

BENCHMARK RETIREMENT FUND

SUMMARY OF THE 31 DECEMBER 2019 STATUTORY ACTUARIAL VALUATION

Introduction

1. We have been asked to carry out a statutory actuarial valuation of the Benchmark Retirement Fund (“the Fund”) for the year ending 31 December 2019.
2. The previous statutory actuarial valuation of the Fund was carried out by us as at 31 December 2018.
3. The statutory actuarial valuation reports are submitted to NAMFISA.

Purpose of the valuation

4. This valuation is carried out as at 31 December 2019. The purpose of this valuation is to determine whether:
 - 4.1 The Fund is administered in terms of the general rules and, where applicable, the special rules;
 - 4.2 All accounts established by the rules are maintained correctly;
 - 4.3 The investment portfolios held by the Fund are matched to the Fund’s liabilities as at the valuation date;
 - 4.4 All expense deductions are made in terms of the Fund’s rules and are in accordance with service level agreements and any marketing literature given to clients;
 - 4.5 Ad-hoc expenses are allowed for and are allocated on an equitable basis;
 - 4.6 The areas where the Fund’s rules give discretion to the administrator are dealt with in a consistent and equitable manner. These areas include expense charges, investment dates, disinvestment dates, late payment interest etc.;
 - 4.7 The Fund complies with legislation and service level agreements; and
 - 4.8 To meet the requirement of Section 16 of the Act that requires actuarial valuations of the Fund to be performed at intervals not exceeding 3 years.

Financially significant changes during the during the year to 31 December 2019

Rules

5. There were no Rule amendments over the year to 31 December 2019.

Participating employers

6. 4 participating employers (197, 198, 202 and 208) joined the Fund during the during the year to 31 December 2019. Special rules were registered in respect of these new participating employers.
7. 2 participating employers (53 and 174) exited the Fund during the during the year to 31 December 2019.
8. There were no new participating employers with previous fund structure (PEWPFS) who joined the Fund during the during the year to 31 December 2019. There is only 1 PEWPFS participating employer in the Fund (participating employer 171). We have carried out an actuarial valuation of the participating employer's portion of the Fund as at 31 December 2019 and confirm that the PEWPFS sub-fund is financially sound.
9. Section 14 transfer payments were received for participating employers 34, 166, 167, 175 and 198 during the year to 31 December 2019. A transfer value in respect of participating employer 197 has been accrued for in the audited financial statements but has not been received as at 31 December 2019.
10. Participating employers 44, 53, and 99 allocated portions of their Employer Reserve Account to their members' Shares during the year to 31 December 2019.

Other

11. The Fund has made direct housing loans more widely available to participating employers. Participating employers 12, 14, 36, 44, 49, 65, 69, 75, 110, 119, 139, 156, 167 and 171 had active housing loans as at the valuation date.

Investments during the during the year

12. Participating employers, the small employer group (SEG), individual members and living annuitants can elect to invest their Shares in a range of 19 investment portfolios. Survivor annuitants are invested in the Old Mutual Absolute Stable Growth Portfolio.
13. To comply with Regulation 13, the Fund has invested in 3 special purpose vehicles that invest in unlisted investments. The special purpose vehicles are the Allegrow Capital Fund, the Caliber Capital Fund and the IJG Frontier Investment Fund.
14. The unlisted investments are combined proportionately with each of the main investment portfolios offered by the Fund. The exceptions are:
 - 14.1 The Money Market Fund (CAM Investment Fund);
 - 14.2 The Old Mutual Namibia Absolute Stable Growth Portfolio;
 - 14.3 The Old Mutual Namibia Profile Pinnacle Fund;
 - 14.4 The Sanlam Namibia Active Fund;
 - 14.5 The Sanlam Namibia Absolute Return Plus portfolio; and
 - 14.6 The Sanlam Namibia Inflation Linked Fund.
15. The MMI annuity policy is also excluded from the Regulation 13 provisions.

16. As at 31 December 2019, the actual investment made to date in unlisted investments made up about 1.2% of each of the investment portfolios. For the purposes of this report, we include the unlisted investments with each of the main investment portfolios.
17. The 19 investment portfolios that were utilised during the year to 31 December 2019, and the investment return earned during the year to 31 December 2019, are shown in the following table:

Investment returns (gross of Fund fees and levies)	
Investment portfolio	Year ending 31 Dec 2019
Allan Gray Namibia Balanced Fund	7.29%
Capricorn Investment Fund	7.80%
Capricorn Stable Fund ⁵	6.41%
Hangala Prescient Absolute Balanced Fund	8.01%
NAM Coronation Balanced Defensive Fund	12.76%
NAM Coronation Balanced Plus Fund	13.12%
NAM Coronation Capital Plus Fund	14.41%
Nintey One Namibian Managed Fund	9.92%
OM Namibia Absolute Stable Growth Portfolio	3.59%
OM Namibia Profile Pinnacle Fund	10.10%
Prudential Namibia Inflation Plus Fund	9.39%
Prudential Namibian Global Balanced Fund	9.74%
Sanlam Namibia Absolute Return Plus ⁴	8.02%
Sanlam Namibia Active Fund	7.98%
Sanlam Namibia Inflation Linked Fund	10.87%
Standard Bank Namibia Managed Fund	11.72%
Ninety One / AG Combined Portfolio ¹	8.57%
Default Portfolio ²	8.66%
Initial Drawdown Portfolio ³	10.87%

1. Made up of the Allan Gray Namibia Balanced Fund and the Ninety One Namibian Managed Fund Namibia.
 2. Made up of the Allan Gray Namibia Balanced Fund Trust, Prudential Namibia Inflation Plus Fund and the Sanlam Namibia Inflation Linked Fund.
 3. Made up of the Sanlam Namibia Inflation Linked Fund.
 4. Return from June 2019.
 5. Return from April 2019.
18. 2 new investment portfolios were added during the during the year to 31 December 2019 (the Capricorn Stable Fund portfolio from April 2019 and Sanlam Namibia Absolute Return Plus portfolio from June 2019) and no investment portfolios were removed during the during the year to 31 December 2019. There was no change to the constituent portfolios in any of the combined portfolios.

Investment based fees

19. Depending on the levies and fees applicable, the net investment return could be between 0.05% and 1.70% lower than what is set out in the previous table.

Valuation information

20. The Fund is administered by Retirement Fund Solutions (Pty) Ltd who supplied us with the information and data set out below.
21. The following documents were examined:
 - 21.1 The revised general rules of the Benchmark Retirement Fund and the special rules of each participating employer of the Fund;
 - 21.2 The Fund's audited financial statements for the year ending 31 December 2019;
 - 21.3 The detailed trial balance underlying the audited financial statements;
 - 21.4 The quarterly investment reports prepared by the Fund's investment consultants (NMG);
 - 21.5 The monthly unit prices and portfolio values determined by the Fund's external investment administrator (Riscura);
 - 21.6 The statutory actuarial valuation report of the Fund as at 31 December 2018; and
 - 21.7 The individual member application forms for 20 randomly selected SEG members, individual members, living annuitants and survivor annuitants.
22. The following data was examined:
 - 22.1 In respect of each participating employer, records of every active member as well as of members who had exited in the past year;
 - 22.2 A record of each SEG member's, individual member's, living annuitant's and survivor annuitant's Share and the underlying investment portfolios;
 - 22.3 In respect of each participating employer, a summary of the contribution allocation to retirement and risk benefits and administration expenses;
 - 22.4 A schedule setting out the monthly unit price of each investment portfolio; and
 - 22.5 Schedules setting out the monthly investment returns and balances for each investment portfolio manager showing the investment return achieved by the Fund and the investment return allocated to the Fund's various accounts.
23. The Fund's detailed balance sheet as at 31 December 2019 is set out in Appendix 3.

Fund accounts

24. The liabilities of the Fund are accounted for in various accounts, namely the members' Share Account, the Employer Reserve Account, the Living Annuity Account, the Survivor Annuity Account, the Default Life Annuity Account and the General Reserve Account.

PEWPFS

25. In the case of a PEWPFS, there are additional accounts and reserves within the Employer Reserve Account. For the purpose of this valuation we have disclosed the entire accounts and reserves in respect of the PEWPFS as a single liability. A separate valuation of the PEWPFS as at 31 December 2019 shows that part of the Fund is financially sound.

Members' Share Account

26. Members may participate in the Fund in one of 3 ways:
 - 26.1 As an employee of a participating employer;
 - 26.2 As an employee of a SEG; or
 - 26.3 As an individual member.
27. A member's Share is equal to the total net contributions and transfer values received in respect of the member during the period of membership, accumulated with the net investment return earned on the underlying portfolio(s) in which the member or participating employer elects to invest.
28. The sum of the members' Shares constitutes the members' Share Account.
29. Benefits and transfer values payable in respect of members are paid from the capital accumulated in the member's Share.

Employer Reserve Account

30. Participating employers' contributions towards reserves are paid into the Employer Reserve Account. This account is designed to absorb the impact of unfavourable experience and may consist of an investment, risk and data reserve. Unallocated surplus attributable to the participating employers is also transferred into this account.

Living Annuity Account

31. The Living Annuity Account consists of the total transfer values received in respect of living annuitants, less any annuities paid and fees charged, accumulated with the net investment return earned on the underlying portfolio(s) in which the living annuitant elected to invest.
32. Benefits and transfer values payable in respect of living annuitants are paid from the capital accumulated in the Living Annuity Account.

Survivor Annuity Account

33. The Survivor Annuity Account consists of the total transfer values received in respect of survivor annuitants, less any annuities paid and fees charged, accumulated with the net investment return earned on the underlying portfolio(s) in which the Trustees decided to invest. The capital typically arises from the death lump sum benefits of a member of a retirement fund (including the Fund).
34. Benefits and transfer values payable in respect of survivor annuitants are paid from the capital accumulated in the Survivor Annuity Account.

Default Life Annuity Account

35. The annuities are provided through a with-profit annuity from MMI Namibia at a 4.0% post retirement interest rate.
36. The Fund's liability to pay the annuities is offset by the annuity policies.

General Reserve Account

37. The General Reserve Account represents all residual monies in the Fund that are not allocated to a particular member, participating employer, living annuitant or survivor annuitant.
38. The Fund's assets and accounts (liabilities) as at 31 December 2019 and 31 December 2018 are set out in the following table:

	N\$	
	31 Dec 2019	31 Dec 2018
Market value of assets	3 619 355 433	2 831 116 595
PEWPFS Account and Reserves	308 963 239	286 237 519
Members' Share Account	2 595 363 245	1 973 765 087
- Participating employers	1 969 608 026	1 455 112 108
- SEGs	229 308 302	153 808 725
- Individual members	396 446 917	364 844 254
Employer Reserve Account	13 116 710	11 706 085
Living Annuity Account	614 284 892	485 482 993
Survivor Annuity Account	70 048 201	65 276 395
Default Life Annuity	9 341 078	0
General Reserve Account	<u>8 238 068</u>	<u>8 648 516</u>
Total liabilities and reserves	3 619 355 433	2 831 116 595

Summary of findings

39. We have carried out a statutory actuarial valuation of the Benchmark Retirement Fund as at 31 December 2019.
40. We are satisfied that the data and supporting information provided to us is appropriate for the purposes of the valuation.
41. Based on our valuation, we confirm the following:
- 41.1 The Fund is administered in terms of the general rules of the Fund and the special rules of the participating employers;
- 41.2 The Share Account, Living Annuity Account, Survivor Annuity Account, Employer Reserve Account and the General Reserve Account established by the rules are maintained correctly;
- 41.3 The investments of the Fund are well matched to the Fund's liabilities;

- 41.4 Expense deductions and contributions toward risk benefits are made in terms of the Fund's rules and the special rules of the participating employers and in accordance with the service level agreement;
- 41.5 Ad-hoc expenses are met from the General Reserve Account and the General Reserve Account balance of 0.23% of the Fund's assets is reasonable; and
- 41.6 The Fund complies with legislation and service level agreements.
- 42. We recommend that the matching of assets and liabilities by investment portfolio continue to be monitored regularly.
- 43. We wish to thank the administrator for their assistance in supplying us with the relevant information and assisting us with our queries.
- 44. The Fund is in a financially sound position as at the valuation date.



COLIN HENDRIKS (FASSA, FIA, FSAN)

VALUATOR

**In my capacity as a Director of
Strategic Actuarial Partners Namibia (Pty) Ltd**

Primary professional regulator: ASSA

29 October 2020

APPENDICES

APPENDIX 1: PARTICIPATING EMPLOYERS

- A1.1. In order to confirm each participating employer's Share Account balance, we estimated the individual members' Shares based on the member data and investment portfolio returns supplied by the administrator. These estimates were successfully compared to each member's Share shown in the data as at the valuation date.
- A1.2. The individual estimates were then summed to obtain a Share Account estimate for each participating employer. The estimates and the actual Share Account shown in the financial statements as at 31 December 2019 are compared below. The Employer Reserve Accounts as at the valuation date are also set out below.

Employer Code	Share Account as at 31 December 2019 (N\$)		AFS / Data (%)	Employer Reserve Account (N\$)
	Per financial statements	Estimated based on data		
6	21 603 865	21 603 863	100%	459 657
12	33 176 035	33 176 036	100%	381 549
14	18 889 517	18 889 521	100%	305 700
23	61 552 538	61 552 441	100%	963 519
34	138 644 006	138 644 011	100%	1 322 417
36	46 213 600	46 213 600	100%	126 672
39	11 679 333	11 679 333	100%	29 502
43	0	0	100%	167 491
44	50 072 170	50 072 162	100%	465 611
49	54 658 380	54 658 384	100%	222 356
54	12 164 620	12 164 620	100%	39 232
56	5 498 850	5 498 849	100%	190 851
57	25 776 477	25 776 474	100%	38 339
62	15 093 859	15 093 856	100%	89 334
63	17 843 158	17 843 156	100%	265 711
65	18 443 827	18 443 824	100%	146 742
66	20 870 660	20 870 665	100%	24 936
67	56 968 440	56 968 439	100%	25 252
69	48 642 636	48 642 640	100%	162 424
74	28 094 188	28 094 184	100%	339 639
75	20 614 863	20 614 862	100%	798 740
99	18 733 865	18 733 867	100%	43 648
103	8 615 971	8 615 970	100%	10 557
104	9 611 510	9 611 507	100%	107 349
105	53 088 897	53 088 897	100%	63 824
107	40 226 716	40 226 714	100%	957 876
108	22 223 744	22 223 744	100%	25 345
109	12 534 777	12 534 777	100%	256 160
110	57 679 230	57 679 216	100%	681 108
114	118 406 456	118 406 453	100%	160 795
115	25 042 304	25 045 818	100%	85 310
117	20 356 032	20 356 034	100%	96 548
119	12 955 169	12 955 168	100%	130 715

Employer Code	Share Account as at 31 December 2019 (N\$)		AFS / Data (%)	Employer Reserve Account (N\$)
	Per financial statements	Estimated based on data		
120	22 520 185	22 520 186	100%	99 953
121	24 451 193	24 451 193	100%	48 678
122	39 303 648	39 303 651	100%	392 017
125	32 768 079	32 768 078	100%	97 925
127	13 029 710	13 029 705	100%	232 077
129	9 806 662	9 806 663	100%	22 424
135	16 144 283	16 144 279	100%	27 631
137	15 108 737	15 108 738	100%	27 304
138	14 658 612	14 658 612	100%	135 872
139	86 725 058	86 725 061	100%	698 134
142	41 735 186	41 735 186	100%	126 577
153	6 237 453	6 237 453	100%	21 614
154	3 538 332	3 538 332	100%	21 185
156	79 011 589	79 011 589	100%	370 416
157	17 701 004	17 701 004	100%	20 647
158	2 416 553	2 416 548	100%	16 175
160	7 631 305	7 631 305	100%	94 110
163	21 061 260	21 061 260	100%	58 780
164	61 308 500	61 308 498	100%	153 306
165	19 442 094	19 442 094	100%	20 017
166	30 978 481	30 978 481	100%	7 409
167	27 433 192	27 433 191	100%	18 780
168	3 112 708	3 112 708	100%	11 084
170	17 672 988	17 672 988	100%	10 201
172	16 778 888	16 778 889	100%	15 906
174	0	0	100%	148 998
175	17 905 223	17 905 228	100%	50 608
176	2 182 068	2 182 068	100%	10 670
197	96 482 667	96 482 668	100%	19 839
198	115 008 815	115 008 814	100%	951 602
202	731 156	731 156	100%	1 862
208	<u>746 704</u>	<u>746 704</u>	<u>100%</u>	<u>0</u>
Total	1 969 608 026	1 969 611 416	100%	13 116 710

A1.3. Based on the results set out in the preceding table, we are satisfied that the participating employer Share Accounts are correctly administered in terms of the Fund's rules.

A1.4. A summary of the participating employers' member Shares, salaries and service, by age and gender, is set out below.

Age band	Number	Shares (N\$) ¹		Annual salaries (N\$)		Average service (yrs)
		Total	Average	Total	Average	
Females						
15 - 19	2	8 970	4 485	116 645	58 322	0.62
20 - 24	183	2 980 426	16 286	18 215 926	99 541	1.45
25 - 29	772	35 604 447	46 120	71 992 327	93 254	2.48
30 - 34	827	74 308 484	89 853	80 508 225	97 350	3.45
35 - 39	767	101 516 568	132 355	68 107 380	88 797	4.08
40 - 44	591	115 488 942	195 413	57 502 150	97 296	5.29
45 - 49	519	147 795 886	284 770	53 921 832	103 896	5.90
50 - 54	336	120 938 544	359 936	52 963 509	157 629	7.24
55 - 59	224	115 231 902	514 428	34 187 801	152 624	8.00
> 60	<u>61</u>	<u>51 957 542</u>	<u>851 763</u>	<u>3 949 819</u>	<u>64 751</u>	<u>5.82</u>
Total	4 282	765 831 711	178 849	441 465 614	103 098	4.42
Males						
15 - 19	2	1 924	962	0	0	0.38
20 - 24	189	2 300 087	12 170	19 170 344	101 430	1.49
25 - 29	744	28 652 072	38 511	64 782 140	87 073	2.59
30 - 34	889	77 918 069	87 647	81 356 030	91 514	3.59
35 - 39	853	124 323 128	145 748	72 541 933	85 043	4.41
40 - 44	758	138 122 214	182 219	66 578 011	87 834	4.70
45 - 49	655	189 465 079	289 260	50 333 253	76 845	5.53
50 - 54	412	162 373 164	394 110	38 125 221	92 537	6.79
55 - 59	266	224 663 259	844 599	21 777 918	81 872	7.00
> 60	<u>63</u>	<u>144 451 316</u>	<u>2 292 878</u>	<u>3 751 102</u>	<u>59 541</u>	<u>7.00</u>
Total	4 831	1 092 270 311	226 096	418 415 950	86 611	4.45
TOTAL	9 113	1 858 102 022	203 896	859 881 565	94 358	4.44

- The Shares reflected above are the actual invested amounts per member as at 31 December 2019. In particular, it excludes the contribution for December 2019 and any transfer in provisions which have not been invested as at 31 December 2019.

APPENDIX 2: SEG MEMBERS, INDIVIDUAL MEMBERS AND ANNUITANTS

- A2.1. We compared the SEG member' and the individual members' Shares as stated in the financial statements to the total of all the SEG members' and the individual members' Shares as stated in the administrators' data.
- A2.2. We compared the pensioners' accounts shown in the financial statements to the total of all the living annuitants' and survivor annuitants' Shares shown in the data. The values tied up to within an acceptable difference.
- A2.3. The following table compares the individual members' Share Account, the SEG members' Share Account and the Living and Survivor Annuity Accounts as per the data with the figures shown in the financial statements as at 31 December 2019:

	31 December 2019 (N\$)		Difference (%)
	Financial statements	Data	
Individual members' Share Account ¹	390 502 421	390 502 418	0.0%
SEG members' Share Account ²	226 631 632	226 671 054	0.0%
Living & Survivor Annuity Accounts ¹	<u>670 259 554</u>	<u>671 099 050</u>	<u>-0.1%</u>
Total	1 287 393 607	1 288 272 522	-0.1%

- The value shown in the financial statements has been reduced by amounts that were received but not yet investment as at 31 December 2019.
- The value shown in the financial statements has been reduced by the December 2019 contributions which had not been invested yet by 31 December 2019.

A2.4. The individual member data is summarised as follows:

Age band	Number	Shares (N\$)	
		Total	Average
< 30	13	816 478	62 806
30 - 34	36	4 932 193	137 005
35 - 39	56	11 764 744	210 085
40 - 44	73	30 558 960	418 616
45 - 49	86	54 391 011	632 454
50 - 54	119	100 590 224	845 296
55 - 59	51	56 021 813	1 098 467
60 - 64	37	76 611 012	2 070 568
> 64	<u>18</u>	<u>54 815 983</u>	<u>3 045 332</u>
Total	489	390 502 418	798 573

A2.5. The SEG member data is summarised as follows:

Age band	Number	Shares (N\$)	
		Total	Average
< 25	41	482 632	11 772
25 - 29	181	7 224 748	39 916
30 - 34	235	16 574 560	70 530
35 - 39	202	27 479 198	136 036
40 - 44	131	25 963 266	198 193
45 - 49	134	27 038 569	201 780
50 - 54	109	31 958 941	293 201
55 - 59	55	68 595 299	1 247 187
60 - 64	17	11 176 769	657 457
> 64	<u>7</u>	<u>10 177 072</u>	<u>1 453 867</u>
Total	1 112	226 671 054	203 841

A2.6. The individual living annuitant data is summarised as follows:

Age band	Number	Shares (N\$)	
		Total	Average
<55	8	11 993 173	1 499 147
55 - 59	45	80 459 857	1 787 997
60 - 64	100	227 309 704	2 273 097
65 - 69	69	154 955 897	2 245 738
70 - 74	37	59 816 324	1 616 657
75 - 79	11	57 683 339	5 243 940
80 - 84	<u>4</u>	<u>8 832 555</u>	<u>2 208 139</u>
Total	274	601 050 848	2 193 616

A2.7. The individual survivor annuitant data is summarised as follows:

Age band	Number	Shares (N\$)	
		Total	Average
0 - 4	14	1 796 758	128 340
5 - 9	48	6 584 512	137 177
10 - 14	73	6 580 734	90 147
15 - 19	71	5 668 406	79 837
20 - 24	87	5 488 127	63 082
25 - 29	64	8 261 950	129 093
30 - 34	32	3 835 739	119 867
35 - 39	24	2 444 101	101 838
40 - 44	31	3 670 976	118 419
45 - 49	43	4 629 656	107 666
50 - 54	36	9 279 466	257 763
55 - 59	36	6 603 444	183 429
60 - 64	16	1 739 721	108 733
65 - 69	12	1 340 487	111 707
70 - 74	13	699 145	53 780
75 - 79	6	379 323	63 221
> 79	<u>15</u>	<u>1 045 657</u>	<u>69 710</u>
Total	621	70 048 201	112 799

A2.8. There are 36 Default Life Annuitants as at 31 December 2019 with annual pensions amounting to N\$383 753. The annuities are provided through a with-profit annuity from MMI Namibia at a 4.0% post retirement interest rate.

A2.9. The table below summarises the data for all active members in the Fund by age band (excluding members of PEWPFS):

Age band	Number	Number (%)	Cum. (%)	Shares (N\$)	Share (%)	Cum. (%)
< 25	417	3.9%	3.9%	5 774 039	0.2%	0.2%
25 - 29	1 710	16.0%	19.9%	72 297 745	2.9%	3.2%
30 - 34	1 987	18.5%	38.4%	173 733 305	7.0%	10.2%
35 - 39	1 878	17.5%	55.9%	265 083 637	10.7%	20.9%
40 - 44	1 553	14.5%	70.4%	310 133 382	12.5%	33.4%
45 - 49	1 394	13.0%	83.4%	418 690 546	16.9%	50.3%
50 - 54	976	9.1%	92.5%	415 860 872	16.8%	67.1%
55 - 59	596	5.6%	98.1%	464 512 273	18.8%	85.9%
<u>≥ 60</u>	<u>203</u>	<u>1.9%</u>	100.0%	<u>349 189 694</u>	<u>14.1%</u>	100.0%
Total	10 714	100.0%		2 475 275 494	100.0%	

APPENDIX 3: ASSET AND LIABILITY COMPARISON

- A3.1. We compared the total liability of the participating employers, SEGs, individual members, living annuitants and survivor annuitants to the assets held in respect of each of them by investment portfolio. Crucially, this shows whether the Fund has any mismatch between how its liabilities and assets will move in future.
- A3.2. From the portfolio schedule provided we could obtain the investment balance of each investment manager. We were also able to determine the allocation of each investment manager's balance to the participating employers, SEGs, individual members, living annuitants and survivor annuitant invested in that portfolio. The resulting asset values were used in the table below. Housing loans are reflected as a separate asset.
- A3.3. We split the liabilities of the participating employer (Share Account plus Employer Reserve Account) and SEG member, individual member, living annuitant and survivor annuitant liabilities according to their investment allocation.
- A3.4. The following table shows the participating employer and the combined SEG member, individual member, living annuitant and survivor annuitant asset and liability split between the investment portfolios. In our view, based on the results in the table, the Fund's assets and liabilities are well matched by investment portfolio as at the valuation date.
- A3.5. The one exception is the NAM Coronation Balanced Defensive Fund. This is due to a timing difference; a disinvestment was done in January 2020 which rebalances the portfolio.

31 December 2019 N\$							%
Investment portfolio	Participating employer ¹		Ind. member / annuitant ²		Total		Assets / Liabilities
	Asset	Liability	Asset	Liability	Assets	Liabilities	
Allan Gray Namibia ³	631 344 682	623 023 318	391 035 970	391 035 970	1 022 380 653	1 014 059 289	101%
Capricorn Investment Fund	9 215 090	10 368 462	46 037 913	46 037 913	55 253 003	56 406 375	98%
Capricorn Stable Fund	0	0	2 346 022	2 346 019	2 346 022	2 346 019	100%
Default Portfolio:	852 969 189	848 860 160	204 542 674	204 542 674	1 057 511 863	1 053 402 835	100%
- Allan Gray Namibia Balanced Fund	433 764 416	431 674 833	104 017 044	104 017 044	537 781 460	535 691 877	100%
- Prudential Namibia Inflation Plus Fund	209 627 968	208 618 122	50 268 950	50 268 950	259 896 918	258 887 072	100%
- Sanlam Namibia Inflation Linked Fund	209 576 804	208 567 205	50 256 681	50 256 681	259 833 485	258 823 886	100%
Initial Drawdown Portfolio:	0	0	4 817 659	4 817 659	4 817 659	4 817 659	100%
- Sanlan Inflation Linked fund	0	0	4 817 659	4 817 659	4 817 659	4 817 659	100%
Hangala Prescient Absolute Balanced Fund	0	0	1 470 799	1 470 799	1 470 800	1 470 799	100%
MMI annuities	0	0	9 341 078	9 341 078	9 341 078	9 341 078	100%
NAM Coronation Balanced Plus Fund	23 971 727	23 862 878	5 132 193	5 132 193	29 103 920	28 995 071	100%
NAM Coronation Balanced Defensive Fund	0	0	4 502 542	3 924 859	4 502 542	3 924 859	115%
NAM Coronation Capital Plus Fund	0	0	2 104 026	2 104 026	2 104 026	2 104 026	100%
Nintey One Namibian Managed Fund	354 616 212	354 133 238	180 573 842	180 573 842	535 190 055	534 707 081	100%
Ninety One / AG Combined:	218 080 283	217 453 345	17 175 948	17 175 948	235 256 231	234 629 293	100%
- Allan Gray Namibia Balanced Fund	110 775 112	110 456 655	8 724 620	8 724 620	119 499 732	119 181 275	100%
- Nintey One Managed Namibia Fund	107 305 171	106 996 690	8 451 328	8 451 328	115 756 500	115 448 018	100%
Old Mutual Absolute Growth Portfolio	29 659 136	29 631 220	73 423 948	73 423 948	103 083 084	103 055 168	100%
Old Mutual Namibia Profile Pinnacle Fund	18 334 081	18 139 627	22 660 659	22 660 659	40 994 739	40 800 286	100%
Prudential Namibia Inflation Plus Fund	14 031 311	13 543 193	207 384 850	207 384 850	221 416 161	220 928 043	100%
Prudential Namibian Balanced Fund	0	0	15 645 639	15 645 642	15 645 639	15 645 642	100%
Sanlam Namibia Active Fund	9 060 448	9 056 064	27 401 399	27 401 399	36 461 847	36 457 463	100%
Sanlam Namibia Inflation Linked Fund	0	0	74 250 777	74 250 792	74 250 777	74 250 792	100%
Sanlam Namibia Absolute Return Plus	1 598 958	1 591 698	0	0	1 598 958	1 591 698	100%
Standard Bank Namibia Managed Fund	0	0	6 048 885	6 048 858	6 048 885	6 048 858	100%
Housing loans	13 129 906	15 247 350	2 294 470	2 294 470	15 424 376	17 541 820	88%

31 December 2019 N\$							%
Investment portfolio	Participating employer ¹		Ind. member / annuitant ²		Total		Assets / Liabilities
	Asset	Liability	Asset	Liability	Assets	Liabilities	
Net current assets ³	0	0	0	0	200 933 359	212 611 177	95%
General Reserve Account	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7 929 239</u>	<u>8 238 068</u>	96%
Total	2 283 316 194	2 271 907 244	1 306 642 623	1 306 064 928	3 798 821 417	3 798 821 417	

1. The participating employer liability includes the liability in respect of the PEWPFS, allocated to the relevant investment portfolios.

2. Includes the SEG category.

3. The Employer Reserve Accounts (with the exception of the PEWPFS) in the amount of N\$13 116 710 is included under the current liabilities.

APPENDIX 4: MEMBERSHIP RECONCILIATION

A4.1. The membership of the Fund is reconciled as follows during the during the year to 31 December 2019:

Participating Employers (excluding PEWPFS)

Employer Code	Active 31.12.2018	New members	Deaths	Retired	Withdrawal	Active 31.12.2019
6	219	11	0	- 1	- 34	195
12	112	10	0	- 2	- 3	117
14	42	2	0	0	- 4	40
23	471	79	- 2	- 3	- 49	496
34	938	140	- 2	- 5	- 25	1 046
36	69	4	0	0	- 2	71
39	54	29	0	0	- 15	68
44	234	33	- 1	- 3	- 30	233
49	205	36	- 1	- 6	- 15	219
53	17	0	0	0	- 17	0
54	39	2	0	- 1	- 2	38
56	21	1	0	0	- 5	17
57	183	46	0	- 7	- 42	180
62	63	9	0	- 1	- 15	56
63	54	13	0	0	- 8	59
65	50	2	0	- 1	- 1	50
66	134	21	0	0	- 21	134
67	81	4	0	- 5	- 8	72
69	169	27	0	0	- 23	173
74	417	94	- 1	- 1	- 58	451
75	100	11	0	- 2	- 16	93
99	17	0	- 1	0	0	16
103	29	2	0	0	- 5	26
104	104	3	0	- 5	- 19	83
105	56	0	0	- 1	- 6	49
107	259	4	0	- 4	- 31	228
108	32	3	0	0	- 3	32
109	42	7	0	- 1	- 13	35
110	237	13	- 1	0	- 14	235
114	575	14	0	- 5	- 14	570
115	150	9	0	- 3	- 4	152
117	139	20	- 2	0	- 27	130
119	17	1	0	0	0	18
120	155	33	0	- 2	- 22	164
121	119	19	0	0	- 22	116
122	81	2	0	0	- 4	79
125	794	356	- 4	0	- 171	975
127	68	24	0	- 1	- 8	83
129	18	1	0	0	- 7	12
135	150	14	0	- 1	- 15	148
137	57	8	0	0	- 3	62
138	65	20	0	0	- 14	71
139	117	1	0	- 1	0	117

Employer Code	Active 31.12.2018	New members	Deaths	Retired	Withdrawal	Active 31.12.2019
142	71	13	0	0	- 16	68
153	27	0	0	0	- 2	25
154	141	2	0	- 4	- 31	108
156	158	30	- 1	- 2	- 28	157
157	27	5	- 1	0	- 2	29
158	86	10	0	- 2	- 17	77
160	136	11	- 1	0	- 8	138
163	266	56	- 1	0	- 54	267
164	101	7	0	0	0	108
165	33	3	0	0	- 2	34
166	26	0	0	0	- 1	25
167	37	2	0	- 1	- 2	36
168	42	2	0	0	- 2	42
170	28	1	0	0	- 4	25
172	32	2	0	0	- 2	32
174	53	0	0	- 15	- 38	0
175	103	10	0	0	- 7	106
176	35	104	0	0	- 10	129
197	0	149	0	0	- 3	146
198	0	257	0	- 9	- 3	245
202	0	38	0	0	0	38
208	<u>0</u>	<u>69</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>69</u>
Total	8 355	1 899	- 19	- 95	- 1 027	9 113

Individual members, SEG members, living annuitants and survivor annuitants

Type	Active 31.12.2018	New member	Retired	Death	Withdrawal	Active 31.12.2019
Individuals	496	184	- 29	- 1	- 161	489
SEGs	973	318	- 5	- 1	- 173	1 112
Living annuitants	231	46	0	- 3	0	274
Survivor annuitants	533	93	0	- 2	- 3	621