



Benchmark Retirement Fund

BENCHMARK RETIREMENT FUND
QUARTERLY INVESTMENT REPORT
as at
30 June 2010



JACQUES MALAN
CONSULTANTS & ACTUARIES

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

August 2010

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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 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:

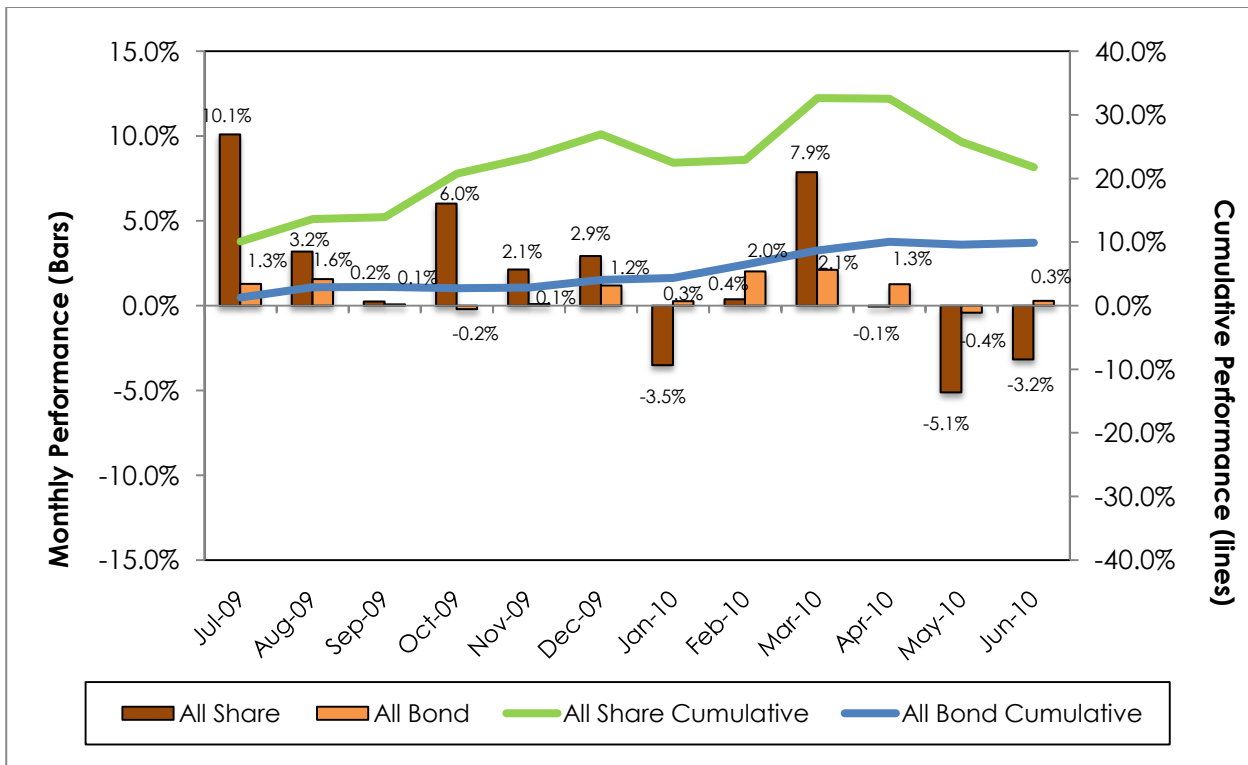
- A return objective of inflation.
- No capital loss over a rolling 12 month period.

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

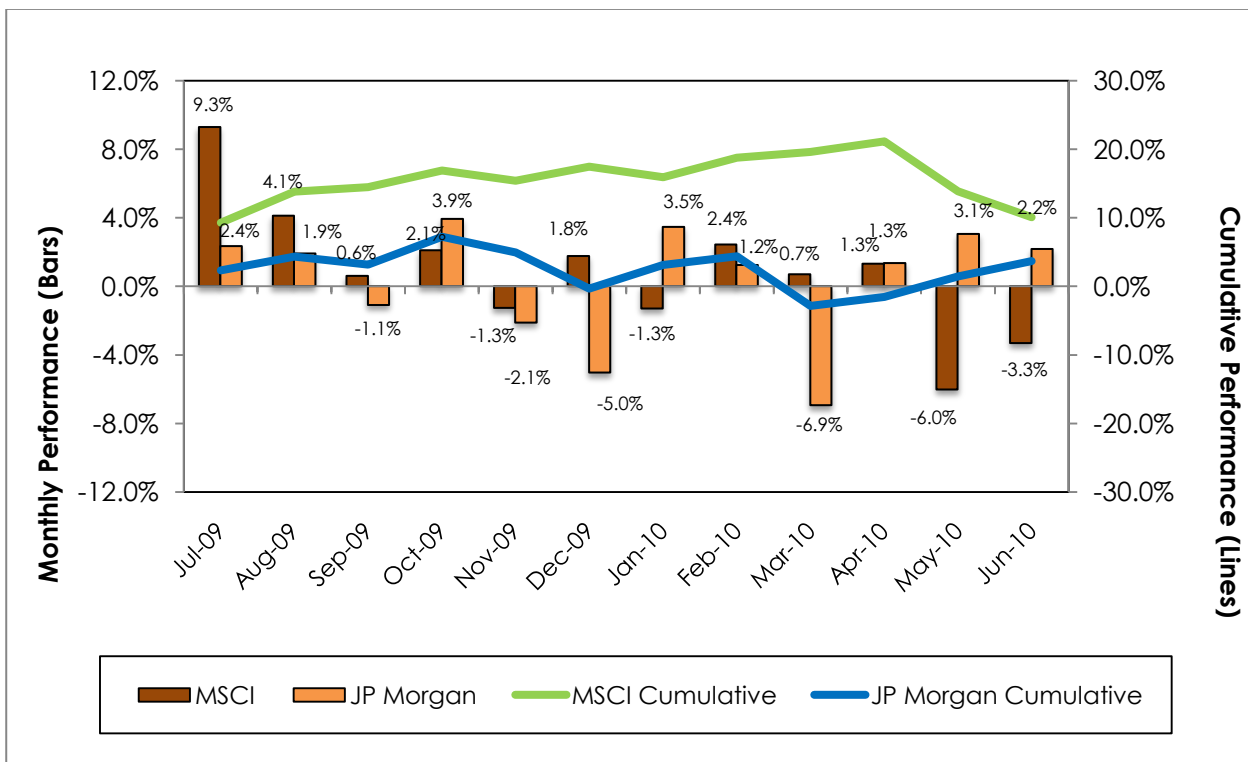
SECTION 2: MARKET OVERVIEW

The following graphs represent the monthly performance of the various market indices for the year ending **30 June 2010**.

SOUTH AFRICA



WORLD INDICES



Market performance to **30 June 2010** was as follows:

	2009	Q1 2010	Q2 2010	2010 YTD	One Year	Three Years
All Share (SA)	32.1%	4.5%	-8.2%	-4.1%	21.8%	0.3%
All Bond (SA)	-1.0%	4.4%	1.1%	5.6%	9.9%	8.4%
STeFI	8.6%	1.7%	1.6%	3.4%	7.1%	9.6%
MSCI World	1.6%	1.8%	-8.0%	-6.3%	10.1%	-8.4%
JP Morgan World Bond	-20.8%	-2.5%	6.7%	4.0%	3.7%	11.6%
Rand/Dollar	-22.3%	-1.5%	5.2%	3.6%	-0.6%	2.9%
CPI (SA)	6.9%	1.7%	0.4%	2.1%	4.2%	7.7%

The JSE sector performance to **30 June 2010** was as follows:

	2009	Q1 2010	Q2 2010	2010 YTD	One Year	Three Years
Financials	28.0%	9.9%	-7.8%	1.3%	24.3%	-2.2%
Industrials	21.6%	6.2%	-7.0%	-1.3%	20.6%	-3.2%
Resources	35.4%	2.1%	-11.9%	-10.0%	16.7%	-2.9%

Source: I-Net Bridge

Market commentary:

Global recovery after the financial crisis has thus far been slow, with the European Sovereign debt crisis adding further pressure to the recovery. On 10 May 2010 the European Union (EU) and the International Monetary Fund (IMF) pledged a total of €750 billion in order to assist European countries with sovereign debt problems and although the initial response of financial markets was positive, markets around the world subsequently performed very poorly as the actual implications of the bail-out started to settle in. As a result of the European debt crisis, Europe were urging for more fiscal austerity at the G20 summit held near the end of June 2010, while the US were encouraging nations to focus on economic growth going forward. There were however pledges by governments to follow through with existing stimulus plans as well as to halve current deficits by 2013. Locally, the 2010 FIFA World Cup has provided some stimulus to economic growth. An announcement by SA Tourism said that they expected the World Cup to bring in an additional R27 Billion.

A positive for the South African consumer is the continual downward trend in inflation. Year-on-year inflation is down to 4.6% up until May 2010.

The Gold price increased by 11.6% in the second quarter of 2010 with a closing price of US\$ 1242.26. The Oil price decreased by 7.9% over the same period, ending the quarter at a closing price of US\$74.77 per barrel.

Equities

During May 2010 the JSE experienced the biggest number of trades ever recorded in the 123 year history of the exchange, an indication of the increase in volatility of the All Share over the last quarter. The All Share Index pulled back substantially during the second quarter of 2010 with a negative return of -8.2%. The MSCI Index had a similar return of -8.0% for the quarter in Rand terms. Resources were the main contributor of the negative performance of domestic equities during the quarter with a negative return of -11.9%, with Financials and Industrials also performing poorly at -7.8% and -7.0% respectively.

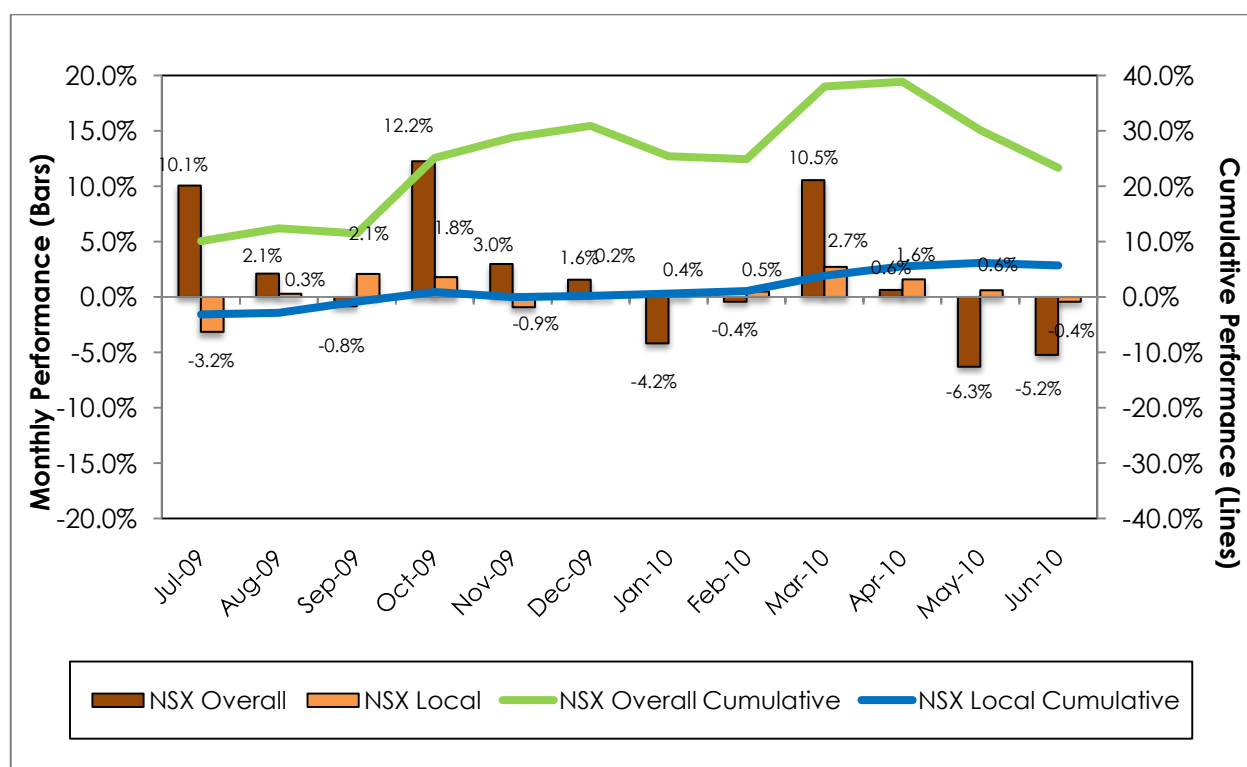
Bonds

The All Bond Index has performed much better than the All Share Index for 2010 thus far with a year-to-date return of 5.6%. The return for the second quarter of 2010 was 1.1%. Factors contributing to this positive performance include the low interest rate as well as foreign investors buying South African bonds.

Currency

The Rand depreciated by 5.2% against the dollar during the second quarter of 2010 with a closing price of R7.67/US\$ at 30 June 2010.

NAMIBIA



Namibian Market performance to **30 June 2010** was as follows:

	2009	Q1 2010	Q2 2010	2010 YTD	One Year	Three Years
NAM Total	41.9%	5.5%	-10.6%	-5.8%	23.3%	-5.9%
NAM Local	4.1%	3.7%	1.8%	5.5%	5.7%	22.0%
NAM CPI	7.0%	2.0%	0.1%	2.1%	4.3%	7.9%
IJG Bond Index	3.3%	4.7%	1.9%	6.7%	12.9%	9.9%
IJG Money Market	8.2%	1.8%	1.8%	3.6%	7.4%	9.2%

Following on from the economic recovery taking place globally, the Namibian economy has also shown signs of recovery and is expected to have a real GDP growth rate of 4.2% in 2010 according to the Bank of Namibia, compared to -0.8% in 2009. Inflation continued to decline at a year-on-year level of 4.3% as at 30 June 2010 and quarterly inflation of only 0.1%. The Namibian stock market has not escaped the recent volatility experienced globally due in part to the Euro Debt Crisis and produced a return of -10.6% over the quarter ended 30 June 2010. This has pushed the year-to-date return from 5.5% in March 2010 down to -5.8% in June 2010.

SECTION 3: PERFORMANCE COMPARISON AS AT 30 JUNE 2010

MODERATE PORTFOLIOS

Asset allocation

The figures below reflect the asset allocation of the moderate portfolios as at **30 June 2010**

	Allan Gray	Investec Managed	AF Balanced Growth	OMIGNAM Balanced	Prudential Balanced	Sanlam Balanced	Standard Bank Managed
Nam Equities	11.4%	21.2%	19.1%	16.5%	22.9%	21.9%	19.3%
Nam Bonds	6.1%	8.7%	9.7%	18.7%	7.8%	12.2%	12.0%
Nam Cash	16.9%	5.5%	8.5%	-	5.0%	1.4%	-
Nam Property	1.2%	0.2%	0.5%	-	1.2%	-	-
SA Equities	29.3%	25.9%	27.4%	34.8%	27.4%	33.1%	42.5%
SA Bonds	-	7.7%	3.4%	4.1%	5.7%	13.9%	1.2%
SA Cash	3.8%	3.7%	5.3%	-1.4% ³	-	-	6.2%
SA Property	-	3.9%	3.3%	4.7%	3.8%	-	-
Offshore	29.9%	23.2%	18.3%	21.8%	26.2%	17.5%	18.8%
Other	1.4% ¹	-	4.5% ²	0.8% ⁴	-	-	-
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1-Other represents Gold ETF's

2-Other represents SA Hedge Funds

3-As a result of derivative overlay position.

4-Other represents Gold Debentures

Please note: The asset allocation of the AF Balanced Growth portfolio is as at 31 March 2010.

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	14.1%	7.7%	17.5%	21.8%
Investec Managed Fund Namibia	15.3%	4.7%	14.8%	15.1%
AF Namibia Balanced Growth Fund ¹	17.5%	3.4%	14.0%	-
Old Mutual Namibia Profile Balanced Fund	15.1%	0.9%	11.8%	14.9%
Prudential Namibia Balanced Fund	17.4%	-	-	-
Sanlam Namibia Balanced Fund	15.5%	1.4%	13.0%	13.6%
Standard Bank Namibia Managed Fund	14.5%	5.6%	13.3%	12.8%
Average Moderate Portfolio²	15.6%	3.2%	13.7%	14.8%
All Share (JSE)	21.8%	0.3%	16.2%	16.7%
Inflation	4.3%	7.9%	7.2%	7.0%
Target: Inflation + 4%	-	11.9%	11.2%	11.0%

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 **30 June 2010**

	Investec High Income Fund	Metropolitan Absolute Return Fund	Prudential Inflation Plus	Default Portfolio
Nam Equities	-	6.5%	14.0%	10.3%
Nam Bonds	13.1%	9.1%	9.4%	9.3%
Nam Cash	25.5%	42.7%	5.9%	24.1%
Nam Property	-	-	-	-
SA Equities	-	22.6%	11.6%	17.1%
SA Bonds	40.6%	4.3%	31.9%	18.1%
SA Cash	20.8%	11.8%	-	5.9%
SA Property	-	3.0%	8.7%	5.9%
Offshore	-	-	18.5%	9.3%
Other	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%

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)
Investec High Income Fund Namibia	9.0%	10.2%	9.3%
Metropolitan Absolute Return Fund Namibia	7.1%	2.7%	-
Prudential Namibia Inflation Plus Fund	14.8%	6.5%	12.0%
Benchmark Retirement Fund Default Portfolio	10.9%	4.5%	11.3%
ALBI 1-3 year Index	8.4%	9.7%	8.3%
Inflation	4.3%	7.9%	7.2%
Target: Inflation + 3%	-	10.9%	10.2%

CAPITAL PRESERVATION PORTFOLIOS

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)
Money Market Fund	7.5%	9.9%	9.0%
Inflation	4.3%	7.9%	7.2%
Target: IJG Money Market Index	7.4%	9.2%	8.7%

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

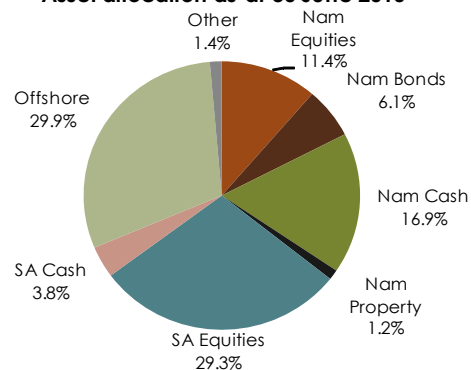
Benchmark

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

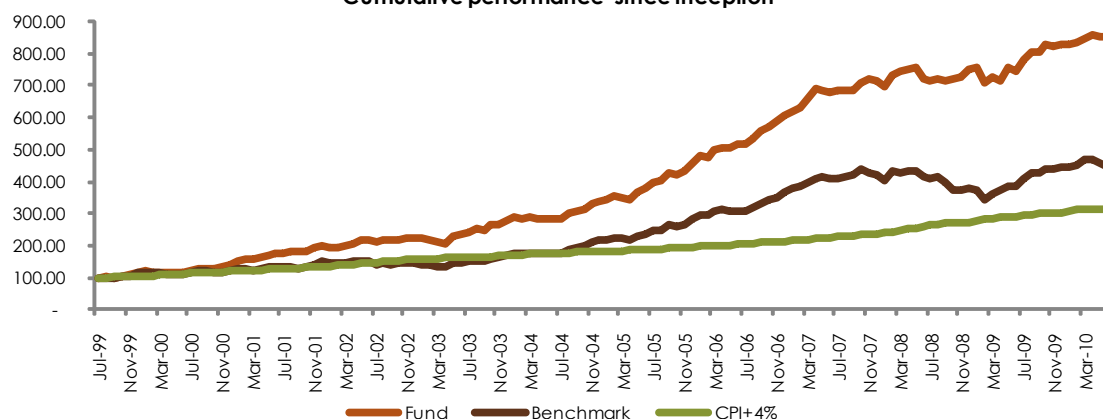
- | | |
|--------------|----------------------------|
| 1 SAB Miller | 6 British American Tobacco |
| 2 Sasol | 7 Sanlam |
| 3 Anglo Gold | 8 CIC Holdings |
| 4 FNB | 9 Bidvest Nam |
| 5 Remgro | 10 MTN Group |

Asset allocation as at 30 June 2010

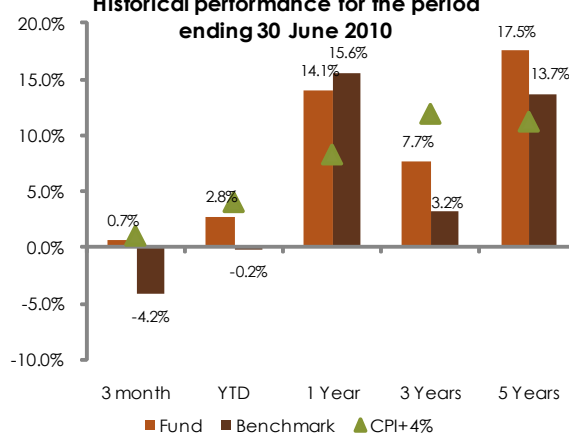


*Other represents Gold ETFs

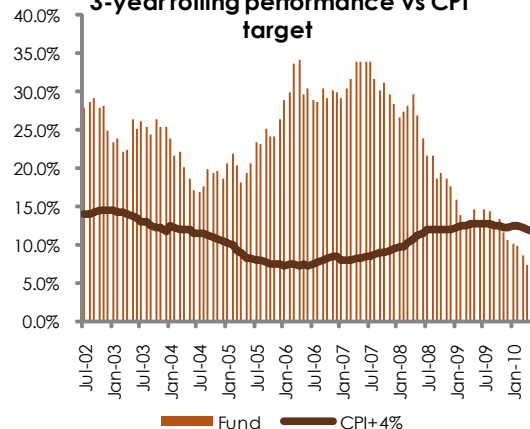
Cumulative performance since inception



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



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 John McNab, Mimi Ferrini

Portfolio Manager

James Hatuikulipi and Chris Freund

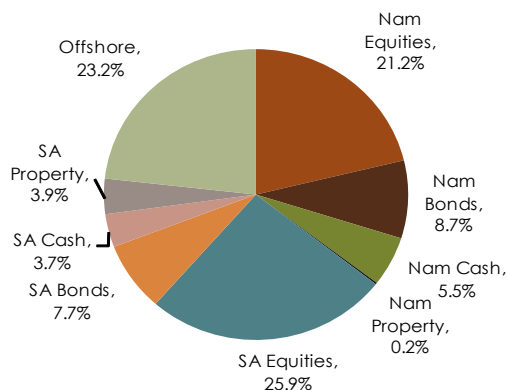
Benchmark

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.

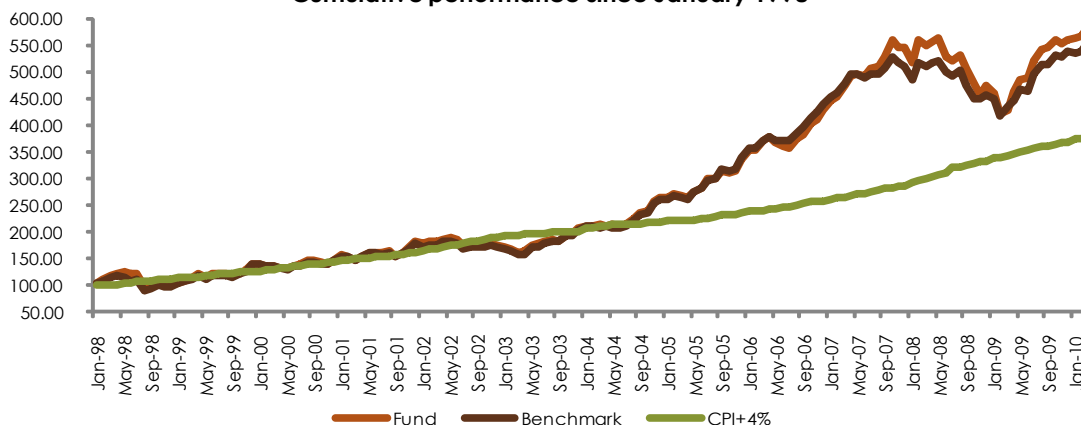
Top 10 Equity Holdings

- | | |
|------------------|------------------------|
| 1 Firststrand | 6 SAB Miller |
| 2 Anglo American | 7 Richemont |
| 3 Old Mutual | 8 Investec |
| 4 Sasol | 9 Goldfields |
| 5 Clicks Group | 10 Standard Bank Group |

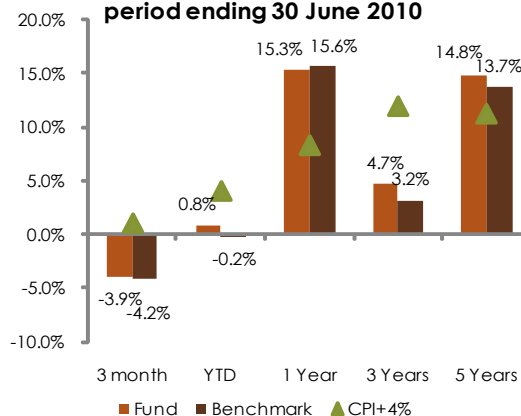
Asset allocation as at 30 June 2010



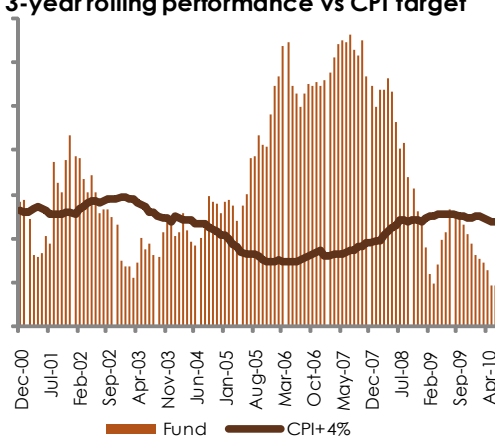
Cumulative performance since January 1998



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



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

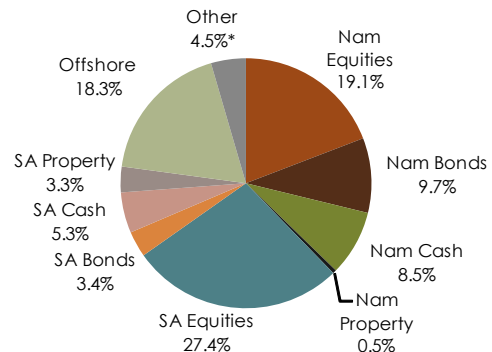
Benchmark

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

Top 10 Equity Holdings as at 31 March 2010

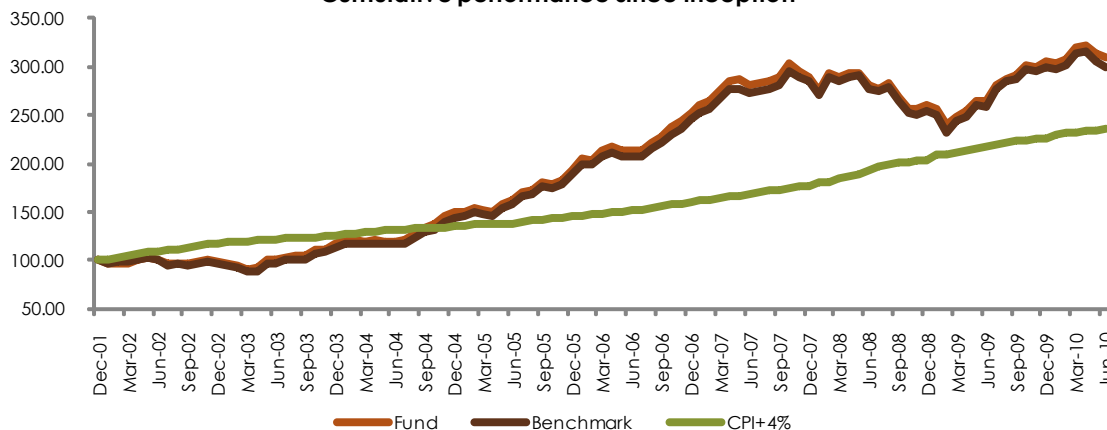
- | | |
|-----------------------|---------------|
| 1 Anglo American | 6 Sanlam |
| 2 Standard Bank Group | 7 Truworths |
| 3 Old Mutual | 8 Shoprite |
| 4 Firstrand | 9 Investec |
| 5 Nedbank | 10 Barloworld |

Asset allocation as at 31 March 2010

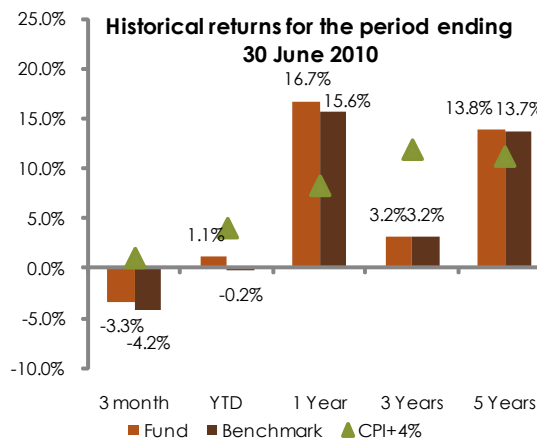


*Other represents SA Hedge Funds

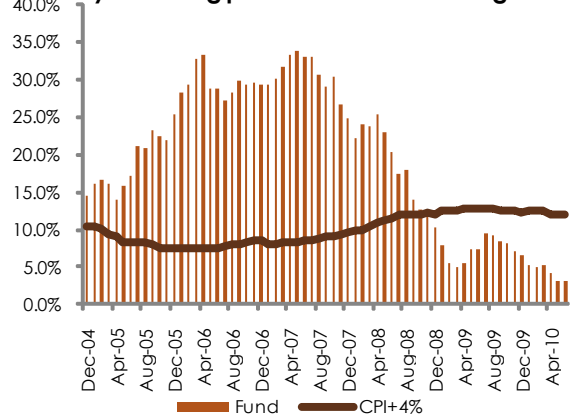
Cumulative performance since inception



Historical returns for the period ending 30 June 2010



3-year rolling performance vs CPI target



*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\$242m

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

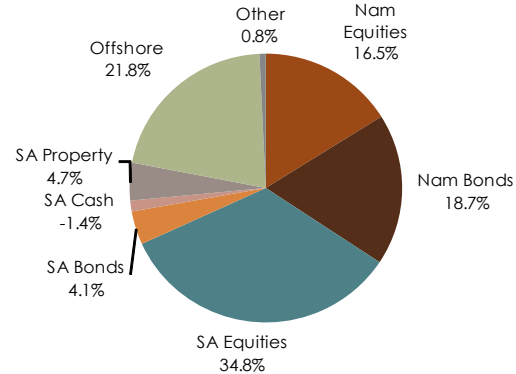
Benchmark

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

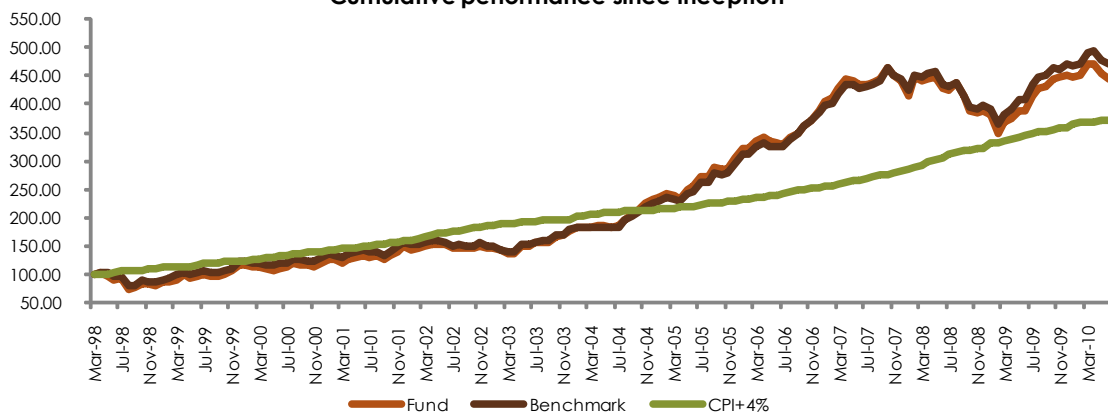
- | | |
|-------------------------|----------------------------|
| 1 Standard Bank Namibia | 6 Investec Namibia |
| 2 MTN Group | 7 BHP Billiton |
| 3 Sasol | 8 British American Tobacco |
| 4 Firststrand Namibia | 9 Richemont |
| 5 Anglo American | 10 SAB Miller |

Asset allocation as at 30 June 2010

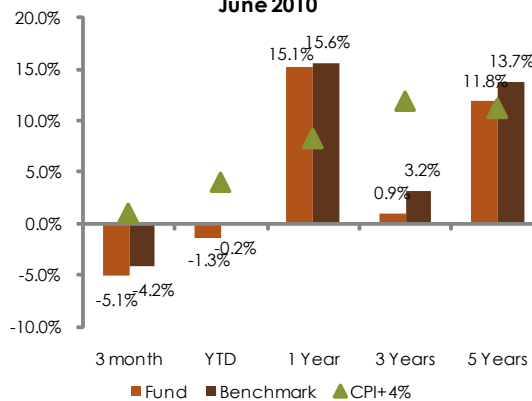


*Other represents Gold Debentures

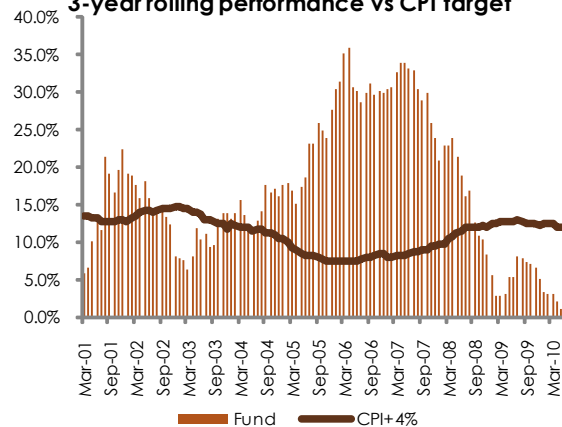
Cumulative performance since inception



Historical returns for the period ending 30 June 2010



3-year rolling performance vs CPI target



Prudential Namibia Balanced Fund

Risk Profile Moderate

Size N\$ 1.9m

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

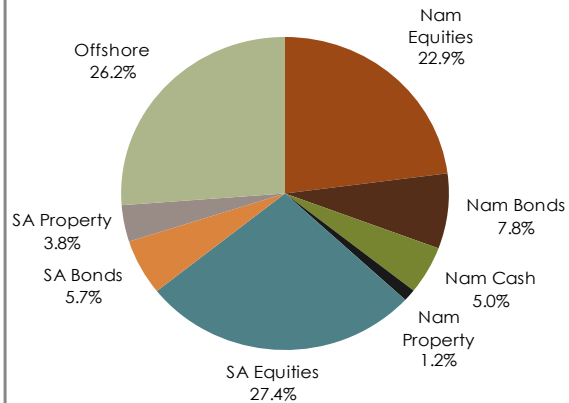
Benchmark

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

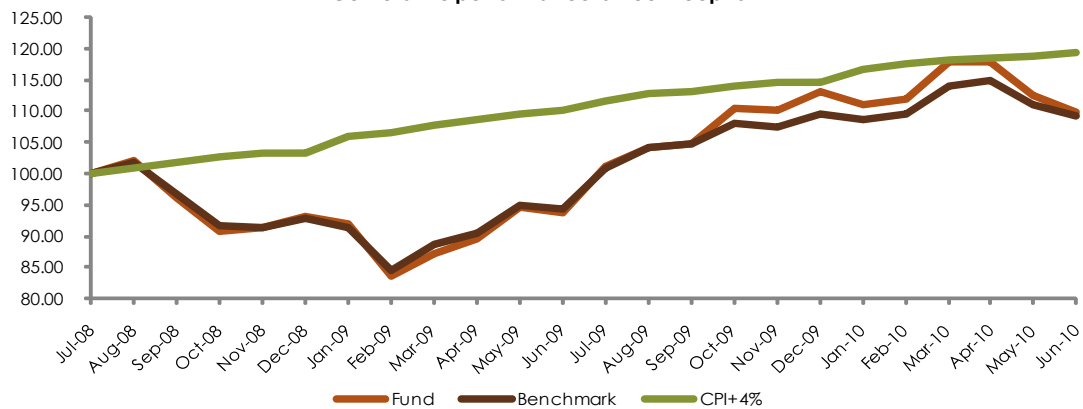
Top 10 Equity Holdings

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

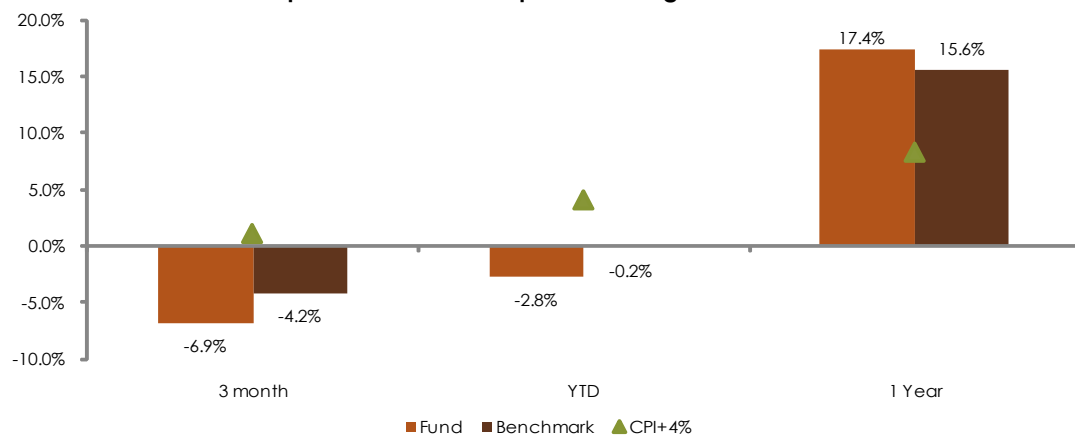
Asset allocation as at 30 June 2010



Cumulative performance since inception



Historical performance for the period ending 30 June 2010



Please note: This fund has a history of less than 3 years.

Sanlam Namibia Balanced Fund

Risk Profile Moderate

Size N\$15m

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

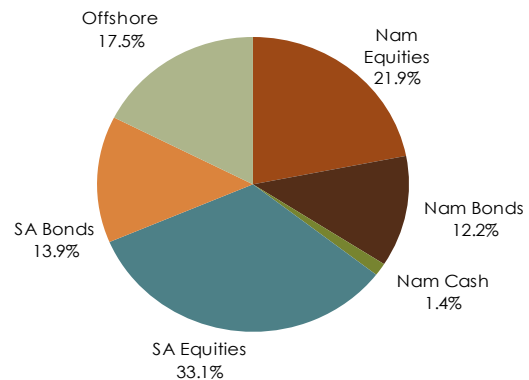
Benchmark

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.

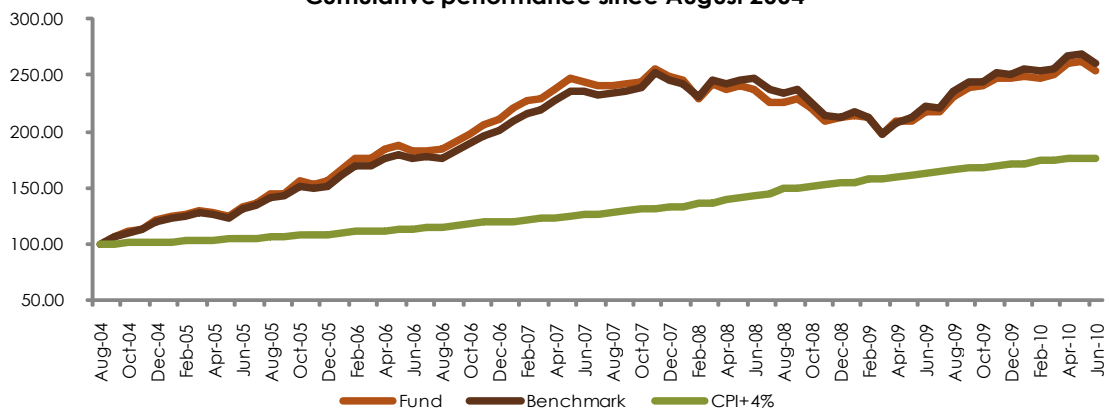
Top 10 Equity Holdings

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

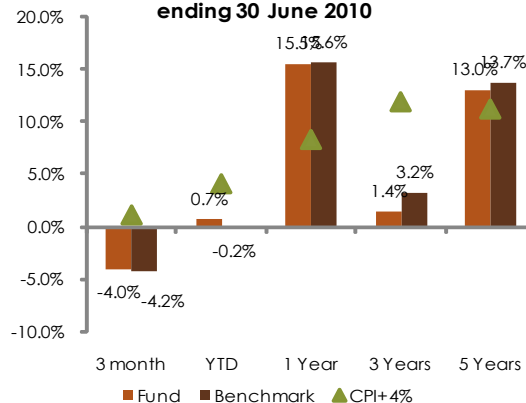
Asset allocation as at 30 June 2010



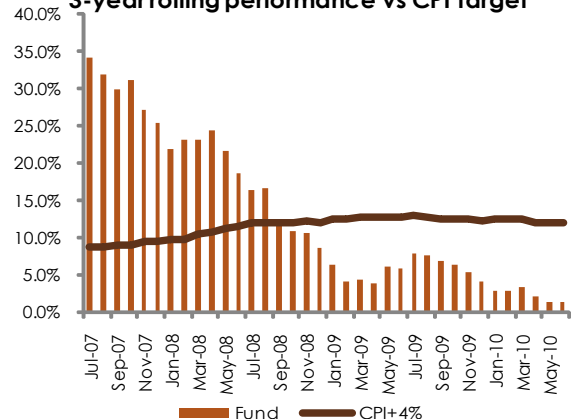
Cumulative performance since August 2004



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



Standard Bank Namibia Managed Fund

Risk Profile Moderate

Size N\$ 99 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

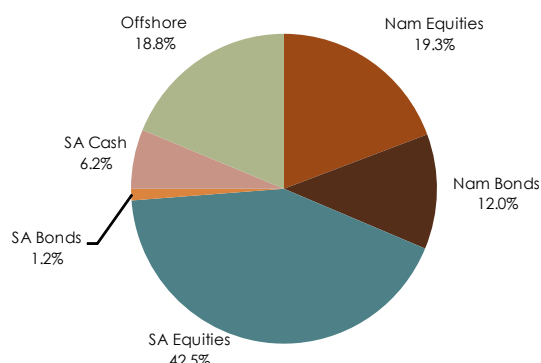
Benchmark

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.

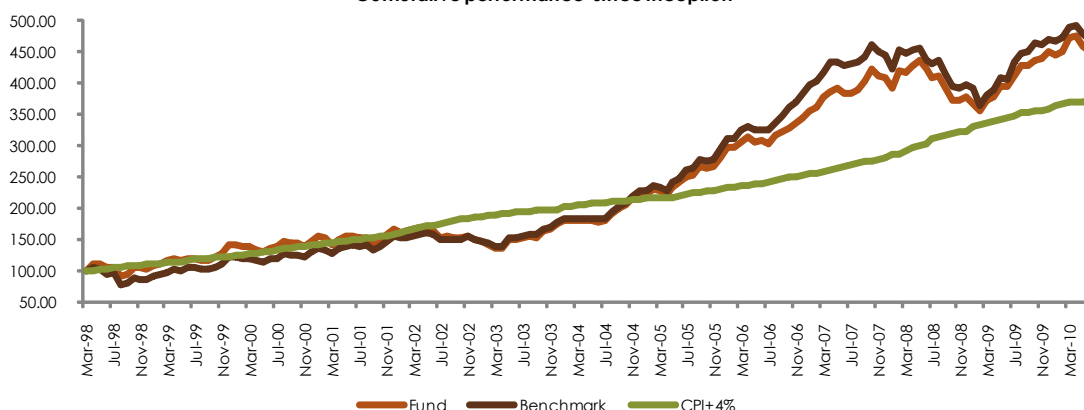
Top 10 Holdings

- | | |
|-----------------|---------------------------|
| 1 MTN Group | 6 Bidvest Group |
| 2 BHP Billiton | 7 Standard Bank Group Nam |
| 3 Sasol | 8 Massmart Holdings |
| 4 Firstrand Nam | 9 Anglo American Nam |
| 5 Investec Nam | 10 Impala Platinum |

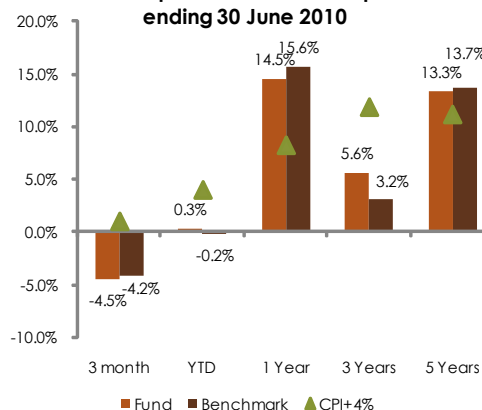
Asset allocation as at 30 June 2010



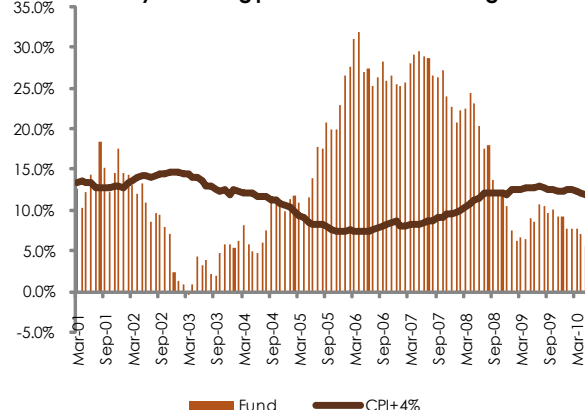
Cumulative performance since inception



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



Investec High Income Fund Namibia

Risk Profile Conservative

Size N\$ 500 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 John McNab, Mimi Ferrini

Portfolio Manager

Vivienne Taberer

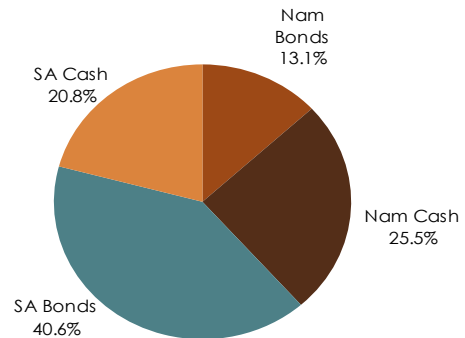
Benchmark

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

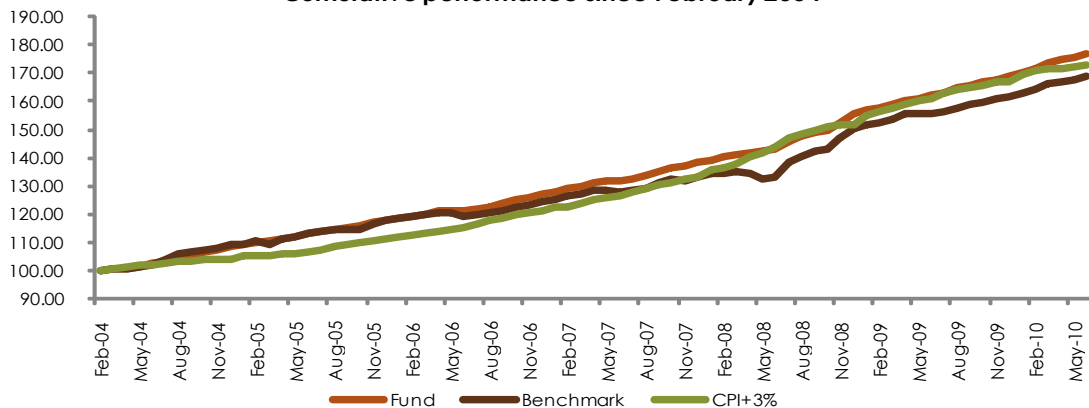
Top 10 Bond Holdings

- | | |
|---------------|-----------------|
| 1 RSA R206 | 6 NAMGOV GC15A |
| 2 NAMGOV GC12 | 7 STDNAM SBKN11 |
| 3 RSA R157 | 8 NEDB NBRN1 |
| 4 INVBK IBL07 | 9 STDNAM SBKN16 |
| 5 DCSADC03 | 10 AFRBK ABL51 |

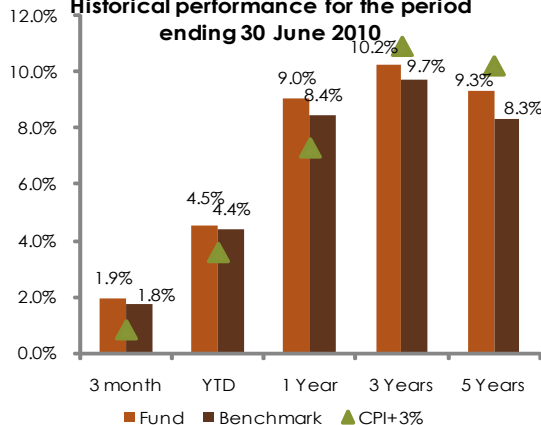
Asset allocation as at 30 June 2010



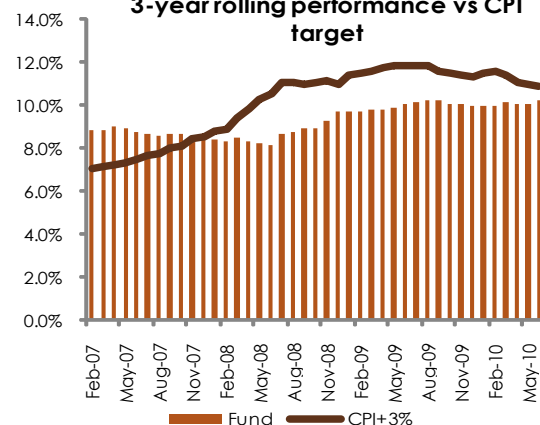
Cumulative performance since February 2004



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



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

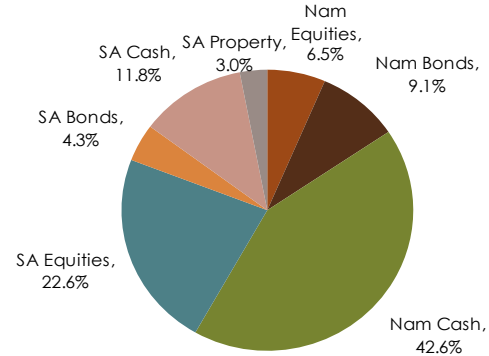
Benchmark

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

Top 10 Equity Holdings

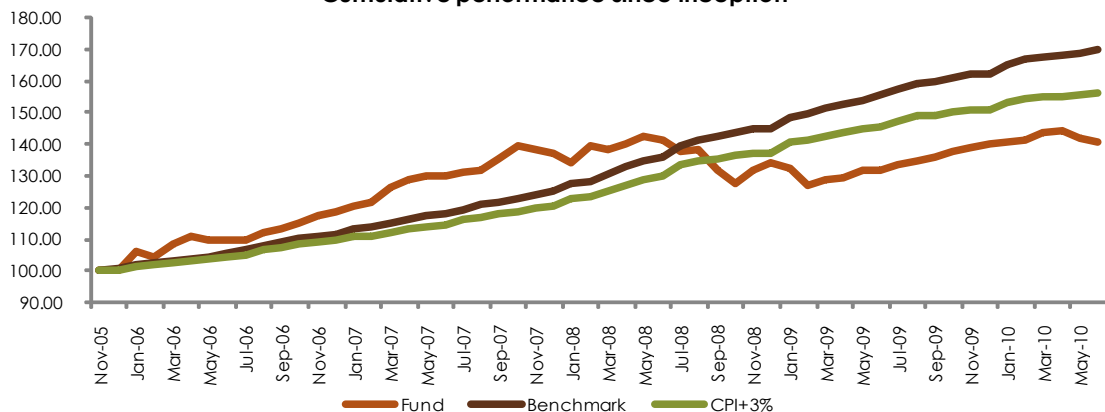
- | | |
|-----------------------|-------------------|
| 1 MTN Group | 6 Anglo American |
| 2 Sasol | 7 Impala Platinum |
| 3 BHP Billiton | 8 FirstRand |
| 4 Standard Bank Group | 9 Anglo Platinum |
| 5 SAB Miller | 10 Naspers |

Asset allocation as at 30 June 2010

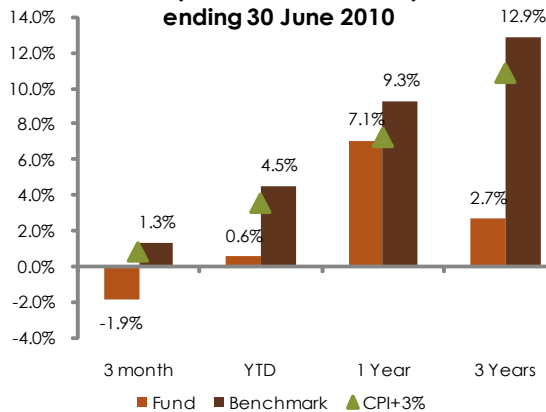


* Other represents investment in Metropolitan Income Plus Unit Trust Fund

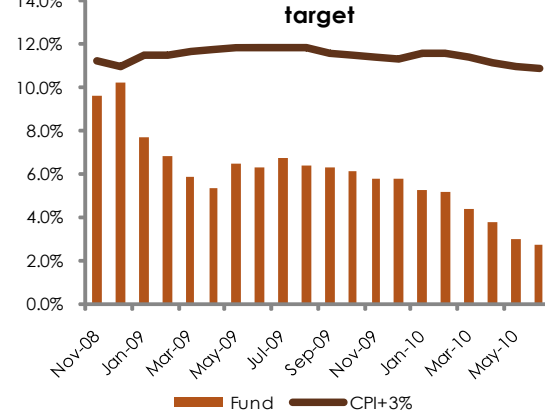
Cumulative performance since inception



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



Prudential Namibia Inflation Plus Fund

Risk Profile Conservative

Size N\$ 172m

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

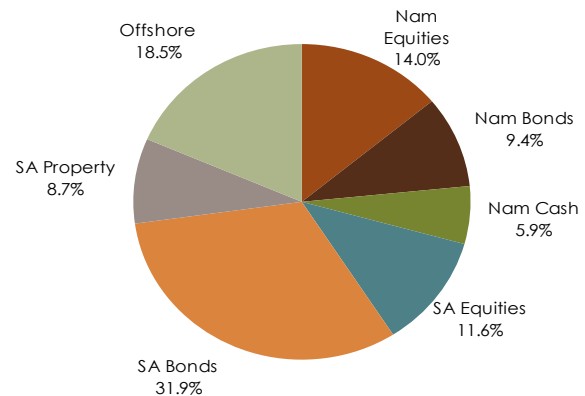
Benchmark

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

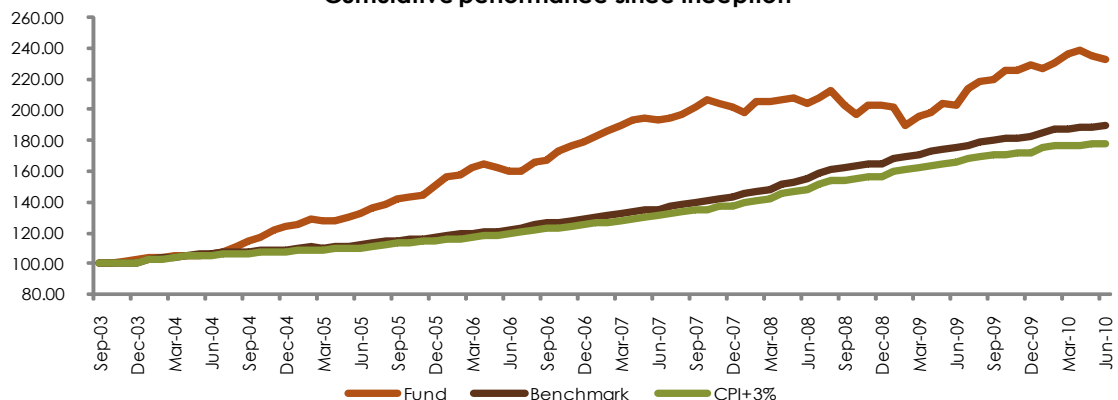
Top 10 Equity Holdings

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

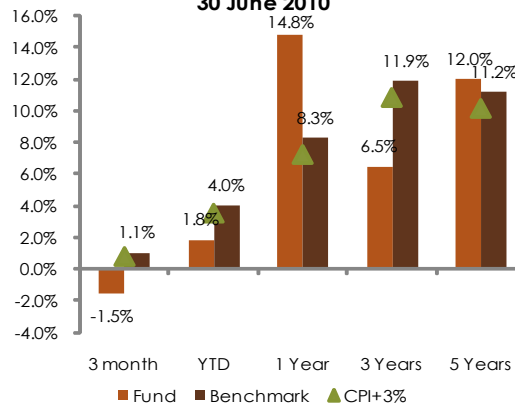
Asset allocation as at 30 June 2010



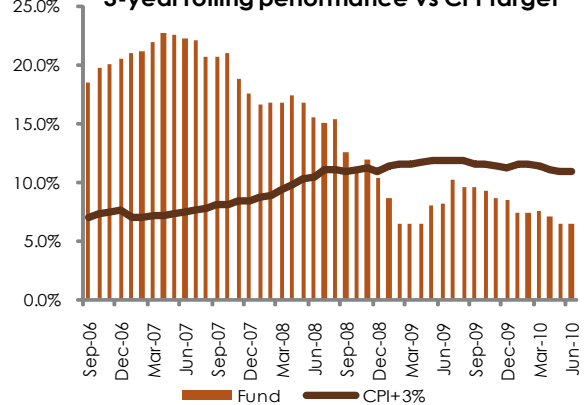
Cumulative performance since inception



Historical returns for the period ending 30 June 2010



3-year rolling performance vs CPI target



Benchmark Retirement Fund Default Portfolio

Risk Profile Conservative

Size N\$ 115 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

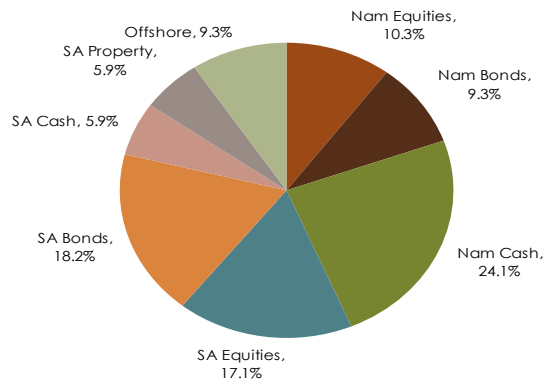
The benchmark for this fund is CPI +3% over a rolling three year period.

Portfolio Mix

Metropolitan Asset Management,
Prudential Portfolio Managers

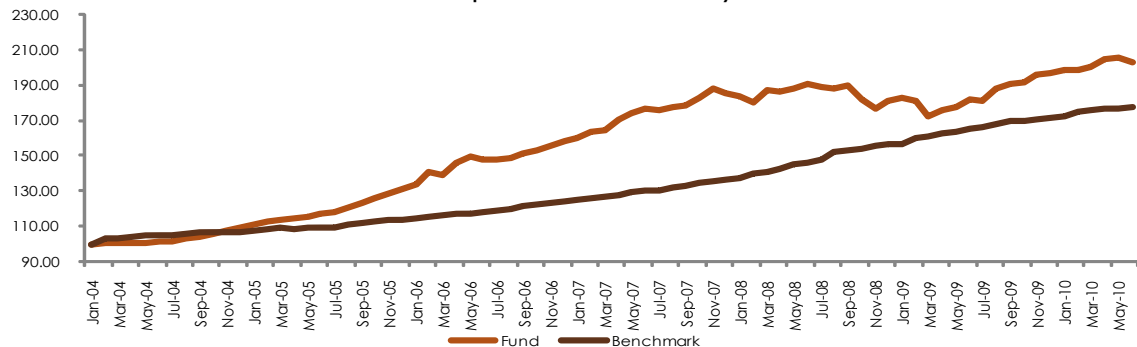
For the period from January 2004 to July 2007 the Default portfolio assets were invested 100% in the Metropolitan Absolute Return Fund. As from July 2007 the Trustees decided to add the Prudential Inflation Plus to the default portfolio. Cash Flows would be split equally between the two portfolios.

Asset allocation as at 30 June 2010

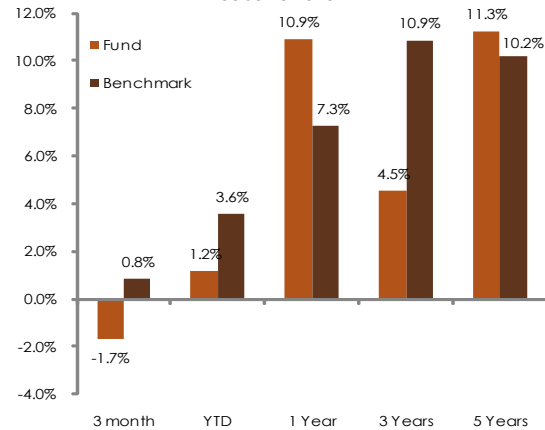


* Other represents investment in Metropolitan Income Plus Unit Trust Fund

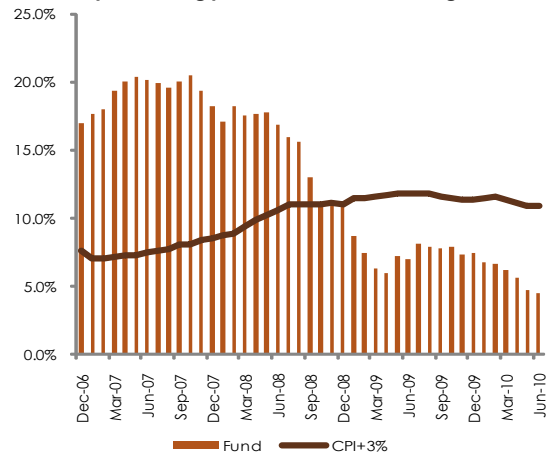
Cumulative performance since January 2004



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI target



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

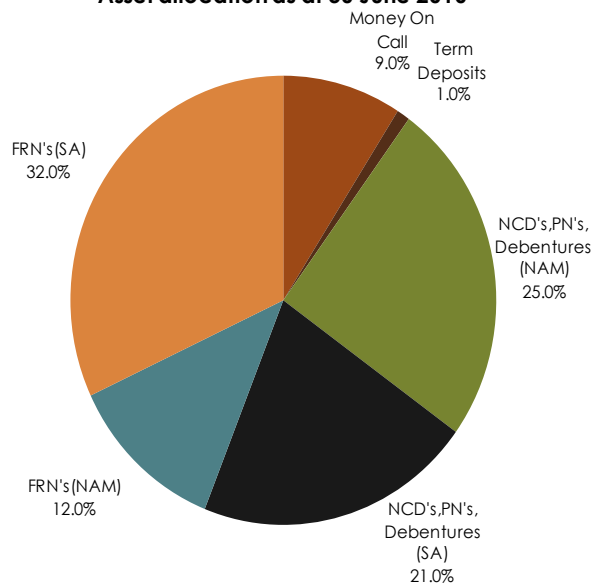
CIO Ian Erlank

Portfolio Manager Capricorn Asset Managers (Tertius Liebenberg)

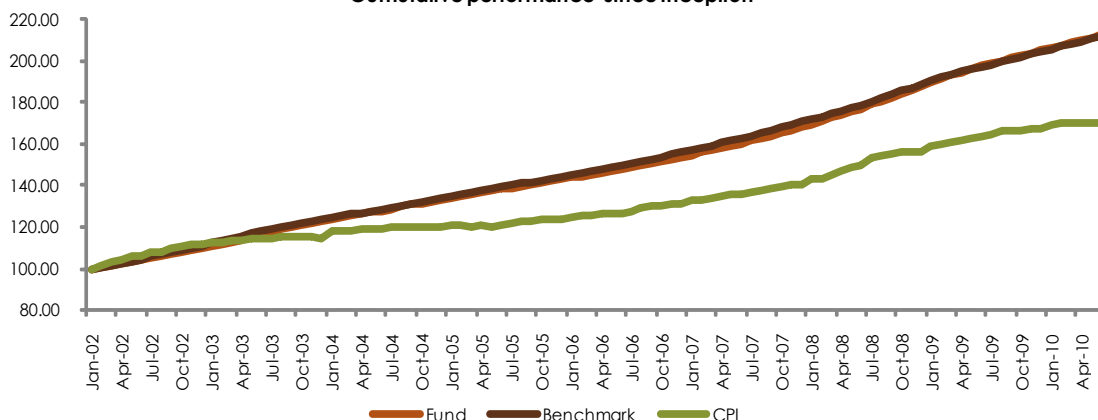
Benchmark

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

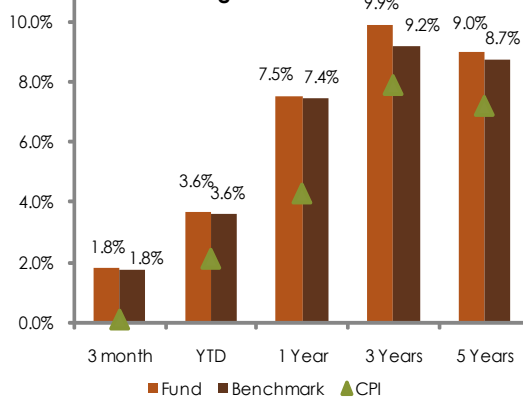
Asset allocation as at 30 June 2010



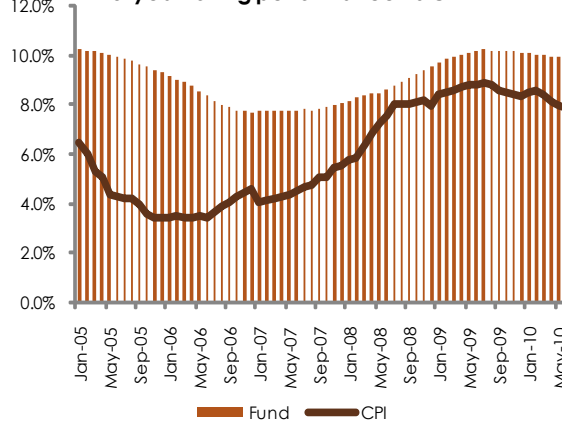
Cumulative performance since inception



Historical performance for the period ending 30 June 2010



3-year rolling performance vs CPI



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.

John McNab and Mimi Ferrini are the joint Chief Investment Officers, 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.

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.