



# Benchmark Retirement Fund

**BENCHMARK RETIREMENT FUND**  
**QUARTERLY INVESTMENT REPORT**  
**as at**  
**31 March 2010**



**JACQUES MALAN**  
CONSULTANTS & ACTUARIES

**Compiled by Jacques Malan Consultants & Actuaries**  
**Investment Consultants to the Benchmark Retirement Fund**

**June 2010**

## INDEX

Page

SECTION 1	:	INTRODUCTION	2
SECTION 2	:	MARKET OVERVIEW	3
SECTION 3	:	PERFORMANCE COMPARISON	7
SECTION 4	:	FUND FACT SHEETS	9
SECTION 5	:	MANAGER SUMMARIES	22
SECTION 6	:	GLOSSARY	25

## SECTION 1: 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 within the scheme to enable them to make informed decisions regarding the investment of their retirement assets.

The following portfolios are offered to members:

Portfolio	Risk Profile
Allan Gray Namibia Investment Trust	Moderate
Investec Managed Fund Namibia	Moderate
AF Namibia Balanced Growth Fund	Moderate
Old Mutual Namibia Profile Balanced Fund	Moderate
Prudential Namibia Balanced Fund	Moderate
Sanlam Namibia Balanced Fund	Moderate
Standard Bank Namibia Managed Fund	Moderate
Investec High Income Fund Namibia	Conservative
Metropolitan Absolute Return Fund Namibia	Conservative
Prudential Namibia Inflation Plus Fund	Conservative
Benchmark Retirement Fund Default Portfolio	Conservative
Money Market Fund	Capital Preservation

A brief description of the risk profiles is as follows:

The aggressive risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 6% over a rolling 3 year period.
- Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these type of portfolios in order to achieve the return objective

The moderate risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 4% over a rolling 3 year period.
- Aims to achieve this return with as minimal risk as possible, although to achieve this target, the portfolio will have a large exposure to growth assets and as such short term negative returns are possible.

The conservative risk portfolios have the following return and risk objectives:

- A return objective of inflation plus 3% over a rolling 3 year period.
- Aims to achieve this return objective with minimal negative returns over a rolling 12 month period.

The capital preservation portfolios have the following return and risk objectives:

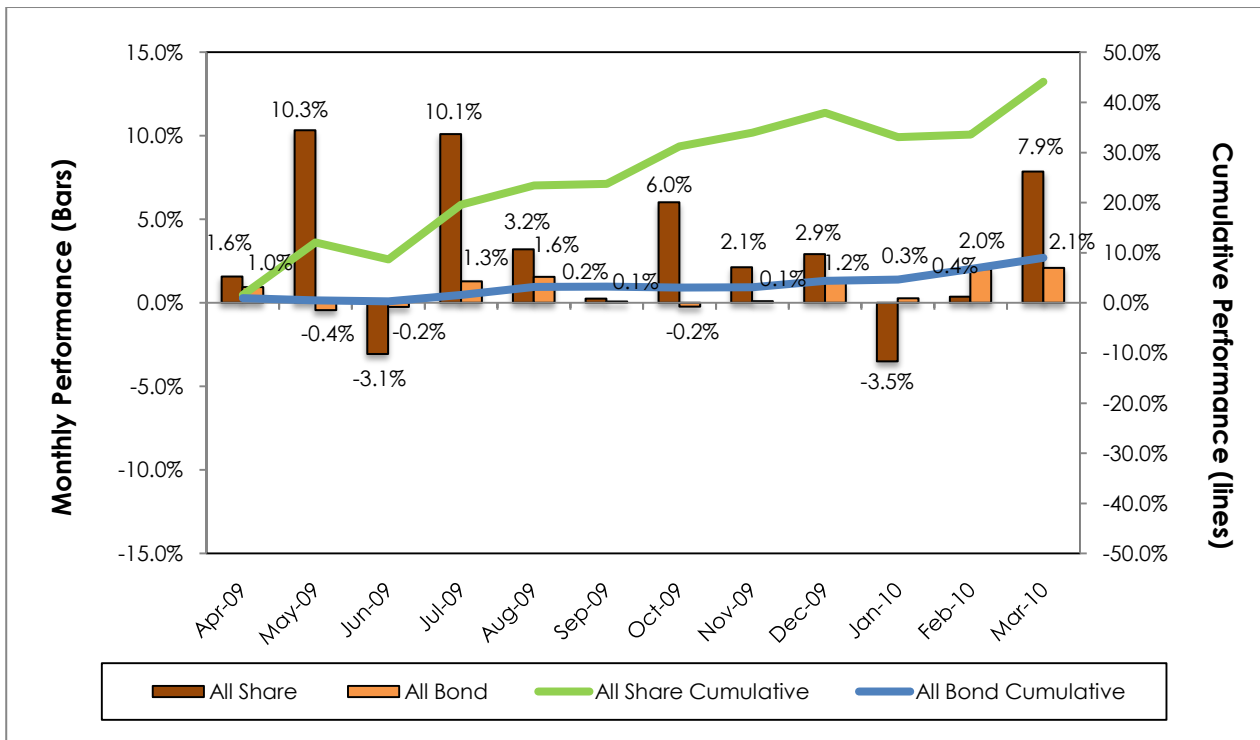
- A return objective of inflation.
- No capital loss over a rolling 12 month period.

The Trustees do not offer aggressive risk portfolios at this time, but are in the process to identify a suitable portfolio(s) that can be made available to the members.

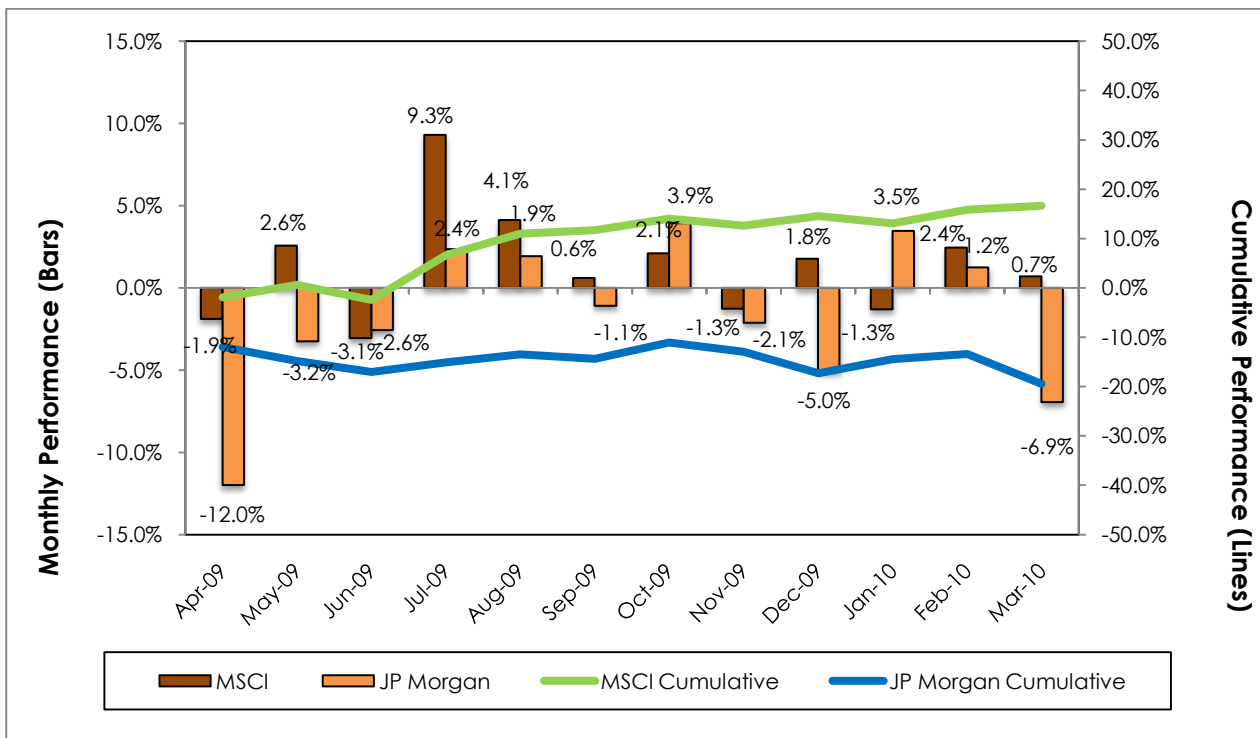
## SECTION 2: MARKET OVERVIEW

The following graphs represent the monthly performance of the various market indices for the year ending 31 March 2010.

### SOUTH AFRICA



### WORLD INDICES



Market performance to **31 March 2010** was as follows:

	<b>2009</b>	<b>One Month</b>	<b>2010 YTD</b>	<b>One Year</b>	<b>Three Years</b>
All Share (SA)	32.1%	7.9%	4.5%	44.1%	4.6%
All Bond (SA)	-1.0%	2.1%	4.4%	9.0%	7.4%
STeFI (SA)	8.6%	0.6%	1.7%	7.6%	9.8%
MSCI World	1.6%	0.7%	1.8%	16.7%	-4.8%
JP Morgan World Bond	-20.8%	-6.9%	-2.5%	-19.4%	7.4%
Rand/Dollar	-22.3%	-5.2%	-1.5%	-23.9%	0.1%
CPI (SA)	6.9%	0.8%	1.7%	5.1%	8.5%

The JSE sector performance to 31 **March 2010** was as follows:

	<b>2009</b>	<b>One Month</b>	<b>2010 YTD</b>	<b>One Year</b>	<b>Three Years</b>
Financials	28.0%	7.4%	9.9%	51.3%	-0.1%
Industrials	21.6%	7.5%	6.2%	48.0%	1.0%
Resources	35.4%	10.2%	2.1%	36.1%	3.6%

Source: I-Net Bridge

### **Market commentary:**

The first quarter of 2010 has seen a much more sedate and stable market when compared to the height of the global financial crisis in the first quarter of 2009. Governments around the world, including the South African government, have taken drastic steps to lessen the impact of the global financial crisis on their respective economies. The effects of these steps have been positively felt as the global economic recovery continues to gain momentum world-wide. Industrial production has risen in many major world economies such as China, India, Euro-area and Mexico. Locally, the South African Government has reduced the repo rate by 5.5% since June 2008 and has embarked on a large scale government spending program. Despite this, the unemployment rate is higher than at the start of the global financial crisis. This indicates that South Africa still has some major challenges to overcome that resulted out of the financial crisis. Both oil and gold have increased slightly since the start of the year, improving by 5.2% and 1.5% respectively.

**Equities**

Domestic equity performance has been mixed in 2010 with poor performance in January and February, followed by exceptional performance in March. The performance in March dragged the year-to-date performance for the All Share Index into positive territory at 4.5%. Financials have been the strongest performing sector in 2010, with a year-to-date return of 9.9%. Industrials have returned 6.2% over the same period and Resources have lagged returning a meagre 2.1% over the year-to-date. This is despite Resources being the best performing sector in March, returning 10.2%. Globally, equities have performed positively, with the MSCI returning 3.4% in US dollar terms and 1.8% in Rand terms.

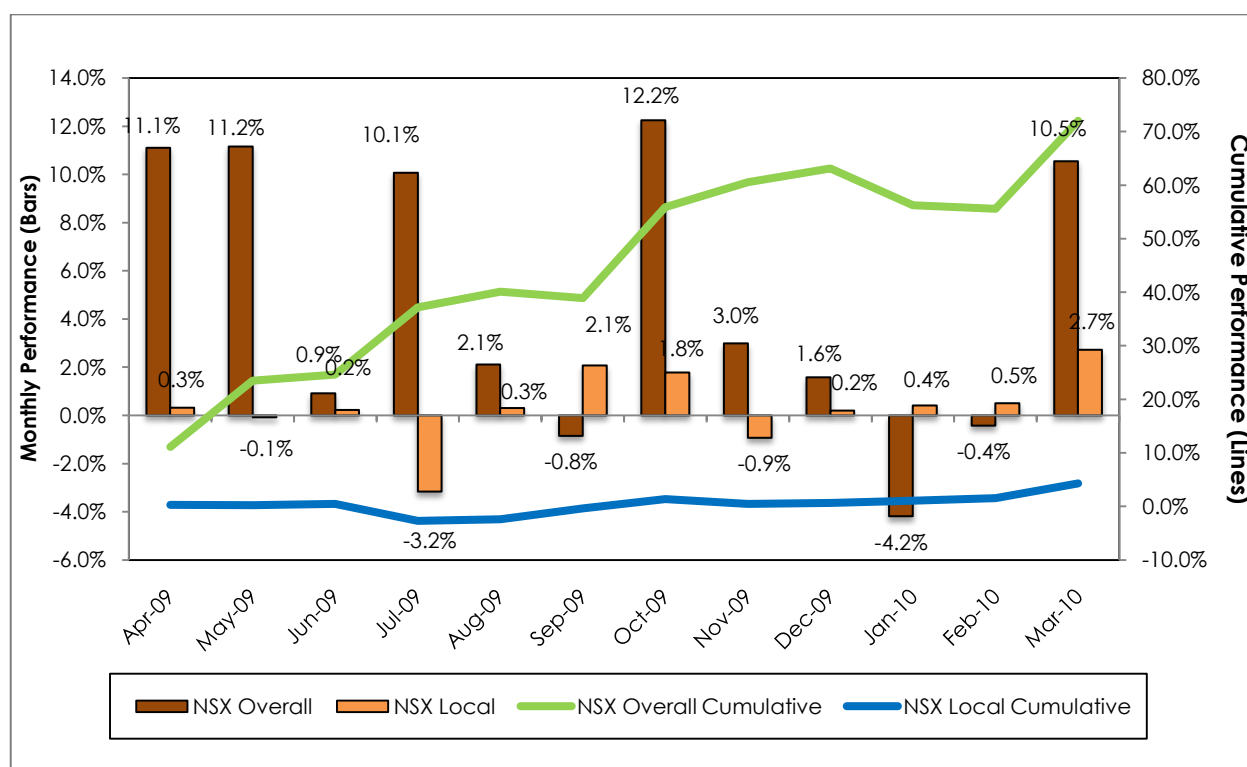
**Bonds**

The most recent reductions in the repo rate have had a positive effect on the All Bond index (ALBI), which has not yet experienced a month of negative growth in 2010. The year-to-date return for the ALBI is 4.4%. This is in distinct contrast to 2009, where the ALBI returned -1.0% for the year.

**Currency**

The Rand has appreciated by 1.5% against the dollar in 2010, ending the quarter at a closing price of R7.29/US\$. The Rand has strengthened by a staggering 23.9% since 1 March 2009, when the Rand was at R10.07/US\$.

## NAMIBIA



Namibian Market performance to **31 March 2010** was as follows:

	2009	One Month	2010 YTD	One Year	Three Years
NSX Overall	41.9%	10.5%	5.5%	72.0%	-1.2%
NSX Local	4.1%	2.7%	3.7%	4.3%	23.0%
NAM CPI	7.0%	0.1%	2.0%	5.7%	8.4%
IJG Bond Index	3.3%	1.8%	4.7%	12.6%	9.4%
IJG Money Market	8.2%	0.6%	1.8%	7.6%	9.3%

## Namibia

The Namibian budget was delivered by the Minister of Finance, Ms Saara Kuugongelwa-Amadhila, on the 30<sup>th</sup> March 2010. The government is to increase spending for the third year in succession in order to provide additional support to the economy. Prices have been stabilising with Inflation at 5.7% year-on-year at the end of March 2010. This is a radical reduction when compared to the 11.2% year-on-year in March 2009. This is also the first time inflation has dipped below 6% since October 2006. The Bank of Namibia has, however, not altered the Repo rate, which remains at 7%.

## SECTION 3: PERFORMANCE COMPARISON AS AT 31 MARCH 2010

### MODERATE PORTFOLIOS

#### Asset allocation

The figures below reflect the asset allocation of the moderate portfolios as at **31 March 2010**

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Balanced	Prudential Balanced	Sanlam Balanced	Standard Bank Managed
Nam Equities	12.2%	19.7%	19.1%	18.4%	22.5%	21.3%	21.7%
Nam Bonds	6.2%	9.1%	9.7%	6.0%	7.1%	9.3%	7.2%
Nam Cash	16.5%	9.6%	8.5%	11.4%	19.4%	10.2%	9.3%
Nam Property	1.2%	0.2%	0.5%	-	-	-	-
SA Equities	29.7%	22.7%	27.4%	32.2%	23.5%	32.6%	43.6%
SA Bonds	-	10.0%	3.4%	3.8%	-	9.9%	0.7%
SA Cash	3.0%	0.2%	5.3%	-	-	-	0.4%
SA Property	-	4.3%	3.3%	5.6%	3.5%	-	-
Offshore	30.0%	24.2%	18.3%	22.0%	24.0%	16.7%	17.1%
Other	1.2% <sup>1</sup>	-	4.5% <sup>2</sup>	0.6% <sup>3</sup>	-	-	-
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup>-Other represents Gold ETF's

<sup>2</sup>-Other represents SA Hedge Funds

<sup>3</sup>-Other represents Gold Debentures

#### Time weighted returns

These returns reflect the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

Investment Portfolio	1 yr	3 yrs (annualised)	5 yrs (annualised)	10 yrs (annualised)
Allan Gray Namibia Investment Trust	16.6%	8.7%	19.2%	22.1%
Investec Managed Fund Namibia	37.4%	7.4%	17.0%	15.7%
AF Namibia Balanced Growth Fund <sup>1</sup>	30.1%	5.5%	16.1%	-
Old Mutual Namibia Profile Balanced Fund	28.1%	3.2%	14.6%	15.3%
Prudential Namibia Balanced Fund	35.4%	-	-	-
Sanlam Namibia Balanced Fund	25.0%	3.3%	15.4%	-
Standard Bank Namibia Managed Fund	27.3%	7.7%	15.8%	13.1%
<b>Average Moderate Portfolio<sup>2</sup></b>	<b>28.5%</b>	<b>5.5%</b>	<b>16.1%</b>	<b>15.1%</b>
<b>All Share (JSE)</b>	<b>44.1%</b>	<b>4.6%</b>	<b>19.9%</b>	<b>17.5%</b>
<b>Inflation</b>	<b>5.7%</b>	<b>8.4%</b>	<b>7.2%</b>	<b>7.3%</b>
<b>Target: Inflation + 4%</b>	<b>-</b>	<b>12.4%</b>	<b>11.2%</b>	<b>11.3%</b>

1- Returns prior to April 2009 were for the Investment Solutions Focused Growth Fund. The fund's name changed to AF Balanced Growth in March 2009.

2- Average of the Jacques Malan Consultants and Actuaries Survey for Moderate Balanced portfolios.



## CONSERVATIVE PORTFOLIOS

### Asset allocation

The figures below reflect the asset allocation of the conservative portfolios as at **31 March 2010**

	<b>Investec High Income Fund</b>	<b>Metropolitan Absolute Return Fund</b>	<b>Prudential Inflation Plus</b>	<b>Default Portfolio</b>
Nam Equities	-	6.9%	13.6%	10.3%
Nam Bonds	10.4%	9.1%	9.4%	9.2%
Nam Cash	27.4%	24.2%	15.5%	19.8%
Nam Property	-	-	1.5%	0.8%
SA Equities	-	18.7%	10.9%	14.8%
SA Bonds	35.2%	4.2%	23.0%	13.6%
SA Cash	27.0%	21.7%	-	10.8%
SA Property	-	2.1%	8.1%	5.1%
Offshore	-	-	18.0%	9.1%
Other <sup>1</sup>	-	13.1%	-	6.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup>-Other represents investment in Metropolitan Income Plus Unit Trust Fund

### Time weighted returns

These returns reflect the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

<b>Investment Portfolio</b>	<b>1 yr</b>	<b>3 yrs (annualised)</b>	<b>5 yrs (annualised)</b>
Investec High Income Fund Namibia	9.0%	10.1%	9.4%
Metropolitan Absolute Return Fund Namibia	11.7%	4.4%	-
Prudential Namibia Inflation Plus Fund	20.8%	7.6%	13.0%
Benchmark Retirement Fund Default Portfolio	16.2%	6.2%	12.3%
<b>ALBI 1-3 year Index</b>	<b>8.1%</b>	<b>9.3%</b>	<b>8.7%</b>
<b>Inflation</b>	<b>5.7%</b>	<b>8.4%</b>	<b>7.2%</b>
<b>Target: Inflation + 3%</b>	<b>-</b>	<b>11.4%</b>	<b>10.2%</b>

## CAPITAL PRESERVATION PORTFOLIOS

These returns reflect the investment returns achieved for the specified periods. Please note the returns are **gross** of fees.

<b>Investment Portfolio</b>	<b>1 yr</b>	<b>3 yrs (annualised)</b>	<b>5 yrs (annualised)</b>
Money Market Fund	8.1%	10.0%	9.0%
<b>Inflation</b>	<b>5.7%</b>	<b>8.4%</b>	<b>7.2%</b>
<b>Target: IJG Money Market Index</b>	<b>-</b>	<b>9.3%</b>	<b>8.8%</b>

## **SECTION 4: FUND FACT SHEETS**

## Allan Gray Namibia Investment Trust

**Risk Profile** Moderate

**Size** N\$ 1.9bn

**Portfolio Description**

The Allan Gray Namibia Investment Trust is a market-linked balanced portfolio which represents Allan Gray's best investment view for balanced mandates.

**Inception** Aug-99

**CIO** Ian Liddle

**Portfolio Manager**

Ian Liddle, Duncan Artus, Andrew Lapping, Delphine Govender, Simon Raubenheimer

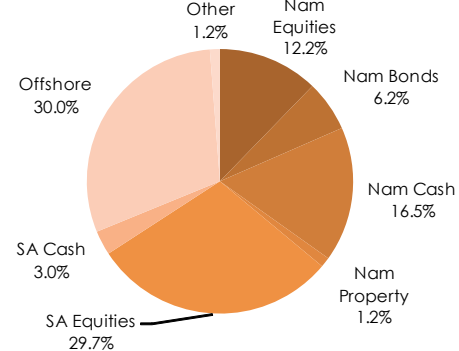
**Benchmark**

The benchmark for the fund is the average of the Alexander Forbes Namibia Survey for Retirement Funds. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

**Top 10 Equity Holdings**

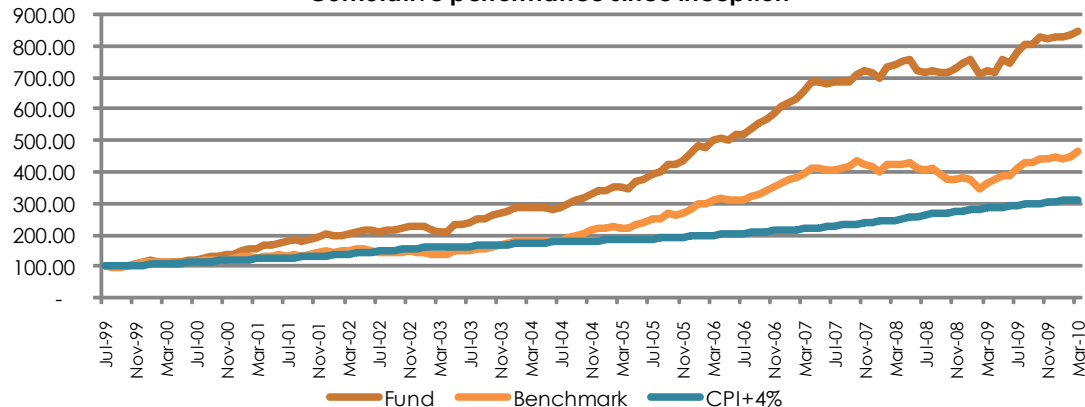
- |              |                            |
|--------------|----------------------------|
| 1 SAB Miller | 6 British American Tobacco |
| 2 Sasol      | 7 Sanlam                   |
| 3 FNB Nam    | 8 MTN Group                |
| 4 Remgro     | 9 Bidvest Nam              |
| 5 Anglo Gold | 10 Sappi                   |

**Asset allocation as at 31 March 2010**

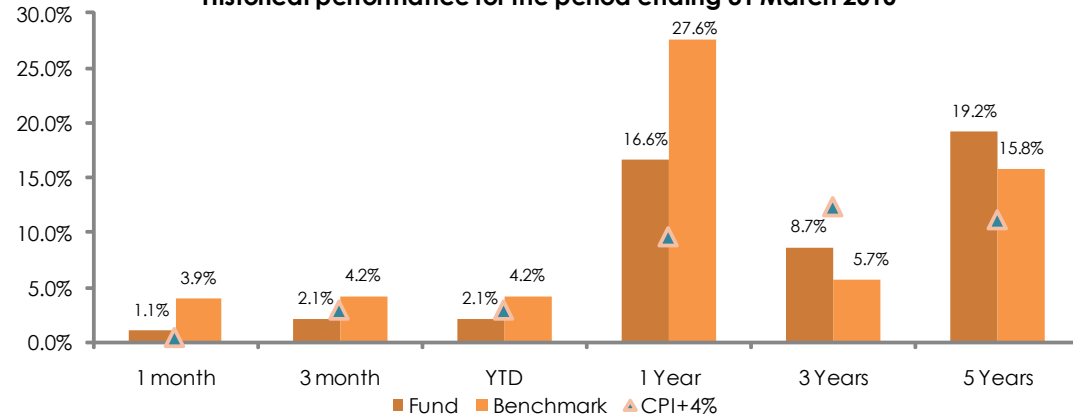


\*Other represents Gold ETF's

**Cumulative performance since inception**



**Historical performance for the period ending 31 March 2010**



## Investec Managed Fund Namibia

**Risk Profile** Moderate

**Size** N\$579 m

### Portfolio Description

The Investec Managed Fund is market-linked balanced portfolio which aims to achieve stable returns over the longer term by investing in all asset classes. This portfolio represents Investec's best investment view.

**Inception** May-97

**CIO** Kim McFarland, James Hatuikulipi

### Portfolio Manager

James Hatuikulipi and Chris Freund

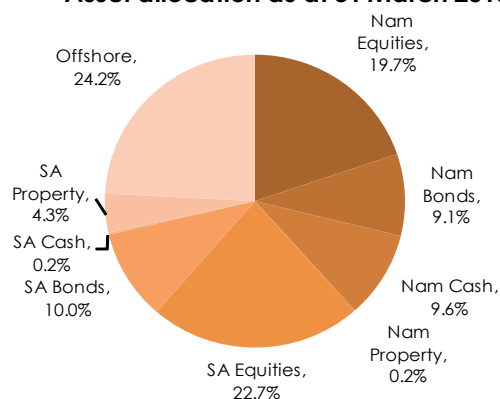
### Benchmark

The benchmark for the fund is to outperform the average of the manager's peer group. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

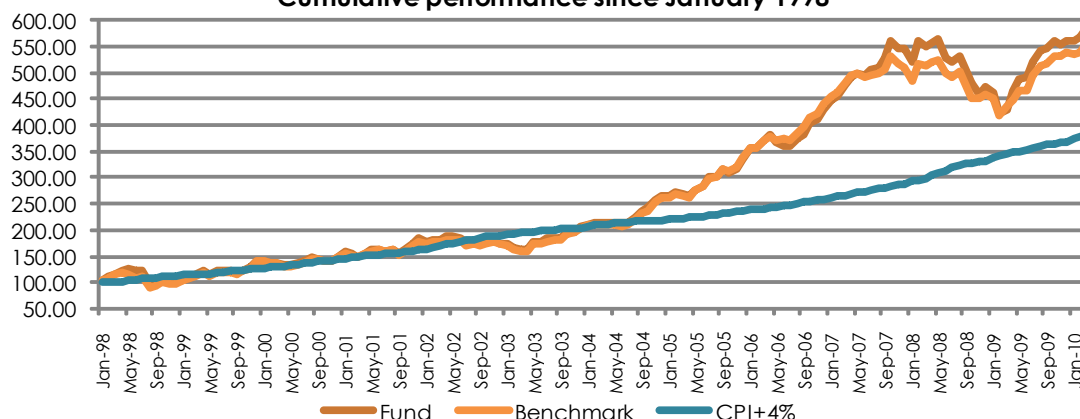
### Top 10 Equity Holdings

- |                       |                |
|-----------------------|----------------|
| 1 Firststrand         | 6 Clicks Group |
| 2 Standard Bank Group | 7 Sasol        |
| 3 Investec            | 8 Old Mutual   |
| 4 SAB Miller          | 9 ABSA         |
| 5 MTN Group           | 10 Steinhoff   |

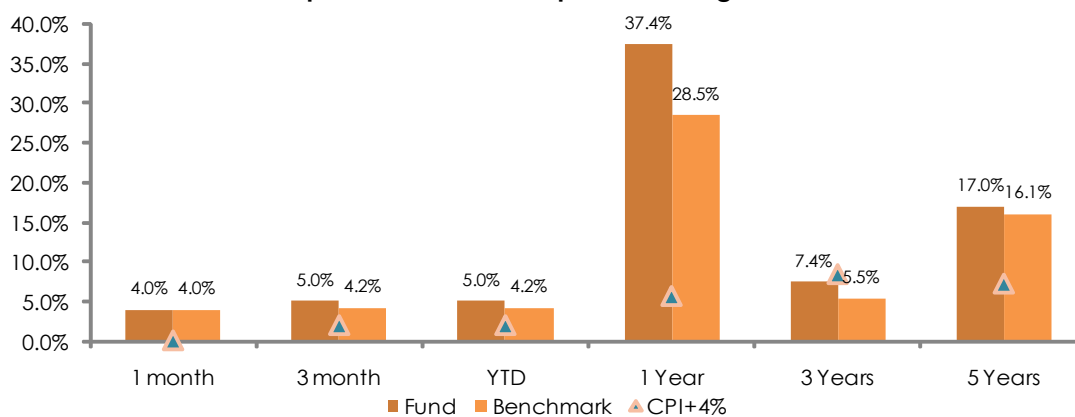
### Asset allocation as at 31 March 2010



### Cumulative performance since January 1998



### Historical performance for the period ending 31 March 2010



## AF Namibia Balanced Growth Fund

**Risk Profile** Moderate

### Portfolio Description

The AF Namibia Balanced Growth portfolio is a market-linked balanced portfolio which represents Investment Solutions' best investment view for balanced mandates. The portfolio invests in all asset classes and focus on reducing volatility by diversifying among managers with different investment styles.

**Inception** Apr-09

**CIO** Mark Lindheim

**Portfolio Manager** Suniti Naran

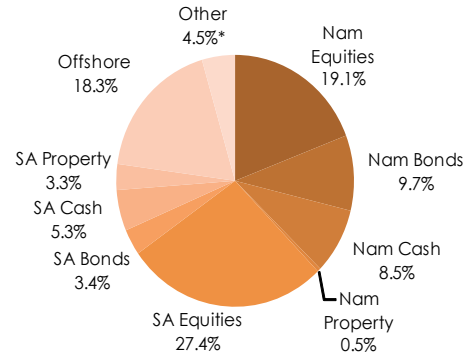
### Benchmark

The portfolio has an internal benchmark. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark

### Top 10 Equity Holdings

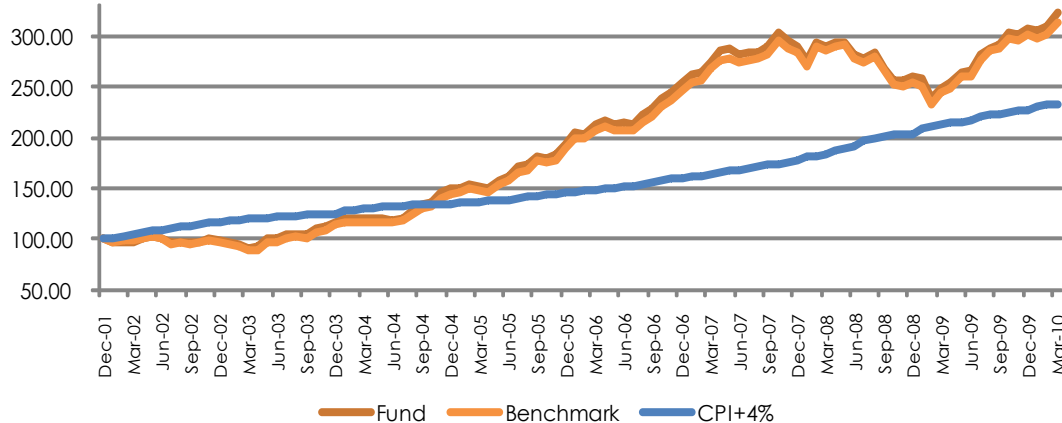
1 Anglo American	6 Sanlam
2 Standard Bank Group	7 Truworths
3 Old Mutual	8 Shoprite
4 Firstrand	9 Investec
5 Nedbank	10 Barloworld

### Asset allocation as at 31 March 2010

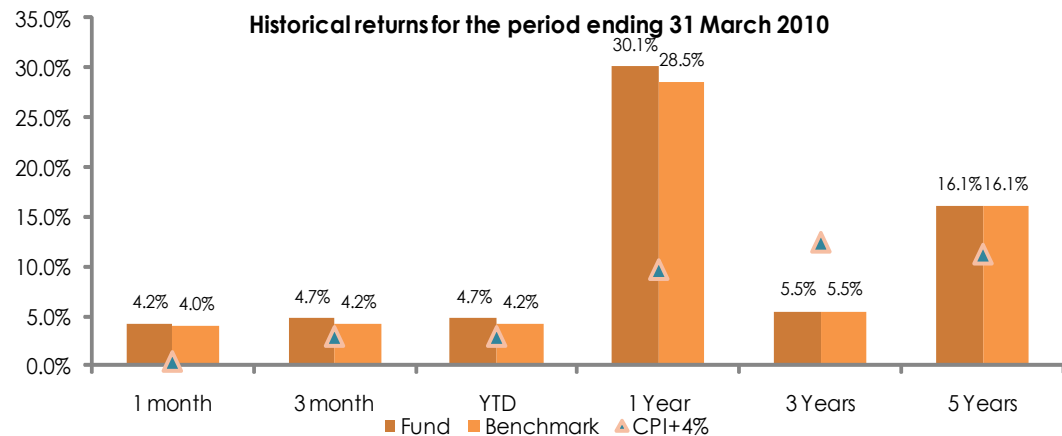


\*Other represents SA Hedge Funds

### Cumulative performance since inception



### Historical returns for the period ending 31 March 2010



\*Returns prior to April 2009 were for the Investment Solutions Focused Growth Fund. The fund's name changed to AF Balanced Growth in March 2009.

## Old Mutual Namibia Profile Balanced Fund

**Risk Profile** Moderate

**Size** N\$280m

### Portfolio Description

The Old Mutual Namibia Profile Balanced Portfolio is a market-linked balanced portfolio which places emphasis on asset allocation across all asset classes. The portfolio represents OMIGNAM's best investment view for a moderate balanced mandate. The portfolio aims to achieve consistent real returns over the longer term.

**Inception** Apr-98

**CIO** Peter Brooke

### Portfolio Manager

Peter Brooke, Tyrone van Wyk

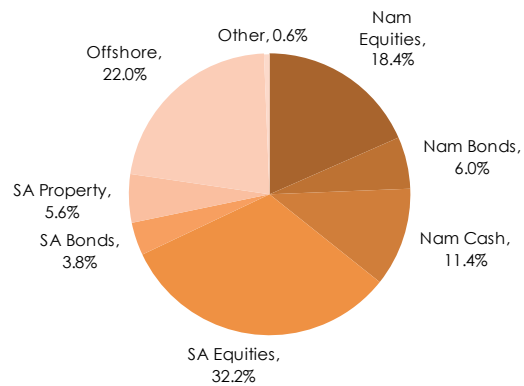
### Benchmark

The OMIGNAM Profile Balanced Portfolio has an internal benchmark. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

### Top 10 Equity Holdings

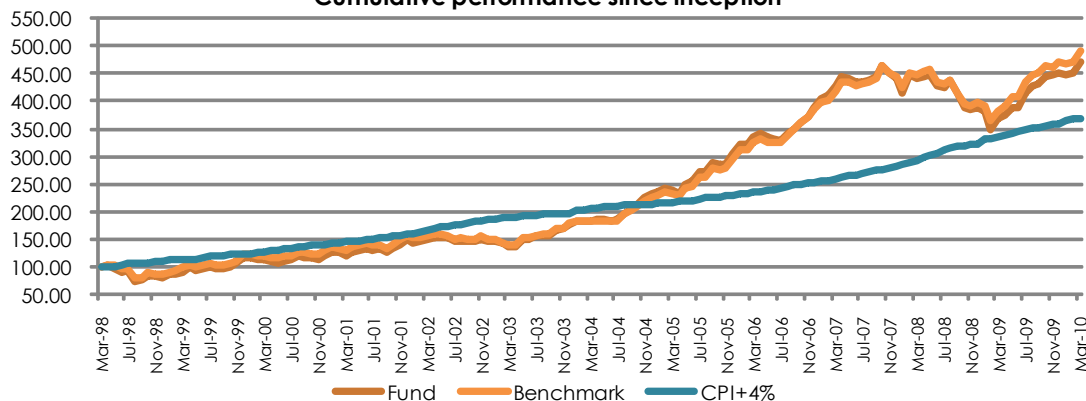
- |                          |                            |
|--------------------------|----------------------------|
| 1 Standard Bank Namibia  | 6 Investec Namibia         |
| 2 MTN Group              | 7 BHP Billiton             |
| 3 Anglo American Namibia | 8 Naspers                  |
| 4 Firsstrand Namibia     | 9 British American Tobacco |
| 5 Sasol                  | 10 Richemont               |

### Asset allocation as at 31 March 2010

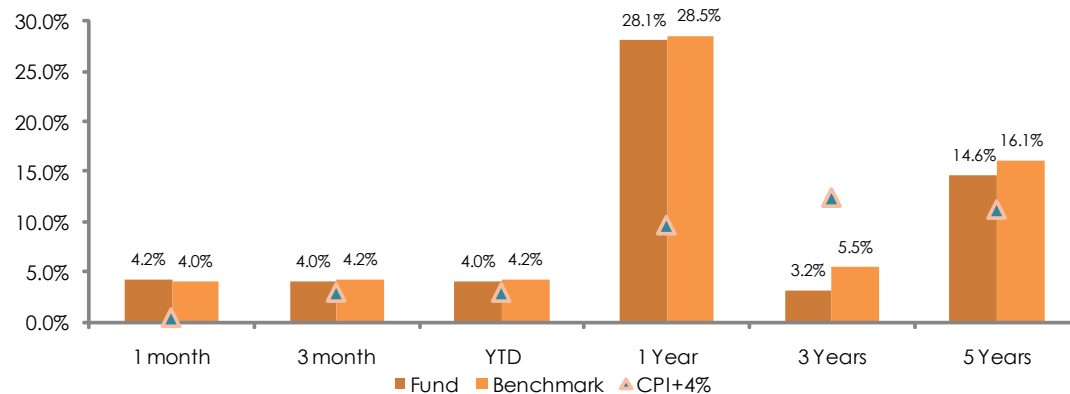


\*Other represents Gold Debentures

### Cumulative performance since inception



### Historical returns for the period ending 31 March 2010



## Prudential Namibia Balanced Fund

**Risk Profile** Moderate

**Size** N\$ 1.3m

### Portfolio Description

The Prudential Namibia Balanced portfolio is a market-linked balanced portfolio which aims to achieve consistent growth of capital and income by maintaining a superior stock selection across all industries relative to the benchmark and across all asset classes. The portfolio represents Prudential's best investment view.

**Inception** Aug-08

**CIO** Marc Beckenstrater

### Portfolio Manager

Michael Moyle and Marc Beckenstrater

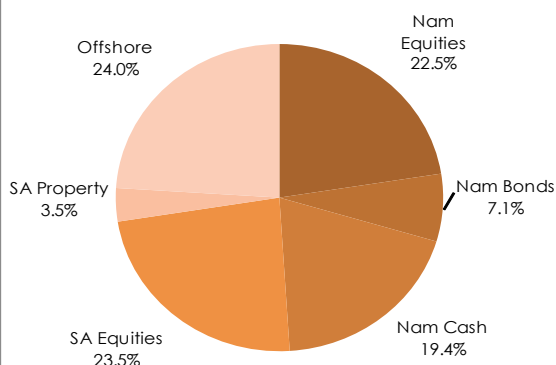
### Benchmark

The benchmark for the portfolio is the Alexander Forbes Global Large Manager Watch (Namibia). For comparative purposes the JMCA Average Moderate Fund will be used as benchmark

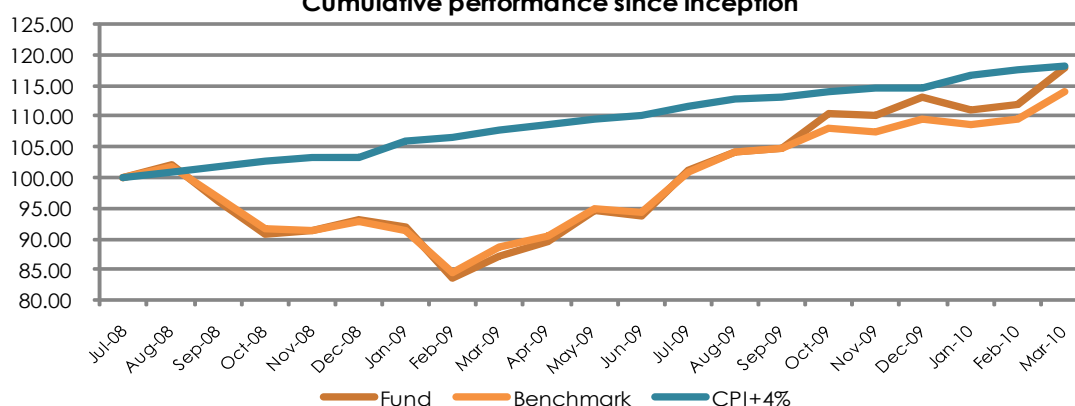
### Top 10 Equity Holdings

- |                       |                   |
|-----------------------|-------------------|
| 1 Anglo American Nam  | 6 SAB Miller      |
| 2 BHP Billiton        | 7 Firststrand Nam |
| 3 Standard Bank Group | 8 MTN Group       |
| 4 Growthpoint         | 9 Sasol           |
| 5 Old Mutual Nam      | 10 Naspers        |

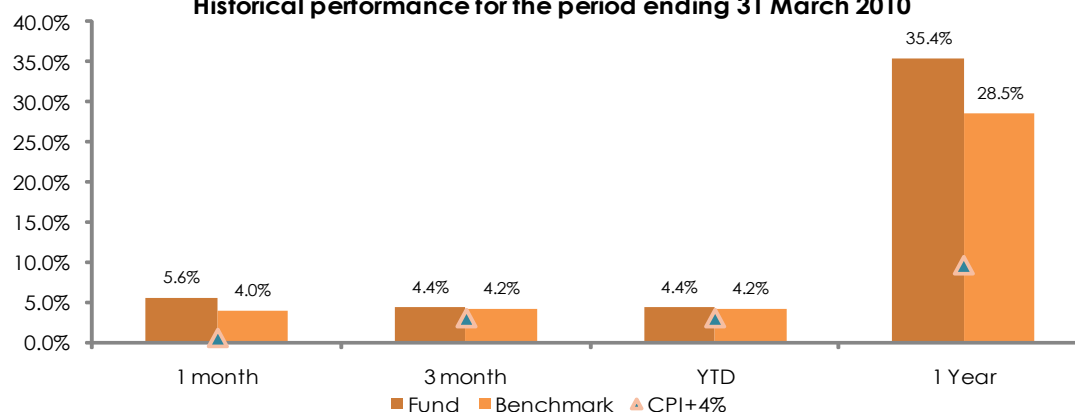
### Asset allocation as at 31 March 2010



### Cumulative performance since inception



### Historical performance for the period ending 31 March 2010



## Sanlam Namibia Balanced Fund

**Risk Profile** Moderate

**Size** N\$17m

### Portfolio Description

The Sanlam Namibia Balanced Fund is a market-linked balanced portfolio which invests in all asset classes, aiming to achieve maximum returns over the longer term. The Fund represents Sanlam's best investment view and is suitable for investors seeking capital growth over the long term.

**Inception** Aug-2004

**CIO** Andre Roux

### Portfolio Manager

Gerhard Cruywagen

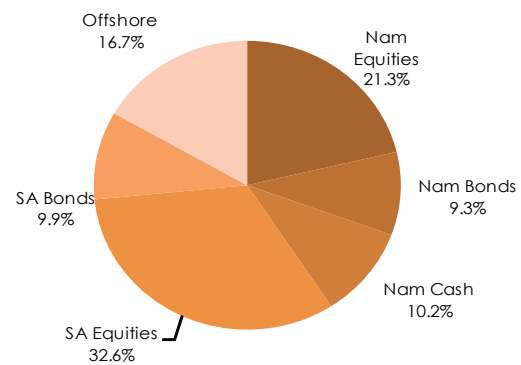
### Benchmark

The benchmark of the Sanlam Namibia Managed Prudential Fund is the average of the Standard&Poor's Micropal Asset Allocation Prudential Medium Equity category. For comparative purposes the JMCA Average Moderate Fund will be used as benchmark.

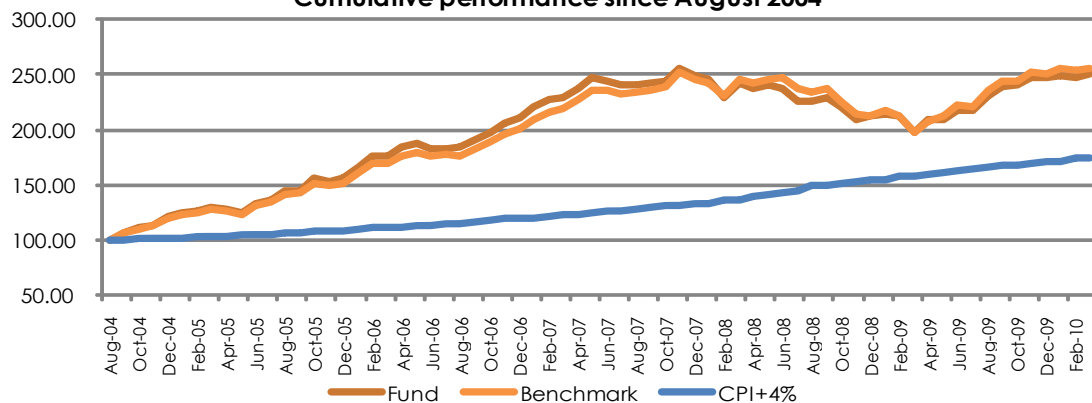
### Top 10 Equity Holdings

- |                         |                            |
|-------------------------|----------------------------|
| 1 Capricorn Investments | 6 British American Tobacco |
| 2 MTN Group             | 7 BHP Billiton             |
| 3 AngloGold             | 8 Investec Ltd             |
| 4 Sasol                 | 9 Namibia Breweries        |
| 5 Standard Bank Group   | 10 Old Mutual              |

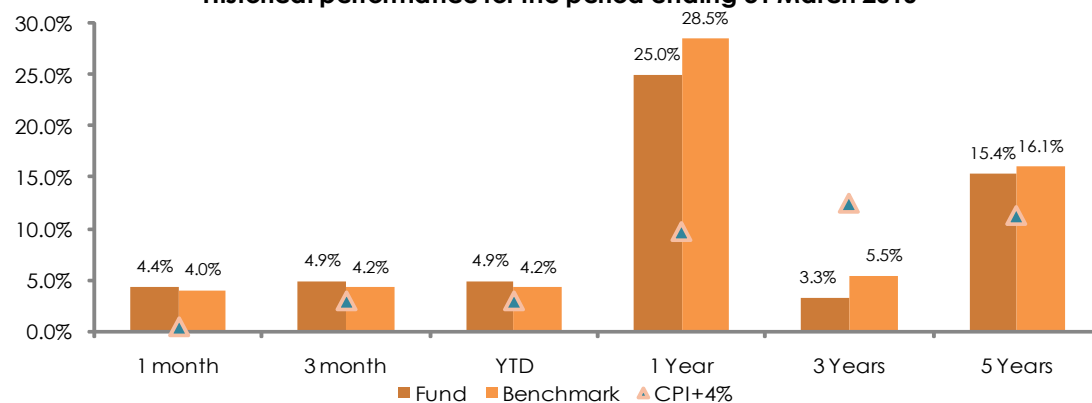
### Asset allocation as at 31 March 2010



### Cumulative performance since August 2004



### Historical performance for the period ending 31 March 2010





## Standard Bank Namibia Managed Fund

**Risk Profile** Moderate

**Size** N\$ 107 m

### Portfolio Description

The Standard Bank Namibia Managed Fund is a market-linked balanced portfolio which invests in all asset classes. The fund includes the combined investment view's of STANLIB(SA&NAM). The portfolio aims to achieve capital growth over the longer -term.

**Inception** Apr-98

**CIO** Brown Amuenje

### Portfolio Manager

Brown Amuenje, Eino Emvula

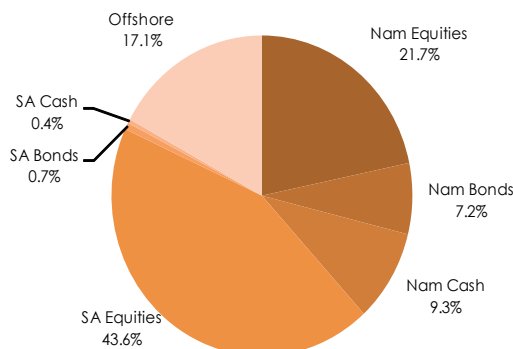
### Benchmark

The benchmark for this fund is the Alexander Forbes Large Manager Watch. For comparative purposes the JMCA average Moderate Fund will be used as benchmark.

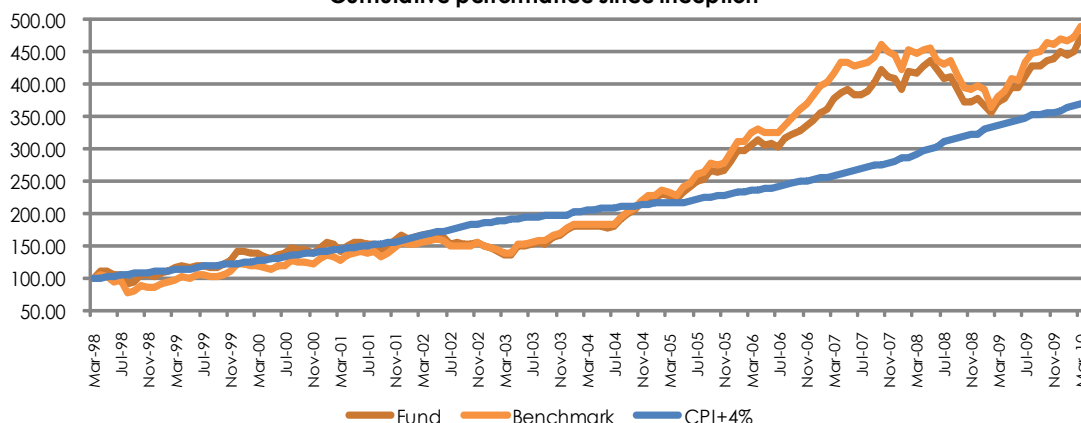
### Top 10 Holdings

- |                                   |                                     |
|-----------------------------------|-------------------------------------|
| 1 Stanlib HighAlpha Global Equity | 6 BHP Billiton                      |
| 2 Stanlib Global Bond             | 7 Standard Bank Namibia             |
| 3 MTN Group                       | 8 Anglo American                    |
| 4 Sasol                           | 9 Stanlib Namibia Flexible Property |
| 5 Stanlib Namibia Money Market    | 10 Investec Namibia                 |

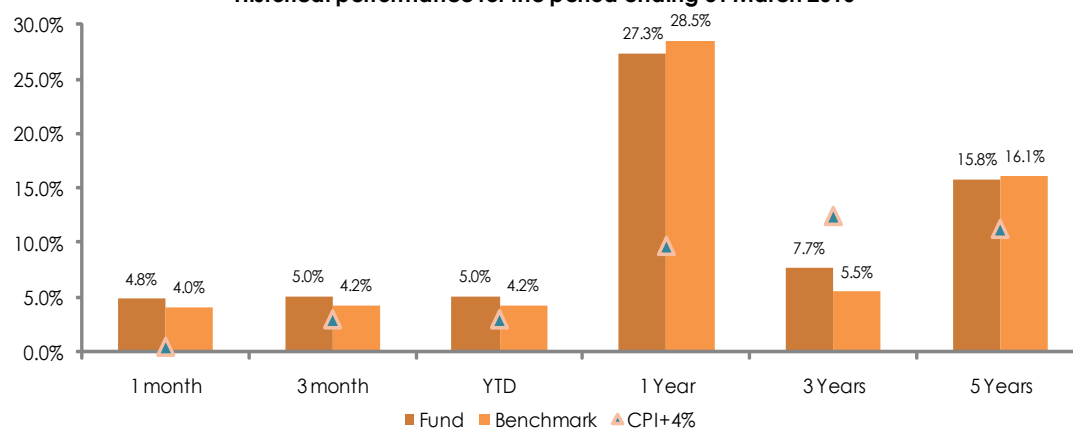
### Asset allocation as at 31 March 2010



### Cumulative performance since inception



### Historical performance for the period ending 31 March 2010



## Investec High Income Fund Namibia

**Risk Profile** Conservative

**Size** N\$ 610 m

### Portfolio Description

The Investec High Income Fund is an actively managed portfolio and invests in both South African and Namibia high-yielding fixed interest instruments.

**Inception** May-2000

**CIO** Kim McFarland, James Hatuikulipi

### Portfolio Manager

Vivienne Taberer

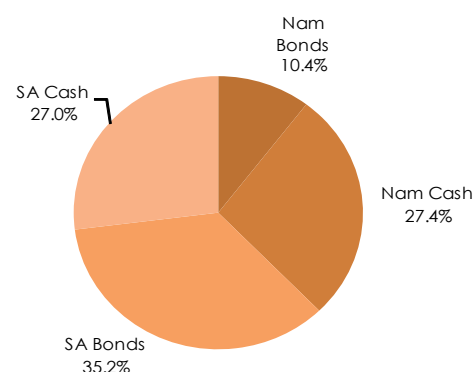
### Benchmark

The benchmark for this portfolio is the BEASSA 1-3 year All Bond Index.

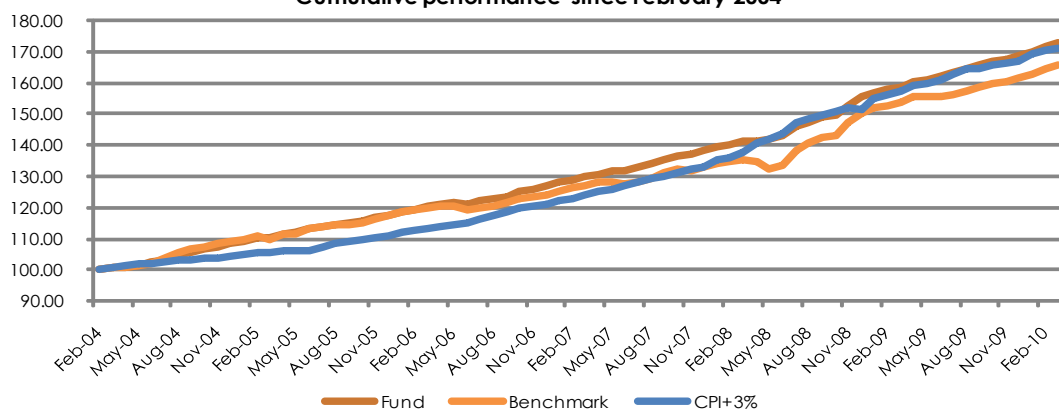
### Top 10 Bond Holdings

1 RSA R206	6 DCSADC03
2 RSA R157	7 STDNAM SBKN11
3 NAMGOV GC12	8 NEDB NBRN
4 NAMGOV GC15	9 STDNAM SBKN16
5 INVBK IBL07	10 AFRBK ABL51

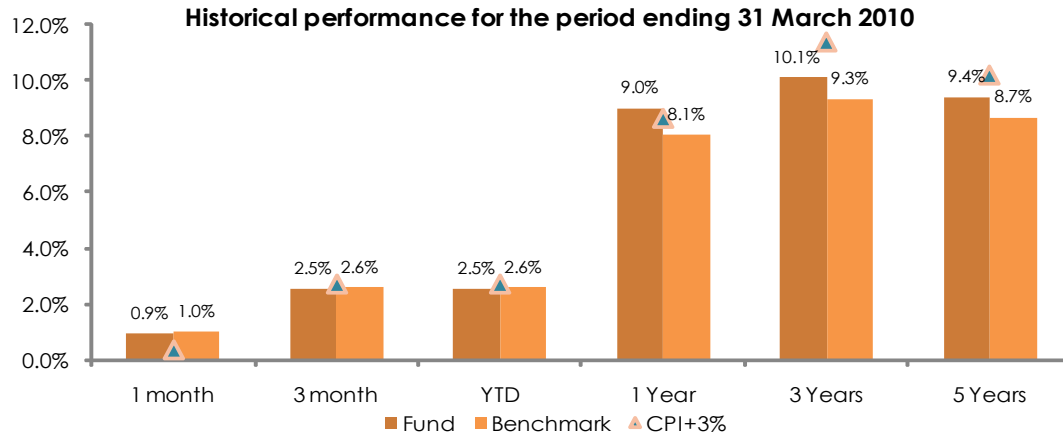
### Asset allocation as at 31 March 2010



### Cumulative performance since February 2004



### Historical performance for the period ending 31 March 2010



## Metropolitan Absolute Return Fund Namibia

**Risk Profile** Conservative

**Size** N\$69m

### Portfolio Description

The Metropolitan Absolute Return Fund is a fully discretionary portfolio which aims to achieve steady real returns in its assets over the longer term by investing in all asset classes. The objective is to generate positive returns over a 12-year period aiming to achieve favourable real returns over the longer term.

**Inception** Nov -05

**CIO** Romeo Makhubela

### Portfolio Manager

Brandon Quinn

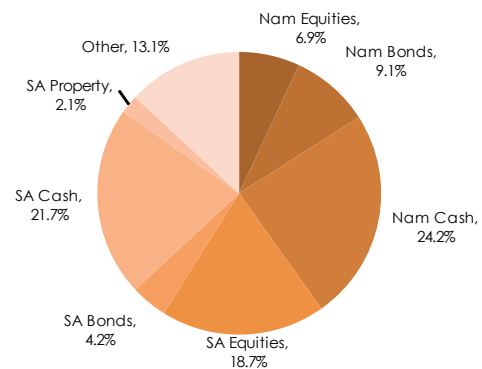
### Benchmark

The benchmark for the fund is Namibia Headline Inflation plus 5% over a rolling three year period.

### Top 10 Equity Holdings

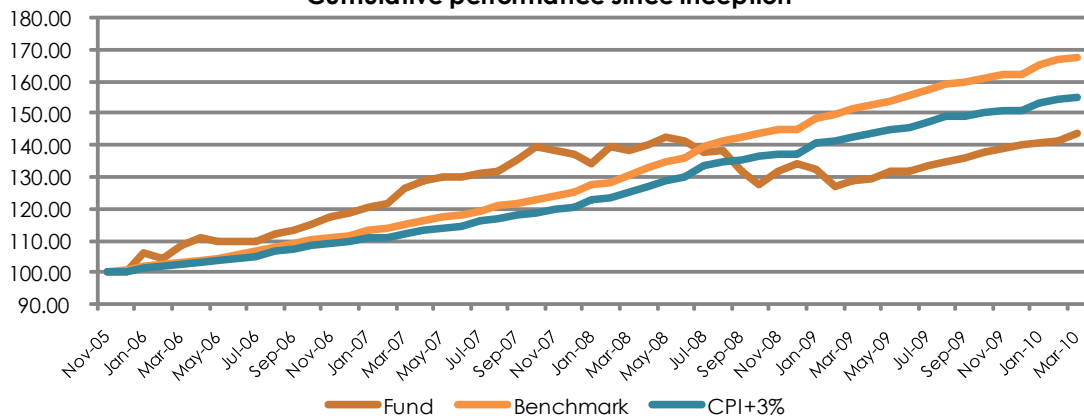
- |                       |                   |
|-----------------------|-------------------|
| 1 MTN Group           | 6 SAB Miller      |
| 2 BHP Billiton        | 7 Impala Platinum |
| 3 Sasol               | 8 Firststrand     |
| 4 Standard Bank Group | 9 Naspers         |
| 5 Anglo American      | 10 Anglo Platinum |

### Asset allocation as at 31 March 2010

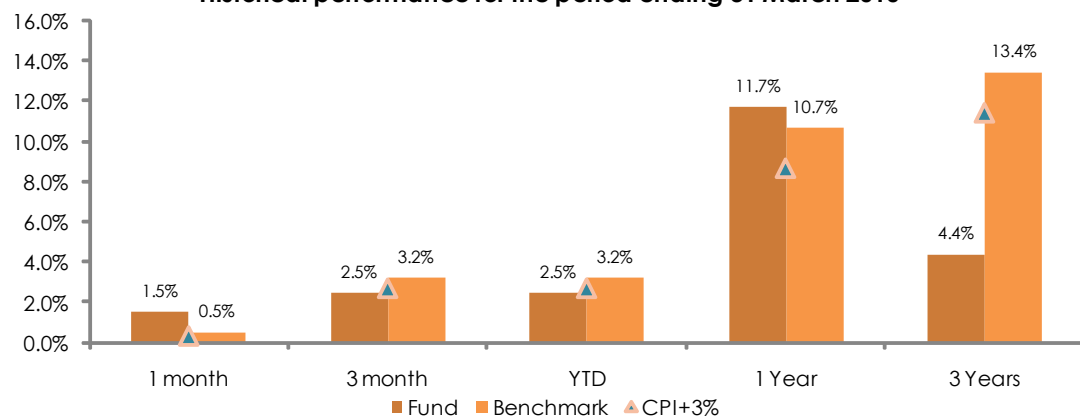


\* Other represents investment in Metropolitan Income Plus Unit Trust Fund

### Cumulative performance since inception



### Historical performance for the period ending 31 March 2010



## Prudential Namibia Inflation Plus Fund

**Risk Profile** Conservative

**Size** N\$ 176m

### Portfolio Description

The Prudential Namibia Inflation Plus Fund is a conservative market-linked portfolio which aims to produce stable real returns. The fund invests predominantly in inflation linked bonds and other interest-bearing securities and equities.

**Inception** Sep-03

**CIO** Marc Beckenstrater

### Portfolio Manager

Michael Moyle, Albert Antz

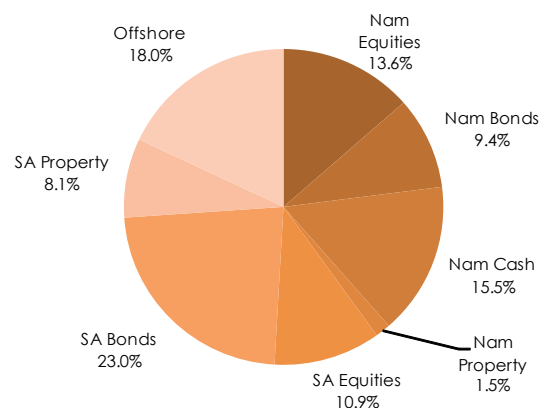
### Benchmark

The benchmark for the fund is Namibia Headline Inflation plus 4% over a rolling three year period.

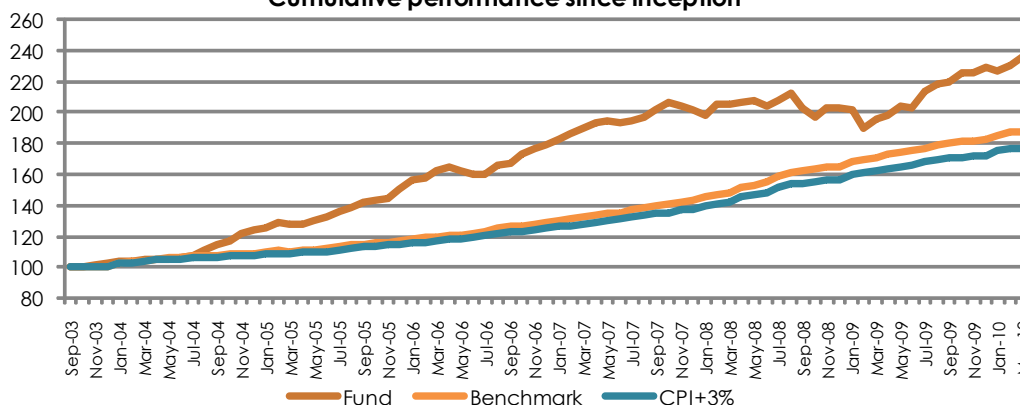
### Top 10 Equity Holdings

- |                       |                            |
|-----------------------|----------------------------|
| 1 Anglo American      | 6 Pangbourne Properties    |
| 2 Redefine Properties | 7 Vukile Properties        |
| 3 Standard Bank Group | 8 Firstrand Namibia        |
| 4 BHP Billiton        | 9 SA Corporate Real Estate |
| 5 Old Mutual Namibia  | 10 MTN Group               |

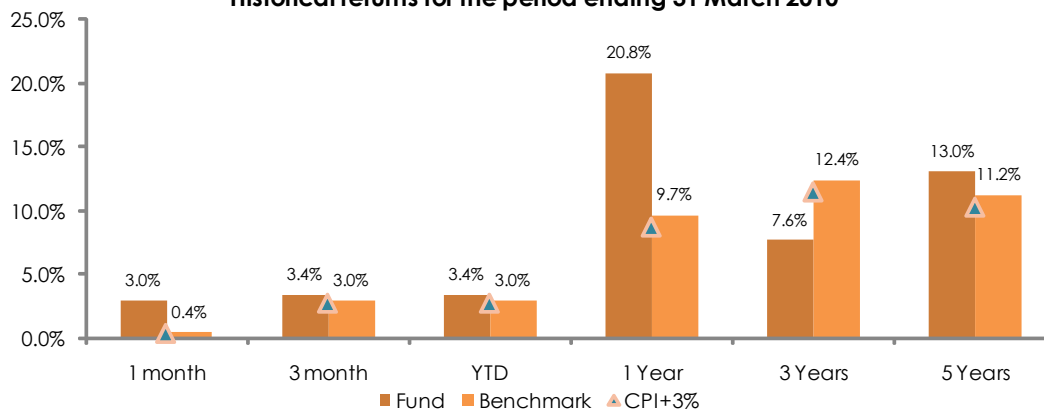
### Asset allocation as at 31 March 2010



### Cumulative performance since inception



### Historical returns for the period ending 31 March 2010



## Benchmark Retirement Fund Default Portfolio

**Risk Profile** Conservative

**Size** N\$ 119 m

**Inception** Jan-04

### Portfolio Description

The Default Portfolio has the following objectives:

- to significantly reduce volatility of returns
- to achieve a real return of 3% over a rolling 3 year period
- to reduce risk of negative returns over rolling 12 months
- to reduce risk by spreading assets equally between more than one manager
- to produce a profile about half way between cash and prudential balanced portfolios in terms of above parameters

The Default Portfolio has a risk profile lower than that of the moderate risk portfolios and as such the expected long term returns should also be lower. The Trustees use their absolute discretion in selecting the best manager offering and reserve the right to appoint or replace Asset Managers at any time.

### Benchmark

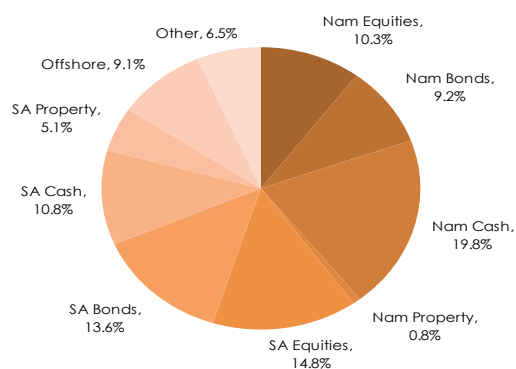
The benchmark for this fund is CPI +3% over a rolling three year period.

### Portfolio Mix

Metropolitan Asset Management,  
Prudential Portfolio Managers

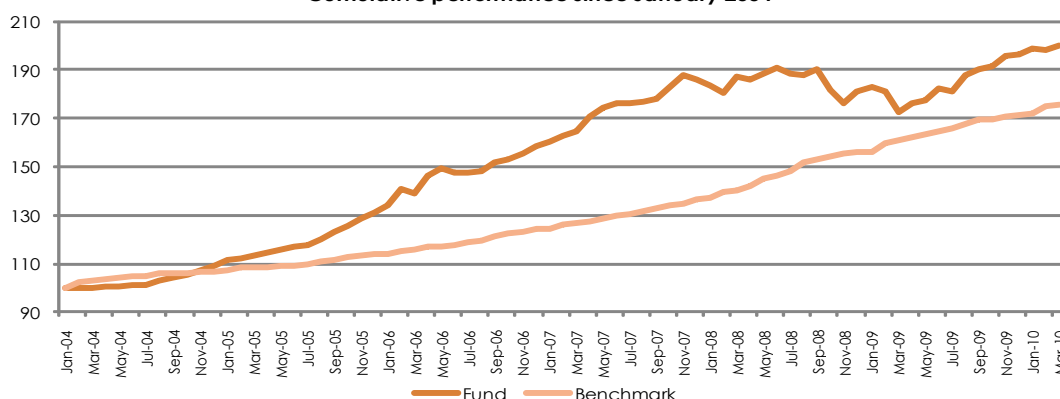
For the period from January 2004 to July 2007 the Default portfolio assets were invested 100% in the Metropolitan Absolute Return Fund. As from July 2007 the Trustees decided to add the Prudential Inflation Plus to the default portfolio. Cash Flows would be split equally between the two portfolios.

### Asset allocation as at 31 March 2010

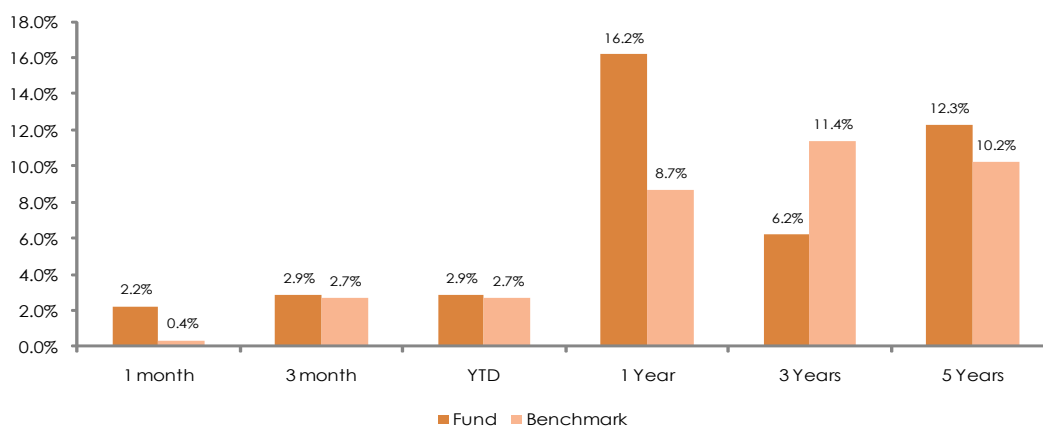


\* Other represents investment in Metropolitan Income Plus Unit Trust Fund

### Cumulative performance since January 2004



### Historical performance for the period ending 31 March 2010



## Money Market Fund

**Risk Profile** Capital Preservation

**Size** N\$4.1 bn

### Portfolio Description

The Money Market Fund aims to achieve stable and secure returns for the risk averse investor by investing in a diversified combination of liquid money and capital market instruments. The underlying investment is the Bank Windhoek Investment Fund.

**Inception** Feb-02

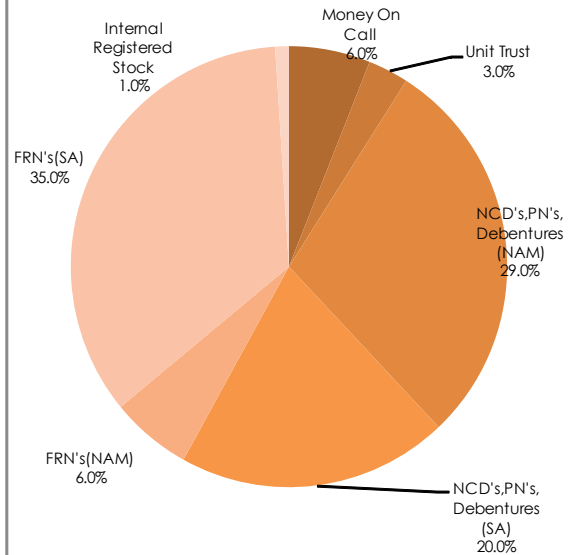
**CIO** Ian Erlank

**Portfolio Manager** Capricorn Asset Managers  
(Tertius Liebenberg)

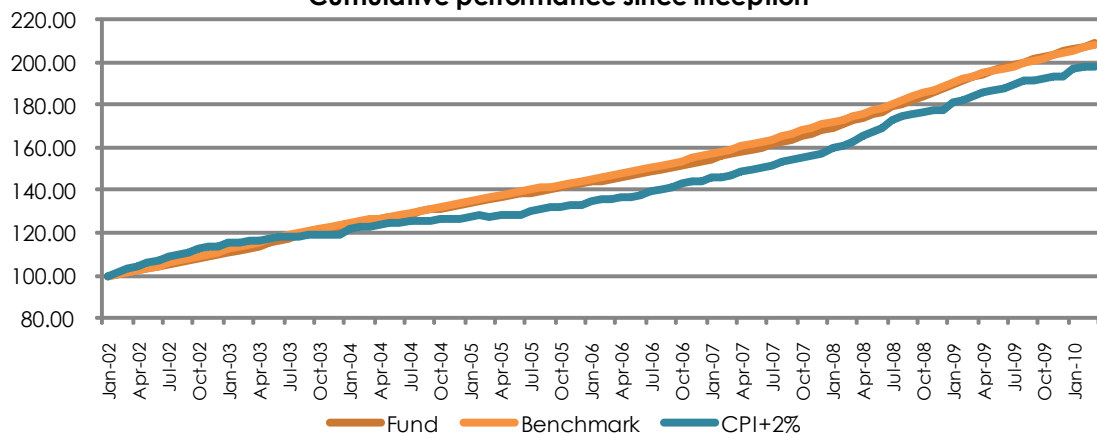
### Benchmark

The benchmark for this portfolio is the Bank of Namibia 7 day Repo Rate. For comparative purposes the IJG Money Market Index has been used as benchmark

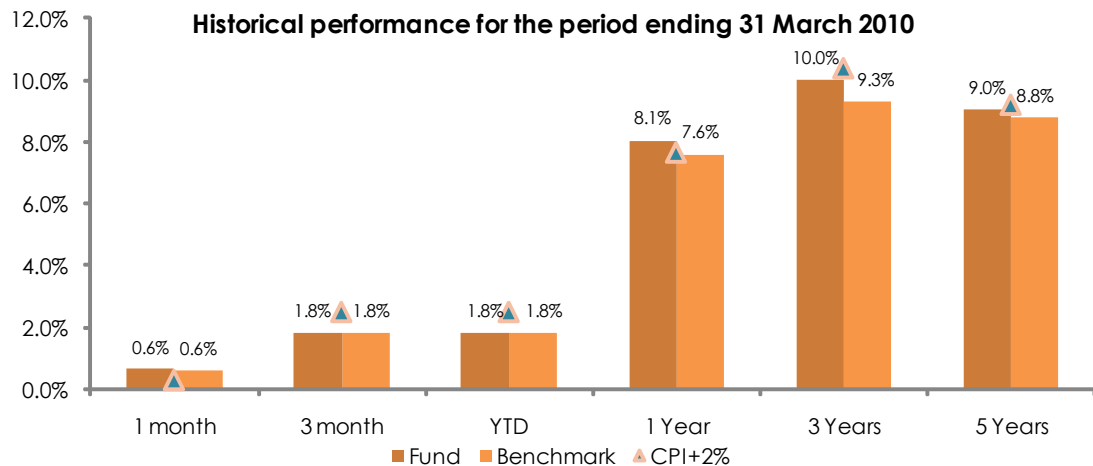
### Asset allocation as at 31 March 2010



### Cumulative performance since inception



### Historical performance for the period ending 31 March 2010



## SECTION 5: MANAGER SUMMARIES

### 1. **Allan Gray**

The Allan Gray Investment Counsel was established as a partnership in 1974. It was incorporated as a public company called AGIC Limited in 1993 and became affiliated with the Orbis Group in May 1997. The company name was changed to Allan Gray Limited in 1997. Allan Gray Namibia was formed in 1996.

Allan Gray's investment philosophy is value orientated, with their research efforts focussing on identifying quality assets priced below intrinsic value. They define intrinsic value as the discounted value of expected future cash flows.

Ian Liddle (Chief Investment Officer), Duncan Artis, Andrew Lapping, Delphine Govender, Simon Raubenheimer and Allan Gray's offshore company, Orbis, are responsible for stock selection of the equity portfolio, whilst Jack Mitchell heads up their Fixed Interest team. Mbakumua Hengari is the CEO of Allan Gray Namibia.

### 2. **Investec Asset Managers**

Investec Asset Management was founded in 1991 and is backed up by the Investec group. Investec operate a multi-specialist investment structure, where the investment team is organised into small groups of specialists. Each team is led by a portfolio manager who is solely responsible for his/her product(s).

Investec have a large centralised research team and all portfolio managers and their teams have access to this research. Each portfolio management team and product has a different process and philosophy, and thus will place emphasis on different parts of the common research provided.

Kim McFarland is the Chief Investment Officer, with Hendrik du Toit the Chief Executive Officer. In Namibia, James Hatuikulipi is the Managing Director.

### 3. **Investment Solutions**

Investment Solutions is a Multi-Manager that was established in 1997. Being a multi-manager, Investment Solutions do not physically buy or sell securities. They delegate this responsibility to a number of underlying Asset Managers. They are responsible for the selection, blending and rebalancing of the underlying managers.

Investment Solutions is a subsidiary of Alexander Forbes South Africa Holdings Limited. They currently have over R 100 billion of assets under management and are the largest multi-manager in South Africa by assets under management. Investment Solutions also have operations in the United Kingdom, Channel Islands and Namibia.

Glen Silverman is the Global Chief Investment Officer, with Mark Lindhiem the South African Chief Investment Officer. Derrick Msibi is the Managing Director

### 4. **Metropolitan Asset Management**

Metropolitan Asset Management (METAM) Namibia was formed in 1997 as a division of Metropolitan Life Namibia. Metropolitan's philosophy is based on valuations, but has a growth element to it. They combine a top-down and bottom-up process when arriving at the final portfolio.

Robert Walton is the managing director, whilst Romeo Mahubela is the Chief Investment Officer. METAM Namibia outsource all of the portfolio management and administration responsibilities to METAM South Africa. Joseph Mukena and Toini Uusiku are portfolio analysts in Namibia who form part of the broader METAM team.

A merger between Momentum Group Limited and Metropolitan Holdings Limited was announced on 31 March 2010. The new merged entity will be listed on the Johannesburg Stock Exchange. These two entities will now commence in conducting a due diligence of each other, however they will continue to operate separately until the necessary regulatory and shareholder approval has been obtained. The merger would mean that RMB Asset Management could merge with Metropolitan Asset Management.

**5. Old Mutual Investment Group Namibia (OMIGNAM)**

Old Mutual Investment Group (OMIG) is a member of the Old Mutual Group which was established in 1845. Like all Old Mutual Asset Management (OMAM) companies around the world, it is a subsidiary of OMAM Holdings (Bermuda) which is owned by Old Mutual plc. Old Mutual Investment Group (South Africa) (Pty) Ltd, formerly known as OMAM SA, was incorporated in the Old Mutual Group as a wholly owned subsidiary in 1993 and became a fully contained and independent asset management company in June 1997.

OMIGSA is now made up of different investment boutique teams, which operate separately and independently of each other. Each boutique has its own CIO, but all the boutiques report to the CEO. Their investment decision-making process is based on the identification of opportunities that should translate into strong long-term performance. They pursue an active, disciplined investment process that is supported by proprietary bottom-up research. The boutiques all feed off this common research platform.

The Macro Strategy Investments boutique provides a range of actively managed, balanced portfolios using both quantitative and qualitative analysis to determine the optimal asset allocation for each portfolio. Peter Brooke is the Chief Investment Officer. Tyrone van Wyk is an investment analyst in Namibia.

**6. Prudential Portfolio Managers (Namibia) (Pty) Ltd**

Prudential Portfolio Managers (South Africa) (Pty) Ltd has been operating since 1993. It is a wholly owned subsidiary of Prudential Portfolio Managers Ltd, based in London. Prudential Portfolio Managers Ltd is the worldwide investment management business of the UK listed Prudential Plc group of companies. The head office is situated in London with asset management offices in Chicago, New York, Paris, Hong Kong, Singapore and Cape Town.

Prudential Portfolio Managers (Namibia) (Pty) (Ltd) was established in 1996. Currently all portfolio management is done in South Africa.

Prudential's application of the value investment philosophy involves a four-stage process. The first stage is to identify potential value opportunities, usually through quantitative screening of the available universe of stocks and markets. Each opportunity is then systematically assessed through fundamental analysis. In the next step, risk controlled portfolios are constructed from the stocks and markets that have been identified and, finally, the portfolios are monitored and controlled.

Prudential's philosophy is, however, one of relative, rather than extreme value. This is evident from the portfolio construction where decisions are made relative to an agreed benchmark.

**7. Sanlam Investment Management (SIM) Namibia**

Sanlam's buyout of the minority shareholding in Gensec asset management during 2001 gave rise to Sanlam Investment Management (SIM) Namibia.

SIM's philosophy is that of pragmatic value. Stock picking is based on value criteria, while also focussing on asset prices reverting to their long term averages. Earnings forecasts are also considered. The investment process is further strengthened by progressive technological advances and the team consists of a number of well respected investment professionals.

Johan van der Merwe is the Chief Executive Officer and Gerhard Cruywagen is Chief Investment Officer. In Namibia Tega Shiimi ya Shiimi is the Chief Executive Officer and Andre Roux is the Chief Investment Officer.

**8. Standard Bank Namibia(Stanlib Asset Management)**

Stanlib began in Namibia in 1994 as SCMB (Standard Corporate Merchant Bank). Following on from the merger of SCMB and Liberty asset management in SA in October 2002, the name was changed to Stanlib. Stanlib Namibia is a wholly owned subsidiary of Standard Bank Namibia.

Stanlib Namibia has a management agreement with Stanlib South Africa and outsource the portfolio management to Stanlib SA. There are 2 investment professionals in the Namibian office who form part of the investment team for Namibia, but the final decision rests with the portfolio manager in South Africa.

Thabo Dloti is the Chief Executive Officer of Stanlib SA whilst Stewert Rider is the Chief Investment Officer. In Namibia Brown Amuenje is the Managing Director and Chief Investment Officer.



**9. Capricorn Asset Management**

Capricorn Asset Management was formed to be the asset management arm of Bank Windhoek. Capricorn asset management is an entirely Namibian company. Currently CAM follow a passive investment philosophy of tracking indices. Tertius Liebenberg is the Managing Director and Ian Erlank is the Chief Investment Officer.

## SECTION 6: 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:** 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 a 100% Capital Guarantee (ie. initial investments + contributions + percentage of bonuses received).

**FTSE/JSE All Share Index:** 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.

**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.

**JMCA:** An abbreviation for Jacques Malan Consultants and Actuaries.

**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 R20, R80, R100, R300, and R500 respectively, the median value would be R100, whereas the mean would be R200.

**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.

**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 28 of the Pension Fund Act.

**Regulation 28:** 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.

**STFI:** 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.