



# Benchmark Retirement Fund

Extract from the Annual Financial Statements for the year ended 31 December 2012

## REGULATORY INFORMATION

For the period ended 31 December 2012

### Registered Office of the Fund

Postal address: P. O. Box 80349  
Windhoek  
Namibia

Physical address: Corner of Feld Street and Newton Street  
Windhoek  
Namibia

### Board of Trustees

| Full name            | Capacity* | Date appointed | Date resigned |
|----------------------|-----------|----------------|---------------|
| Harald Müseler       | C, I      | 07/11/2006     |               |
| Martin Moeller       | I         | 07/11/2006     |               |
| Afra Schimming-Chase | I         | 01/01/2011     |               |
| Tilman Friedrich     | F         | 01/01/2000     |               |
| Mark Gustafsson      | F         | 01/01/2000     | 02/12/2012    |
| Marthinuz Fabianus   | F         | 01/01/2003     |               |

\*- 'C' denotes chairperson

\*- 'I' denotes independent Trustee

\*- 'F' denotes founder appointed Trustee

### Principal Officer

|                   |  |
|-------------------|--|
| Full name:        | Günter Pfeifer   |
| Postal address:   | P.O. Box 80349<br>Windhoek<br>Namibia                          |
| Physical address: | Corner of Feld Street and Newton Street<br>Windhoek<br>Namibia |
| Telephone number: | 061- 231 590   |
| Email address:    | gpfeifer@rfsol.com.na  |
| Date appointed:   | 01/04/2009   |

### Auditor

|                   |                                       |
|-------------------|---------------------------------------|
| Full name:        | KPMG Namibia                          |
| Postal address:   | P.O.Box 86863<br>Windhoek<br>Namibia  |
| Physical address: | 30 Schanzenweg<br>Windhoek<br>Namibia |
| Telephone number: | 061-387 500                           |
| Qualifications:   | Chartered Accountants                 |
| Date appointed:   | 22/11/2007                            |



# Benchmark Retirement Fund

Extract from the Annual Financial Statements for the year ended 31 December 2012 (continued)

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## **Type of fund**

For the purpose of the prescribed financial statements of the Fund, the Fund is classified as a defined contribution fund. The Fund is also approved in terms of section 1 of the Income Tax Act, Number 24 of 1981.

## **Benefits of the Fund**

The Fund is a defined contribution fund. It offers no investment guarantees and the value of every member's investment will be determined by reference to net contributions received for the member and net investment returns generated by the selected investment administrator, in terms of the agreement entered into between the investment administrator and the Fund.

The Fund offers a living annuity pension arrangement. Pensioners may choose the level of income required, which may not be less than 5% of the pensioner's capital at the beginning of every year and may not exceed 20% thereof. Any balance remaining in the pensioner's account upon the death of the pensioner and payable as a lump sum shall be disposed in terms of Section 37C of the Pension Funds Act, taking into account any guidelines provided by the pensioner. Any annuity payable shall be paid over a minimum period of 5 years.

The Fund offers contributory membership to employees within an employer group, to contributory individuals as well as dormant membership to former employees who wish to preserve their retirement capital tax efficiently.

Death and disability benefits arranged by the participating employer for its members in addition to the member's share in the Fund, are fully reinsured and range from lump sum benefits to annuities for members and dependants of former members.

## **Contributions**

Members and participating employers contribute at such a rate as committed to in the relevant application form.

## **Reserve Account**

The Fund Reserve Account comprises the employer reserve account and general reserve account. The employer reserve account decreased from N\$14 294 000 to N\$13 499 156 during the year under review. The general reserve account increased from N\$4 513 297 to N\$4 744 803.

## **Investments**

All participating employers and individuals may utilise an investment manager or a combination of managers approved by the Fund. For participating employers who do not wish to become involved in investment decisions in respect of their employees, the Allan Gray Namibia Investment Trust and the Prudential Namibia Inflation Plus Unit Trust are utilised as the default investment portfolio.

The Fund has investment agreements with Allan Gray Namibia (Pty) Ltd, Investec Asset Management Namibia (Pty) Ltd, Investment Solutions Namibia Ltd, Old Mutual Investment Group Namibia (Pty) Ltd, Sanlam Investment Management Namibia (Pty) Ltd, Stanlib Namibia (Pty) Ltd, Prudential Portfolio Managers (Namibia) (Pty) Ltd, Capricorn Asset Management (Pty) Ltd, Namibia Asset Management Ltd and EMH Prescient Unit Trusts Ltd. The investment policy as included in the mandate to the investment administrators is to achieve in the long term an optimum return taking into account associated risks and to optimise capital growth.

The Fund's investments consist of a trust with Allan Gray Namibia (Pty) Ltd, unit trusts with Investec Asset Management Namibia (Pty) Ltd, Capricorn Asset Management (Pty) Ltd, Stanlib Namibia (Pty) Ltd, Prudential Portfolio Managers (Namibia) (Pty) Ltd, Sanlam Investment Management Namibia (Pty) Ltd, Namibia Asset Management Ltd and EMH Prescient Unit Trusts Ltd, and insurance policies with Investment Solutions Namibia Ltd and Old Mutual Investment Group Namibia (Pty) Ltd. These investment administrators have complete discretion as to the composition of their share of the portfolio within the boundaries allowed by the Pension Funds Act in Namibia and subject to the mandate of the Trustees. The Board of Trustees meets regularly to review the investment policy and to monitor the asset allocation and performance of the investment administrators against the investment strategy of the Fund.

The fair value of the Fund's investments administered by the investment administrators at the end of the period is:

|  | 2012                 | 2011               |
|--|----------------------|--------------------|
|  | N\$                  | N\$                |
| Allan Gray Namibia (Pty) Ltd                           | 514,994,474          | 399,290,275        |
| Capricorn Asset Management (Pty) Ltd                   | 51,385,620           | 59,350,311         |
| EMH Prescient Unit Trusts Ltd                          | 2,196,674            | -                  |
| Investec Asset Management (Namibia) (Pty) Ltd          | 144,575,441          | 99,209,701         |
| Investment Solutions Namibia Ltd                       | 955,524              | 632,546            |
| Namibia Asset Management Ltd                           | 11,663,367           | 8,634,492          |
| Old Mutual Investment Group Namibia (Pty) Ltd          | 17,549,341           | 18,141,313         |
| Prudential Portfolio Managers (Namibia) (Pty) Ltd      | 251,469,063          | 191,641,215        |
| Sanlam Investment Management Namibia (Pty) Ltd         | 2,762,760            | 1,144,512          |
| Stanlib Namibia (Pty) Ltd                              | 5,505,142            | 3,069,627          |
| Total investments managed by investment administrators | <b>1,003,053,406</b> | <b>781,113,992</b> |

## MEMBERSHIP

|  | Active members | Pensioners | Total        |
|--|----------------|------------|--------------|
| <b>Membership as at 31 December 2011</b> | 6,156          | 71         | 6,227        |
| Additions                                | 794            | 5          | 799          |
| Transfers in                             | 1,048          | -          | 1,048        |
| Withdrawals                              | -1,242         | -          | -1,242       |
| Retirements                              | -50            | -          | -50          |
| Deaths                                   | -25            | -2         | -27          |
| Transfers out                            | -3             | 3          | -            |
| <b>Membership as at 31 December 2012</b> | <b>6,678</b>   | <b>77</b>  | <b>6,755</b> |

## ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the Fund.

Since its inception the Fund has been exempt from Section 16 of the Pension Funds Act that requires a retirement fund to submit actuarial valuation reports to NAMFISA at intervals not exceeding three years. The trustees decided that, with effect from 31 December 2008, the Fund will voluntarily submit statutory actuarial valuation reports on an annual basis to NAMFISA in terms of Section 16 of the Pension Funds Act.

An actuarial valuation was performed for the year ended 31 December 2011 which was finalised on 12 September 2012. The actuarial valuation for the year ended 31 December 2012 is currently being performed.

The actuary's report is provided to all participating employers and is made available in abbreviated form on the Fund's website.



# Benchmark Retirement Fund

Extract from the Annual Financial Statements for the year ended 31 December 2012 (continued)

## STATEMENT OF CHANGES IN FUNDS AND RESERVES

For the period ended 31 December 2012

|  | Active members     | Pensioners         | Reserve            | Total                |
|--|--------------------|--------------------|--------------------|----------------------|
|  | 2012               | 2012               | 2012               | 2012                 |
|  | N\$                | N\$                | N\$                | N\$                  |
| Contributions received   | 103,898,104        | -                  | 20,356,057         | 124,254,161          |
| Net investment income  | -                  | -                  | 133,036,459        | 133,036,459          |
| Other income   | 1,178,625          | -                  | -                  | 1,178,625            |
| Reinsurance proceeds   | 6,025,723          | -                  | -                  | 6,025,723            |
| Reinsurance premiums   | -                  | -                  | -15,769,556        | -15,769,556          |
| Expenses   | -4,250,012         | -                  | -13,601,732        | -17,851,744          |
| <b>Net income before transfers and benefits</b>                    | <b>106,852,440</b> | <b>-</b>           | <b>124,021,228</b> | <b>230,873,668</b>   |
| <b>Transfers and benefits</b>                                      | <b>-6,870,408</b>  | <b>-3,063,288</b>  | <b>3,211,984</b>   | <b>-6,721,712</b>    |
| Transfers from other funds   | 235,452,567        | 7,521,751          | 3,641,618          | 246,615,936          |
| Transfers to other funds   | -6,754,738         | -                  | -                  | -6,754,738           |
| Benefits   | -235,568,237       | -10,585,039        | -429,634           | -246,582,910         |
| <b>Net income after transfers and benefits</b>                     | <b>99,982,032</b>  | <b>-3,063,288</b>  | <b>127,233,212</b> | <b>224,151,956</b>   |
| Balance at beginning of period                                     | 680,516,238        | 86,026,634         | 18,807,297         | 785,350,169          |
| Investment income allocated  | 110,427,030        | 12,813,772         | -123,240,802       | -                    |
|  | 890,925,300        | 95,777,118         | 22,799,707         | 1,009,502,125        |
| Transfer between reserve accounts and active members' accounts     | 5,111,305          | -                  | -5,111,305         | -                    |
| Transfer between active members' accounts and pensioners' accounts | -7,794,585         | 7,794,585          | -                  | -                    |
| Withdrawal profits   | -555,557           | -                  | 555,557            | -                    |
| <b>Balance at end of period</b>                                    | <b>887,686,463</b> | <b>103,571,703</b> | <b>18,243,959</b>  | <b>1,009,502,125</b> |
|  | <b>2011</b>        | <b>2011</b>        | <b>2011</b>        | <b>2011</b>          |
|  | <b>N\$</b>         | <b>N\$</b>         | <b>N\$</b>         | <b>N\$</b>           |
| Contributions received   | 80 266 161         | -                  | 19 165 170         | 99 431 331           |
| Net investment income  | -                  | -                  | 72 605 854         | 72 605 854           |
| Reinsurance proceeds   | 4 909 504          | -                  | -                  | 4 909 504            |
| Reinsurance premiums   | -                  | -                  | -13 388 241        | -13 388 241          |
| Expenses   | -4 881 671         | -2 180             | -10 833 374        | -15 717 225          |
| <b>Net income before transfers and benefits</b>                    | <b>80 293 994</b>  | <b>-2 180</b>      | <b>67 549 409</b>  | <b>147 841 223</b>   |
| <b>Transfers and benefits</b>                                      | <b>40 831 319</b>  | <b>2 409 914</b>   | <b>-1 254 185</b>  | <b>41 987 048</b>    |
| Transfers from other funds   | 246 827 346        | 10 260 500         | 137 164            | 257 225 010          |
| Benefits   | -205 996 027       | -7 850 586         | -1 391 349         | -215 237 962         |
| <b>Net income after transfers and benefits</b>                     | <b>121 125 313</b> | <b>2 407 734</b>   | <b>66 295 224</b>  | <b>189 828 271</b>   |
| Balance at beginning of period                                     | 502 837 654        | 72 184 220         | 20 500 024         | 595 521 898          |
| Investment income allocated  | 58 244 039         | 7 177 366          | -65 421 405        | -                    |
|  | 682 207 006        | 81 769 320         | 21 373 843         | 785 350 169          |
| Transfer between reserve accounts and active members' accounts     | 2 967 570          | -                  | -2 967 570         | -                    |
| Transfer between active members' accounts and pensioners' accounts | -4 257 314         | 4 257 314          | -                  | -                    |
| Withdrawal profits   | -401 024           | -                  | 401 024            | -                    |
| <b>Balance at end of period</b>                                    | <b>680 516 238</b> | <b>86 026 634</b>  | <b>18 807 297</b>  | <b>785 350 169</b>   |



# Benchmark Retirement Fund

Extract from the Annual Financial Statements for the year ended 31 December 2012 (continued)

## STATEMENT OF ASSETS AND FUNDS

At 31 December 2012

|                                    | 2012<br>N\$          | 2011<br>N\$        |
|------------------------------------|----------------------|--------------------|
| <b>ASSETS</b>                      |                      |                    |
| <b>Non-current assets</b>          | <b>1,005,945,344</b> | <b>782 688 829</b> |
| Investments                        | 1,003,053,406        | 781 113 992        |
| Housing loans                      | 2,891,938            | 1 574 837          |
| <b>Current assets</b>              | <b>53,759,092</b>    | <b>38 016 501</b>  |
| Accounts receivable                | 1,180,444            | 922 008            |
| Contributions receivable           | 5,329,636            | 705 247            |
| Cash at bank                       | 47,249,012           | 36 389 246         |
| <b>Total assets</b>                | <b>1,059,704,436</b> | <b>820 705 330</b> |
| <b>FUNDS AND LIABILITIES</b>       |                      |                    |
| <b>Total funds and reserves</b>    | <b>1,009,502,125</b> | <b>785 350 169</b> |
| Active members' accounts           | 887,686,463          | 680 516 238        |
| Pensioners' accounts               | 103,571,703          | 86 026 634         |
| Reserve account                    | 18,243,959           | 18 807 297         |
| <b>Non-current liabilities</b>     | <b>1,933,293</b>     | <b>1 185 901</b>   |
| Unclaimed benefits                 | 1,933,293            | 1 185 901          |
| <b>Current liabilities</b>         | <b>48,269,018</b>    | <b>34 169 260</b>  |
| Benefits payable                   | 47,240,408           | 32 538 786         |
| Accounts payable                   | 1,028,610            | 1 630 474          |
| <b>Total funds and liabilities</b> | <b>1,059,704,436</b> | <b>820 705 330</b> |