



Benchmark Retirement Fund

Quarterly Investment Report: As at 30 September 2023

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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's Explicit Performance Objective	Return Expectations derived form 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), M&G Namibia Inflation Plus Fund, Sanlam Inflation Linked Fund, Ninety One Namibia Opportunity Fund and 20Twenty Credit Solution.

***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:

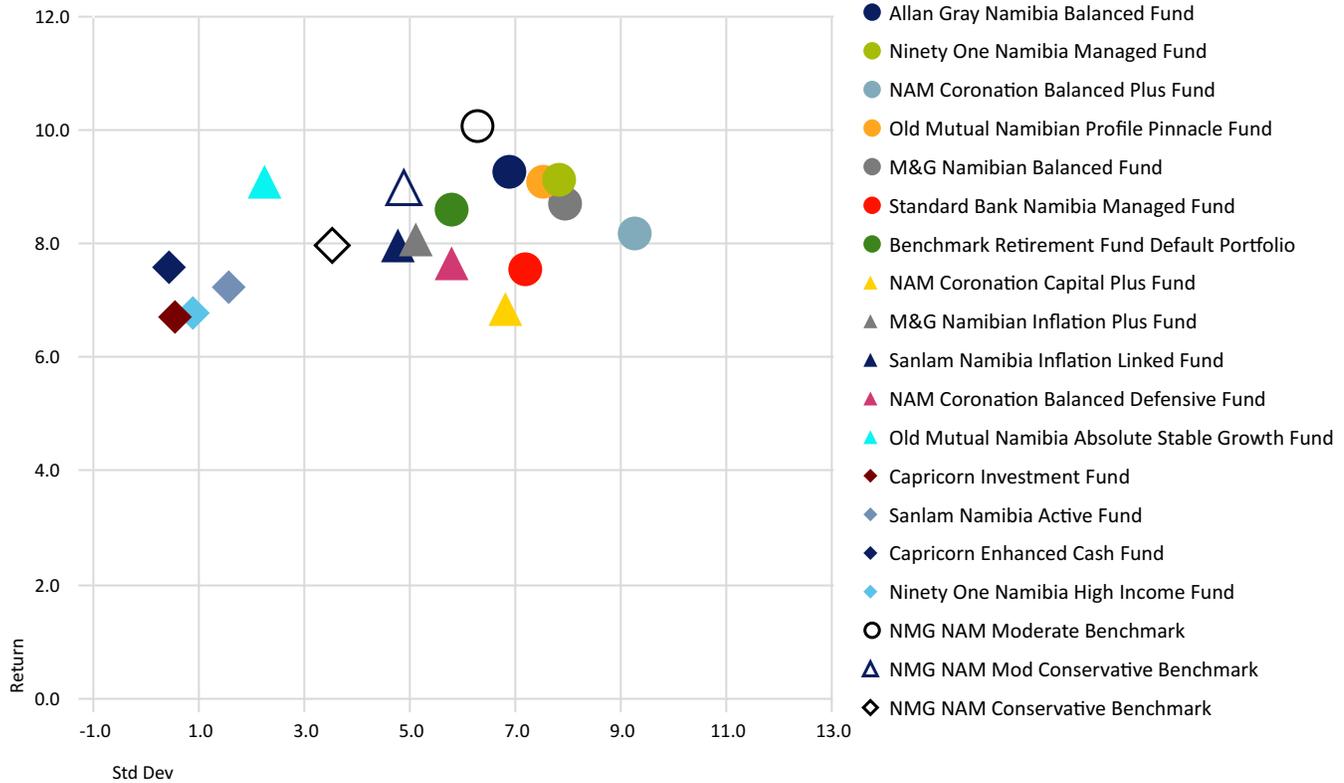
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

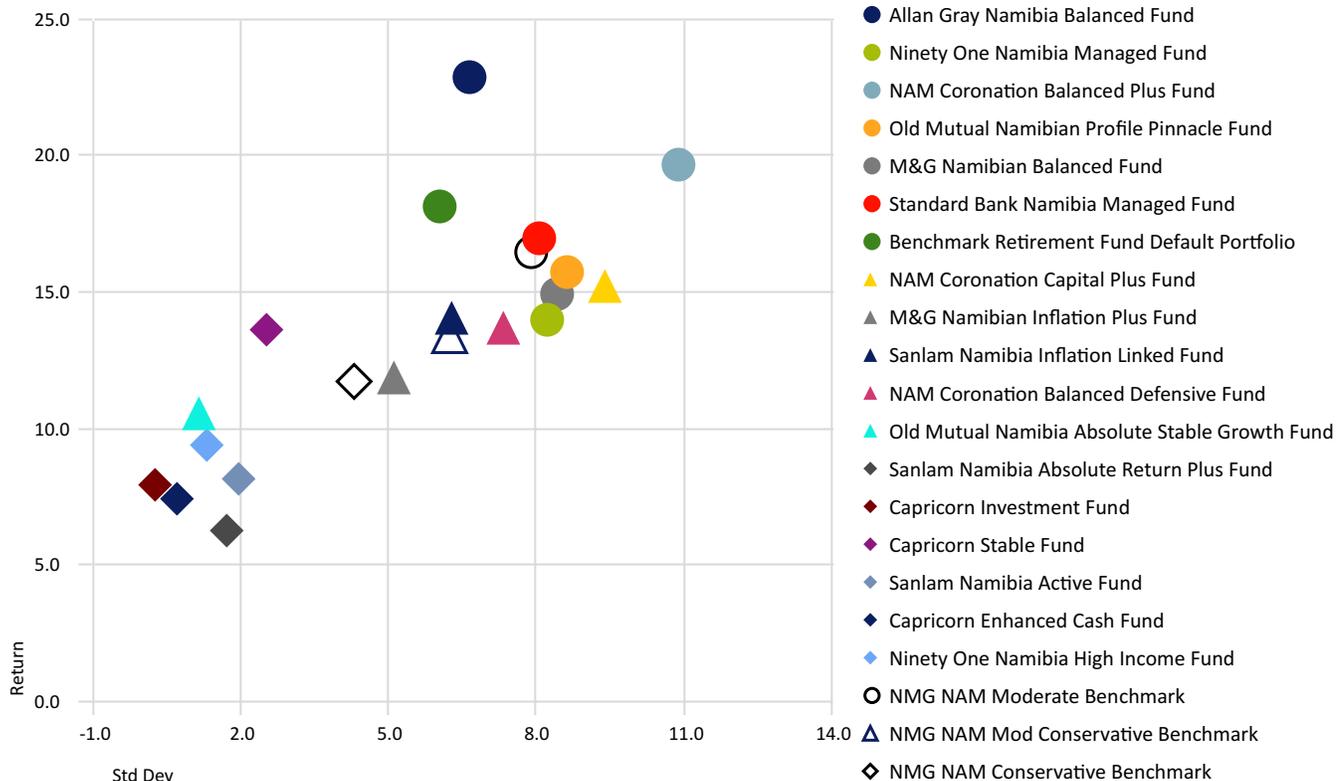
Risk-Reward - Over the long term

Time Period: 01-October-2013 to 30-September-2023



Risk-Reward - Over the short term

Time Period: 01-October-2022 to 30-September-2023



Market Overview

Markets

Global equities faced a reversal of fortunes in Q3 2023 after a robust first half of the year, with most major markets posting negative returns. Government bonds experienced sharp declines with rising yields, and commodities emerged as notable outperformers.

US equities weakened in Q3 as optimism at the beginning of the quarter over the Federal Reserve's management of the economy gave way to concerns about sustained higher interest rates. Expectations of further rate hikes by the Fed and a higher median rate forecast for 2024 contributed to market uncertainty. Eurozone shares fell in Q3 amid concerns about the negative impact of rising interest rates on economic growth. UK equities rose in Q3, with energy and basic materials sectors outperforming. Emerging Market equities ended the quarter in negative territory due to concerns about prolonged higher interest rates in the US. There were also concerns around the Chinese economy and in particular, the property sector.

The South African equity market was also weak. The JSE All Share declined with pressure concentrated in the Resources and Industrials sectors. Financials showed resilience, where banks tend to benefit from higher rates.

Remarkably, the US dollar strengthened against major currencies as risk appetite waned, supporting the 'safe-haven' demand of US cash. Commodities posted a mixed performance but were up at an aggregate level. The S&P GSCI index surged in Q3, driven by higher energy prices resulting from oil production cuts by Russia and Saudi Arabia. Precious metals underperformed, with weaker gold and silver prices. Subsequent to the end of the quarter, an escalation in geopolitical tensions has lent support to gold as a potential 'conflict hedge'.

The rand has oscillated within an approximate R2.00 range from levels seen at the end of the last quarter, ending the quarter at a relatively unchanged level.

Namibian stocks have been notable outperformers this year. The NSX local extended its strong momentum last quarter, albeit supported by some corporate action and consolidations among larger stocks. The NSX Overall also posted gains over the last quarter but lags on a 12-month basis.

Economy

The IMF's latest World Economic outlook indicated that global growth is progressing slowly and unevenly. Many regions, particularly emerging markets and developing economies, still lag behind their pre-pandemic levels of economic activity. Multiple factors are hindering the recovery, including the long-term consequences of the pandemic and geopolitical tensions, as well as cyclical challenges like inflation, monetary policy tightening, reduced fiscal support, and extreme weather events.

Global growth is forecasted to decelerate from 3.5 percent in 2022 to 3.0 percent in 2023 and further to 2.9 percent in 2024. Advanced economies are expected to experience a slowdown from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 while emerging market and developing economies are projected to see modest declines from 4.1 percent in 2022 to 4.0 percent in 2023 and 2024.

Looking at the economic data, in Q3, the US economy remained resilient with robust economic growth despite concerns over rising debt issuance and a downgrade of the US's credit rating. The manufacturing Purchasing Managers' Index (PMI) remained in contraction while services PMI momentum slowed. The Eurozone experienced stagnation in the first half of the year, with Germany's economy struggling. Chinese growth was expected to slow after a robust rebound in Q2. The key feature in China has been stimulus measures aimed at supporting economic growth. These have ranged from lower policy rates and bank reserve requirements as well as a gradual weakening in the yuan.

The South African economy fared slightly better in Q2 2023, but load-shedding, subdued global demand, lower commodity prices, and infrastructure constraints continue to hinder growth. Fixed investment has been a light on the horizon, mostly being driven by renewable energy projects in the private sector as an attempt to mitigate against the long-term decline in state capacity and utilities. Pressure on specific commodities has acted as a headwind to South Africa's export-oriented industries and resulted in a deterioration in SA's terms of trade. The current account deficit widened in the second quarter and is expected to remain in deficit for the year ahead.

Namibian growth for 2022 was remarkably strong but the IMF refrained from revising their longer-term outlook. Growth estimates from the Namibian central bank have been relatively more upbeat than the IMF and in aggregate, the Namibian economy is expected to grow significantly faster than South Africa over the forecast period.

Inflation

Inflation has been running significantly above most global central bank target rates for the last year, leading to the sharpest hikes in monetary policy since the 1970s. Given these hikes, global inflation is predicted to decrease gradually, falling from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024.

US inflation has risen from the lows of 3% in June to 3.7% in September, strong consumer spending patterns being a contributing factor. In the Eurozone, inflation has continued to slow, falling to a low of 4.3% in September. The UK's CPI remains higher than global peers at around 6.7% in September.

In South Africa, CPI returned to the SARB's 3-6% target range, troughing at 4.7% in July before trending back up to 5.4% in September. While the hiking cycle may have peaked for now, inflation will be watched closely given concerns around rand weakness, rising global oil prices, and concerns about food security and administered prices. The market expects interest rates to remain on hold until early 2024.

Namibian inflation fell to 4.5% in July before trending higher to 5.4% in September. Food inflation remains a sticky point at 9.8% while although significantly off the highs of 14.6% in March last year, remains elevated and a core concern for policymakers.

Inflation is receding globally, but it continues to persist at levels well in excess of long-term targets, raising concerns that a tighter policy may result in a sharper global growth slowdown.

Policy rates, yields, and the yield curve.

Given the inflation backdrop, central banks globally are grappling with the challenge of balancing interest rates against inflation expectations and realized price increases. Many major central banks indicated a pause in further rate hikes due to easing core inflation.

After hiking in July, the US Federal Reserve kept rates on hold through the rest of Q3 at 5.25%-5.5%. The European Central Bank pushed policy rates to 4.5% in Q3. The Bank of England raised the base rate in August but kept rates unchanged in September bringing the policy rate to 5.25%.

In aggregate, rate hikes and inflation expectations have kept bond yields elevated. The US 10-year yield increased by around 100bps to end the quarter around 4.8% amidst concerns over rising debt issuance by the US, extended fiscal deficits, a downgrade of the US's credit rating, and continual deadlocks at US Congress.

Domestic SA bonds tracked global markets as SA yields moved higher from the lows in July.

Namibia's central bank has kept rates on hold throughout Q3 with policy rates still at 7.75%, a full 50bps lower than South African policy rates. The Bank of Namibia remains sensitive to the need to protect the 1-1 peg between the South African Rand and the Namibian dollar and the current pause in SA policy rates will ease pressure on Namibian authorities to follow suit. At present levels, Namibian rates appear well calibrated to a strong economy with some upside inflation pressures.

Conclusion:

In summary, Q3 2023 marked a shift from the optimism of the first half of the year to a more challenging environment for global equities, driven by concerns over interest rates, inflation, and economic growth. This led to higher bond yields, a higher discount rate, and negative returns in many major equity markets. However, commodities stood out as outperformers, particularly energy, amid geopolitical tensions affecting the oil market.

While global economic growth remains slow and uneven, the US economy showed resilience, although inflation concerns persist. Central banks around the world are navigating the challenge of balancing interest rates with inflation expectations. Now, more than ever, prudent diversification and investment discipline remain crucial.

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 52.6
	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: Local 42.2
	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: Financials 14.2
	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: IJG ALBI(All Bond) 11.3
	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: Consumer Staples 11.0
	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: IJG Money Market 5.9
	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: Overall 0.9
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: Basic Materials -14.9

Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	-0.3	-14.9	1.9	13.1	17.5	12.5
Namibia: Consumer discretionary	39.6	52.6	68.3	34.8	10.3	7.5
Namibia: Financials	0.3	14.2	25.0	22.9	3.6	8.6
Namibia: Consumer Staples	7.8	11.0	16.7	20.1	10.9	10.7
Namibia: Local	3.8	42.2	54.8	20.7	7.4	13.3
Namibia: Overall	1.0	0.9	14.6	19.2	8.9	9.3
Namibia: IJG ALBI(All Bond)	2.7	11.3	16.1	10.1	11.1	9.7
Namibia: IJG Money Market	2.1	5.9	7.7	5.7	6.2	6.7

Market Overview

RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	-3.5	2.2	17.7	14.5	9.3	8.6
RSA: SWIX	-4.0	-0.2	12.2	11.2	6.2	7.1
RSA: Capped SWIX	-3.8	-0.3	11.9	13.8	6.4	6.9
RSA: Top 40 (Large Caps)	-4.6	2.3	19.8	14.2	9.9	8.8
RSA: Mid Cap	0.9	-0.3	7.7	14.1	5.8	6.4
RSA: Small Cap	1.1	2.4	7.0	28.8	9.2	7.9
RSA: Listed Property	-1.0	-5.4	12.9	16.8	-3.5	1.5
RSA: Resources	-5.4	-15.3	-0.5	8.7	11.4	5.9
RSA: Industrials 25	-6.8	10.7	29.5	12.5	9.5	8.9
RSA: Financial 15	2.0	8.5	23.6	22.3	4.2	7.8
RSA: All Bond Index	-0.3	1.5	7.2	7.0	7.2	7.2
RSA: Inflation Linked Bonds	0.8	1.0	3.0	8.6	5.5	5.3
RSA: STeFI Composite (Cash)	2.1	5.8	7.5	5.3	5.9	6.3

Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years
Namibia CPI	1.5	4.4	5.4	5.3	4.3

Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	-2.5	14.2	17.3	3.8	16.0	10.2
Platinum	2.6	-0.9	12.0	5.7	8.6	2.0
Oil	26.9	22.8	13.6	38.0	8.9	5.1

International Indices

Currency: South African Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	-3.5	25.2	27.5	14.7	16.4	19.2
UK: FTSE 100	-2.2	18.5	31.4	15.6	8.9	9.3
Japan: Nikkei 225 Average	-6.6	21.8	27.5	5.2	8.2	12.6
MSCI Emerging Markets	-4.0	10.3	14.0	-0.2	3.9	6.1
MSCI World	-3.6	23.5	28.5	13.1	14.2	15.9
MSCI All Country World	-3.6	22.3	27.3	11.8	13.3	15.1
USA: DJ Industrial Average	-2.4	13.7	24.9	13.1	13.4	18.0

Global Fixed Income

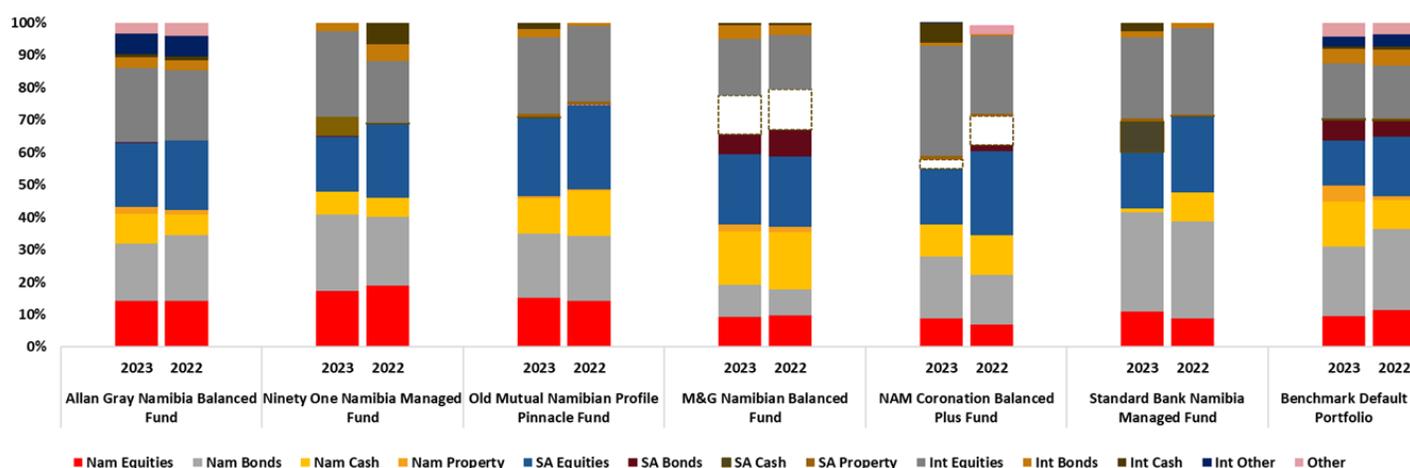
Currency: South African Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	-2.3	9.9	8.2	-1.5	4.5	5.4
ICE BofA 0-3 M US Trsy Bill TR USD	1.0	14.8	9.6	6.0	7.7	7.6
ICE BofA 3-6 M US Trsy Bill TR USD	1.0	14.8	9.6	5.9	7.8	7.7
FTSE WGBI USD	-4.5	7.8	5.9	-4.9	3.2	5.2

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 September 2023 as compared to 30 September 2022



Notes 30 September 2023:

- 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.

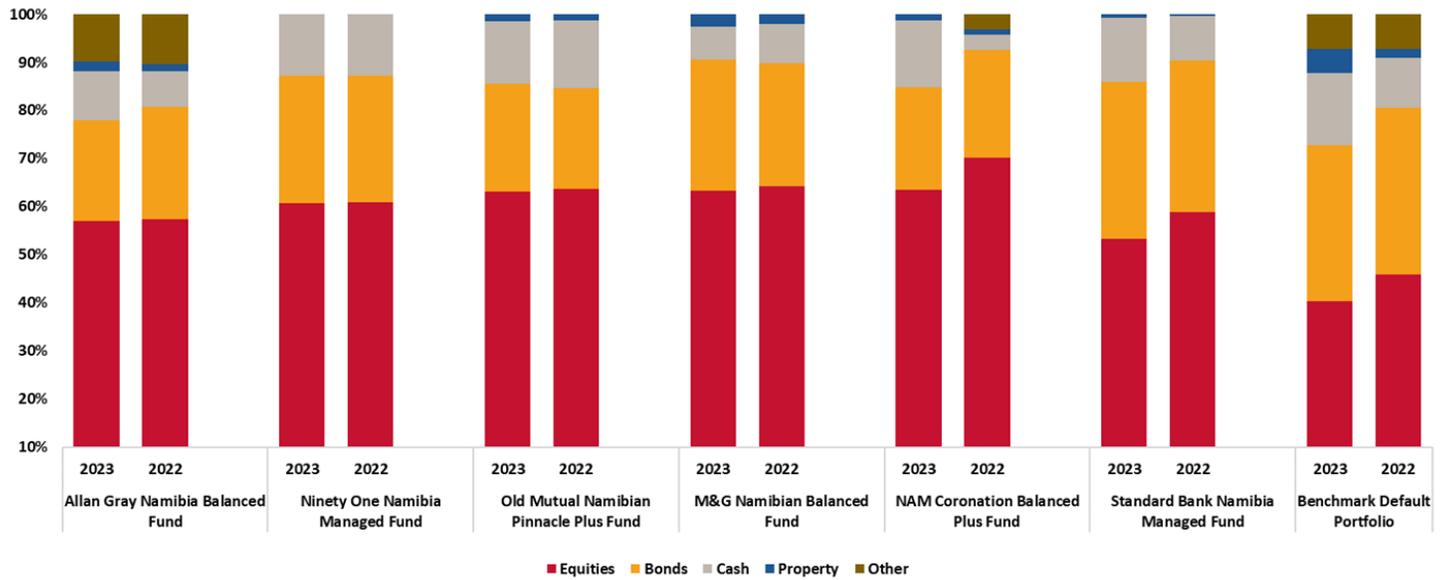
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- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property, 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.

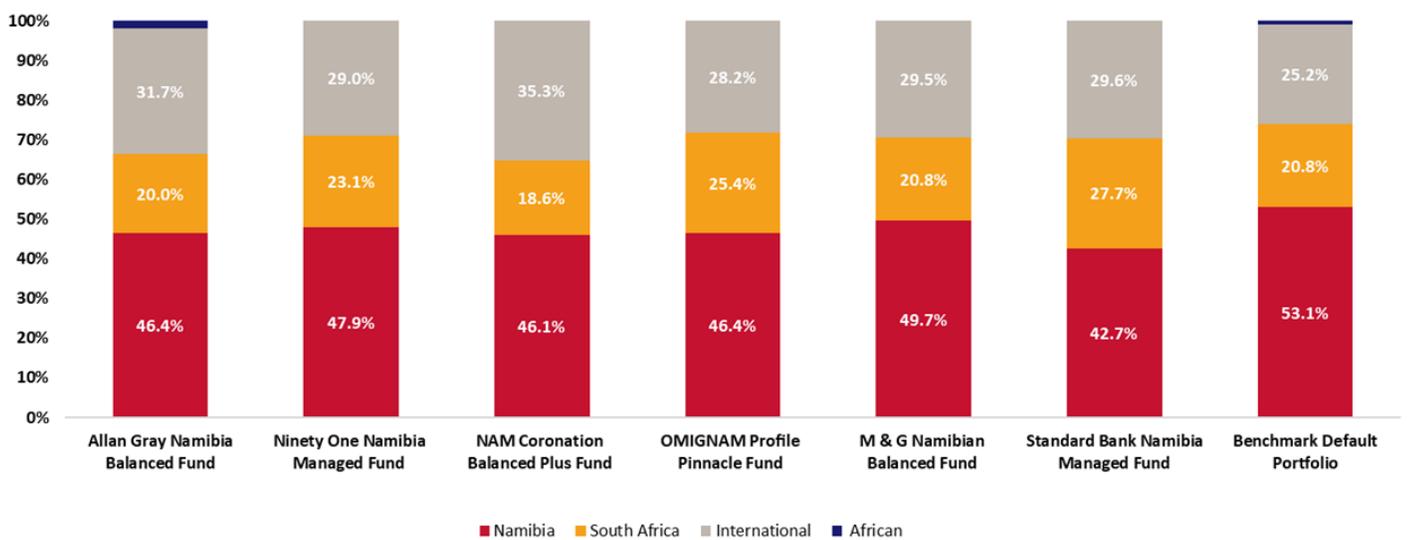
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 30 September 2023 as compared to 30 September 2022



Geographical Split as at 30 September 2023:



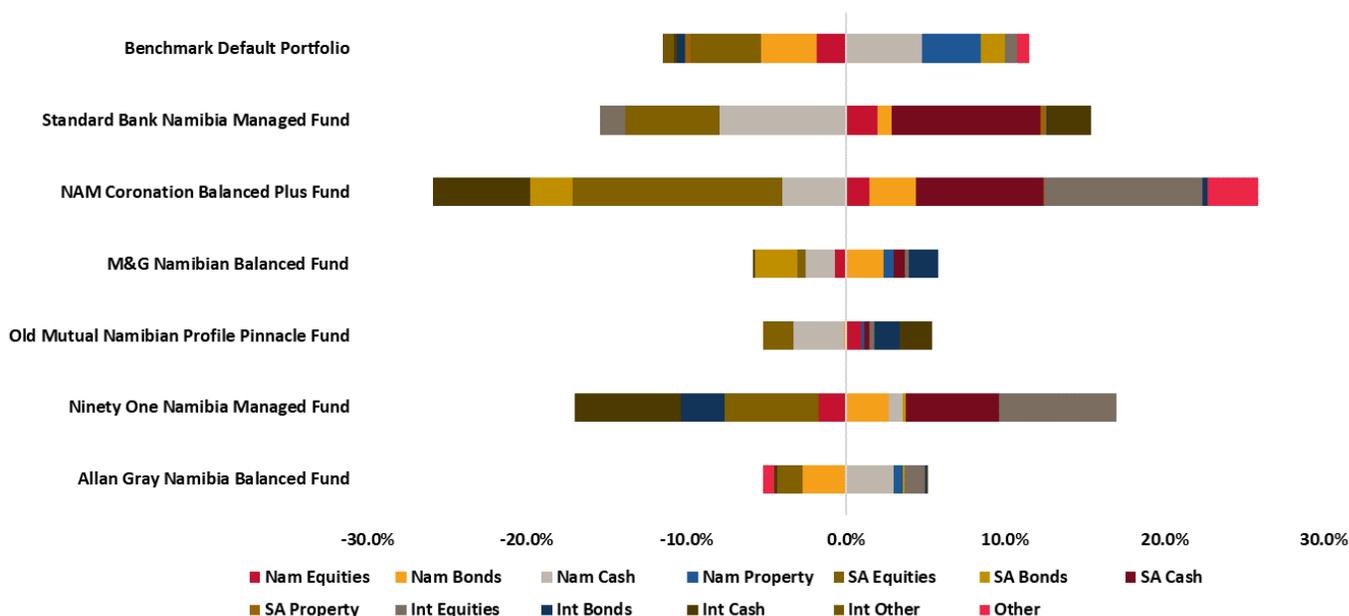
Notes:
Allan Gray: 1.9% African
Benchmark Default: 0.9% African

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 **30 September 2023**. In the event that the allocation to an asset class was decreased, the change would be indicated on the left hand side of the vertical axis, and vice versa.



The NAM Coronation Balanced Plus Fund maintains the largest change to their portfolio over the last year, with a large shift from South African Equities in Quarter 2 of 2023 into International Equities in Quarter 3 of 2023. 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. Old Mutual 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 SA Cash, and a reduction in the SA Equities. All Managers had a reduced exposure to SA Equities. It is important to take cognizance of the fact that these changes are not only due to active management decisions made by the underlying managers, but also due to market movements.

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	22.9	13.6	8.3	9.3
NAM Coronation Balanced Plus Fund	19.7	12.1	8.3	8.2
Ninety One Namibia Managed Fund	14.0	9.4	7.5	9.1
Old Mutual Namibian Profile Pinnacle Fund	15.7	11.6	8.1	9.1
Standard Bank Namibia Managed Fund	16.9	6.6	6.6	7.6
M&G Namibian Balanced Fund	14.9	12.2	8.1	8.7
Benchmark Retirement Fund Default Portfolio	18.1	11.3	7.8	8.6
NMG SA Moderate Benchmark	13.7	10.8	9.1	9.0
NMG NAM Moderate Benchmark	16.5	11.5	10.2	10.1
FTSE/JSE All Share TR ZAR	17.7	14.5	9.3	8.6
NAM CPI + 6%	11.7	11.6	10.6	11.0

Trailing Returns as at 30 September 2022

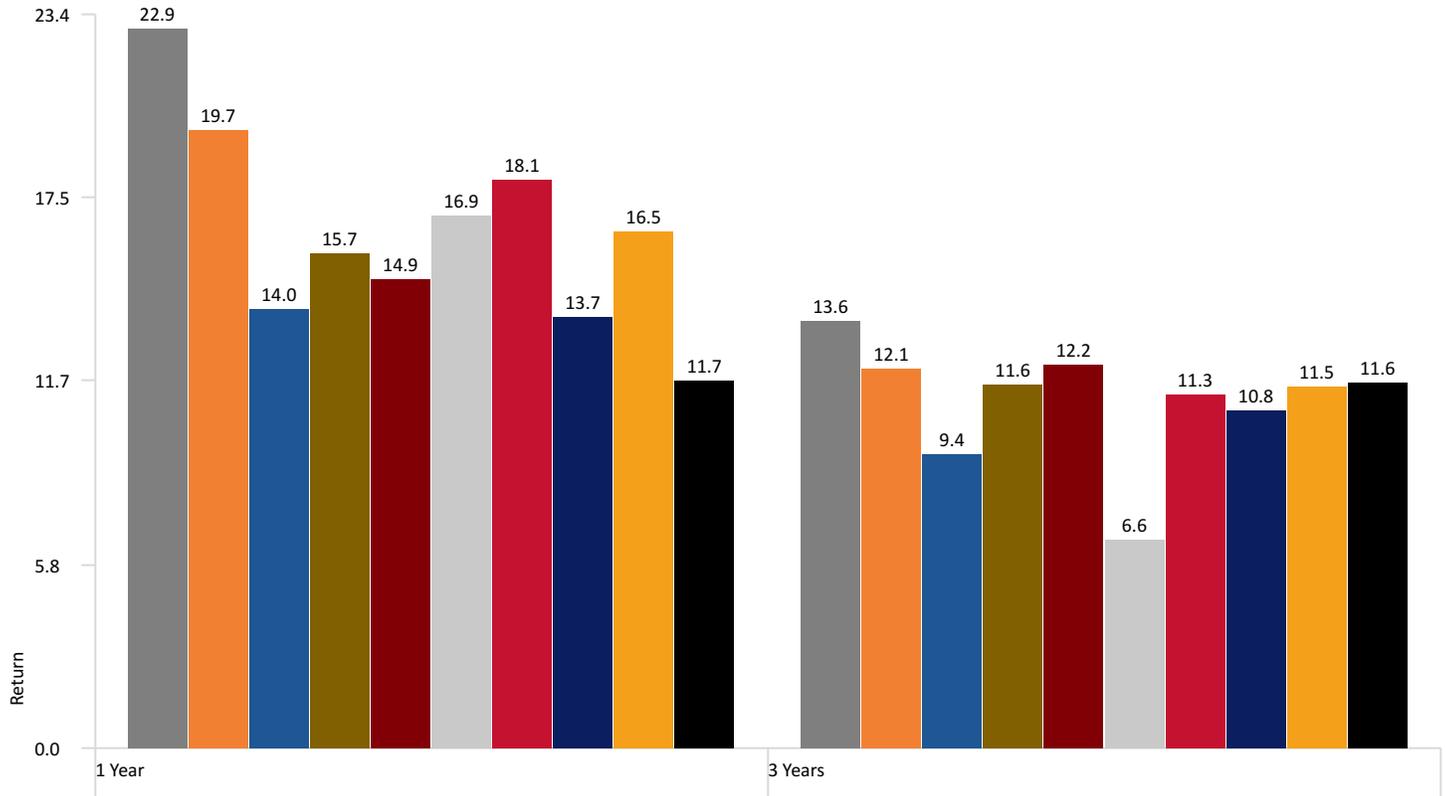
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	5.3	6.4	5.4	9.6
NAM Coronation Balanced Plus Fund	-3.8	6.4	5.0	8.9
Ninety One Namibia Managed Fund	1.4	6.2	6.2	9.9
Old Mutual Namibian Profile Pinnacle Fund	0.4	7.4	6.5	9.8
Standard Bank Namibia Managed Fund	-5.1	3.7	5.7	8.0
M&G Namibian Balanced Fund	4.2	7.7	6.7	9.3
Benchmark Retirement Fund Default Portfolio	4.5	6.0	5.6	8.9
NMG SA Moderate Benchmark	3.0	8.5	7.6	9.6
NMG NAM Moderate Benchmark	4.0	8.6	9.0	10.1
FTSE/JSE All Share TR ZAR	3.5	9.2	6.5	9.5
NAM CPI + 6%	13.5	10.6	10.4	11.0

The returns for the Default Portfolio and the Allan Gray Namibia Balanced Fund (segregated) are the unit price returns allocated to members after fees, which is received from RFS Fund Administrators. The remaining returns are net money-weighted rate of return after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

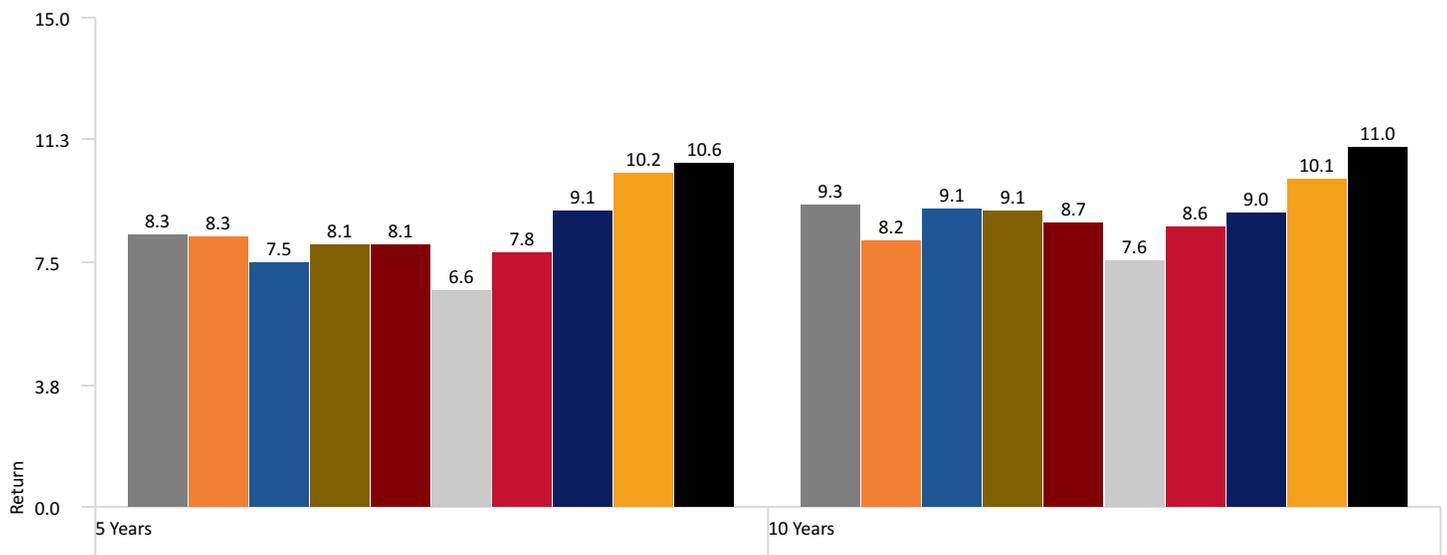
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 30 September 2023



5 & 10 years performance for the period ending 30 September 2023



- 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
- Standard Bank Namibia Managed Fund
- Benchmark Retirement Fund Default Portfolio
- NMG SA Moderate Benchmark
- Standard Bank Namibia Managed Fund
- NMG NAM Moderate Benchmark
- NAM CPI + 6%

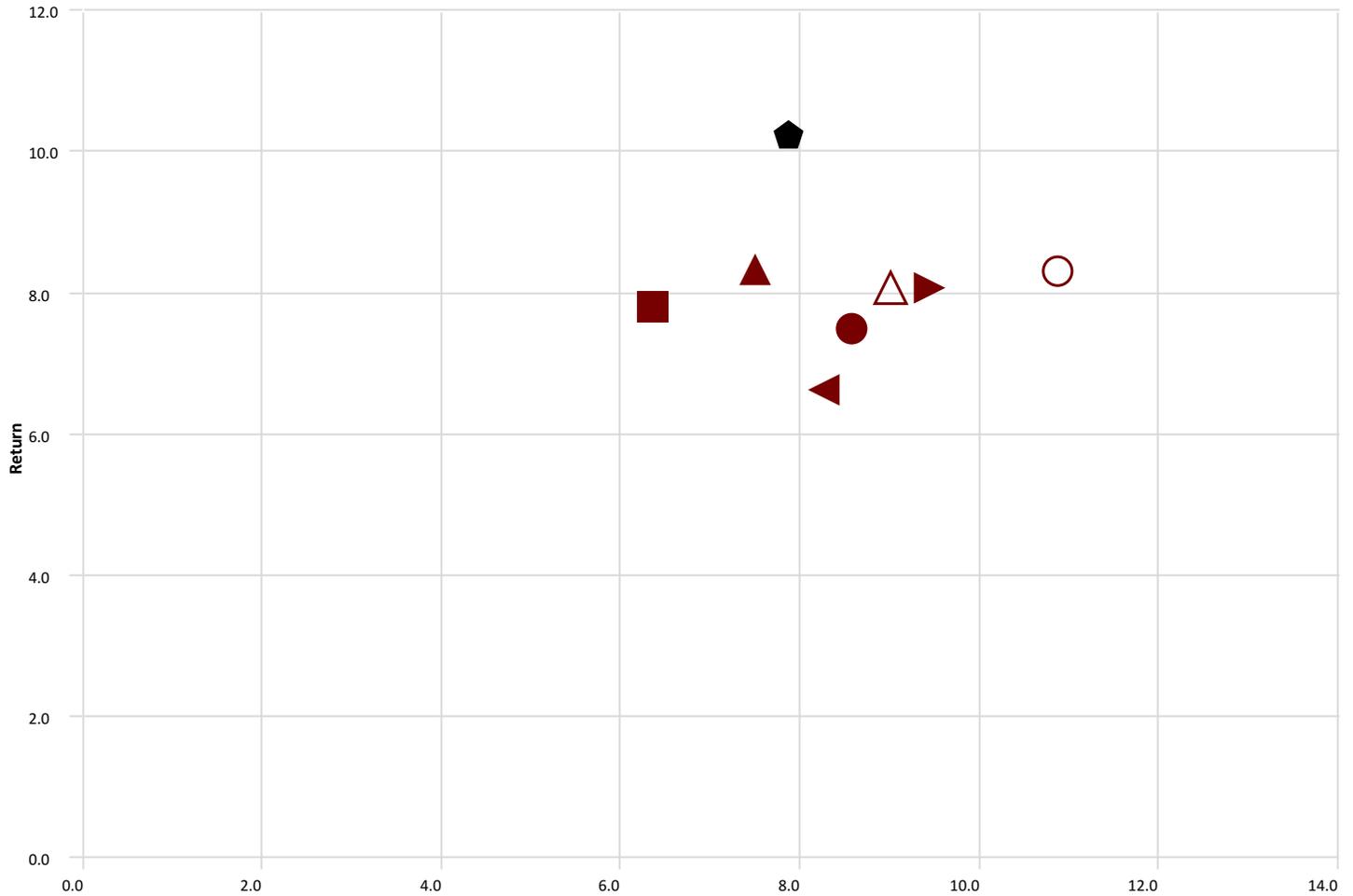
Performance Comparison

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-October-2018 to 30-September-2023

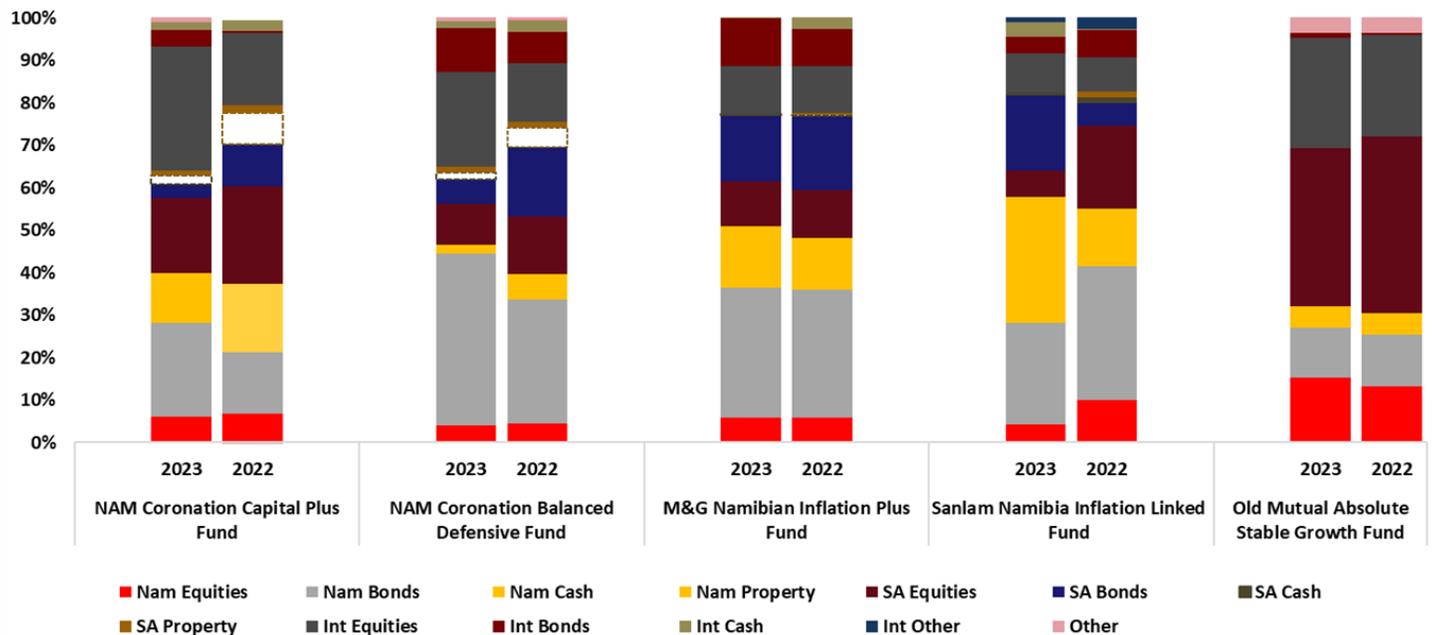


- Std Dev**
- ▲ Allan Gray Namibia Balanced Fund
 - Ninety One Namibia Managed Fund
 - NAM Coronation Balanced Plus Fund
 - ▲ Old Mutual Namibian Profile Pinnacle Fund
 - ▶ M&G Namibian Balanced Fund
 - ◀ Standard Bank Namibia Managed Fund
 - Benchmark Retirement Fund Default Portfolio
 - ◆ NMG NAM Moderate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

Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 September 2023 as compared to 30 September 2022



Notes 30 September 2023:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
4. NAM Coronation Capital Plus SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
5. NAM Coronation Capital Plus & NAM Coronation Balanced Defensive: SA & NAM Other represents Commodities, Preference shares and other securities
6. Old Mutual Stable Growth: Other represents Namibian Alternative Investments

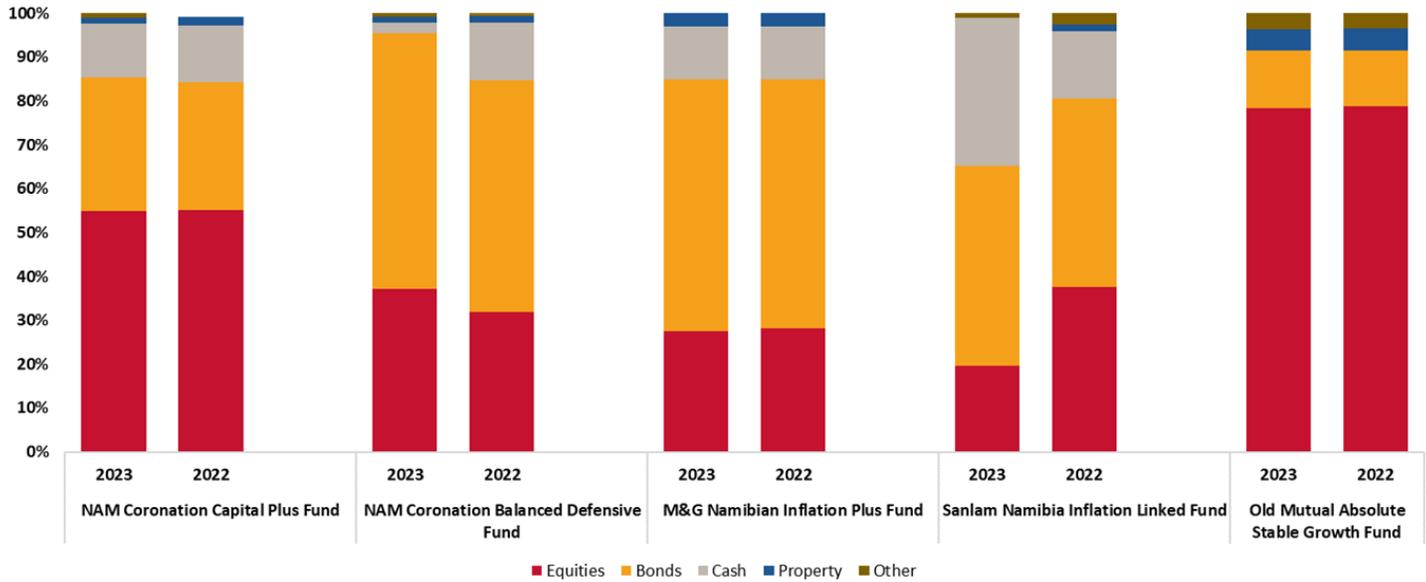
Notes 30 September 2022:

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.
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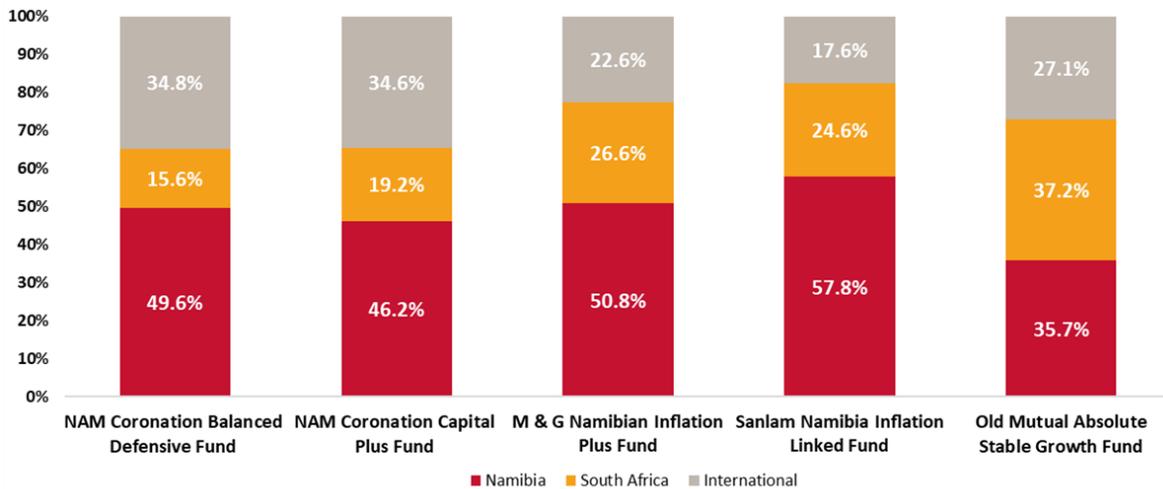
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 30 September 2023 compared 30 September 2022



Geographical Split as at 30 September 2023:



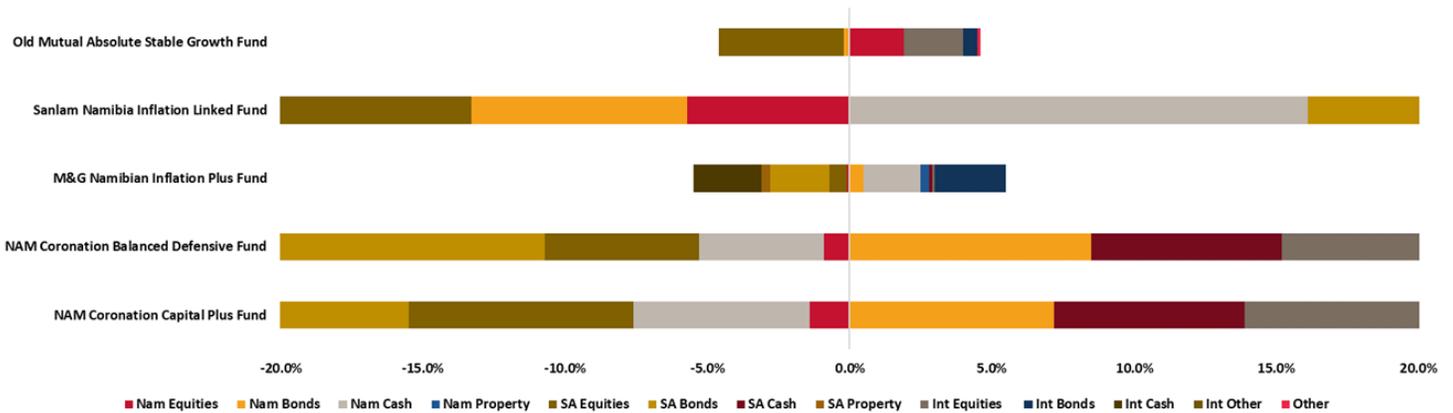
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

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 September 2023**. 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 Cash. The Old Mutual Absolute Stable Growth Fund made the fewest changes over the last year. The largest quantitative changes in the majority of portfolios was an increase in exposure to International equities, and a reduction in SA Equities, similar to the moderate portfolios. It is important to take cognizance of the fact that these changes are not only due to active management decisions made by the underlying managers, but also due to market movements.

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	13.7	9.0	7.4	7.7
NAM Coronation Capital Plus Fund	15.2	9.1	7.1	6.8
M&G Namibian Inflation Plus Fund	11.9	10.0	7.4	8.1
Sanlam Namibia Inflation Linked Fund	14.0	7.7	7.2	8.0
Old Mutual Absolute Stable Growth Fund	10.6	11.4	7.4	9.1
NMG NAM Mod Conservative Benchmark	13.4	10.0	9.4	9.0
NAM CPI + 4%	9.6	9.5	8.5	8.9

Trailing Returns as at 30 September 2022

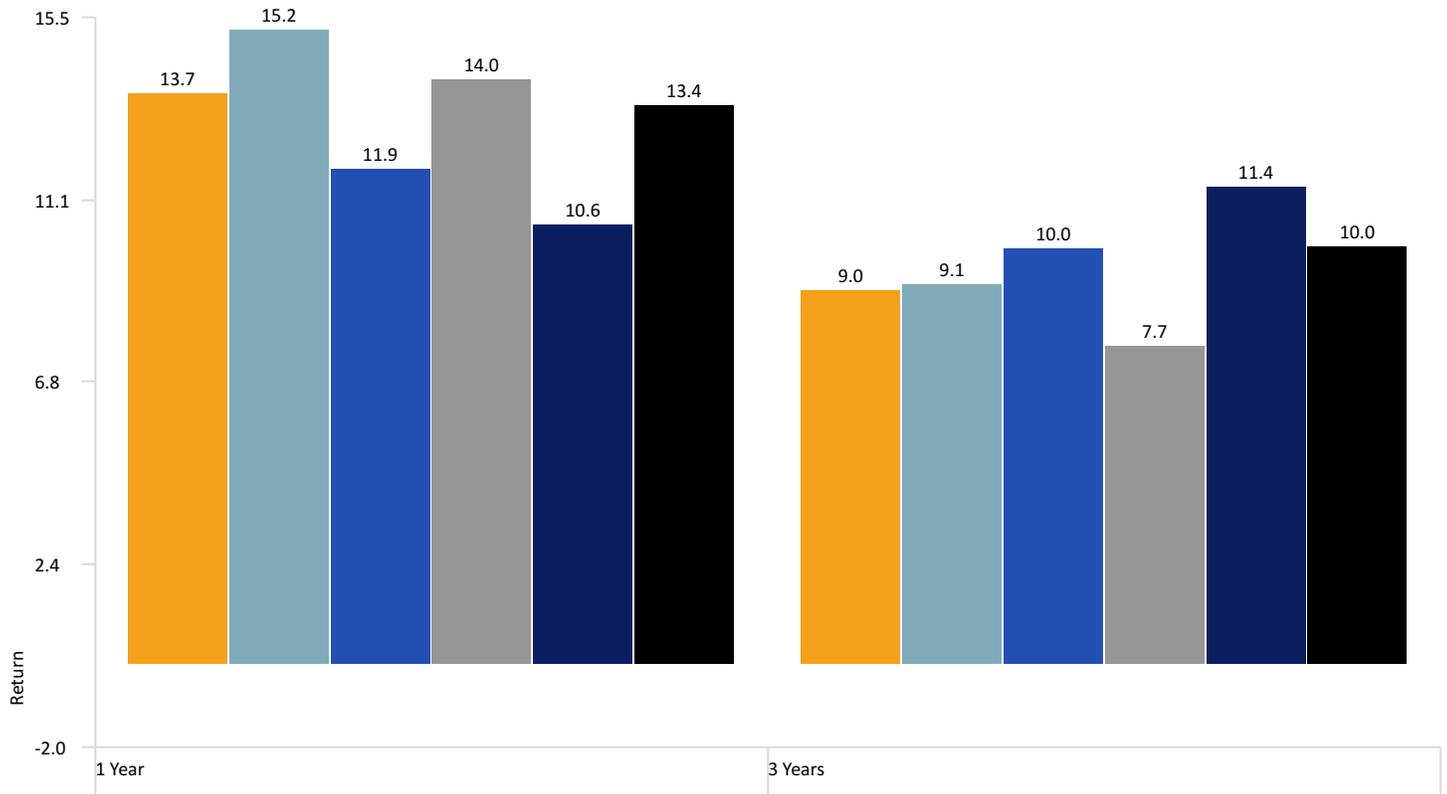
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	1.6	5.4	5.5	8.1
NAM Coronation Capital Plus Fund	-2.4	5.0	4.6	7.3
M&G Namibian Inflation Plus Fund	5.3	6.3	6.3	8.5
Sanlam Namibia Inflation Linked Fund	1.3	5.0	5.6	8.0
Old Mutual Absolute Stable Growth Fund	11.9	7.5	7.0	9.2
NMG NAM Mod Conservative Benchmark	5.0	7.9	8.6	8.8
NAM CPI + 4%	11.4	8.5	8.4	8.9

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 after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

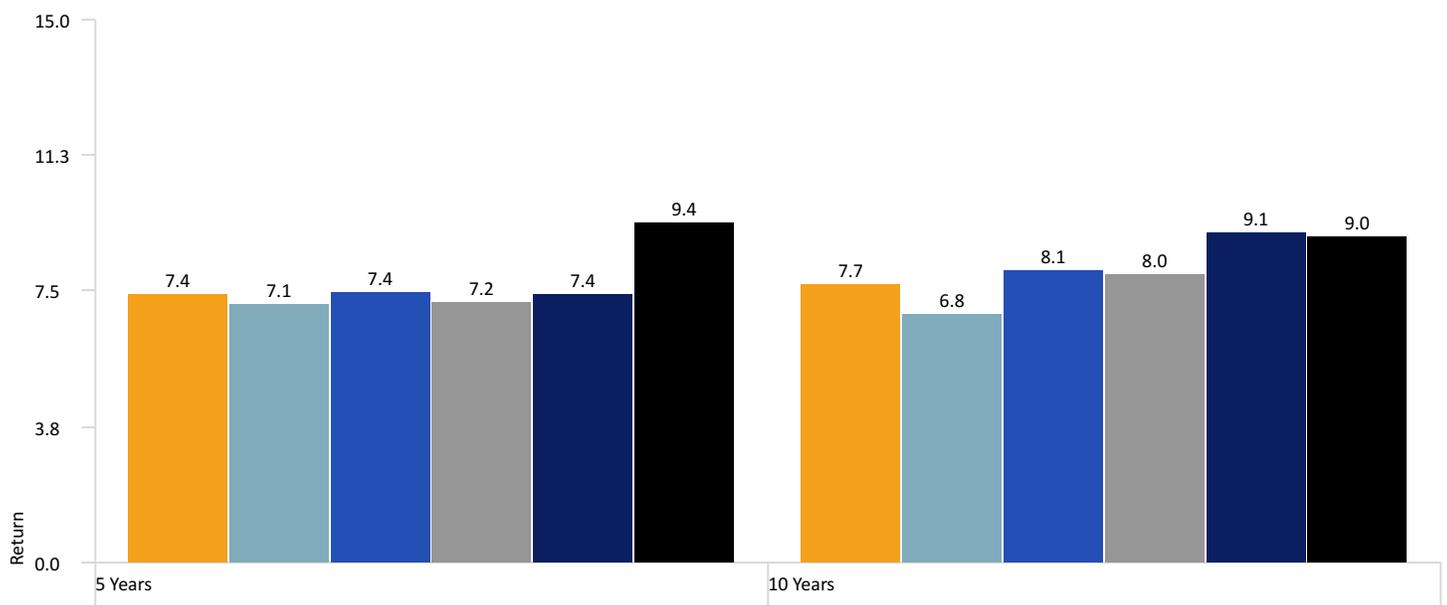
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 30 September 2023



5 & 10 years performance for the period ended 30 September 2023



■ NAM Coronation Balanced Defensive Fund
■ Sanlam Namibia Inflation Linked Fund

■ NAM Coronation Capital Plus Fund
■ Old Mutual Absolute Stable Growth Fund

■ M&G Namibia Inflation Plus Fund
■ NMG NAM Mod Conservative Benchmark

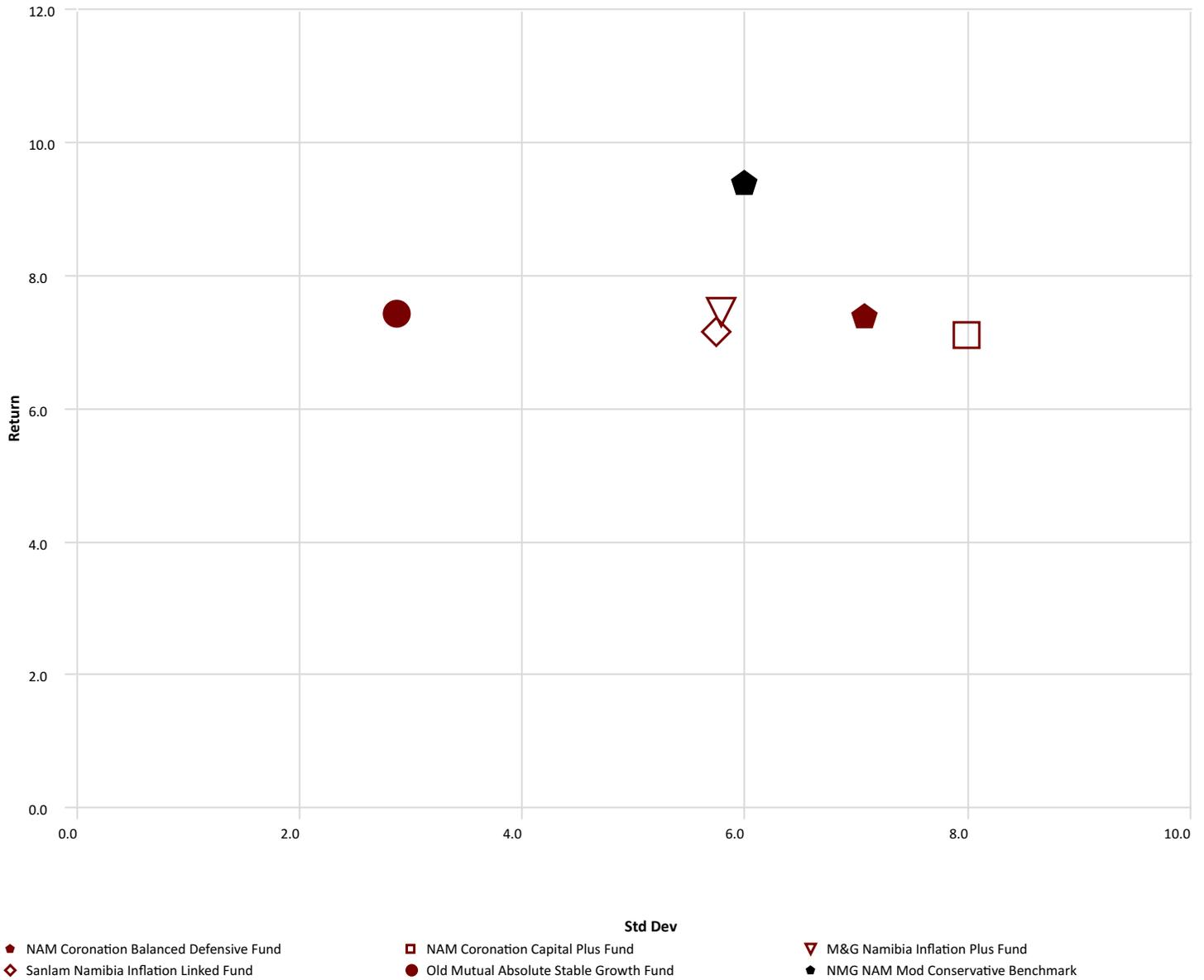
Performance Comparison

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

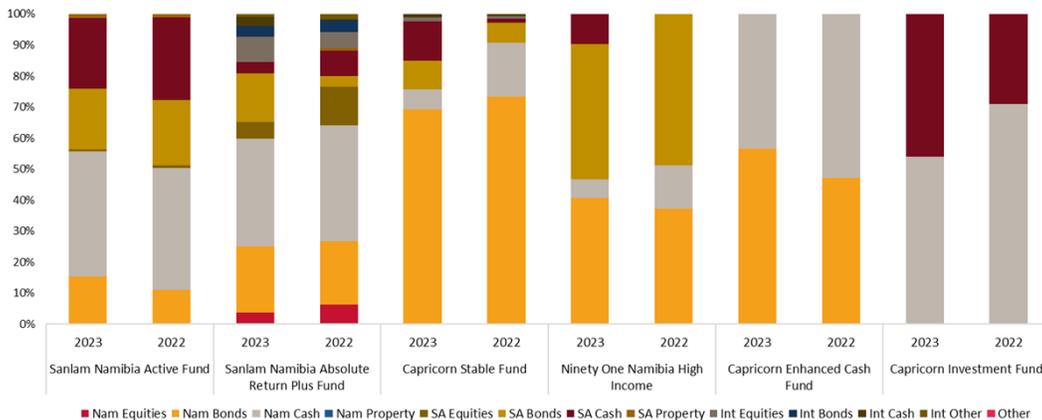
Time Period: 01-October-2018 to 30-September-2023



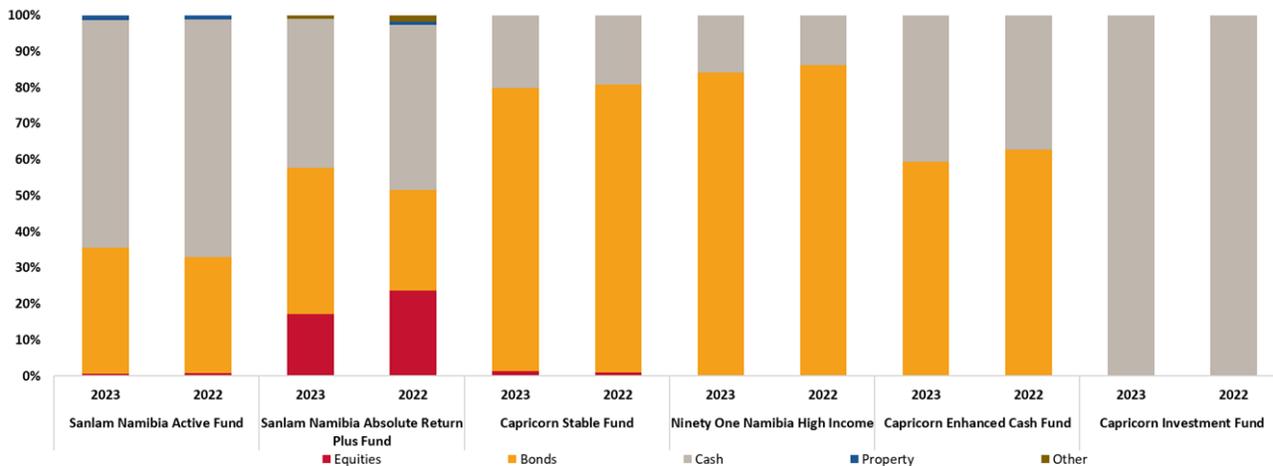
Performance Comparison

Low Risk and Capital Preservation Portfolios

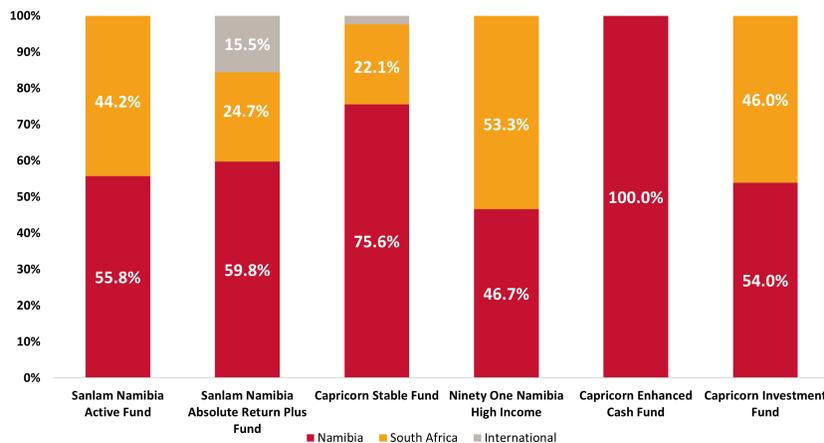
Asset Allocation as at 30 September 2023 as compared to 30 September 2022



The total Namibian exposure is 55.8% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 75.6% 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 59.8% exposure to Namibian assets.



Geographical Split as at 30 September 2023:



*The Sanlam Namibia Absolute Return Plus fund is classified as an insurance policy and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure.

Performance Comparison

Low Risk and Capital Preservation Portfolios

Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	8.1	6.3	6.4	7.2
Sanlam Namibia Absolute Return Plus Fund**	6.2	5.9	6.1	7.6
Capricorn Stable Fund*	13.6	11.1	9.6	—
Ninety One Namibia High Income Fund***	9.4	6.4	7.1	6.8
Capricorn Enhanced Cash Fund***	7.4	6.3	7.1	7.6
NAM CPI + 1%	6.4	6.4	5.4	5.8
NAM CPI + 2%	7.5	7.4	6.4	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	8.8	5.4	7.6	7.4

*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 30 September 2022

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	4.3	5.2	6.2	7.1
Sanlam Namibia Absolute Return Plus Fund**	5.5	5.7	6.2	—
Capricorn Stable Fund*	11.9	8.6	8.2	—
Ninety One Namibia High Income Fund***	5.5	5.8	6.8	6.3
Capricorn Enhanced Cash Fund***	5.6	6.4	7.3	7.5
NAM CPI + 1%	8.2	5.4	5.2	5.8
NAM CPI + 2%	9.2	6.4	6.3	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	3.4	6.3	7.2	7.0

*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.

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

Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	7.9	5.9	6.3	6.7
NAM CPI	5.4	5.3	4.3	4.7
IJG Money Market GR NAD	7.7	5.7	6.2	6.7

Trailing Returns as at 30 September 2022

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	5.2	5.6	6.5	6.5
NAM CPI	6.0	4.0	4.0	4.8
IJG Money Market GR NAD	4.7	5.4	6.4	6.4

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

Performance Comparison

Unlisted Investments

Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	January-2016 - 30-September-2023
Allegrow Fund*	13.5	-4.3	-2.4	0.1
Caliber Capital Fund (A)	10.3	8.0	8.4	7.2
IJG Frontier Investment Fund	0.7	6.5	-4.5	-3.5
Stimulus	12.7	5.2	5.3	4.0
NAM CPI + 4.5%	10.1	10.0	9.0	9.7

Due to the illiquid nature of unlisted investments, returns over shorter time periods may not be a true reflection of the funds' performance over that period.

*Fair value adjustment in September 2021.

Trailing Returns as at 30 September 2022

	1 Year	3 Years	5 Years	01-January-2016 - 30-September-2022
Allegrow Fund	0.1	-7.9	-2.2	-1.8
Caliber Capital Fund (A)	7.5	7.3	8.0	6.7
IJG Frontier Investment Fund	8.0	-2.3	-7.3	-4.1
Stimulus	1.6	1.9	3.7	2.7
NAM CPI + 4.5%	11.9	9.0	8.9	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.

The returns are net money-weighted rate of return after fees 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.