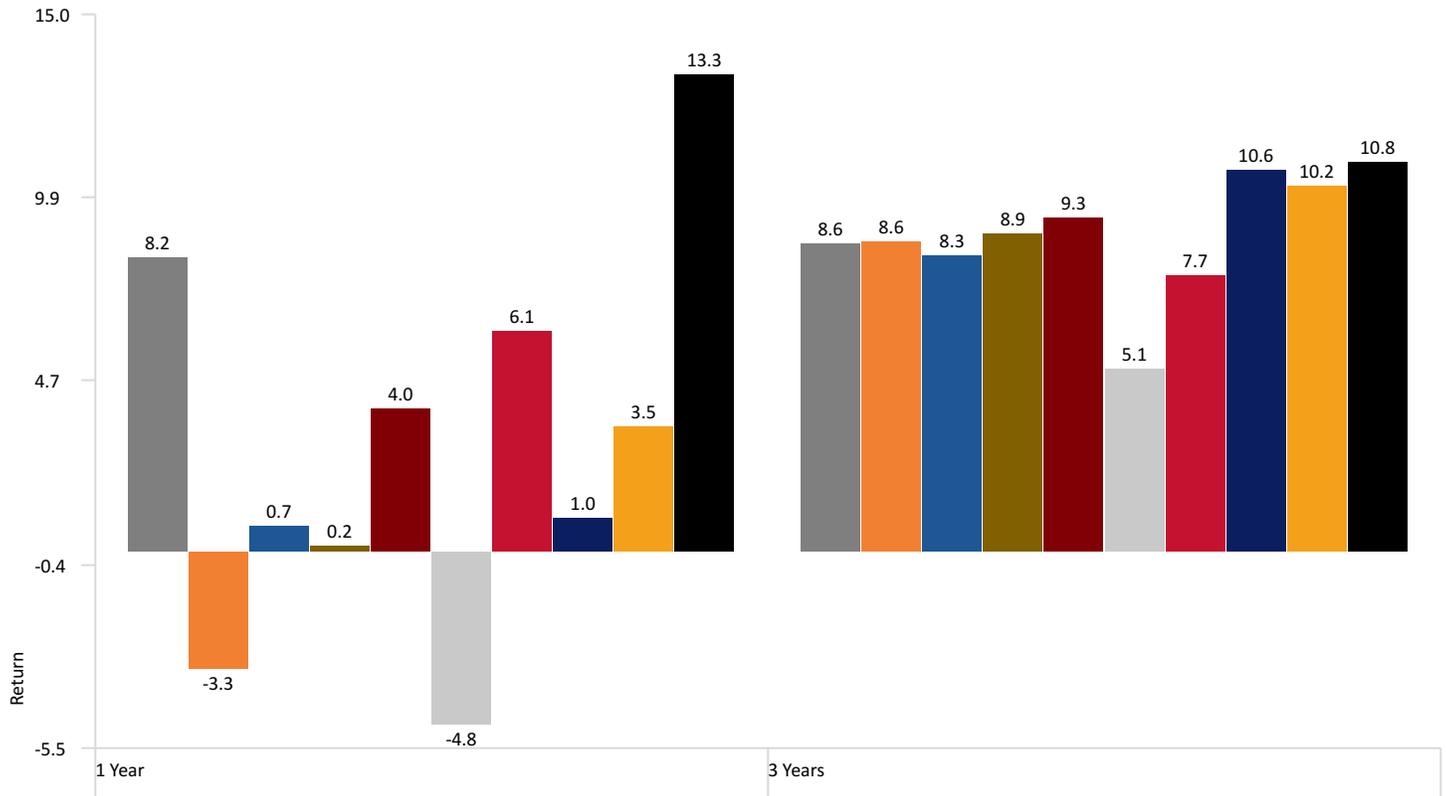
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	15.0	8.3	7.0	10.6
NAM Coronation Balanced Plus Fund	20.5	13.8	9.3	11.3
Ninety One Namibia Managed Fund	17.1	11.5	9.8	11.9
Old Mutual Namibian Profile Pinnacle Fund	21.4	12.3	10.0	11.7
Standard Bank Namibia Managed Fund	12.5	10.9	9.5	10.6
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

The returns for the Default Portfolio and the Allan Gray Namibia Balanced Fund (segregated) are the unit price returns allocated to members, which is received from Retirement Fund Solutions. 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.

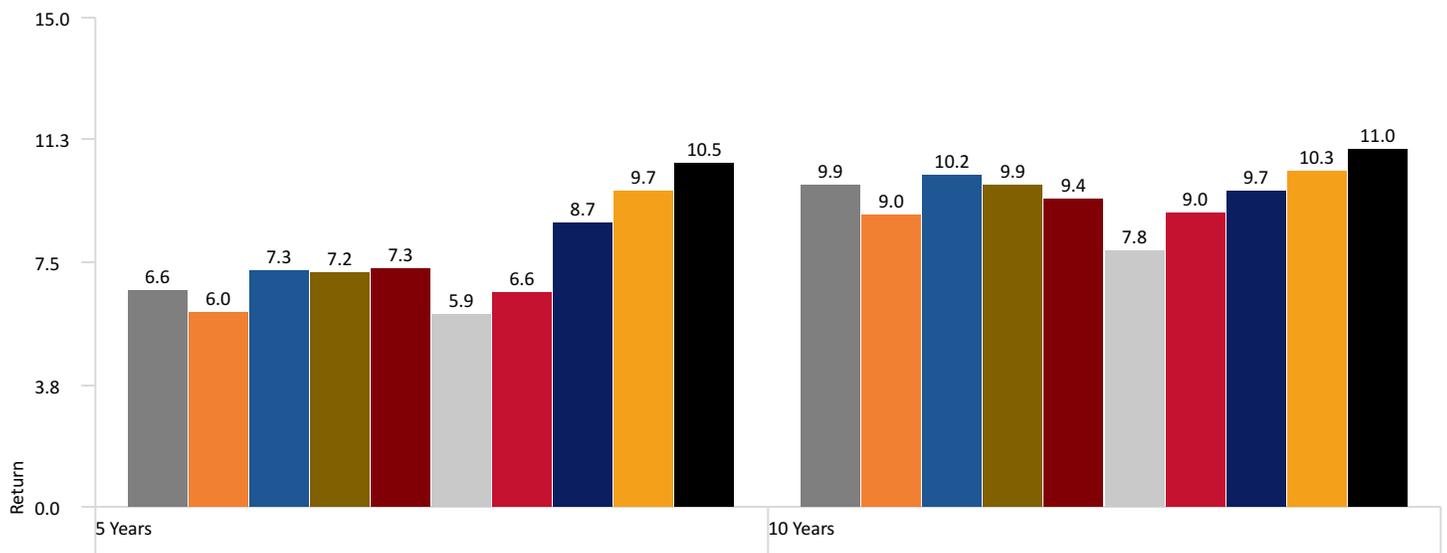
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 31 December 2022



5 & 10 years performance for the period ending 31 December 2022



- Allan Gray Namibia Balanced Fund
- NAM Coronation Balanced Plus Fund
- Ninety One Namibia Managed Fund
- Old Mutual Namibian Profile Pinnacle Fund
- M&G Namibian Balanced Fund
- Benchmark Retirement Fund Default Portfolio
- NMG SA Moderate Benchmark
- Standard Bank Namibia Managed Fund
- NMG NAM Moderate Benchmark
- NAM CPI + 6%

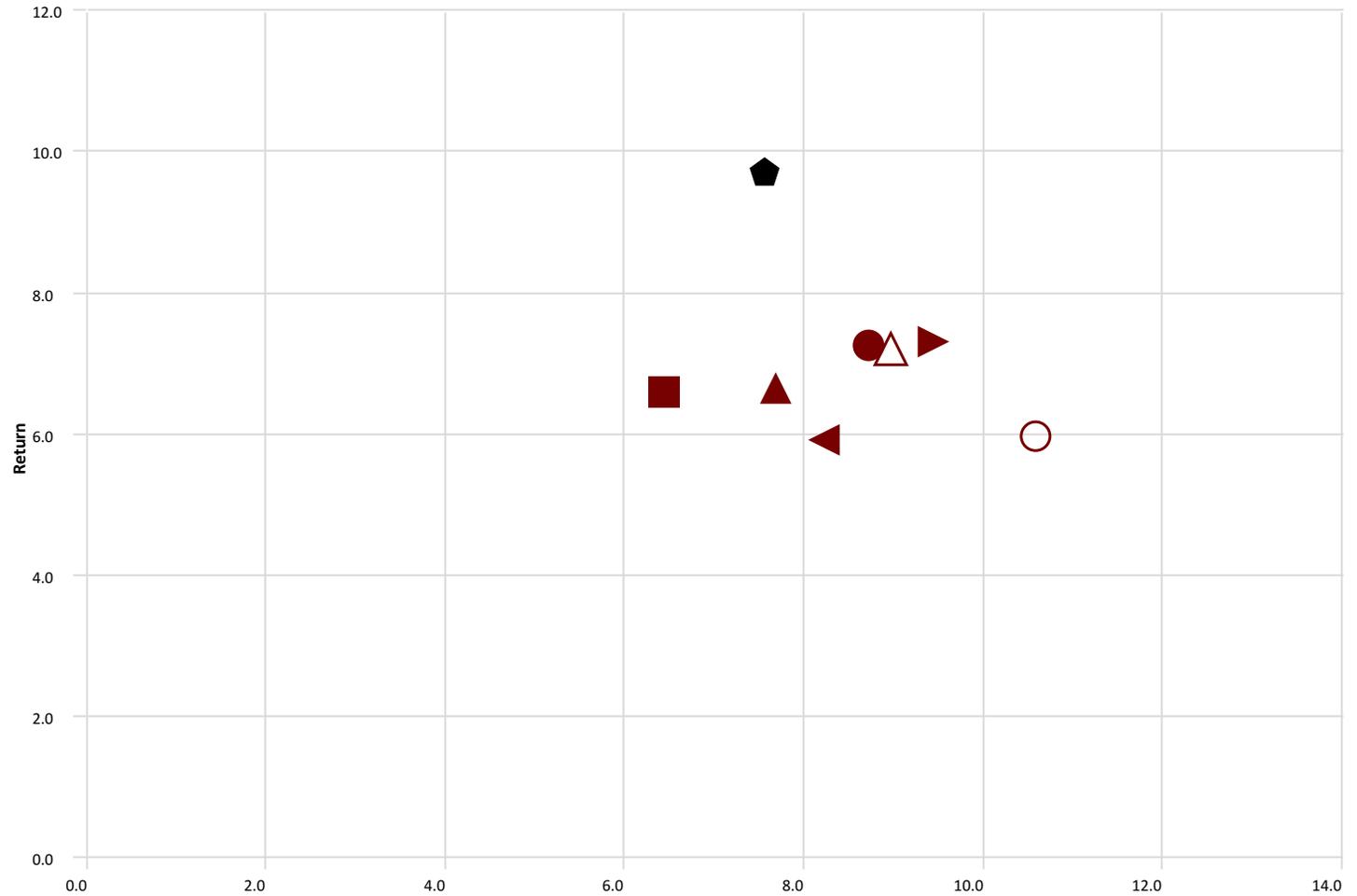
Performance Comparison

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-January-2018 to 31-December-2022

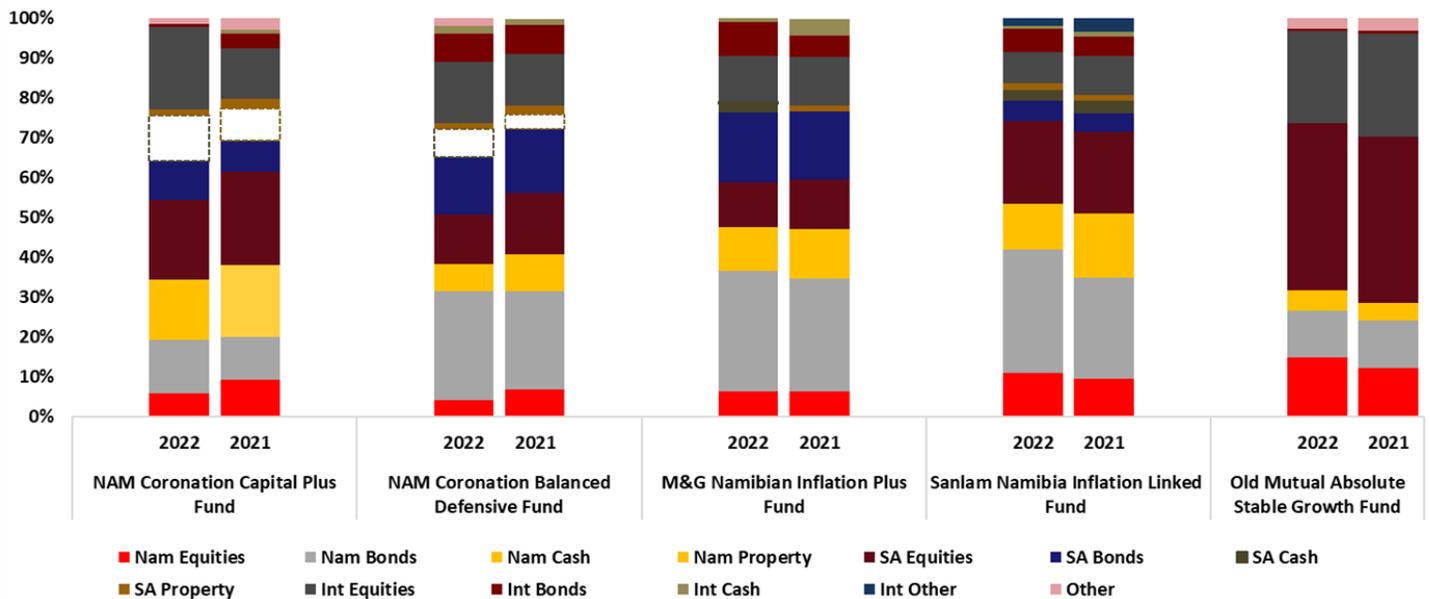


- Std Dev**
- ▲ Allan Gray Namibia Balanced Fund
 - Ninety One Namibia Managed Fund
 - NAM Coronation Balanced Plus Fund
 - ▲ Old Mutual Namibian Profile Pinnacle Fund
 - ▶ M&G Namibian Balanced Fund
 - ◀ Standard Bank Namibia Managed Fund
 - Benchmark Retirement Fund Default Portfolio
 - ◆ NMG NAM Moderate Benchmark

Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2022 as compared to 31 December 2021



Notes 31 December 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

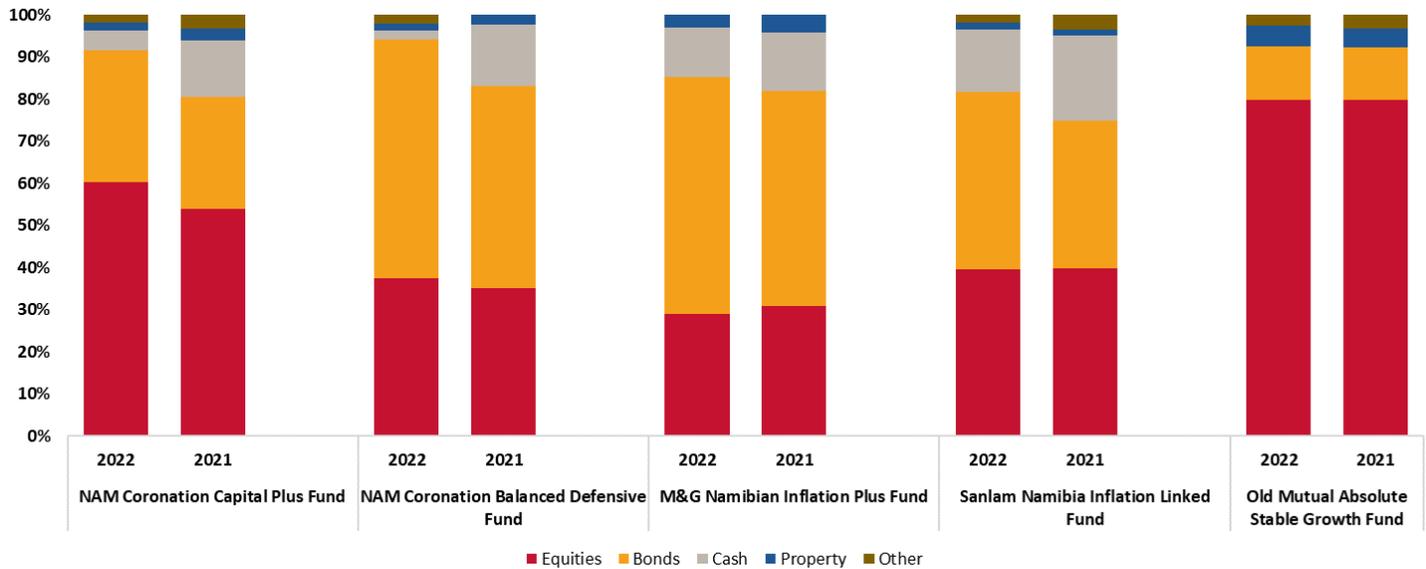
Notes 31 December 2021:

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

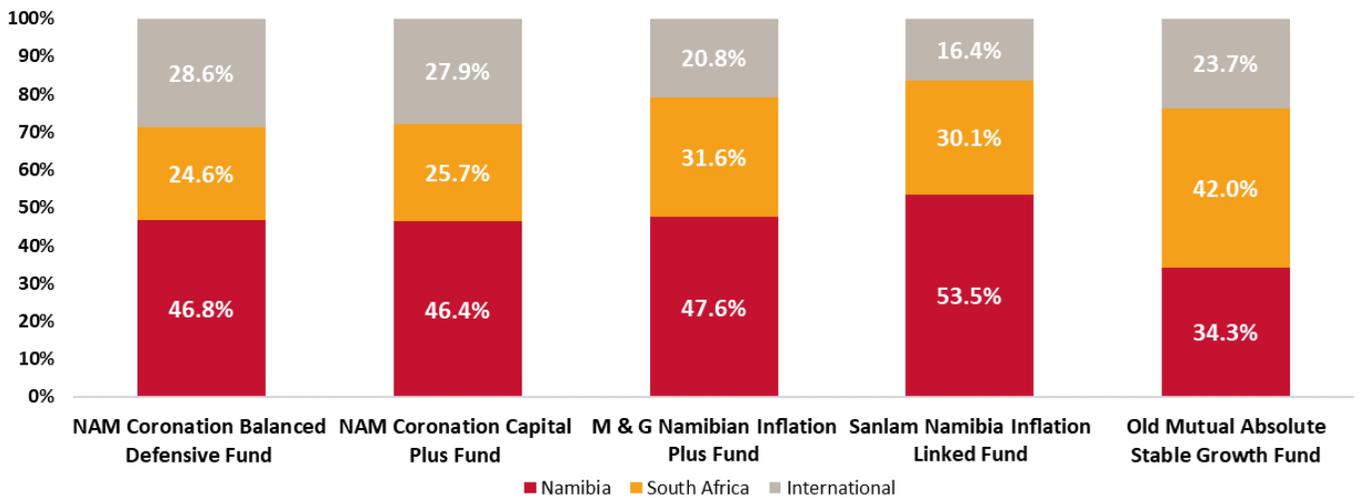
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2022 compared 31 December 2021



Geographical Split as at 31 December 2022:



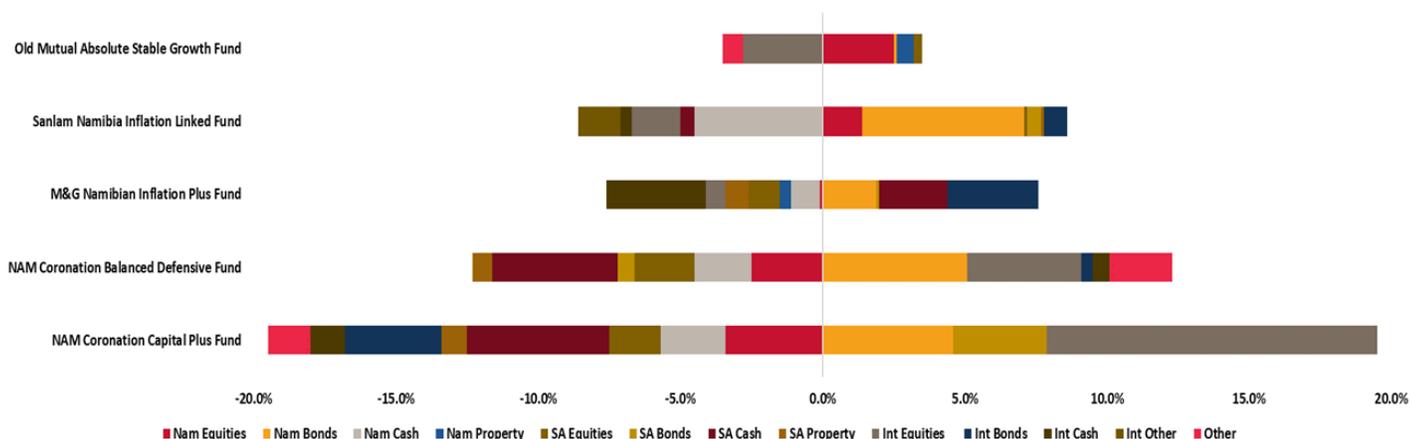
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

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 **31 December 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 NAM Coronation Capital Plus Fund made the biggest change to their portfolio over the last year, with the major change being the increase in International Equities. The Old Mutual Absolute Stable Growth Fund made the fewest changes over the last year, similar to the previous quarter. 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 South African Cash. 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 2022

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	2.1	6.7	6.4	8.1
NAM Coronation Capital Plus Fund	-1.2	6.8	5.8	7.4
M&G Namibian Inflation Plus Fund	4.8	7.3	6.7	8.4
Sanlam Namibia Inflation Linked Fund	2.3	6.4	6.6	8.2
Old Mutual Absolute Stable Growth Fund	9.5	7.6	6.6	9.1
NMG NAM Mod Conservative Benchmark	5.7	9.2	9.0	8.9
NAM CPI + 4%	11.2	8.8	8.5	8.9

Trailing Returns as at 31 December 2021

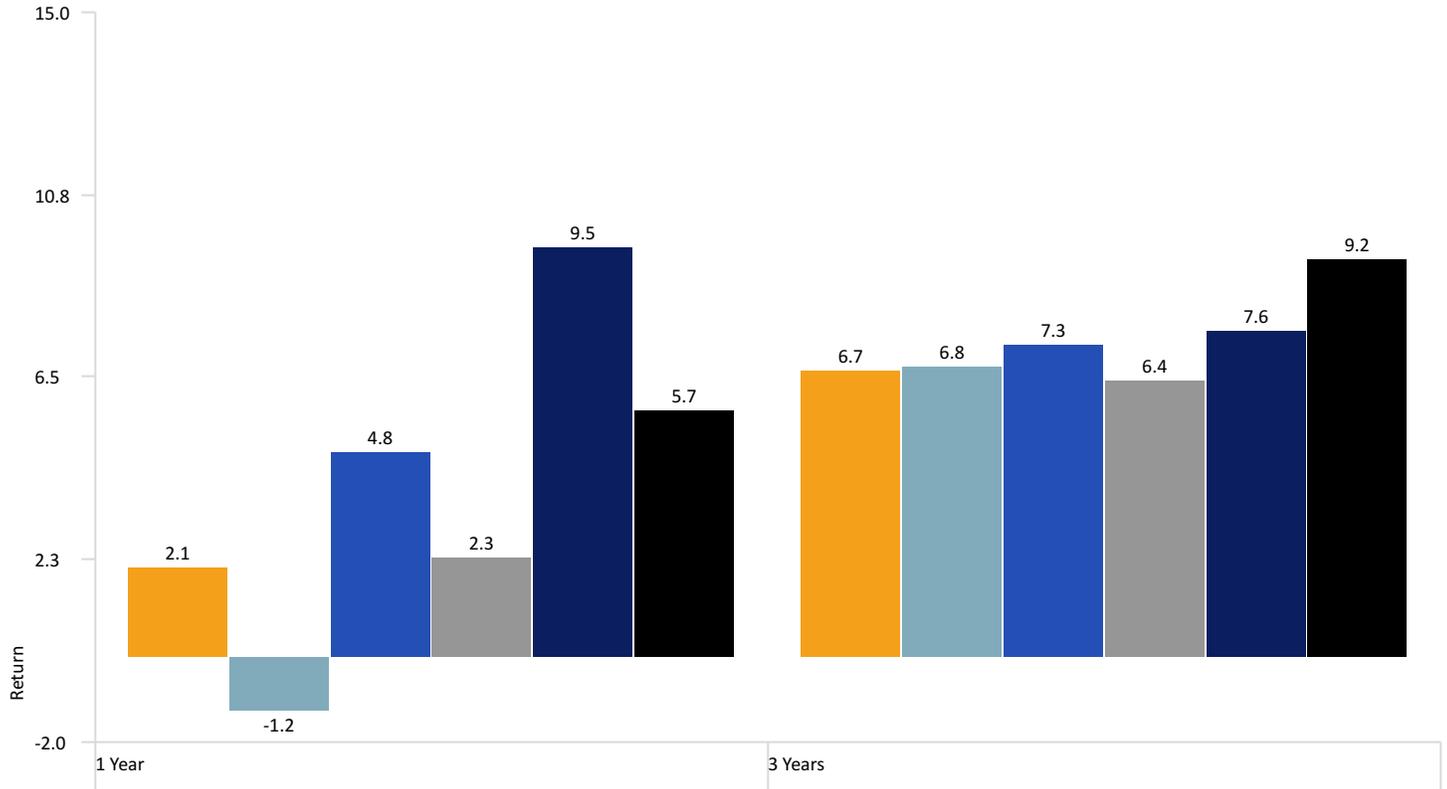
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	11.4	9.6	7.7	9.4
NAM Coronation Capital Plus Fund	14.8	11.0	7.5	9.2
M&G Namibian Inflation Plus Fund	13.5	8.9	7.8	9.8
Sanlam Namibia Inflation Linked Fund	11.5	9.4	7.8	9.3
Old Mutual Absolute Stable Growth Fund	14.4	5.9	6.5	9.1
NMG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

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.

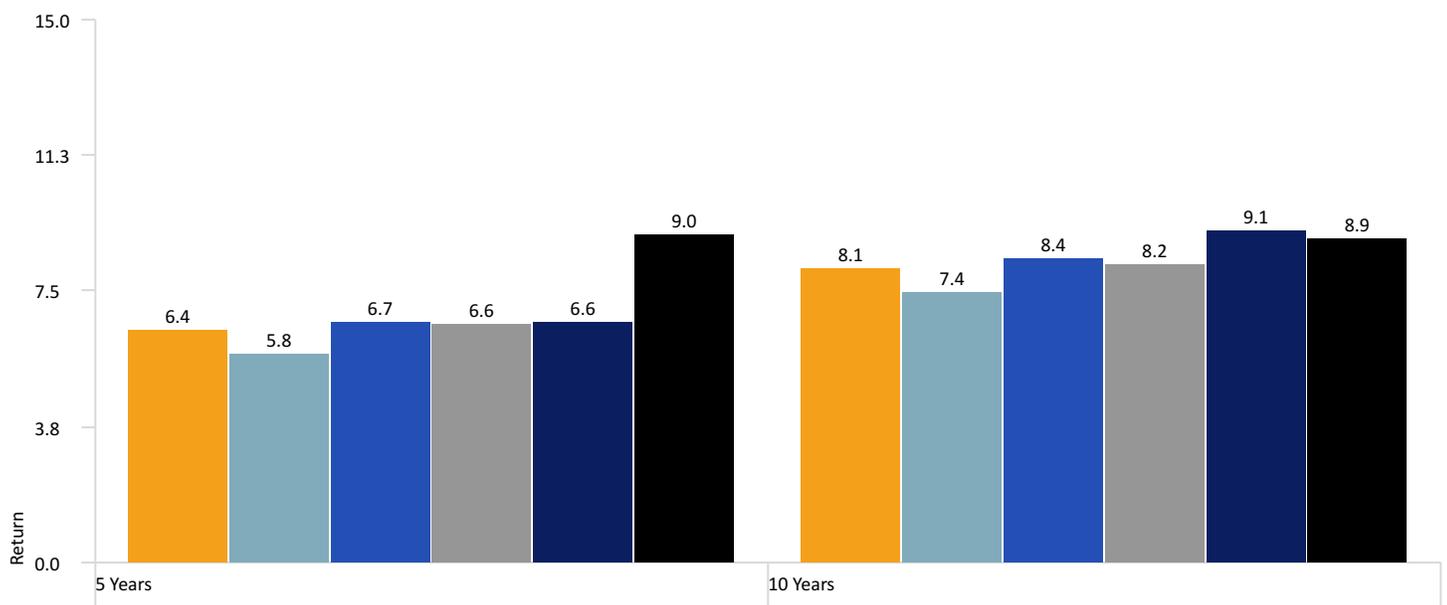
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 31 December 2022



5 & 10 years performance for the period ended 31 December 2022



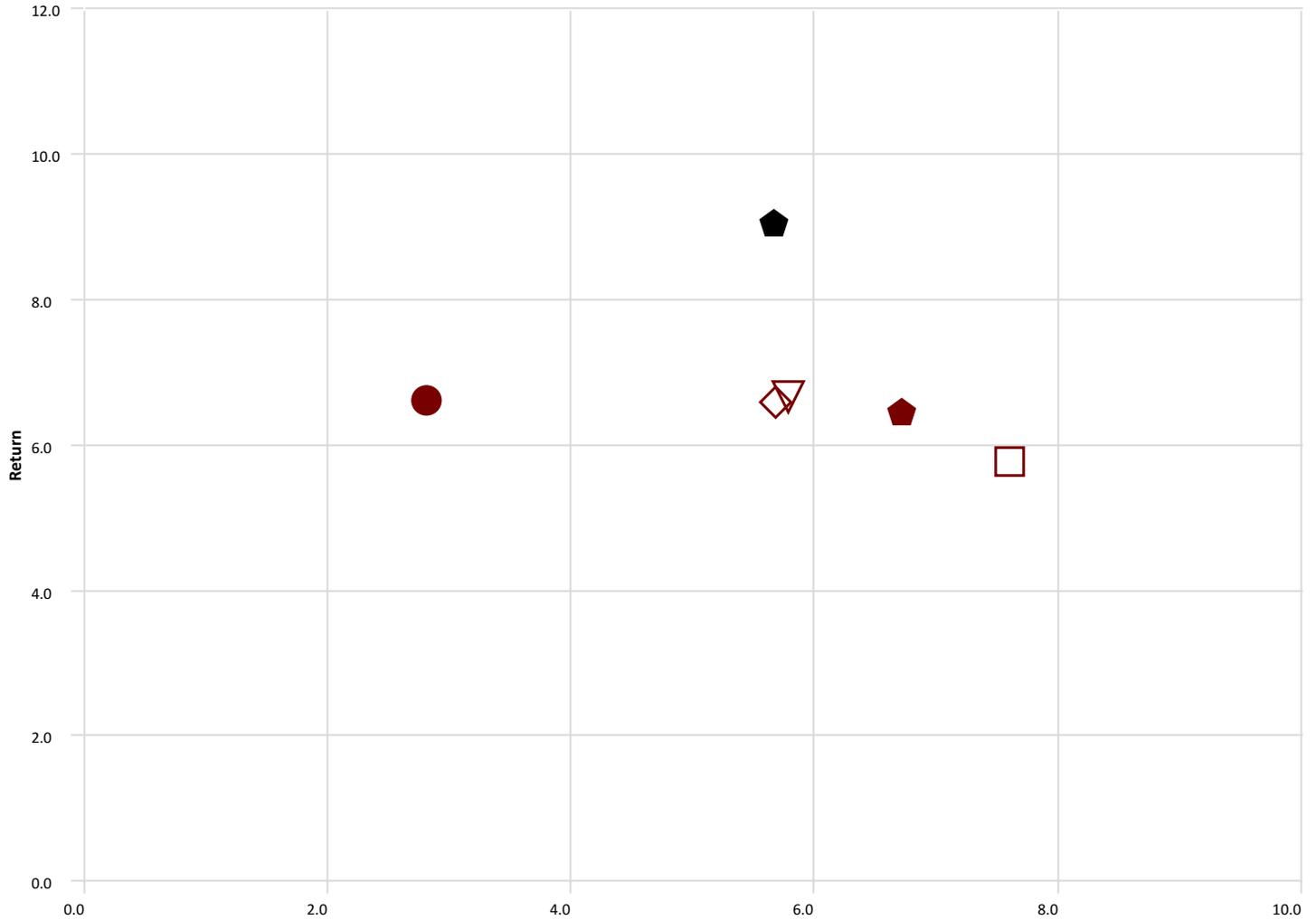
Performance Comparison

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-January-2018 to 31-December-2022

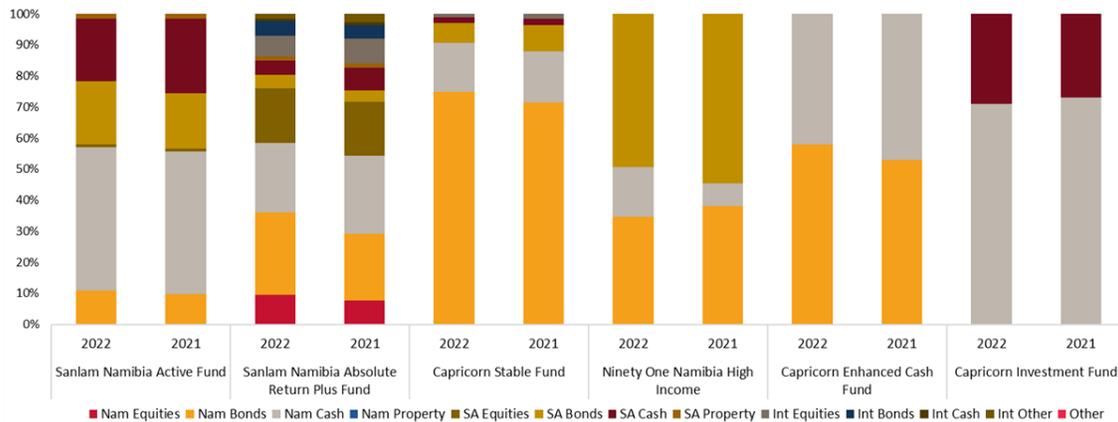


- Std Dev**
- ◆ NAM Coronation Balanced Defensive Fund
 - ◻ NAM Coronation Capital Plus Fund
 - ▽ M&G Namibia Inflation Plus Fund
 - ◇ Sanlam Namibia Inflation Linked Fund
 - Old Mutual Absolute Stable Growth Fund
 - ◆ NMG NAM Mod Conservative Benchmark

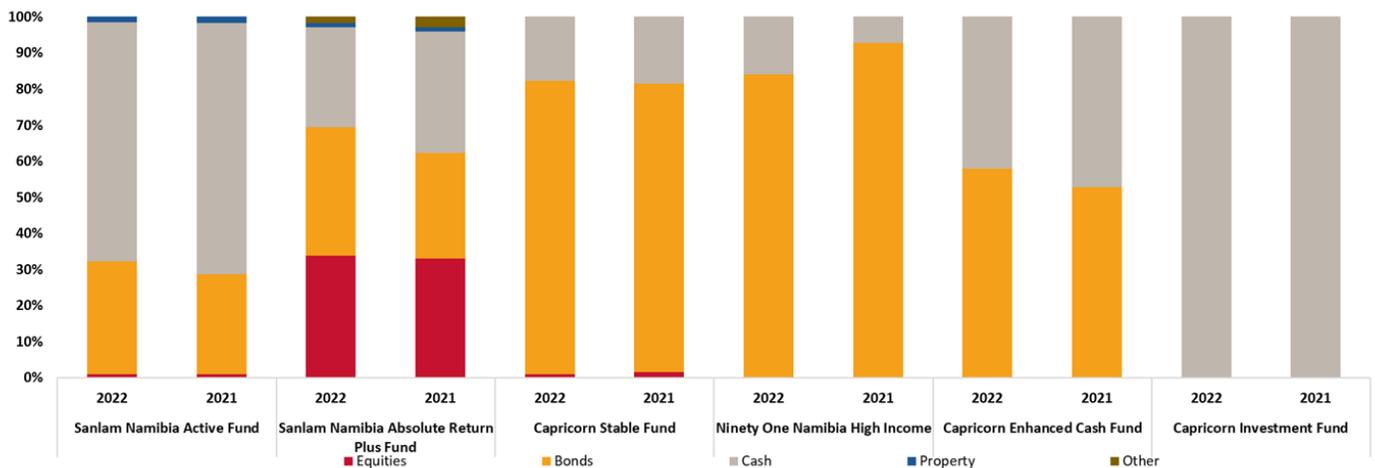
Performance Comparison

Low Risk and Capital Preservation Portfolios

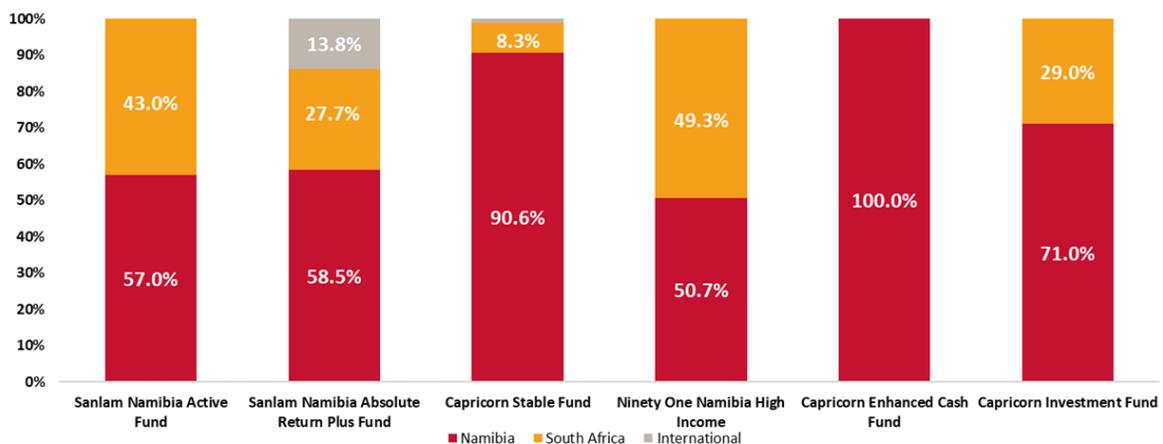
Asset Allocation as at 31 December 2022 as compared to 31 December 2021



The total Namibian exposure is 57.0% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 90.6% 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 58.5% exposure to Namibian assets.



Geographical Split as at 31 December 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 31 December 2022

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	5.7	5.5	6.4	7.2
Sanlam Namibia Absolute Return Plus Fund**	4.0	5.2	5.8	7.4
Capricorn Stable Fund*	14.4	9.2	8.6	—
Ninety One Namibia High Income Fund***	6.9	6.0	6.9	6.4
Capricorn Enhanced Cash Fund***	6.2	6.3	7.2	7.5
NAM CPI + 1%	8.0	5.6	5.3	5.8
NAM CPI + 2%	9.0	6.7	6.4	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	5.7	7.1	7.6	7.2

*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.

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

Trailing Returns as at 31 December 2021

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	5.6	6.3	7.0	7.5
Sanlam Namibia Absolute Return Plus Fund**	6.3	6.5	6.4	—
Capricorn Stable Fund*	5.8	7.8	7.7	—
Ninety One Namibia High Income Fund***	3.9	6.5	7.2	6.4
Capricorn Enhanced Cash Fund***	5.0	7.1	7.9	—
NAM CPI + 1%	5.5	4.2	5.0	5.7
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.

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

Trailing Returns as at 31 December 2022

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	6.0	5.4	6.3	6.5
NAM CPI	6.9	4.6	4.3	4.7
IJG Money Market GR NAD	5.7	5.2	6.2	6.5

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
NAM CPI	4.5	3.1	3.9	4.7
IJG Money Market GR NAD	4.2	5.8	6.7	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 31 December 2022

	1 Year	3 Years	5 Years	01-January-2016 - 31-December-2022
Allegrow Fund*	0.5	-7.8	-4.4	-1.7
Caliber Capital Fund (A)	8.0	7.3	8.0	6.8
IJG Frontier Investment Fund	6.5	1.2	-7.3	-4.0
Stimulus	14.4	6.0	6.2	4.4
NAM CPI + 4.5%	11.7	9.3	9.0	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 31 December 2021

	1 Year	3 Years	5 Years	01-January-2016 - 31-December-2021
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
Stimulus	1.6	4.2	3.4	2.8
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.

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.