



# Benchmark Retirement Fund

**Quarterly Investment Report: As at 31 December 2024**

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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 Domestic Balanced Fund, M&G Namibia Domestic Balanced Fund, Sanlam Namibia Domestic Balanced Fund, Ninety One Namibia Domestic Balanced Fund, 20Twenty Credit Solution, Satrix Emerging Markets Tracker Fund, Satrix World Equity Tracker Fund, Sanlam USD Enhanced Yield Fund and Colchester Global Bond Fund.

\*\*\*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:

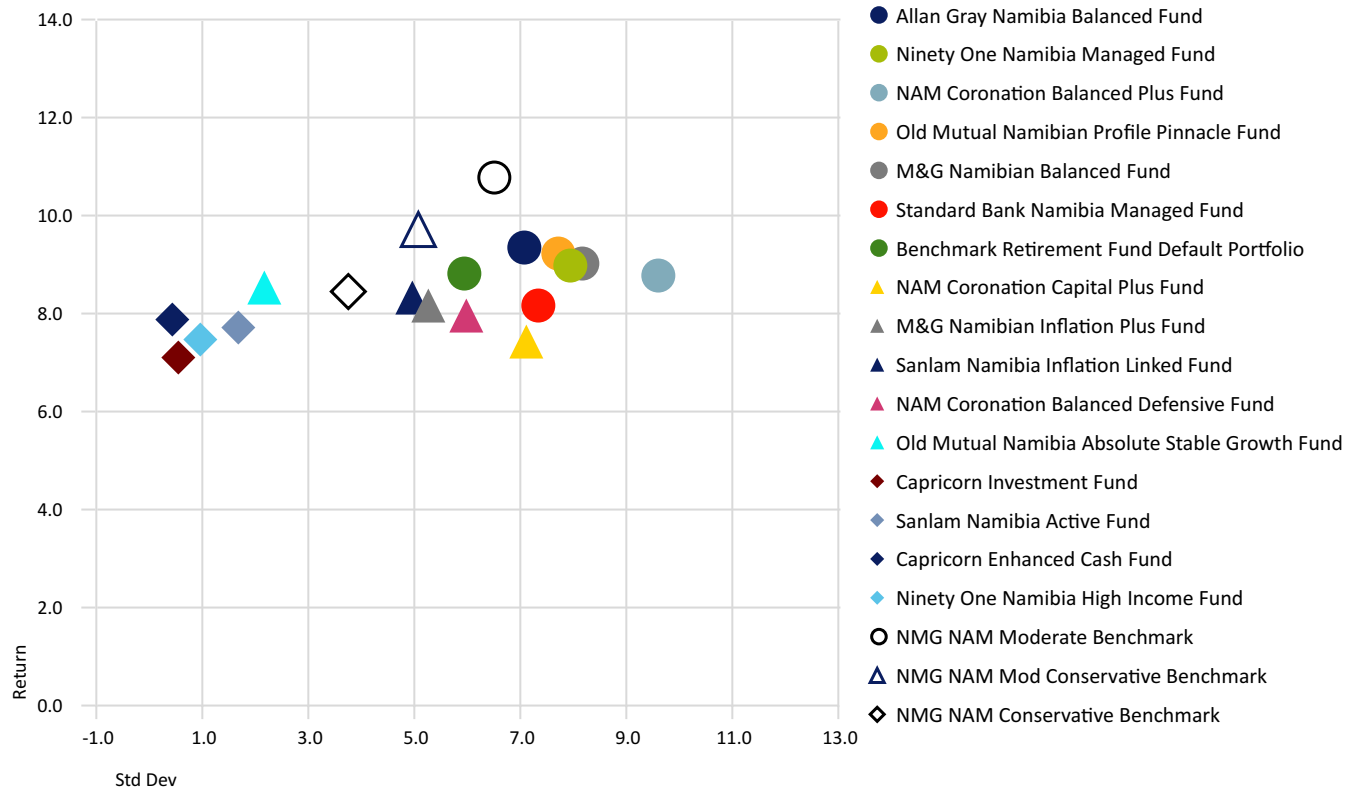
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential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

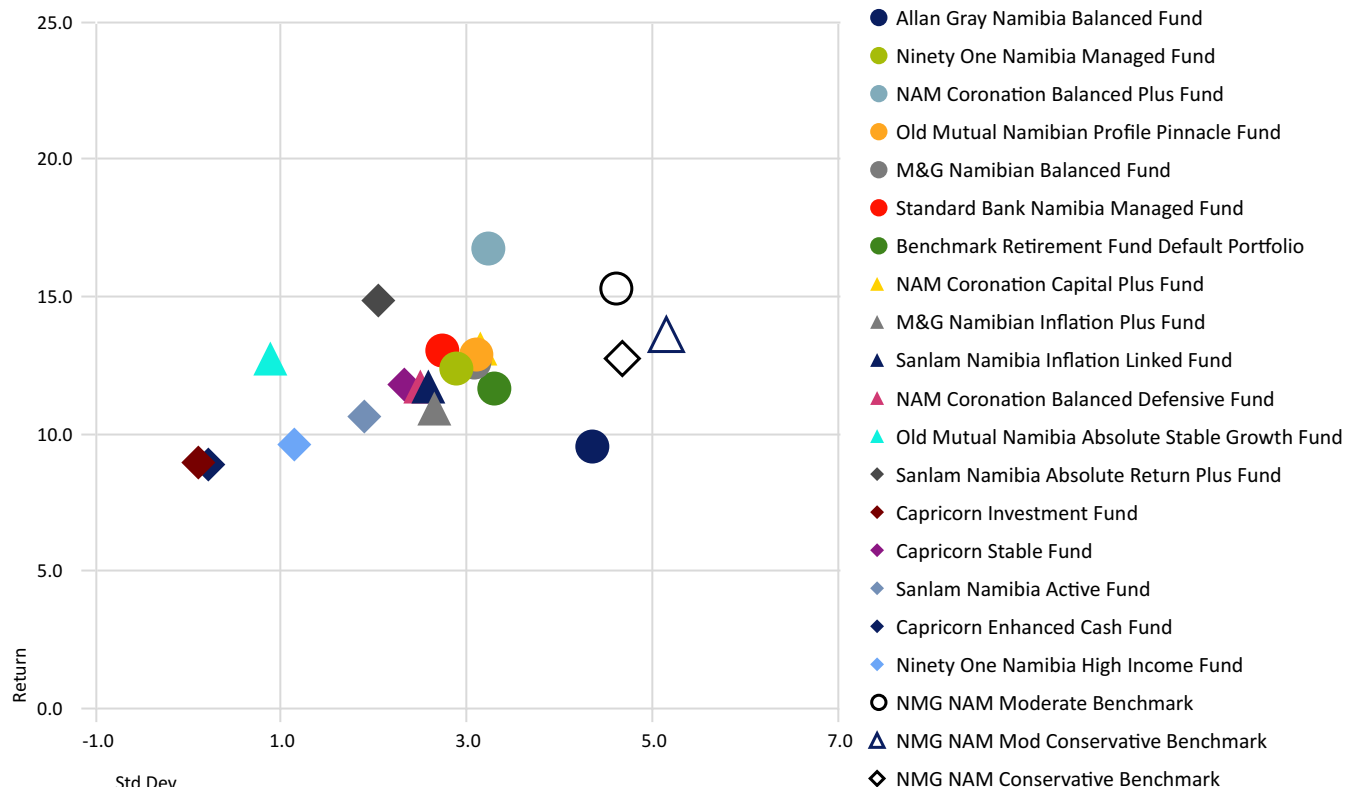
## Risk-Reward - Over the long term

Time Period: 01 January 2015 to 31 December 2024



## Risk-Reward - Over the short term

Time Period: 01 January 2024 to 31 December 2024



# Market Overview

## Markets

After pushing to record highs in early December following the US election, US stocks (S&P 500) corrected to end Q4 2024 up 2% compared to 5.5% in Q3, 3.9% in Q2, and 10% in Q1. This capped a strong year with an annual return of 23%, the only back-to-back return greater than 20% since 1998. For the quarter, healthcare and materials gave back early gains as the sectoral rotation seen before the US election gave way to the 'old playbook' of Tech and consumer discretionary stocks.

In aggregate, US equity performance outperformed the US bond market (-12%), and other global equity markets but trailed gold (+27%) and crypto (+122%).

The JSE All Share index struggled in Q4 to end the year up a modest 13% (total return), whilst bonds gave an excellent return of 17%. Risk-adjusted returns on bonds have remained superior over the last few years. On a sector basis, financials (+22%) and property stocks (29%) were the outperformers benefiting from the endowment effect (banks) and recent lower rates (bonds). Resources (-7%) were volatile and ended the year as the one sector in the negative following a weak Q4. Oil ended the year down 1.5% after volatile trade saw it peak around \$91 in April to a low of \$69 in September.

Outlook: In the US, economic expansion and rising earnings underpin optimism for equities, though high valuations signal muted returns. A muted rate cut cycle may also weigh on valuations. The drag from potential tariffs may be offset by tax cuts for US corporations. Financials, healthcare, and industrials are poised for growth, buoyed by deregulation and investment recovery. Conversely, sectors like consumer staples, real estate, and communication services face challenges from tightening financial conditions and valuation pressures. Industrial resurgence, driven by easing regulatory constraints and capital investment, offers renewed opportunities.

The US dollar has sustained an elevated trading range as the outlook for rates to remain relatively higher than previously expected has sustained its momentum. Threats by the incoming administration against de-dollarization may be seen as a rare sign of acknowledgment of vulnerability to Chinese and BRICS influence over the longer term.

Emerging Markets may remain under pressure as the Federal Reserve's cautious rate-cut approach and the incoming Trump administration's protectionist trade policies are expected to weigh on emerging markets. Increased tariffs and deregulation in the U.S. could bolster the dollar further, posing challenges for export-driven economies.

Precious metals like gold and silver will remain in focus as hedges against volatility, though their performance may be capped by dollar strength and elevated interest rates. Industrial commodities face uncertainties tied to China's economic trajectory. Energy may be the upside wild card for 2025.

Currently, levels suggest single digit forward returns as the base case for US equities. While macro risks will favour the US, valuations would favour exposure outside the US, presenting a compelling case for firms listed elsewhere but with exposure to US earnings.

South Africa's challenges will remain central to the outlook on SA equities now that valuations in some sectors have re-rated. Bond yields present a high hurdle for equities to surpass on a risk-adjusted basis locally.

The Rand experienced a relief rally during 2024 with renewed optimism related to the GNU, leaving it one of the better-performing global currencies against a strong dollar. Going forward, this will need to be backed up by economic data and fiscal improvement to be sustained.

Namibian stocks saw both the NSX Local and NSX Overall rise in tandem with SA stocks during 2024. The NSX overall fell 4.3% in Q4 from +7% in Q3 and +19% in Q2, giving a return of 15.9% in 2024. The 2024 return on the NSX Local index was 10.7%. Returns on Namibian bonds were 14.1% in 2024, which on a risk-adjusted basis were superior to equities.

## Economy

The global economy in 2024 saw a steady growth rate of 3.2%, with long-term projections hovering around 3.1%. While the United States experienced an upward revision in its economic outlook, this was offset by downgrades in advanced European economies and challenges in regions such as the Middle East, Central Asia, and sub-Saharan Africa. Emerging Asia, particularly buoyed by high demand for semiconductors and AI-driven technologies, presented a brighter picture.

U.S. Economy: The ability of policymakers to engineer a 'soft landing' is complicated by the incoming administration's stance on several issues. US growth slowed to 2.7% in Q3 from 3% in Q2. The U.S. economy is projected to grow by 2.2% in 2025, down from 2.8% in 2024, indicating a slowdown due to factors such as reduced consumer spending and potential trade tensions.

Eurozone: The Eurozone continues to struggle with regional imbalances and a debt brake in Germany which constrains the region's largest economy from enacting many reforms needed to spur growth. The Eurozone's economy is forecasted to grow by 1.2% in 2025 from 0.8% in 2024, reflecting a modest recovery from previous stagnation, supported by easing inflation and gradual monetary policy adjustments.

UK: Growth ticked up from 0.7% in Q2 to 0.9% in Q3. The UK is expected to experience a modest economic recovery to 1.5% in 2025 from 1.1% in 2024. This improvement is anticipated despite challenges like persistent inflation and potential fiscal constraints.

Japan: Japan grew by 0.5% in Q3 2024, reversing a contraction of 0.9% in the prior two quarters. Driven by factors like easing inflation and potential fiscal policies, Japan is expected to recover to 1.1% in 2025.

China: China's GDP grew by 4.6% in Q3, up from 4.7% in Q2. Its GDP growth is projected at 4.5% for 2025, down from 4.8% in 2024, influenced by factors such as lower consumption and challenges in the property sector offset by stimulus measures.

South Africa: GDP disappointed up only 0.3% y-o-y in Q3, in line with Q2 and well below expectations of 1.2%. Growth for 2025 is expected at 1.5% from around 1% in 2024.

Namibia: Namibia grew by 2.8% in Q3 from 2.7% in Q2. Previously strong contributions from mining and agriculture have reversed to reduce headline growth which is now led by services and trade. Growth is expected to tick up to 4.2% in 2025 from 3.1% in 2024.

# Market Overview

## Inflation

Global inflation moderated from 6.7% in 2023 to 5.8% in 2024, with advanced economies nearing their targets faster than developing ones. By 2025, inflation is expected to fall further to 4.3%, but risks to this outlook remain.

US: US CPI rose from a low of 2.4% in September to 2.7% in November as energy base effects were lapped. Shelter remains an upside pressure. Persistent wage pressures and potential tariff impacts remain key risks. The focus will be on Core PCE prices as the cycle matures.

Europe and UK: UK CPI rose from a low of 1.7% in September to 2.6% as housing-related costs remained sticky. Eurozone CPI rose from a low of 1.7% in September to 2.4% in December largely on energy base effects. Food prices remain a pressure point. The IMF anticipates both UK and Eurozone inflation to ease gradually, aligning closer to central bank targets supported by easing supply chain pressures and wage growth slowing.

China: China continues to grapple with deflationary pressures with inflation falling to 0.1% in December due to weak domestic demand and challenges in the property sector. The IMF expects mild inflationary recovery as consumption gradually picks up in 2025.

SA: The IMF expects South Africa's inflation to remain within the Reserve Bank's target range of 3-6%, with declines expected in 2025 due to easing food and fuel prices and cautious monetary policy.

Namibia: Namibia's inflation rate rose to 3.4% in December from a downwardly revised low of 3% in October and November. While lower energy costs helped transport inflation, food inflation remains a pressure point.

## Policy rates, yields, and the yield curve during 2024.

The US Federal Reserve cut rates by 100 basis points (bps), lowering the federal funds rate to 4.25%-4.50%, as inflation moderated but remained a concern. Additional cuts of around 50bps are anticipated in 2025 with recent data suggesting a muted cutting cycle.

UK: The Bank of England (BOE) cut rates by 50 bps, running a comparatively tighter policy than the Fed, bringing the base rate to 4%. Modest further reductions (25-50 bps) are expected as inflation moves closer to BOE's 2% target.

Europe: There were four cuts totaling 100bps, with further cuts expected if inflation moderates and there is weak growth.

China: The PBoC reduced its key lending rate by a cumulative 35bps to 3.1%, with further rate cuts expected to enhance economic efficiency.

Japan: The BoJ remained countercyclical and hiked rates by 35bps moving rates positive in 2024 as inflation concerns arose.

SA: The SARB cut the repo rate by 50bps in 2024 despite calls for more aggressive cuts. SARB remains cautious, but the market expects a further 50bps of cuts in 2025. This may be muted by a slower Fed cut cycle and oil prices as risks to a balanced inflation view.

Namibia: Namibia's central bank cut the key lending rate by 75 bps in 2024 to 7.0%. The bank continues to aim to support economic growth while maintaining the currency peg with the South African rand.

## Conclusion:

Financial markets in 2024 reflected a year of significant divergence and complexity. While US equities capped off an impressive year with a 23% annual return, there was persistent volatility and sectoral shifts, particularly in healthcare, materials, and technology. Globally, the standout performers were gold and cryptocurrencies, highlighting investors' preference for alternative asset classes amid uncertain economic conditions. Emerging markets faced ongoing challenges, with protectionist policies and a stronger dollar weighing on export-driven economies. In South Africa local bond markets outshone equities.

Economic growth in 2024 was steady, while emerging markets, notably in Asia, benefited from technological demand. Inflation showed signs of easing globally, with varying monetary policy responses. Looking ahead, geopolitical factors, trade tensions, and evolving central bank strategies remain key drivers of market performance. Investors may find opportunities in sectors poised for growth, such as industrials and financials, while risks persist in areas facing valuation pressures and tightening financial conditions.

As we move into 2025, careful navigation of macroeconomic risks and market-specific dynamics will be critical. In the US, muted equity returns, and potential tariff impacts could be offset by corporate tax reforms and industrial recovery. Emerging markets, while under pressure, present selective opportunities. In South Africa equities will need to overcome high bond yields and economic headwinds to maintain competitiveness.

# Market Overview

## Periodic Table

Best ↑      ↓ Worst	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 48.3	Namibia: Consumer discretionary 48.0	Namibia: Consumer discretionary 48.0
	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 43.5	Namibia: Financials 17.3	Namibia: Financials 17.3
	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 30.3	Namibia: Overall 15.9	Namibia: Overall 15.9
	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: Consumer Staples 25.4	Namibia: IJG ALBI(All Bond) 14.1	Namibia: IJG ALBI(All Bond) 14.1
	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) 18.7	Namibia: Basic Materials 13.8	Namibia: Basic Materials 13.8
	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 8.1	Namibia: Local 10.7	Namibia: Local 10.7
	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 5.7	Namibia: Consumer Staples 9.2	Namibia: Consumer Staples 9.2
	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 -21.7	Namibia: IJG Money Market 8.5	Namibia: IJG Money Market 8.5
	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD

## Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	-4.1	13.8	13.8	-1.3	11.9	14.5
Namibia: Consumer discretionary	-3.2	48.0	48.0	36.4	28.9	11.6
Namibia: Financials	-5.2	17.3	17.3	19.4	10.1	8.4
Namibia: Consumer Staples	-0.3	9.2	9.2	15.0	12.6	10.4
Namibia: Local	2.8	10.7	10.7	17.5	8.9	11.6
Namibia: Overall	-4.4	15.9	15.9	10.4	12.0	9.9
Namibia: IJG ALBI(All Bond)	0.6	14.1	14.1	13.7	11.9	10.8
Namibia: IJG Money Market	2.0	8.5	8.5	7.4	6.4	7.0

# Market Overview

## RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	-2.1	13.4	13.4	8.7	12.2	9.0
RSA: SWIX	-2.1	13.5	13.5	8.2	9.5	7.1
RSA: Capped SWIX	-2.1	13.4	13.4	8.5	10.3	6.9
RSA: Top 40 (Large Caps)	-3.4	10.7	10.7	7.9	12.2	9.1
RSA: Mid Cap	-1.5	15.4	15.4	8.8	7.3	6.4
RSA: Small Cap	7.1	35.6	35.6	17.5	20.8	9.7
RSA: Listed Property	-0.8	29.0	29.0	12.6	5.1	3.1
RSA: Resources	-10.1	-7.2	-7.2	-5.9	6.0	6.6
RSA: Industrials 25	-0.5	17.3	17.3	9.9	13.6	8.8
RSA: Financial 15	-1.8	21.6	21.6	17.7	10.8	7.7
RSA: All Bond Index	0.4	17.2	17.2	10.3	9.6	8.7
RSA: Inflation Linked Bonds	0.8	7.8	7.8	6.4	7.7	5.4
RSA: STeFI Composite (Cash)	2.0	8.5	8.5	7.2	6.2	6.7

## Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
NAM CPI	0.9	3.4	3.4	5.2	4.5	4.6

## Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	8.6	29.5	29.5	19.5	18.4	13.4
Platinum	1.5	-5.8	-5.8	4.0	5.3	2.1
Oil	13.5	-1.1	-1.1	3.9	8.6	7.7

## International Indices

Currency: Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	12.1	29.0	29.0	15.2	21.6	18.8
UK: FTSE 100	2.1	11.2	11.2	10.7	10.6	9.1
Japan: Nikkei 225 Average	5.0	12.3	12.3	8.4	11.6	13.2
MSCI Emerging Markets	0.6	8.4	8.4	1.1	5.4	6.3
MSCI World	9.4	23.0	23.0	13.0	18.6	16.1
MSCI All Country World	8.5	21.8	21.8	12.0	17.4	15.3
USA: DJ Industrial Average	10.5	18.7	18.7	13.7	17.4	17.2

## Global Fixed Income

Currency: Rand

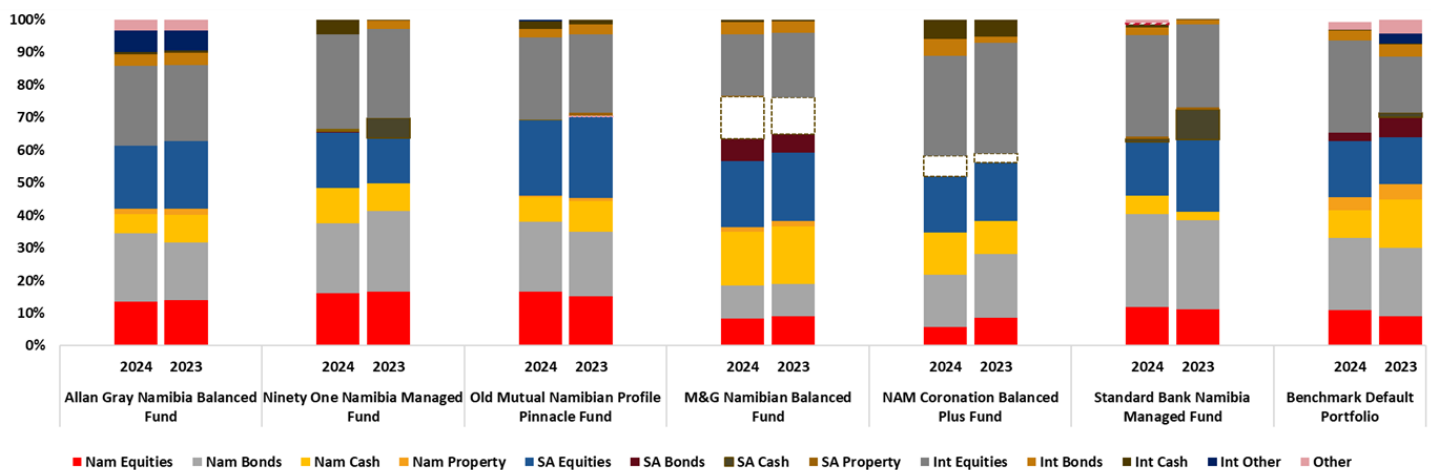
	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	4.9	2.4	2.4	2.8	4.9	4.9
ICE BofA 0-3 M US Trsy Bill TR USD	10.8	8.7	8.7	9.9	8.8	6.9
ICE BofA 3-6 M US Trsy Bill TR USD	10.8	8.7	8.7	9.9	8.9	6.9
FTSE WGBI USD	3.5	0.2	0.2	-0.4	2.9	4.4



## Performance Comparison

### Moderate Risk Portfolios

#### Asset Allocation as at 31 December 2024 as compared to 31 December 2023



#### Notes 31 December 2024:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced: Other represents Commodities and preference shares and International Other represents property and commodities.
6. NAM Coronation, Prudential and Old Mutual use derivatives to gain additional exposure to certain assets beyond 100%. Thus the cash allocation has an offsetting negative exposure, representing the liability or cash that is 'owed' for these assets. The total thus represents the "Notional Cash Value" for the entire effective derivative exposure.
7. Negative allocation to an asset class is represented by dashed bars.

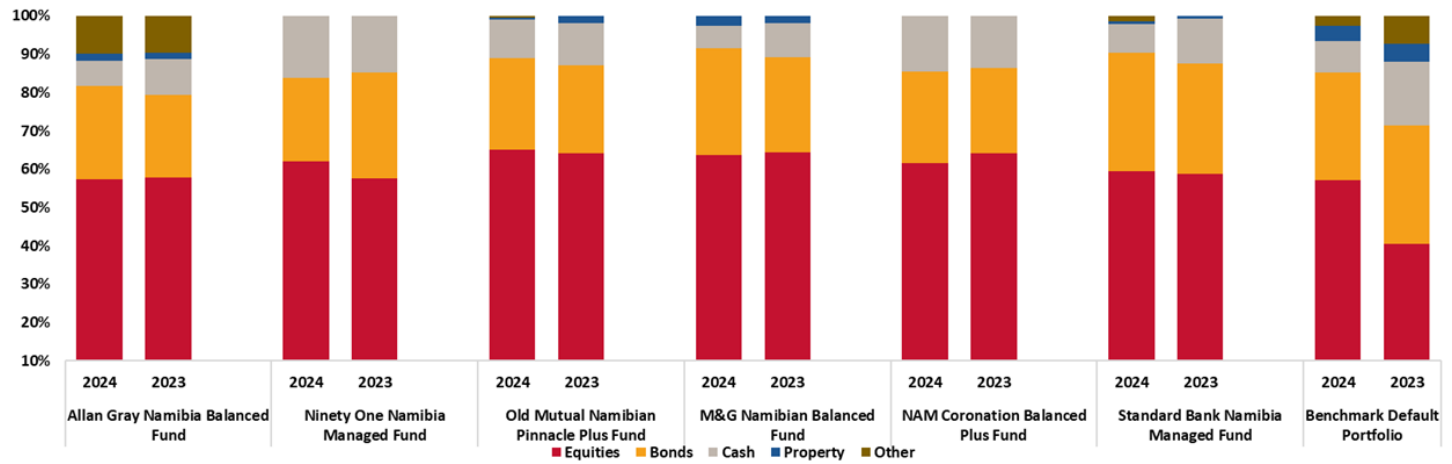
#### Notes 31 December 2023:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Property.
6. NAM Coronation and Prudential use derivatives to gain additional exposure to certain assets beyond 100%. Thus the cash allocation has an offsetting negative exposure, representing the liability or cash that is 'owed' for these assets. The total thus represents the "Notional Cash Value" for the entire effective derivative exposure.
7. Negative allocation to an asset class is represented by dashed bars.

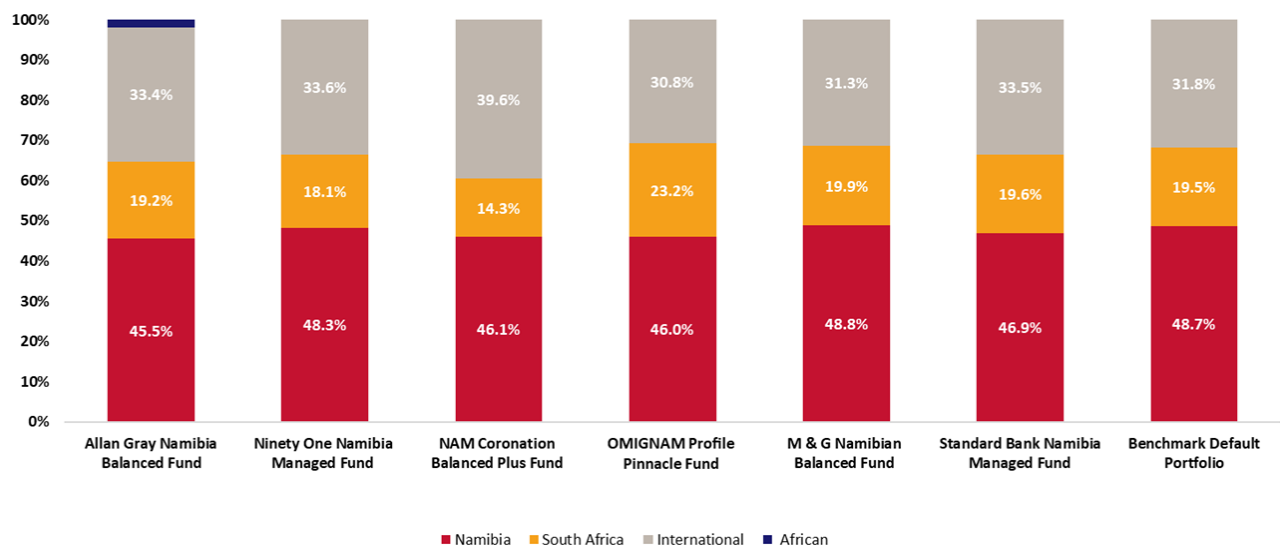
## Performance Comparison

### Moderate Risk Portfolios

#### Asset Allocation as at 31 December 2024 as compared to 31 December 2023



#### Geographical Split as at 31 December 2024:



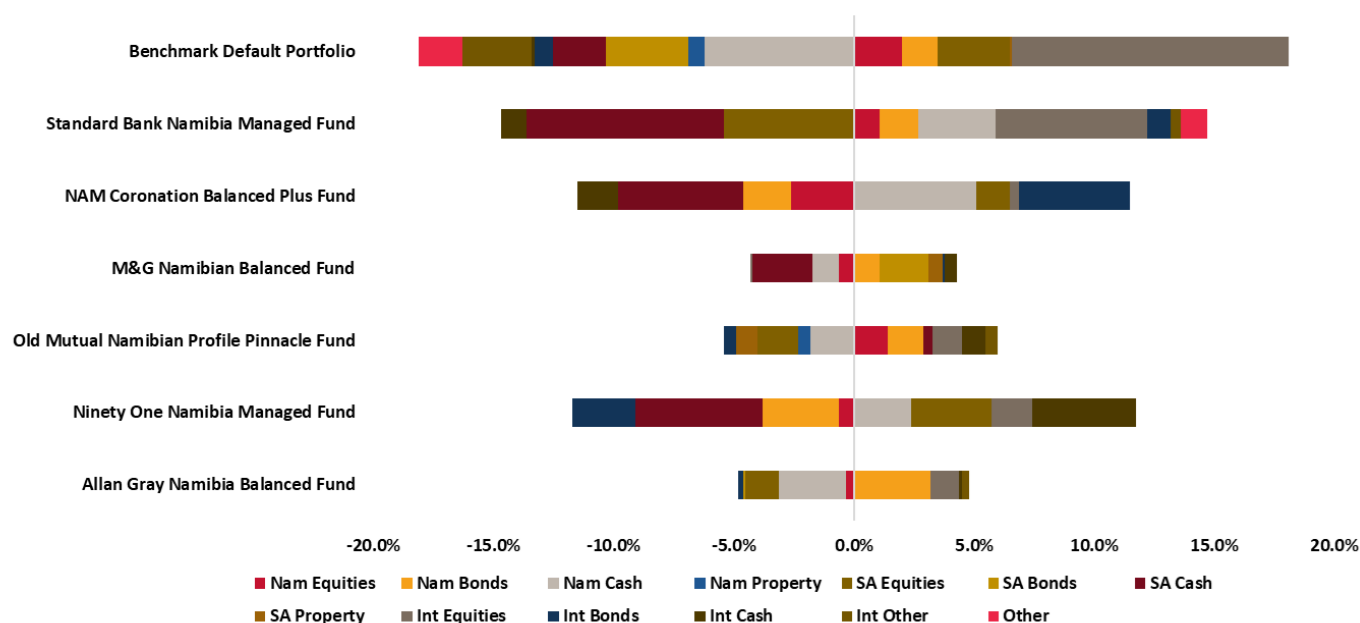
**Notes:**  
Allan Gray: 1.9% African

## 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 2024**. 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.



Over the past year, the Standard Bank Managed Fund underwent the most significant changes, shifting assets from SA Equities and Cash to Nam Cash and International Equities. This reallocation likely responded to the attractiveness of Nam Cash and the strong performance of International Equities. Other funds also made notable changes, with the NAM Coronation Balanced Fund increasing its allocation to Namibian Cash and International Bonds, while decreasing its exposure to Nam Equities and Bonds. The Ninety One Namibia Managed Fund saw significant increases in International Cash, SA Equities, and Namibia Cash. In contrast, the M&G Namibia Balanced Fund experienced the fewest changes, with a notable increase in SA bonds and a corresponding decrease in SA Cash. Allan Gray followed a similar pattern, with a moderate increase in Nam Bonds and a decrease in Nam Cash. Across all managers, asset allocation changes were mixed, with no uniform trend observed among the Moderate Risk Portfolios. However, most portfolios reduced their exposure to SA and Nam Cash, while increasing their allocation to International Equity. It's essential to note that these changes resulted from a combination of active management decisions and market fluctuations, rather than solely from manager decisions.

## Performance Comparison

### Moderate Risk Portfolios

#### Trailing Returns as at 31 December 2024

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	9.5	12.3	10.9	9.3
NAM Coronation Balanced Plus Fund	16.8	10.6	12.4	8.8
Ninety One Namibia Managed Fund	12.3	8.4	9.9	9.0
Old Mutual Namibian Profile Pinnacle Fund	12.9	9.1	10.9	9.2
Standard Bank Namibia Managed Fund	13.0	8.3	9.2	8.2
M&G Namibian Balanced Fund	12.6	10.2	11.0	9.0
Benchmark Retirement Fund Default Portfolio	11.6	11.4	10.2	8.8
NMG SA Moderate Benchmark	13.9	9.0	11.7	9.4
NMG NAM Moderate Benchmark	15.3	11.4	12.3	10.7
FTSE/JSE All Share TR ZAR	13.4	8.7	12.2	9.0
NAM CPI + 6%	9.6	11.5	10.8	10.9

#### Trailing Returns as at 31 December 2023

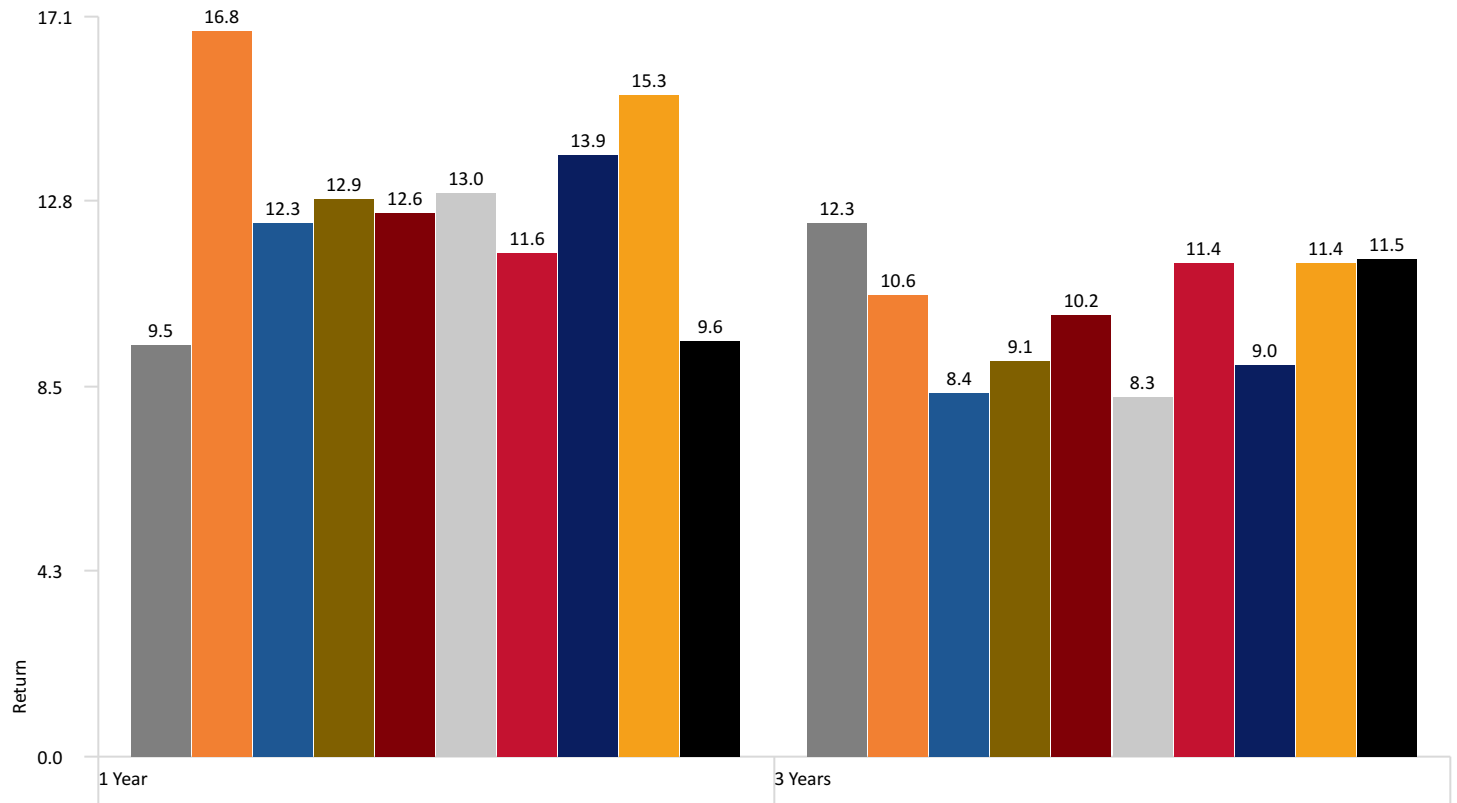
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	19.6	14.2	10.5	9.3
NAM Coronation Balanced Plus Fund	20.0	11.8	11.3	8.4
Ninety One Namibia Managed Fund	12.5	9.9	9.5	9.1
Old Mutual Namibian Profile Pinnacle Fund	15.0	11.8	10.3	9.2
Standard Bank Namibia Managed Fund	18.1	8.2	8.9	8.1
M&G Namibian Balanced Fund	14.4	12.4	10.4	8.8
Benchmark Retirement Fund Default Portfolio	16.6	12.1	9.6	8.6
NMG SA Moderate Benchmark	12.7	11.3	11.2	9.2
NMG NAM Moderate Benchmark	15.8	11.8	11.7	10.3
FTSE/JSE All Share TR ZAR	9.3	13.5	11.9	8.8
NAM CPI + 6%	11.6	11.9	10.6	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.

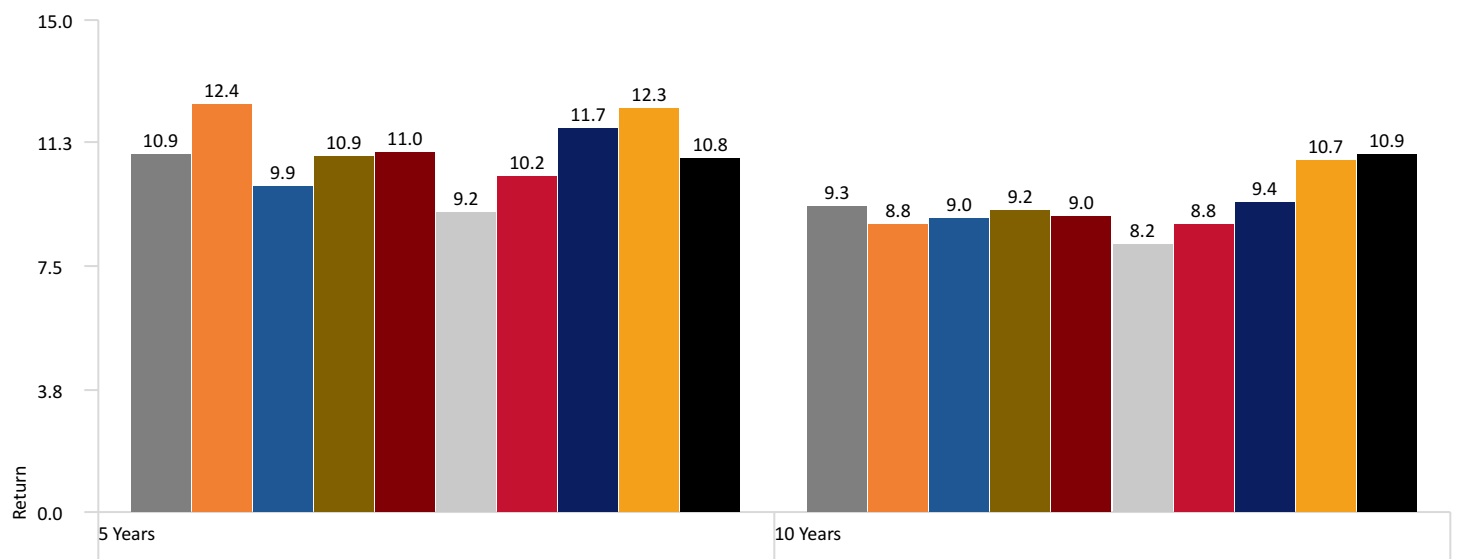
## Performance Comparison

### Moderate Risk Portfolios

#### 1 & 3 year performance for the period ended 31 December 2024



#### 5 & 10 years performance for the period ending 31 December 2024



Allan Gray Namibia 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

Ninety One Namibia Managed Fund  
 Standard Bank Namibia Managed Fund  
 NMG NAM Moderate Benchmark

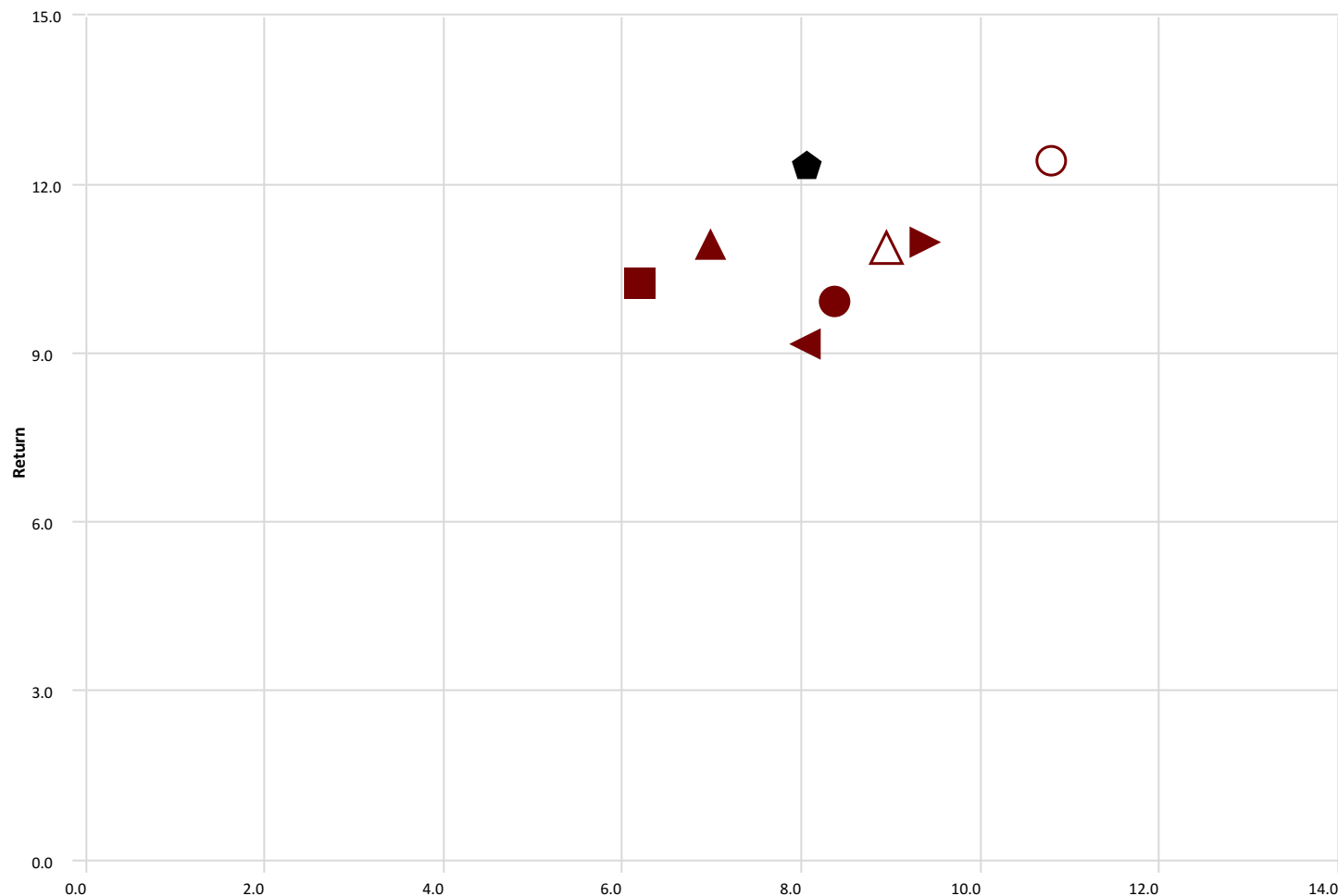
## Performance Comparison

### 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 January 2020 to 31 December 2024

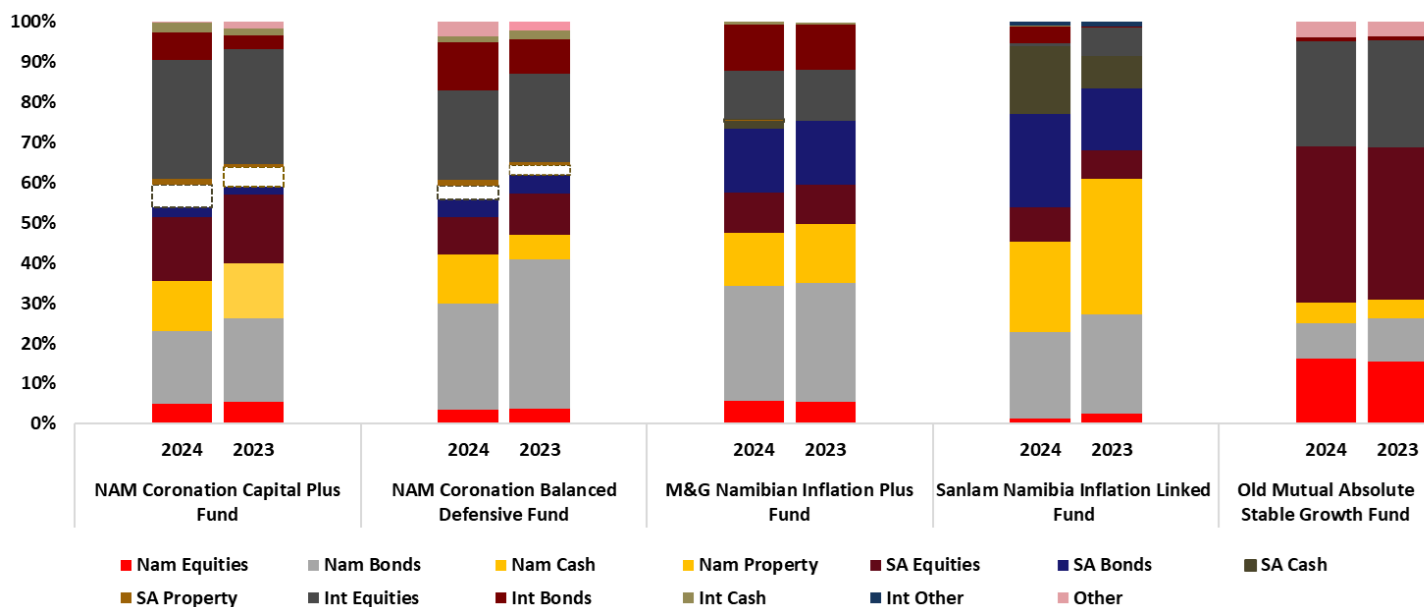


- Std Dev**
- ▲ Allan Gray Namibia Balanced Fund
  - ▲ Old Mutual Namibian Profile Pinnacle Fund
  - Benchmark Retirement Fund Default Portfolio
  - Ninety One Namibia Managed Fund
  - M&G Namibian Balanced Fund
  - ◆ NMG NAM Moderate Benchmark
  - NAM Coronation Balanced Plus Fund
  - ◄ Standard Bank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

## Performance Comparison

### Moderate-Low Risk Portfolios

#### Asset Allocation as at 31 December 2024 as compared to 31 December 2023



#### Notes 31 December 2024:

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

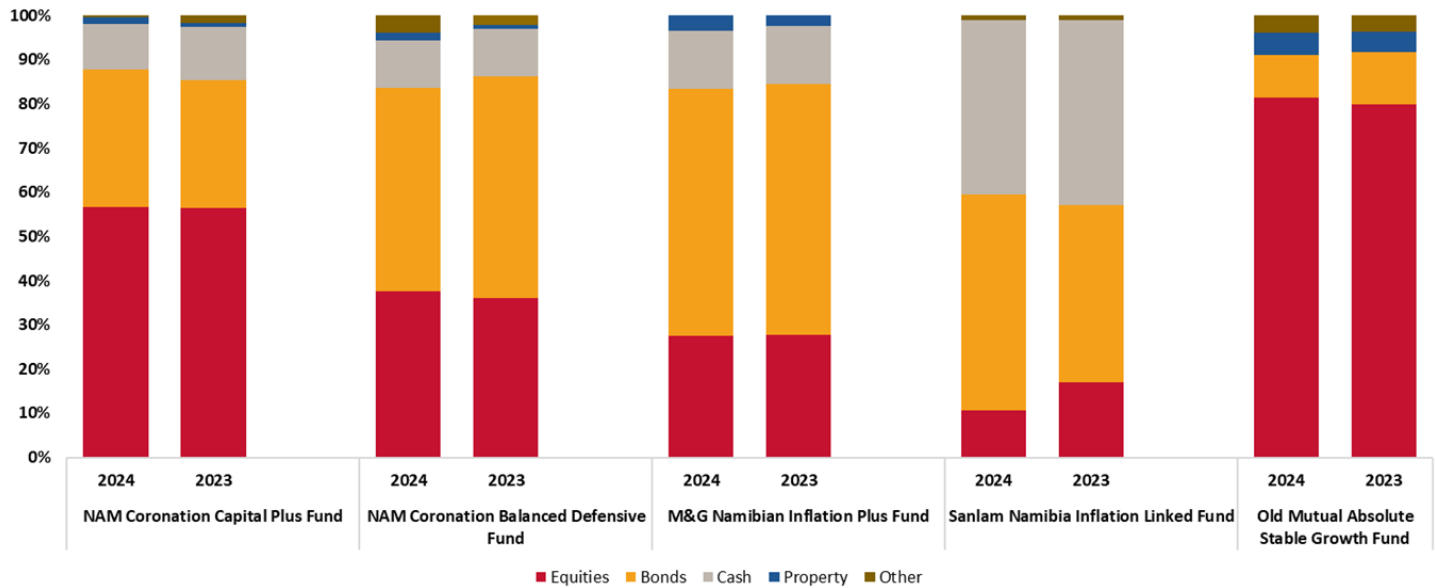
#### Notes 31 December 2023:

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

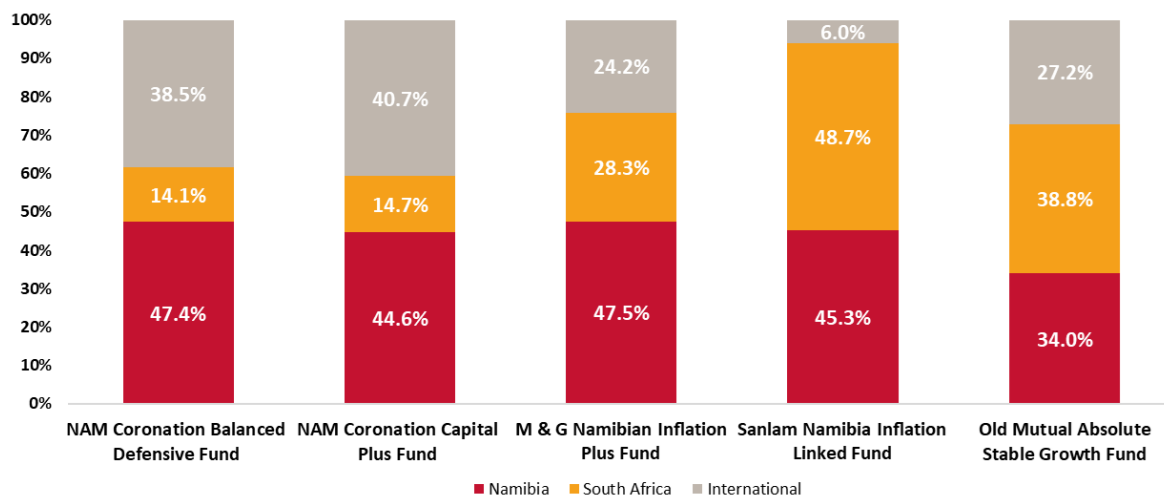
## Performance Comparison

### Moderate-Low Risk Portfolios

Asset Allocation as at 31 December 2024 compared 31 December 2023



Geographical Split as at 31 December 2024:



\*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

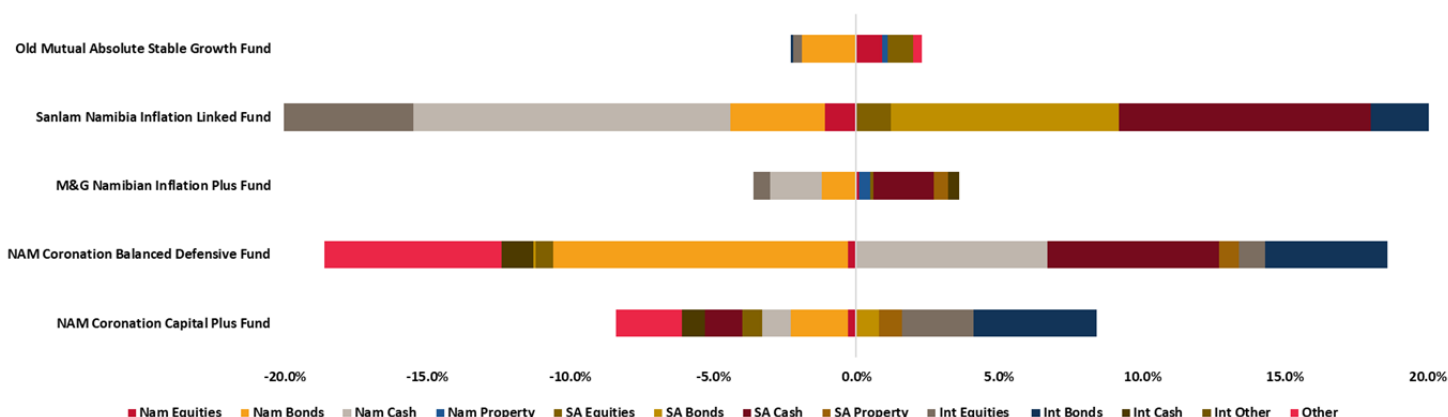


## Performance Comparison

### 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 2024**. 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.



Over the past year, the Sanlam Namibia Inflation Linked Fund underwent the most significant portfolio changes, increasing its exposure to International Bonds, SA Equities, Bonds, and Cash. Conversely, it reduced its holdings in International Equity, Nam Cash, Equities, and Bonds. Similarly, the NAM Coronation Balanced Defensive Fund made notable adjustments, increasing its allocation to International Bonds, SA Cash, and Nam Cash, while decreasing its exposure to Nam Bonds and Alternatives. In contrast, the Old Mutual Absolute Stable Growth Fund and the M&G Inflation Plus Fund experienced minimal changes. While the Old Mutual fund saw no significant movements, the M&G fund increased its SA Cash allocation and decreased its Nam Cash holding. Despite varied strategies, the Moderate Low Risk Portfolios, all had a reduced allocation to Nam Bonds over the past year. It's essential to note that these changes result from a combination of active management decisions and market fluctuations, rather than solely from manager decisions.

## Performance Comparison

### Moderate-Low Risk Portfolios

#### Trailing Returns as at 31 December 2024

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	11.8	9.4	9.2	8.0
NAM Coronation Capital Plus Fund	13.1	9.0	9.8	7.4
M&G Namibian Inflation Plus Fund	10.9	9.6	9.2	8.1
Sanlam Namibia Inflation Linked Fund	11.7	9.2	9.0	8.3
Old Mutual Absolute Stable Growth Fund	12.7	11.1	9.3	8.5
NMG NAM Mod Conservative Benchmark	13.6	10.8	10.9	9.7
NAM CPI + 4%	7.6	9.4	8.7	8.8

#### Trailing Returns as at 31 December 2023

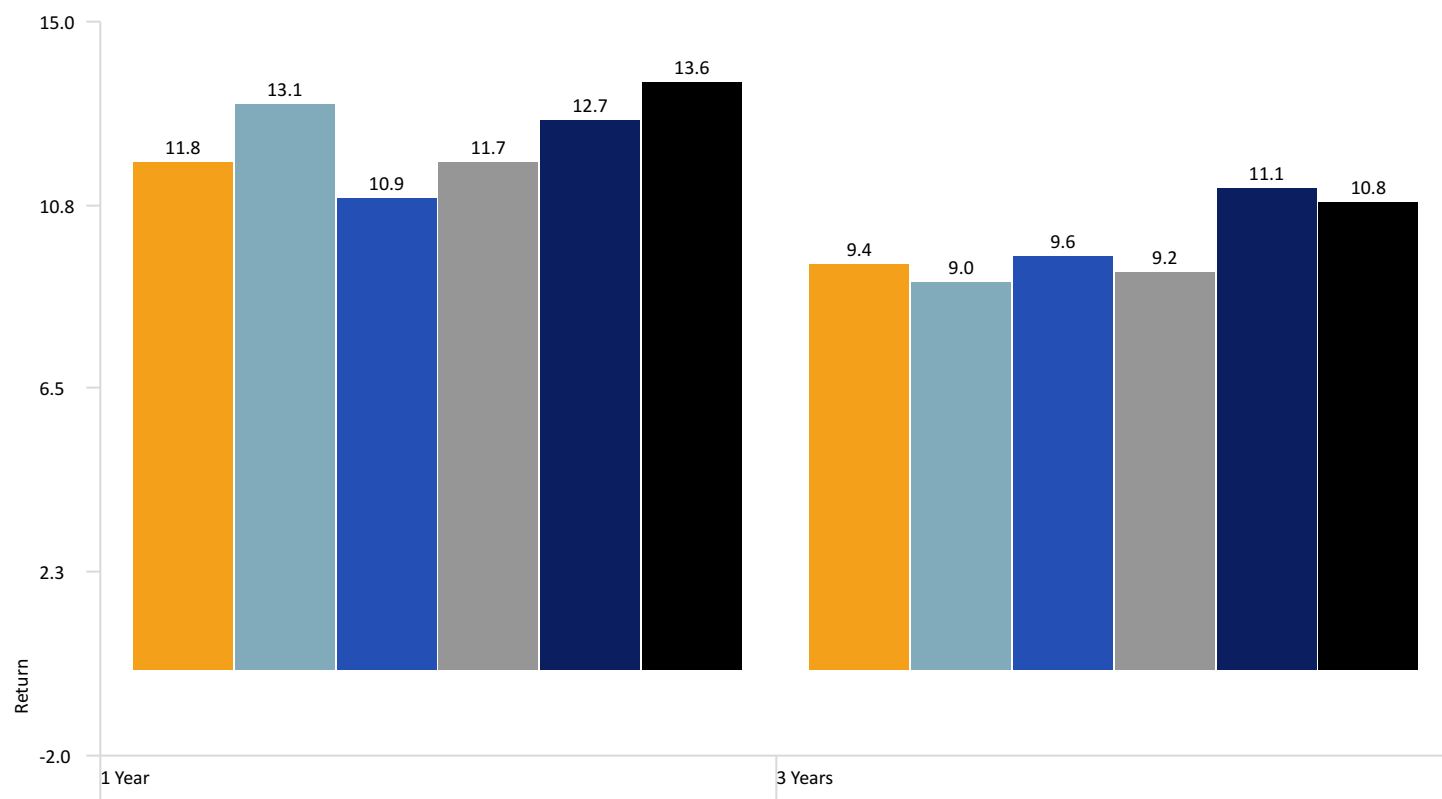
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	14.7	9.3	9.1	7.8
NAM Coronation Capital Plus Fund	15.8	9.5	9.4	7.1
M&G Namibian Inflation Plus Fund	13.2	10.4	8.9	8.1
Sanlam Namibia Inflation Linked Fund	14.0	9.1	8.8	8.1
Old Mutual Absolute Stable Growth Fund	11.2	11.7	7.6	8.9
NMG NAM Mod Conservative Benchmark	13.3	10.2	10.2	9.3
NAM CPI + 4%	9.5	9.8	8.5	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.

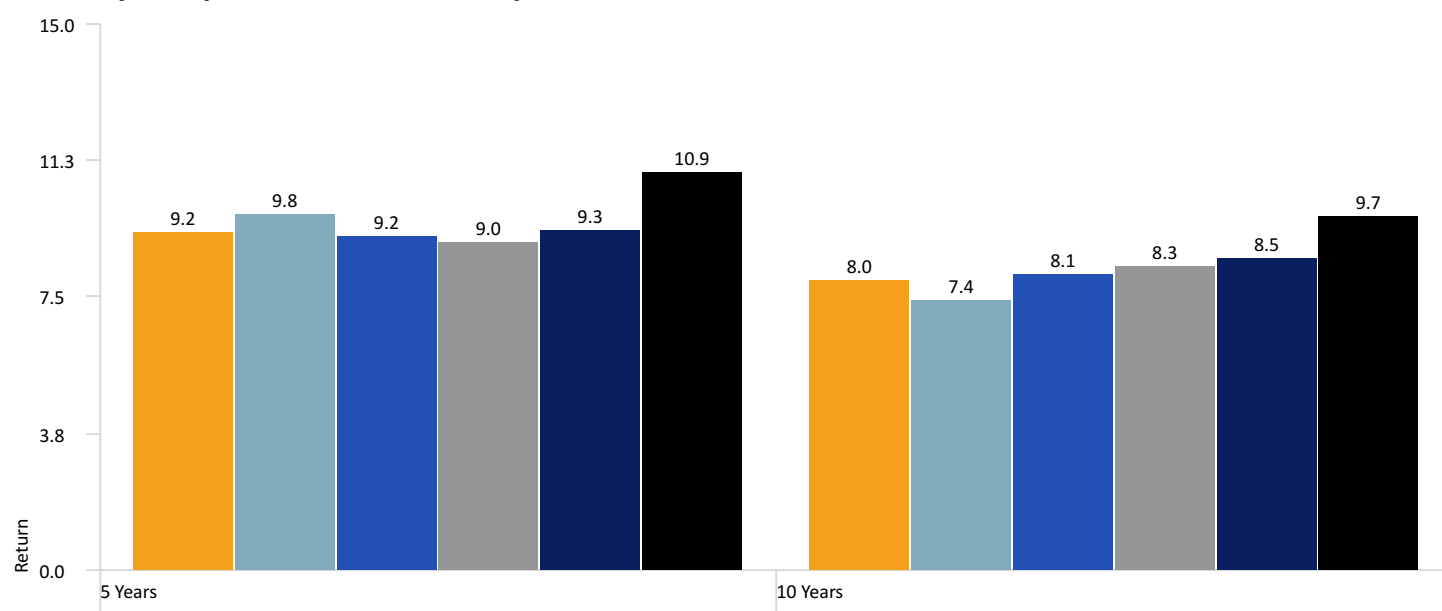
## Performance Comparison

### Moderate-Low Risk Portfolios

#### 1 & 3 year performance for the period ended 31 December 2024



#### 5 & 10 years performance for the period ended 31 December 2024



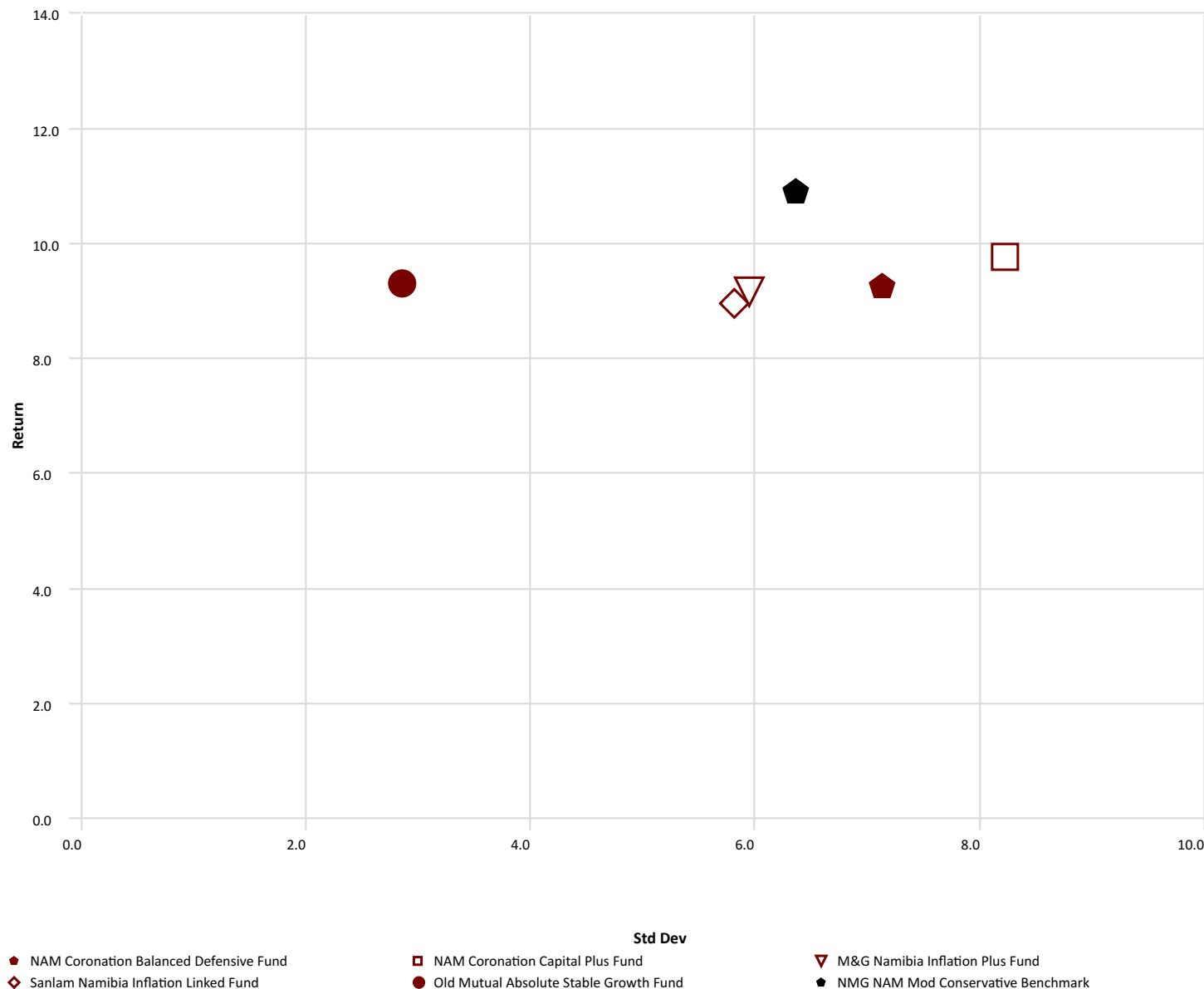
## Performance Comparison

### 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

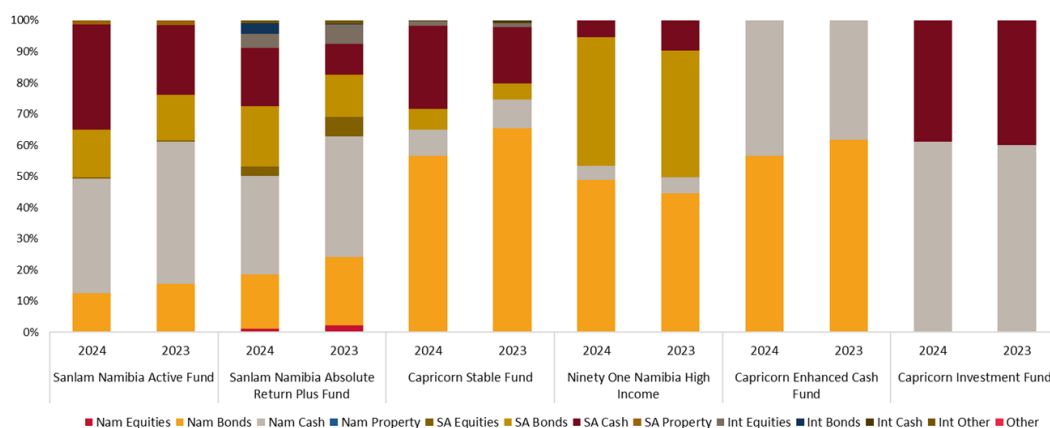
Time Period: 01 January 2020 to 31 December 2024



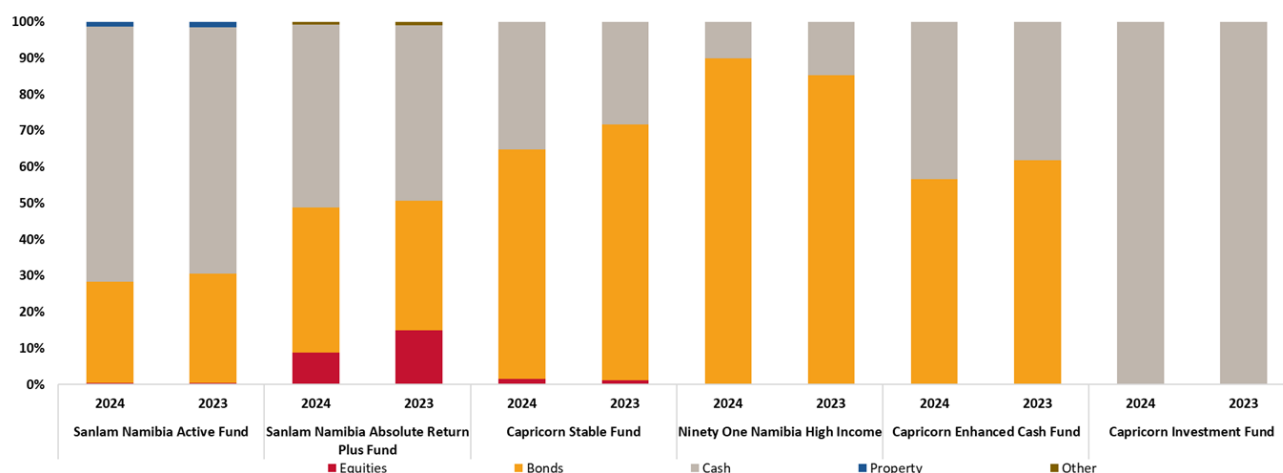
## Performance Comparison

### Low Risk and Capital Preservation Portfolios

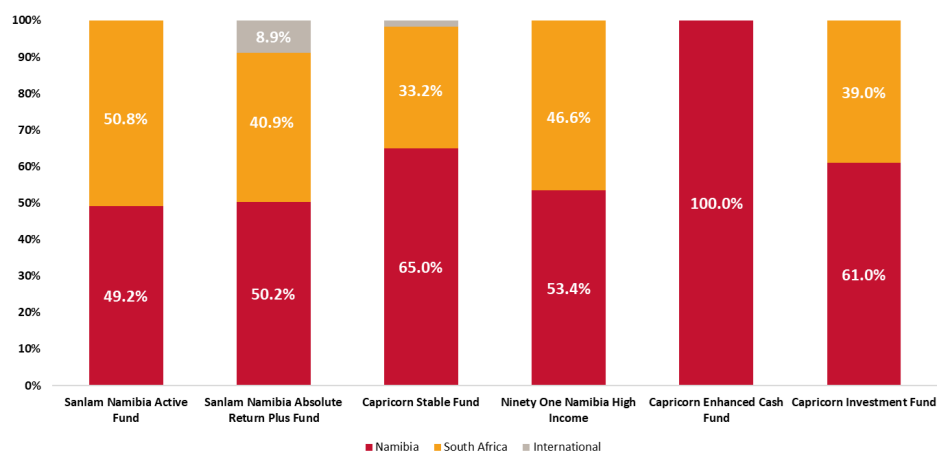
#### Asset Allocation as at 31 December 2024 as compared to 31 December 2023



The total Namibian exposure is 49.2% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 65.0% 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 50.2% exposure to Namibian assets.



#### Geographical Split as at 31 December 2024:



\*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 2024

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	10.6	8.4	7.2	7.7
Sanlam Namibia Absolute Return Plus Fund**	14.8	9.2	7.8	7.8
Capricorn Stable Fund*	11.8	13.5	10.7	—
Ninety One Namibia High Income Fund***	9.6	8.8	7.5	7.4
Capricorn Enhanced Cash Fund***	8.9	7.6	7.1	7.9
NAM CPI + 1%	4.4	6.2	5.5	5.7
NAM CPI + 2%	5.5	7.3	6.6	6.7
FTSE/JSE ALB 1-3 Yr TR ZAR	9.6	8.2	8.0	8.0

\*Investment by Benchmark into the fund was only made at the end of March 2019. Returns beyond that period are for illustrative purposes.

\*\*Investment by Benchmark into the fund was only made during June of 2019. Returns beyond that period are for illustrative purposes.

\*\*\*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 2023

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	9.0	6.7	6.7	7.4
Sanlam Namibia Absolute Return Plus Fund**	9.0	6.5	6.5	7.7
Capricorn Stable Fund*	14.3	11.4	10.4	—
Ninety One Namibia High Income Fund***	10.0	6.9	7.2	7.0
Capricorn Enhanced Cash Fund***	7.8	6.4	7.1	7.7
NAM CPI + 1%	6.4	6.6	5.4	5.8
NAM CPI + 2%	7.4	7.7	6.4	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	9.2	6.4	7.6	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.

\*\*\*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 2024

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	9.0	7.8	6.7	7.1
NAM CPI	3.4	5.2	4.5	4.6
IJG Money Market GR NAD	8.5	7.4	6.4	7.0

#### Trailing Returns as at 31 December 2023

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	8.5	6.3	6.4	6.8
NAM CPI	5.3	5.6	4.3	4.7
IJG Money Market GR NAD	8.1	6.0	6.2	6.7

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 31 December 2024

	1 Year	3 Years	5 Years	01 January 2016 - 31 December 2024
Allegrow Fund*	-8.3	1.5	-4.0	-0.9
Caliber Capital Fund (A)	10.4	9.7	8.6	7.6
IJG Frontier Investment Fund**	-25.5	-6.9	-4.7	-6.1
Stimulus	0.1	4.6	3.6	3.4
<b>NAM CPI + 4.5%</b>	<b>8.1</b>	<b>9.9</b>	<b>9.2</b>	<b>9.4</b>

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.

\*\*Fair value adjustment in September 2024.

#### Trailing Returns as at 31 December 2023

	1 Year	3 Years	5 Years	01 January 2016 - 31 December 2023
Allegrow Fund	13.4	-4.3	-2.3	0.1
Caliber Capital Fund (A)	10.8	8.4	8.4	7.3
IJG Frontier Investment Fund	1.6	7.0	-4.0	-3.3
Stimulus	—	5.2	5.3	3.8
<b>NAM CPI + 4.5%</b>	<b>10.0</b>	<b>10.3</b>	<b>9.0</b>	<b>9.6</b>

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.