



Benchmark Retirement Fund  
Annual Report 2019/2020



**Benchmark Retirement Fund**

*Efficient. Trusted. Namibian.*



## Overview

The Benchmark Retirement Fund is a privately administered umbrella fund, founded by Retirement Fund Solutions in 2000. As a defined contribution fund, each member's fund credit is determined by reference to net contributions and net investment returns generated by investment managers selected over the period of being a member of the Fund.

The Fund offers contributory membership to employees within an employer group, contributory membership to individuals as well as dormant membership to former employees who wish to preserve their retirement capital. The Fund offers annuities for dependants of deceased members as well as investment-linked living annuities and life annuities for members on retirement. The Fund also allows for pooled pensioner arrangements.

Death, dread disease, funeral and disability benefits can be arranged by the participating employers for their members in addition to the member's share in the Fund. These benefits are fully reinsured.

## Board of Trustees

The Board of Trustees meets at least four times per annum to oversee the affairs of the Fund. The Finance Committee also meets at least four times per annum to assist the Board in discharging the supervision of the Fund's financial affairs. The Claims Committee meets more frequently to deal with death claims as expeditiously as possible. A temporary Financial Institutions and Markets Act (FIMA) Committee was established to evaluate, assess and implement the FIMA. The trustees are:

### Harald Müsseler

Chairperson, independent of the Founder

### Afra Schimming-Chase

Independent of the Founder

### Malverene Theron

Independent of the Founder

### Marthinuz Fabianus

Appointed by the Founder

### Tilman Friedrich

Appointed by the Founder

### Günter Pfeifer

Appointed by the Founder

## Principal Officer

Paul-Gordon /Guidao-#Oab

## Service providers of the Fund

The key service providers appointed by the Trustees are:

### Actuary

Strategic Actuarial Partners Namibia

### Administrator

Retirement Fund Solutions Namibia

### Auditor

KPMG Namibia

### Bankers

Standard Bank Namibia

### Investment Consultant

NMG Consultants & Actuaries (Namibia)

### Risk Insurers

Hollard  
Momentum  
Old Mutual  
Sanlam

*Investment managers, employee benefit consultants and risk insurers are selected by the participating employers and members of the Fund.*

## Financial Position

	31.12.2019 N\$ million	31.12.2018 N\$ million	31.12.2017 N\$ million
<b>Assets</b>			
Investments	3,482	2,814	2,665
Current assets	208	106	79
	<b>3,690</b>	<b>2,920</b>	<b>2,744</b>
<b>Liabilities</b>			
Active members	2,754	2,125	2,078
Pensioners	776	633	517
Reserves	89	73	86
Benefits payable	62	83	58
Other current liabilities	9	6	5
	<b>3,690</b>	<b>2,920</b>	<b>2,744</b>

## Financial Result

	31.12.2019 N\$ million	31.12.2018 N\$ million
Contributions received	365	321
Net investment income	251	35
Reinsurance proceeds	15	13
Net transfers from / to other funds	772	482
	<b>1,403</b>	<b>851</b>
Reinsurance premiums paid	-40	-34
Benefits paid	-538	-625
Expenses	-43	-42
Prior year adjustment	6	-
	<b>-615</b>	<b>-701</b>
<b>Net movement</b>	<b>788</b>	<b>150</b>

## Audit

The financial statements for the year ended 31 December 2019 were audited by KPMG Namibia and an unmodified opinion was issued. The full audited annual financial statements, including the audit opinion, can be obtained at the RFS Offices at the corner of Newton and Feld Streets, Windhoek.

## Covid-19

The current uncertainties related to the COVID-19 virus do not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern.

However, members will most likely experience a significant reduction of their retirement savings as a result of asset values of investments being affected negatively by the COVID-19 pandemic. Some of these asset price movements may initially be based on market sentiments, either positive or negative. Should the world economy experience a severe recession, which it seems is likely, this will eventually filter through to lower turnover and profits of the entities the Fund's asset managers invest in, potentially causing a reduction in asset prices. While stock markets go through cycles, it is not possible to predict how severe a possible market correction may be and how long it will take for the stock markets to recover. While the Fund invests in mostly liquid assets, members may experience some delays in receiving benefit payments should the asset managers not be able to sell certain asset holdings when required.





## Summary of the Valuators' Report as at 31 December 2018

1. We have carried out a statutory actuarial valuation of the Benchmark Retirement Fund ("the Fund") for the year ending 31 December 2018.
2. The previous statutory actuarial valuation of the Fund was carried out by us as at 31 December 2017
3. We are satisfied that the data and supporting information provided to us is appropriate for the purposes of the valuation.
4. Based on our valuation, we confirm the following:
  - 4.1 The Fund is administered in terms of the general rules of the Fund and the special rules of the participating employers;
  - 4.2 The Share Account, Living Annuity Account, Survivor Annuity Account, Employer Reserve Account and the General Reserve Account established by the rules are maintained correctly;
  - 4.3 The investments of the Fund are well matched to the Fund's liabilities;
  - 4.4 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;
  - 4.5 Ad-hoc expenses are met from the General Reserve Account and the General Reserve Account balance of 0.31% of the Fund's assets is reasonable; and
  - 4.6 The Fund complies with legislation and service level agreements.
5. The Fund is in a financially sound position as at 31 December 2018.

## Rule amendments

### Rule amendment no. 1, 1 November 2018 – Approved

1. To ensure compliance with NAMFISA's requirements for continued registration of the Fund as set out in correspondence to the Fund.
2. To better regulate the recoupment of costs payable by the Participating Employer in terms of the Rules where the Participating employer defaults or pays late.
3. To allow pensioners to switch between various annuity products either within the Fund or provided by other funds.

### Rule amendment no. 2, 1 February 2020 – Approved

1. This amendment changes the Fund's year end from 31 December to 30 June and introduces a default cash withdrawal benefit where the member failed to submit all documents required to process the withdrawal benefit within six months.

### Rule amendment no. 3, 1 July 2020 – Pending approval

Subject to certain conditions being met, during a declared State of Emergency and for a certain period thereafter, this amendment allows for -

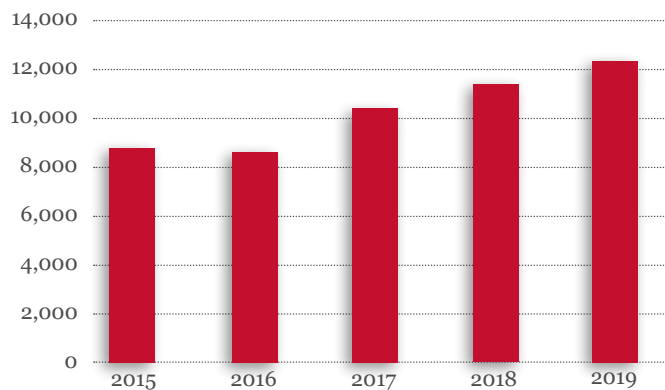
1. participating employers and their members to partially suspend payment of contributions;
2. members who are not employed by a participating employer to partially suspend payment of recurrent contributions; and
3. participating employers who have suspended payment of contributions and/or whose members have suspended payment of contributions to continue participating in the Fund.



“Giving great service requires the right people  
and the right service tools.”

*Ron Kaufman*

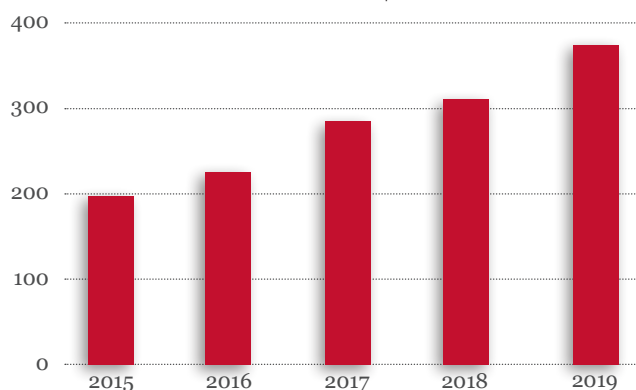
Number of members



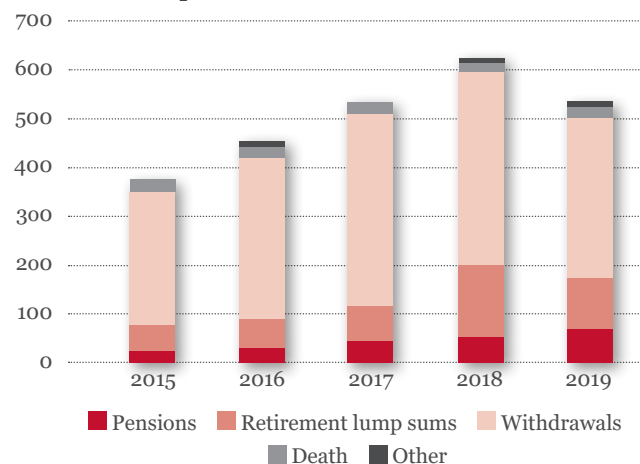
Members

	Active	Pensioner	Total
Membership: 31.12.2018	10,587	961	11,548
Additions	1,146	31	1,177
Transfers in	1,302	148	1,450
Transfer out	-9	-	-9
Withdrawals	-1,237	-11	-1,248
Retrenchments	-136	-	-136
Retirements	-135	-	-135
Deaths	-24	-12	-36
Membership: 31.12.2019	11,498	1,117	12,615

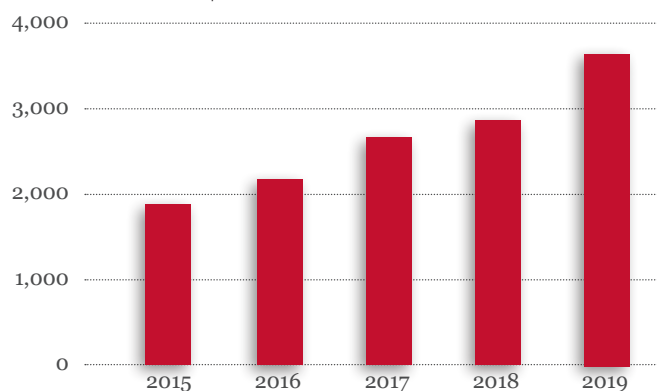
Contributions received: N\$ million



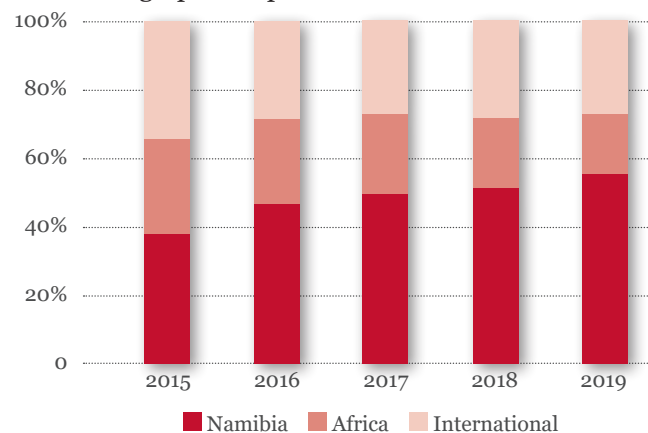
Benefits paid: N\$ million



Assets: N\$ million



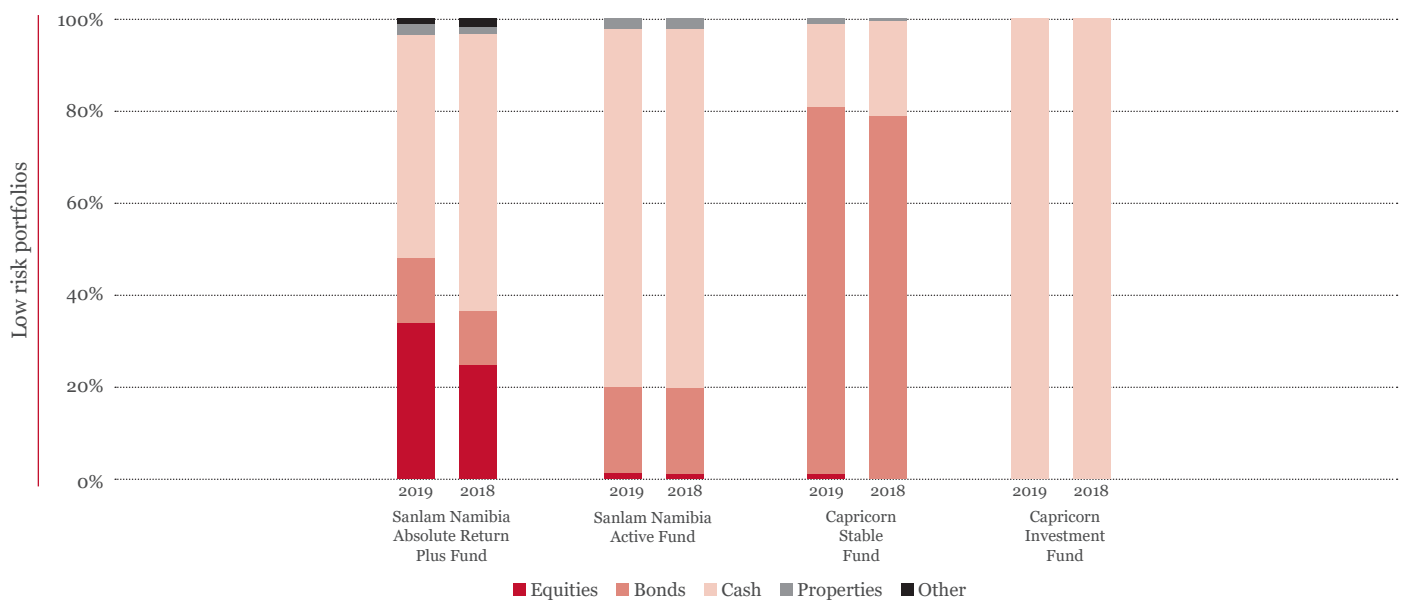
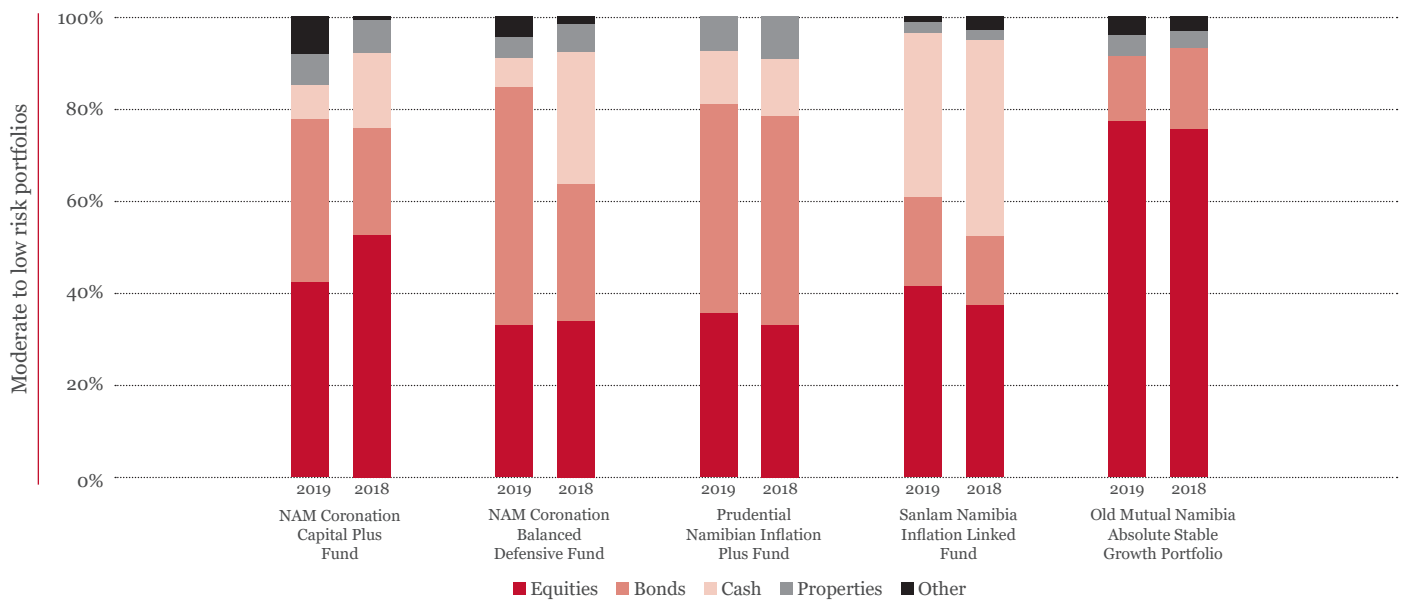
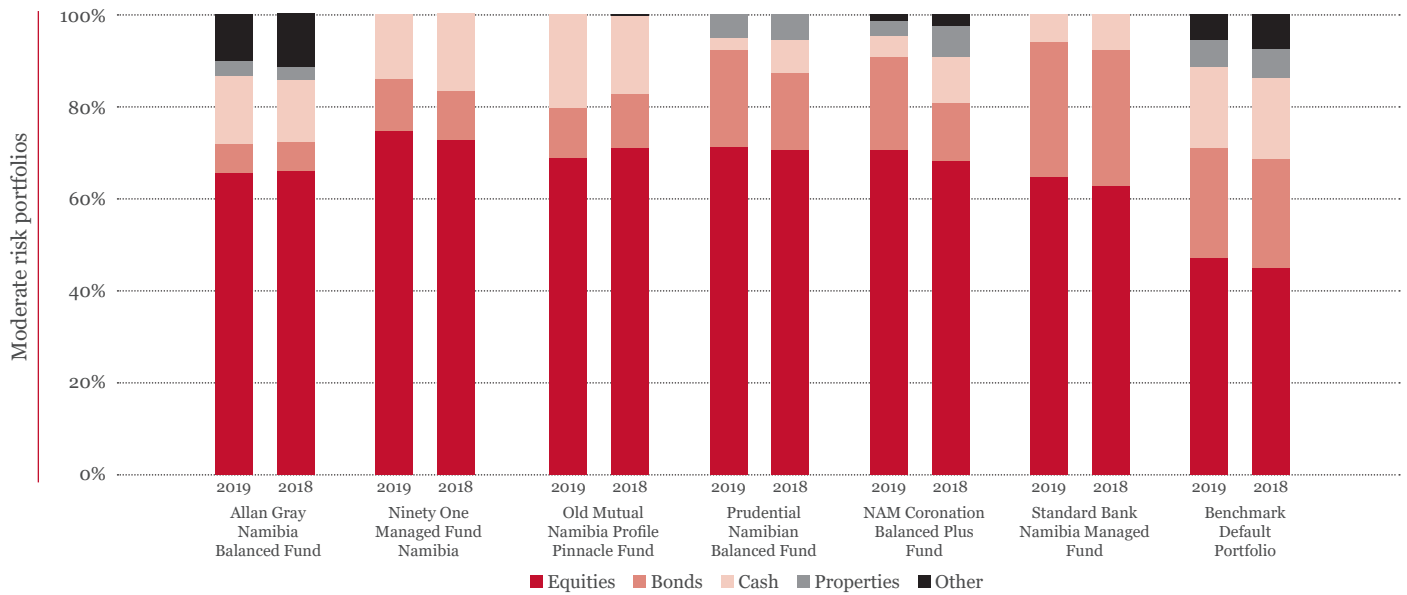
Geographical split of investments



“Discover the tools  
to build your own vision.”

*Mary Anne Radmacher*

## Investment asset allocation as at 31 December





“Technology is nothing.  
What’s important is that you  
have a faith in people, that  
they’re basically good and  
smart, and if you give them  
tools, they’ll do wonderful  
things with them.”

*Steve Jobs*

### Investment portfolio returns

The following investment portfolios (or combinations thereof) are available to members of the Fund:

Investment Portfolio	Risk categorisation	Investment performance to 30 June 2020 (%)			
		1 yr	3 yrs (annualised)	5 yrs (annualised)	10 yrs (annualised)
Allan Gray Namibia Balanced Fund	Moderate	5.8	5.2	7.1	10.8
Ninety One Managed Fund Namibia	Moderate	5.8	7.7	6.7	11.2
NAM Coronation Balanced Plus Fund	Moderate	3.1	4.7	4.1	8.3
Old Mutual Namibia Profile Pinnacle Fund	Moderate	1.3	5.7	6.1	10.7
Prudential Namibian Balanced Fund	Moderate	1.5	5.9	5.8	10.3
Standard Bank Namibia Managed Fund	Moderate	6.9	8.7	6.9	11.3
Benchmark Default Portfolio	Moderate	5.2	5.9	6.8	10.7
Old Mutual Absolute Stable Growth Fund	Moderate - Low	-1.7	4.0	5.6	9.7
Prudential Namibian Inflation Plus Fund	Moderate - Low	2.3	6.3	6.1	10.0
NAM Coronation Capital Plus Fund	Moderate - Low	2.8	5.6	4.8	8.2
Sanlam Namibia Inflation Linked Fund	Moderate - Low	6.8	6.8	6.9	9.4
NAM Coronation Balanced Defensive Fund	Moderate - Low	3.4	6.2	6.2	9.1
Sanlam Absolute Return Plus Fund	Moderate - Low	5.8	5.6	5.9	--
Capricorn Stable Fund	Low	6.2	7.8	7.9	--
Sanlam Namibia Active Fund	Low	5.3	7.3	7.8	7.6
Capricorn Investment Fund	Low	7.3	7.7	7.9	6.9



“Work whatever tools you  
may have at your command  
and better tools will be  
found as you go along.”

*Napoleon Hill*

## Accountability and transparency

Our approach to accountability and transparency is to give you the ability to make informed, long-term investment decisions, and to give answers when you need them, without undue delay.

Call Benchmark and its sponsor  
Retirement Fund Solutions on **061 - 446 000**.

Visit our website [www.rfsol.com.na/benchmark](http://www.rfsol.com.na/benchmark)  
to view and download:

■  
Annual financial statements

■  
Actuarial valuation reports

■  
Quarterly investment reports

■  
Investment policy

■  
Investment portfolio fund fact sheets

■  
Rules of the Fund

■  
Informative newsletters

■  
Articles about the retirement fund industry



# Benchmark Retirement Fund

**Efficient. Trusted. Namibian.**