



Benchmark Retirement Fund

Quarterly Investment Report: As at 31 March 2024

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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:

Investment Portfolio	Risk Categorisation	Asset Managers's Explicit Performance Objective	Return Expectations derived form Historical Experience (Before Fees)
Allan Gray Namibia Balanced Fund*	Moderate	None	CPI+5% to 6%
Ninety One Namibia Managed Fund	Moderate	None	CPI+5% to 6%
NAM Coronation Balanced Plus Fund	Moderate	None	CPI+5% to 6%
Old Mutual Namibian Profile Pinnacle Fund	Moderate	None	CPI+5% to 6%
M&G Namibian Balanced Fund	Moderate	None	CPI+5% to 6%
Standard Bank Namibia Managed Fund	Moderate	None	CPI+5% to 6%
Benchmark Default Portfolio**	Moderate	-	CPI+5%
Old Mutual Namibia Absolute Stable Growth***j	Moderate - Low	CPI+4.5%	CPI+4.5%
NAM Coronation Capital Plus Fund	Moderate - Low	CPI+4%(1 year)	CPI+4%
M&G Namibian Inflation Plus Fund	Moderate - Low	CPI+4%	CPI+4%
Sanlam Namibia Inflation Linked Fund	Moderate - Low	CPI+4%	CPI+4%
NAM Coronation Balanced Defensive Fund	Moderate - Low	IJG Money Market+3%	CPI+2% to 3%
Sanlam Namibia Absolute Return Plus Fund	Low	CPI+2%	CPI+2%
Capricorn Stable Fund	Low	CPI+2%(2 years)	CPI+2%
Sanlam Namibia Active Fund	Low	1-3 year ALBI	CPI+1%to 2%
Ninety One Namibia High Income Fund	Low	IJG Money Market Index	CPI+1% to 2%
Capricorn Enhanced Cash Fund	Low	IJG 12 Month TB Index	CPI to CPI+1%
Capricorn Investment Fund	Capital Preservation	7 day Repo Rate	CPI

*Segregated Portfolio

**The Benchmark Default Portfolio is a combination of Allan Gray Namibia Domestic Balanced Fund (Segregated), M&G Namibia Inflation Plus Fund, Sanlam Inflation Linked Fund, Ninety One Namibia Opportunity Fund, 20Twenty Credit Solution, Satrix Emerging Markets Tracker Fund, Satrix World Equity Tracker Fund and Sanlam USD Enhanced Yield Fund.

***This is a 80% guaranteed portfolio and has an additional capital charge over and above the investment fees. This portfolio is closed for new investments since May 2020.

j- Insurance Policy.

Investment Returns

In order to achieve an adequate salary replacement ratio it is imperative that members achieve a real investment return, i.e. a return in excess of price inflation. Refer to Annexure A for an indication of the relationship between investment returns and the salary replacement ratio.

While a real investment return should ideally be set as the explicit performance objective of an investment portfolio, a number of investment portfolios that are suitable for retirement funds, do not have an explicit performance objective related to inflation. The member will therefore have to consider the historic performance experience of an investment portfolio in relation to inflation as a proxy of potential returns in order to link a specific investment portfolio to the salary replacement ratio. It must be noted that the historic performance experience is not guaranteed to be achieved in future. While each investment portfolio will have an internal benchmark as stated by the Investment Manager in the portfolio mandate, that benchmark may not be an explicit real investment return.

Risk

The risk rating of an investment portfolio gives an indication of how volatile investment returns may be and therefore is also an indication of the risk that the investment return per the investment mandate may not be achieved. The risk categories have the following meaning:

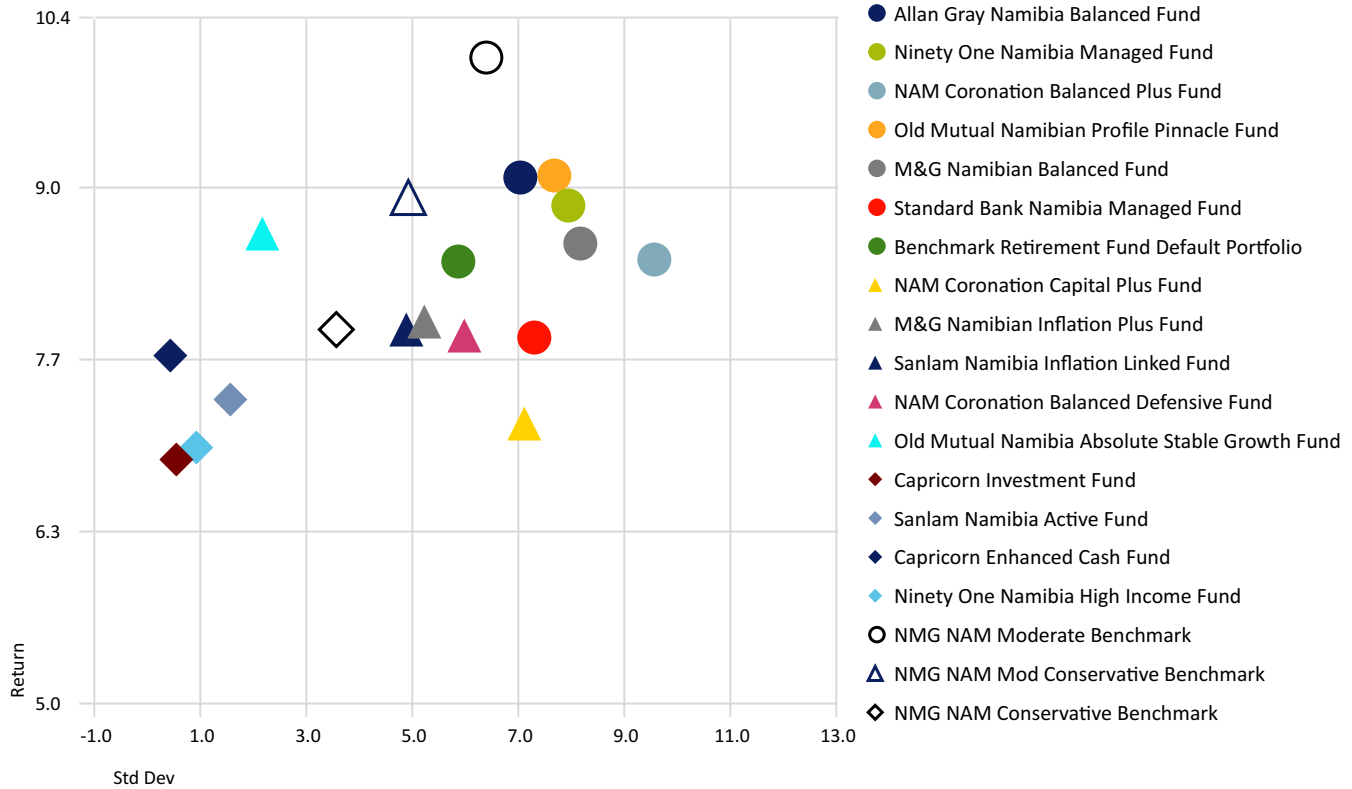
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential investment guidelines laid down by the Pension Funds Act. Investment returns can be very volatile.
- **Moderate risk portfolios:** This type of portfolio will have large exposure to growth assets (shares and property) at times and as such short term negative returns are possible. Investment returns can be volatile.
- **Moderate-low risk portfolios:** This type of portfolio also has exposure to growth assets (shares and property) but typically at lower levels than the moderate risk portfolios. They aim to have minimal negative returns and therefore have a lower risk profile than the moderate risk portfolios. Investment returns can still be volatile.
- **Low risk portfolios:** This type of portfolio should have minimal negative returns over a rolling 12-month period.
- **Capital preservation portfolios:** There should be no risk of capital loss on a monthly basis.

Investment return and risk are correlated; while the correlation cannot be defined in absolute terms, it is generally accepted that an investor would require compensation in the form of investment returns in return for the investment risk taken.

Introduction

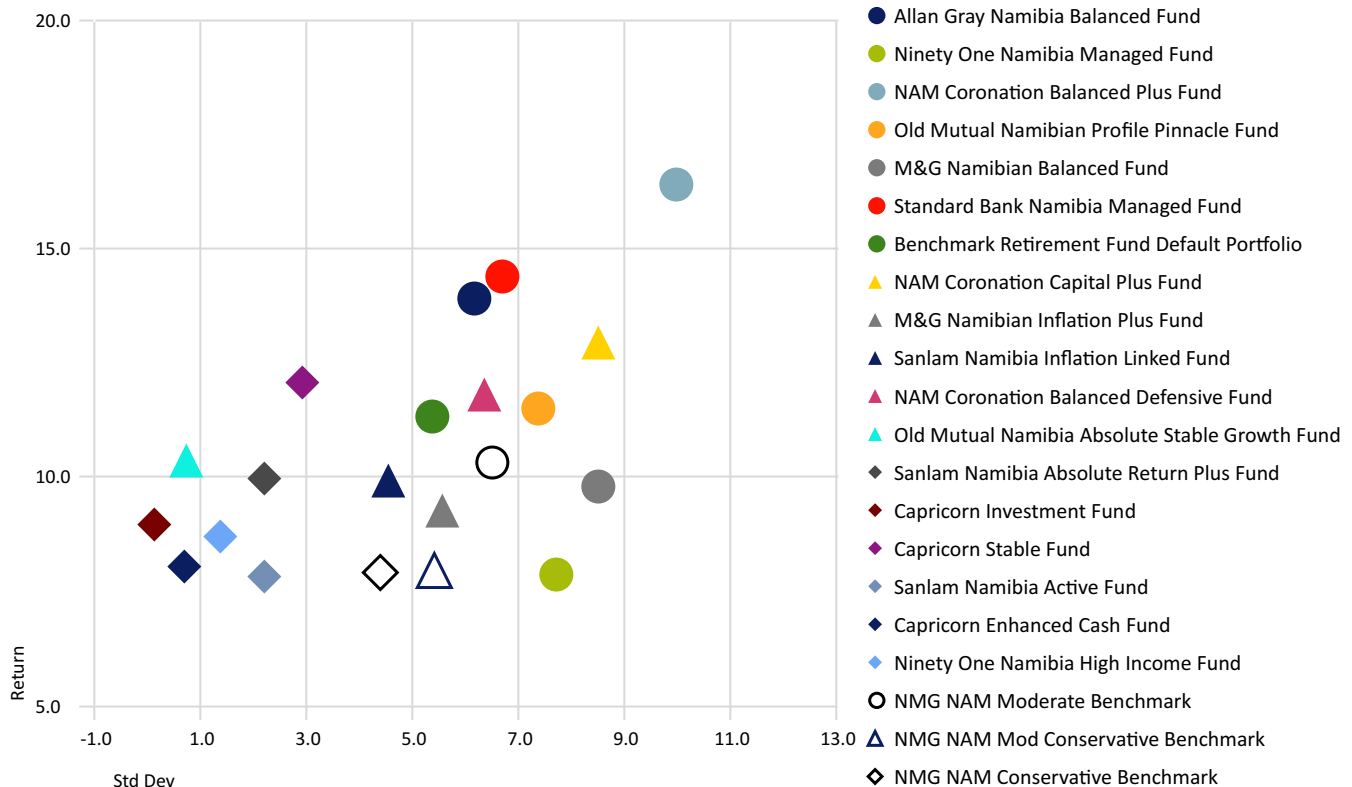
Risk-Reward - Over the long term

Time Period: 01 April 2014 to 31 March 2024



Risk-Reward - Over the short term

Time Period: 01 April 2023 to 31 March 2024



Market Overview

Markets

The first quarter of 2024 continued with strong momentum from the latter part of last year, with the S&P 500 gaining 10.16% in dollar terms in Q1 (down from a gain of 11.24% in Q4). While tech stocks remained a key driver of returns, the contribution from other sectors, specifically energy, and financials, was also notable.

South African equities, by comparison, were weak with the JSE All Share index posting a -2.25% total return for the quarter with financials the significant laggard. South African cash and bonds outperformed equities for the last quarter and over the last 12 months.

Global equities performed surprisingly well considering that the outlook for the bond market was considerably worse over the first quarter. The yield on US 10-year treasuries rose over the quarter from a low of around 3.8% to end the quarter at around 4.25%. This was largely on the back of market expectations moderating from expecting 6 cuts during 2024, to now expecting 3 cuts or less.

The performance of the Magnificent Seven stocks (Meta, Amazon, Apple, Tesla, Google, Microsoft, and Nvidia) thinned out notably and was largely led by Nvidia (+87%) and Meta (+40%) while Apple (-8%) and Tesla (-30%) trailed.

Emerging markets lagged, gaining around 3% for the quarter, although the large China weighting has been a drag on performance for the last year.

In currency markets, the US\$ rallied around 4.5% in Q1. The rand weakened by around 2.5%. The Japanese yen weakened around 7.5%, which propelled the Nikkei to record highs as the Bank of Japan signaled a move away from ultra-loose monetary policy in the face of rising inflation.

The South African Government bond yield which rose by almost 90bps over the quarter to around 10.6%. Oil and gold were standout performers, up around 12% and 10% for the quarter respectively as safe-haven demand and tensions in the Middle East functioned as key catalysts for geopolitical risk hedging. Higher oil prices will cascade into higher inflation expectations and function as a driver of interest rate expectations and bond yields.

Local Namibian stocks continue to outperform the JSE with the NSX local gaining 3.2% in Q1 while the NSX Overall trailed with a 5% loss in the quarter. On a relative basis, Namibian stocks lagged global and EM stocks over the quarter after a strong performance last year.

Economy

The US experienced a slowdown in early 2023, but the rebound has been robust. Rising stock prices, inflation moderating from peaks, robust government expenditure, and climbing wages are collectively underpinning economic activity. Expectations are set for the fed funds rate to drop to around 4.75% from the current 5.50%, with rate cuts beginning in the latter half of 2024.

The Eurozone in stark contrast to the US, has seen stagnant growth, with GDP barely increasing by 0.1% over the past year. Persistent inflation has fueled stagflation concerns, yet the picture is uneven across member states. Germany has struggled with elevated energy costs and reduced demand from China, while Italy and Spain have experienced robust growth, buoyed by fiscal support from EU-wide projects. It is expected that a slowing economy and reduced inflation will lead the ECB to cut rates later in the year.

The UK continues to struggle, with diminishing household demand and rising prices, a struggling business sector, and stubbornly high inflation leading to a softer labor market and reduced wage growth.

Japan has been one of the most interesting “developed economies” as decades of deflation have given way to the most significant inflationary pressures in a generation. The Bank of Japan (BOJ) has indicated a shift towards tighter monetary policy, with the BOJ's policy rate turning positive for the first time since 2016.

China has been largely counter cyclical compared to other developed economies. Economic activity has been a balancing act, as the country navigates through post-pandemic recovery and domestic policy adjustments. The Chinese government's focus on high-quality growth, technological self-sufficiency, and green energy investments underscores its long-term strategic priorities, but these transitions may result in slower growth in the near term.

The release of Q4 2023 GDP data for South Africa paints a grim picture. GDP growth for Q4 was a modest 0.1% and just 0.6% for the year—a significant drop from the 1.9% growth observed in 2022.

The added risk of upcoming elections, coupled with a lackluster budget, and a decision to draw on foreign reserves all function as weights that have kept SA's risk appetite muted and will weigh on economic performance in the first half of the year.

In aggregate, global economic activity has been mixed with a robust US doing the heavy lifting. Purchasing Manager Indexes (PMI's), as a leading indicator, show strong momentum in India and some LatAm economies with China extending its expansion while the US improved, back into expansion. Europe remains a sore point with South African growth being erratic but largely a product of low base effects. Any risks to rate cuts in the coming months hold the potential to materially adjust the outcome as much of the optimism and investment thesis in expanding economies have been premised on a partial reversal of tighter monetary policy. Geopolitical risks are material and significant and have escalated over the last two quarters, presenting a key risk for higher inflation, muted rate cuts, and lower economic activity.

Namibia's economy remained robust in Q4 2023 with a quarterly gain of 0.92%. The annual growth rate ticked up to 4.4% in Q4 of 2023, taking growth for the full year to 4.2% in 2023, albeit slower compared to the 5.3% expansion in 2022. Significant gains in industrial activities, which saw a 4.7% increase, highlighted by a surge in mining and quarrying (14.6%) were complemented by broad-based growth across multiple sectors. Downturns in agriculture and forestry (-7.3%), and construction (-15.8%) were some sectoral laggards.

Market Overview

Inflation

In aggregate, global inflation has remained sticky at levels well above key central bank targets. This has muted expectations of rate cuts in 2024. In the US, inflation rose to 3.5% in March, the highest since September, propelled by energy costs which saw an increase despite decreases in utility gas service and fuel oil. Transportation and apparel inflation surged, while new vehicles and used car prices declined. Core inflation remained stable at 3.8% but is still well above the Fed's 2% target, weighing on the prospects of how many rates cuts the Fed may consider.

In Europe, inflation eased to a 28-month low of 2.4% in March, with core inflation also slowing to 2.9%, marking the lowest since February 2022. A weak economy and lower inflation suggest a deeper rate-cut cycle probability in Europe vs. the US. The UK's inflation has been comparatively higher than Europe's, slowing to 3.4% in February, the lowest since September 2021 and dropped further to 3.2% in March 2024. Housing, utilities, and transport costs decreased at a slower rate, representing some stickiness and upside inflation risk.

In China, after reversing deflation in February (+0.7%), inflationary impulses slowed back down to 0.1% in March as the post-Lunar New Year effects subsided, with marked declines in food prices. Core inflation slowed back to 0.6%. Chinese remains on a countercyclical monetary policy trend and continues to provide support to their economy. Japan saw inflation accelerate to 2.8% in February, the highest since the previous November but it has subsequently decreased to 2.7% in March 2024. The increase was partly due to the diminishing impact of earlier energy subsidies. Higher inflation has resulted in a tighter stance from the Bank of Japan.

South African CPI rose to 5.6% in February 2024, a step further away from the midpoint of the South African Reserve Bank's 3-6% target range. On the latest numbers released for March 2024, inflation decreased to 5.3%. The main contributors to this rise were increases in transport (5.4%), housing and utilities (5.8%), and miscellaneous goods and services (8.4%). Food inflation notably slowed to 6.1%, marking a near two-year low, a considerable deceleration from 7.2% the previous month. Core inflation rose to an eight-month high of 5%, pointing to broad-based inflationary pressures. These trends have kept the SARB cautious with rates remaining on hold.

Namibia saw its annual inflation rate decrease to 4.5% in March 2024, reaching an eight-month low, down from 5% in February. The easing of inflation was evident across various categories, with food rising by 4.9% (compared to 5.8% in February), and transport costs by 4.3% (compared to 6.5%).

Policy rates, yields, and the yield curve.

A key theme for Q1 2024 has been the market's capitulation on rate cut expectations, although this does not negate the thesis that the next move in policy rates is likely lower, but at a more moderate rate than anticipated towards the end of last year. This is particularly evident in the US, where economic performance has been exceptional.

South African rates have remained on hold since May last year with the repo rate at 8.25%. The last MPC saw rates kept on hold in a unanimous decision signaling consistency amid an uncertain economic backdrop.

US bond yields have edged higher, although globally, a strong risk appetite has pushed US high yield and investment grade spreads to the lowest levels since 2021. This has been aided by sharp declines in bond volatility levels.

The South African yield curve has steepened, in line with our expectations as the shorter end rallied marginally, but longer-dated maturities sold off amid fiscal pressures and a worsening debt outlook. This has also been reflected in a higher spread between South African and US yields.

Namibia's central bank has kept rates on hold at 7.75% since June last year, marginally below South African policy rates. The Bank of Namibia will remain cognisant of the rate cycle in South Africa given the importance of the yield differential in maintaining the currency peg.

Conclusion:

In conclusion, the first quarter of 2024 presented a complex and mixed picture across different global markets. The US continued its exceptional performance with the S&P 500 advancing significantly, though the breadth of the rally was narrow, highlighting the pivotal role of specific tech giants. In contrast, South African equities faced challenges, reflecting a more subdued local economic cycle. Bond markets offered a stark contrast to the bullish equity scene, with yields on US 10-year treasuries climbing and adjusting to recalibrated expectations for Fed rate cuts.

Emerging markets, though positive, lagged, with Chinese equities contributing to the underperformance. Currency markets echoed these divergences, with the dollar strengthening in response to rising US yields and varying performances across emerging market currencies.

The South African rand's relative stability against the dollar was not mirrored in government bond yields, which increased significantly, signaling investor caution amidst local economic pressures. Oil and gold stood out as beneficiaries of geopolitical tensions and market uncertainties, potentially influencing future inflation trends and interest rate expectations.

Namibian equities outperformed South African stocks, despite lagging global and emerging market indices, closing a quarter that was reflective of contrasting economic cycles and distinct fiscal and monetary policy stances.

Inflation trends provided a mixed picture. The US saw inflationary pressures persisting at a higher-than-expected rate, whereas the Eurozone experienced a significant cooling off. The UK's inflation also decelerated, albeit remaining above the Eurozone levels. China's inflationary pressures eased substantially, while Japan saw an uptick due to the waning effects of government subsidies.

The global economic outlook remains cautious but guarded over concerns that the geopolitical landscape could reshape market trajectories in the coming months.

Market Overview

Periodic Table

	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Best	Namibia: Local 34.3	Namibia: Basic Materials 166.1	Namibia: Basic Materials 32.6	Namibia: Basic Materials 32.3	Namibia: Basic Materials 29.1	Namibia: Basic Materials 28.9	Namibia: Basic Materials 41.3	Namibia: Consumer discretionary 15.5	Namibia: Consumer discretionary 48.3	Namibia: Consumer discretionary 7.1
	Namibia: Consumer Staples 10.0	Namibia: Overall 27.8	Namibia: Consumer discretionary 29.6	Namibia: Consumer Staples 16.1	Namibia: IJG ALBI(All Bond) 12.1	Namibia: IJG ALBI(All Bond) 14.4	Namibia: Overall 33.9	Namibia: Financials 11.3	Namibia: Local 43.5	Namibia: Local 3.2
	Namibia: IJG Money Market 6.5	Namibia: Local 15.2	Namibia: Financials 27.5	Namibia: IJG ALBI(All Bond) 11.0	Namibia: Consumer Staples 9.7	Namibia: Consumer discretionary 6.1	Namibia: Consumer Staples 32.6	Namibia: Consumer Staples 11.0	Namibia: Financials 30.3	Namibia: IJG Money Market 2.1
	Namibia: IJG ALBI(All Bond) 1.1	Namibia: Financials 14.1	Namibia: Overall 26.4	Namibia: IJG Money Market 7.8	Namibia: IJG Money Market 7.5	Namibia: IJG Money Market 5.8	Namibia: Consumer discretionary 32.4	Namibia: Overall 9.7	Namibia: Consumer Staples 25.4	Namibia: Basic Materials -0.2
	Namibia: Consumer discretionary -1.7	Namibia: Consumer Staples 13.9	Namibia: Local 14.1	Namibia: Local 7.2	Namibia: Overall 4.6	Namibia: Overall -2.0	Namibia: Financials 22.7	Namibia: IJG ALBI(All Bond) 8.4	Namibia: IJG ALBI(All Bond) 18.7	Namibia: IJG ALBI(All Bond) -4.6
	Namibia: Financials -4.6	Namibia: IJG ALBI(All Bond) 11.7	Namibia: IJG ALBI(All Bond) 13.1	Namibia: Overall 4.5	Namibia: Local 3.0	Namibia: Consumer Staples -10.2	Namibia: Local 21.6	Namibia: Basic Materials 7.9	Namibia: IJG Money Market 8.1	Namibia: Overall -5.1
	Namibia: Overall -17.8	Namibia: Consumer discretionary 11.2	Namibia: IJG Money Market 8.3	Namibia: Financials 1.5	Namibia: Financials -1.9	Namibia: Local -22.2	Namibia: IJG ALBI(All Bond) 4.4	Namibia: IJG Money Market 5.7	Namibia: Overall 5.7	Namibia: Financials -8.4
Worst	Namibia: Basic Materials -63.3	Namibia: IJG Money Market 7.6	Namibia: Consumer Staples -7.0	Namibia: Consumer discretionary -9.4	Namibia: Consumer discretionary -34.7	Namibia: Financials -22.4	Namibia: IJG Money Market 4.2	Namibia: Local 2.0	Namibia: Basic Materials -21.7	Namibia: Consumer Staples -8.6

Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	-0.2	-0.2	-15.5	0.7	10.8	10.6
Namibia: Consumer discretionary	7.1	7.1	54.3	27.0	15.1	8.6
Namibia: Financials	-8.4	-8.4	15.2	16.7	4.8	7.5
Namibia: Consumer Staples	-8.6	-8.6	14.7	19.8	8.1	10.0
Namibia: Local	3.2	3.2	21.2	23.3	7.6	12.7
Namibia: Overall	-5.1	-5.1	2.1	10.2	8.1	8.1
Namibia: IJG ALBI(All Bond)	-4.6	-4.6	8.5	9.1	9.6	9.7
Namibia: IJG Money Market	2.1	2.1	8.4	6.3	6.3	6.8

Market Overview

RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	-2.2	-2.2	1.5	8.1	9.7	8.1
RSA: SWIX	-2.2	-2.2	2.7	5.3	7.0	6.6
RSA: Capped SWIX	-2.3	-2.3	2.9	7.5	7.6	6.4
RSA: Top 40 (Large Caps)	-2.3	-2.3	0.3	8.0	10.2	8.2
RSA: Mid Cap	-3.5	-3.5	6.8	8.2	5.9	6.2
RSA: Small Cap	-1.1	-1.1	9.1	15.8	13.3	7.8
RSA: Listed Property	3.8	3.8	20.5	13.9	0.7	3.1
RSA: Resources	0.8	0.8	-10.7	0.3	9.4	4.7
RSA: Industrials 25	0.9	0.9	3.3	8.2	10.6	8.8
RSA: Financial 15	-7.1	-7.1	12.7	15.8	5.3	6.7
RSA: All Bond Index	-1.8	-1.8	4.2	7.4	7.0	7.7
RSA: Inflation Linked Bonds	-0.4	-0.4	5.7	7.1	6.4	5.4
RSA: STeFI Composite (Cash)	2.1	2.1	8.4	6.1	6.0	6.5

Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years
Namibia CPI	1.3	1.3	4.5	5.4	4.3

Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	10.3	10.3	19.4	18.9	17.6	11.9
Platinum	-6.1	-6.1	-1.3	-0.5	7.0	1.4
Oil	17.6	17.6	17.0	20.9	10.9	4.0

International Indices

Currency: South African Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	14.5	14.5	38.6	21.1	21.5	19.8
UK: FTSE 100	6.7	6.7	18.2	15.9	10.9	9.2
Japan: Nikkei 225 Average	17.2	17.2	37.6	11.2	15.1	15.0
MSCI Emerging Markets	5.5	5.5	12.4	0.5	5.3	6.6
MSCI World	12.9	12.9	34.2	18.6	18.9	16.6
MSCI All Country World	12.2	12.2	32.1	16.8	17.7	15.8
USA: DJ Industrial Average	9.9	9.9	30.4	18.0	17.5	18.5

Global Fixed Income

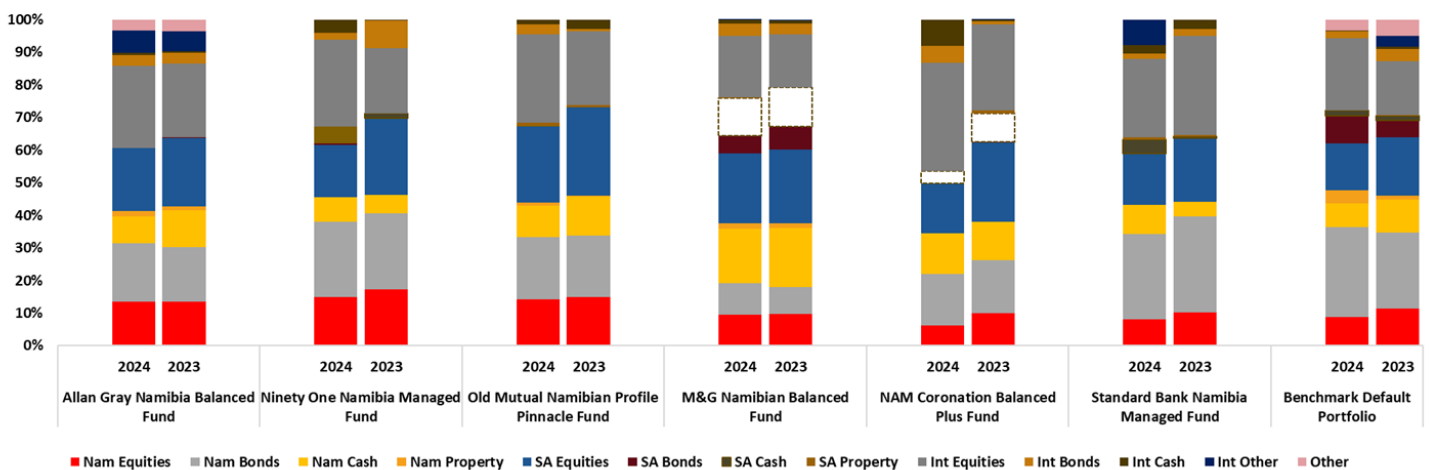
Currency: South African Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	1.8	1.8	7.7	4.6	4.6	5.3
ICE BofA 0-3 M US Trsy Bill TR USD	4.9	4.9	12.4	11.5	7.7	7.5
ICE BofA 3-6 M US Trsy Bill TR USD	4.9	4.9	12.3	11.4	7.8	7.6
FTSE WGBI USD	1.0	1.0	5.8	2.0	3.3	5.2

Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 March 2024 as compared to 31 March 2023



Notes 31 March 2024:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced: Other represents Commodities and preference shares and International Other represents property and commodities.
6. NAM Coronation, Prudential and Old Mutual use derivatives to gain additional exposure to certain assets beyond 100%. Thus the cash allocation has an offsetting negative exposure, representing the liability or cash that is 'owed' for these assets. The total thus represents the "Notional Cash Value" for the entire effective derivative exposure.
7. Negative allocation to an asset class is represented by dashed bars.

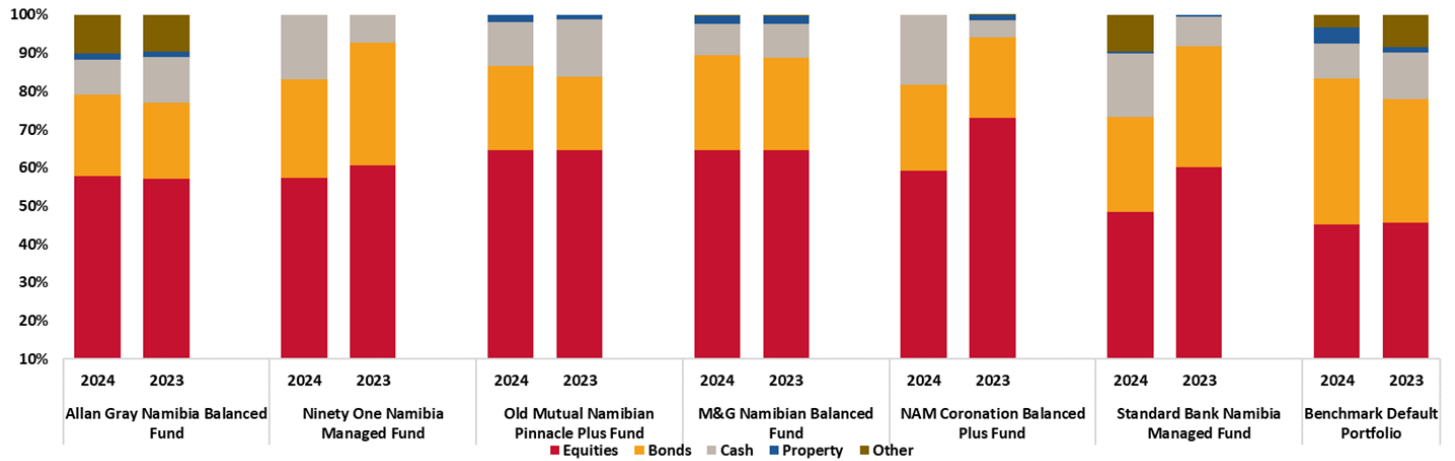
Notes 31 March 2023:

1. Allan Gray: International Other represents Property, Hedged Equity & Commodities
2. Allan Gray: Other represents SA and Namibia Commodities
3. Allan Gray: International Equity represents Net Equity
4. Default: International Other represents Property, Hedged Equity and Commodities.
5. NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Property.
6. NAM Coronation and Prudential use derivatives to gain additional exposure to certain assets beyond 100%. Thus the cash allocation has an offsetting negative exposure, representing the liability or cash that is 'owed' for these assets. The total thus represents the "Notional Cash Value" for the entire effective derivative exposure.
7. Negative allocation to an asset class is represented by dashed bars.

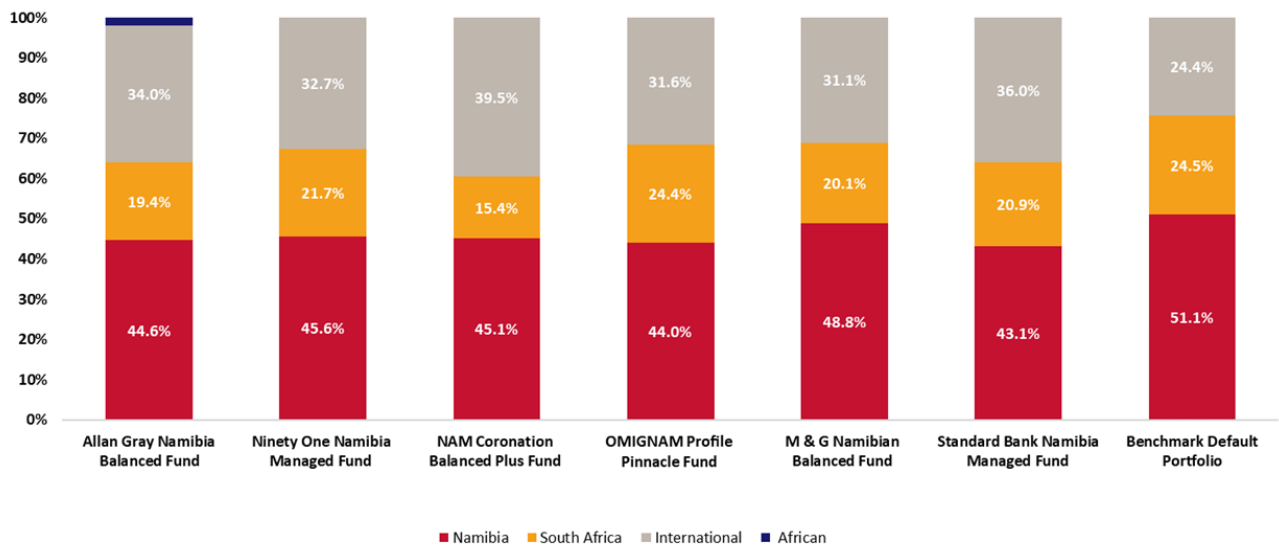
Performance Comparison

Moderate Risk Portfolios

Asset Allocation as at 31 March 2024 as compared to 31 March 2023



Geographical Split as at 31 March 2024:



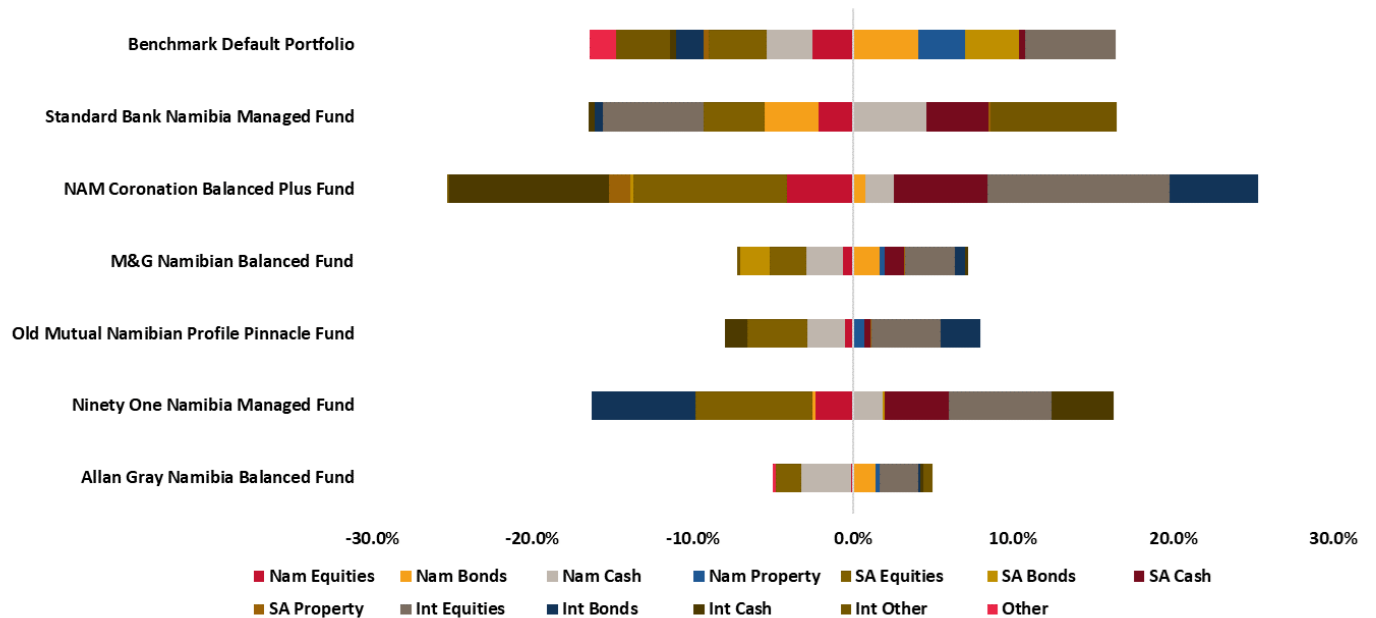
Notes:
Allan Gray: 2.0% African

Performance Comparison

Moderate Risk Portfolios

Change in Asset Allocation

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 March 2024**. In the event that the allocation to an asset class was decreased, the change would be indicated on the left hand side of the vertical axis, and vice versa.



The NAM Coronation Balanced Plus Fund made the most significant changes to its portfolio over the past year, with a substantial shift in assets from South African and Namibian equities and bonds to Namibian Cash, South African Cash, and international equities. This move is likely driven by the attractiveness of cash due to high interest rates. In contrast, Allan Gray made the fewest changes to its portfolio, with a slight increase in international equities being the most notable adjustment. Overall, the largest quantitative changes in the majority of portfolios included an increase in exposure to South African Cash and international equities, and a reduction in South African and Namibian equities. All managers decreased their exposure to South African and Namibian equities. It's important to note that these changes are not only the result of active management decisions but also reflect market movements. This means that a combination of both manager decisions and market fluctuations contributed to the changes observed in the portfolios.

Performance Comparison

Moderate Risk Portfolios

Trailing Returns as at 31 March 2024

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	13.9	12.8	9.8	9.1
NAM Coronation Balanced Plus Fund	16.4	10.2	10.2	8.5
Ninety One Namibia Managed Fund	7.9	8.0	8.7	8.9
Old Mutual Namibian Profile Pinnacle Fund	11.5	10.2	9.6	9.1
Standard Bank Namibia Managed Fund	14.4	7.6	8.1	7.9
M&G Namibian Balanced Fund	9.8	10.7	9.2	8.6
Benchmark Retirement Fund Default Portfolio	11.3	10.9	8.8	8.5
NMG SA Moderate Benchmark	8.1	9.4	10.1	9.0
NMG NAM Moderate Benchmark	10.3	10.5	10.5	10.1
FTSE/JSE All Share TR ZAR	1.5	8.1	9.7	8.1
NAM CPI + 6%	10.7	11.7	10.6	10.9

Trailing Returns as at 31 March 2023

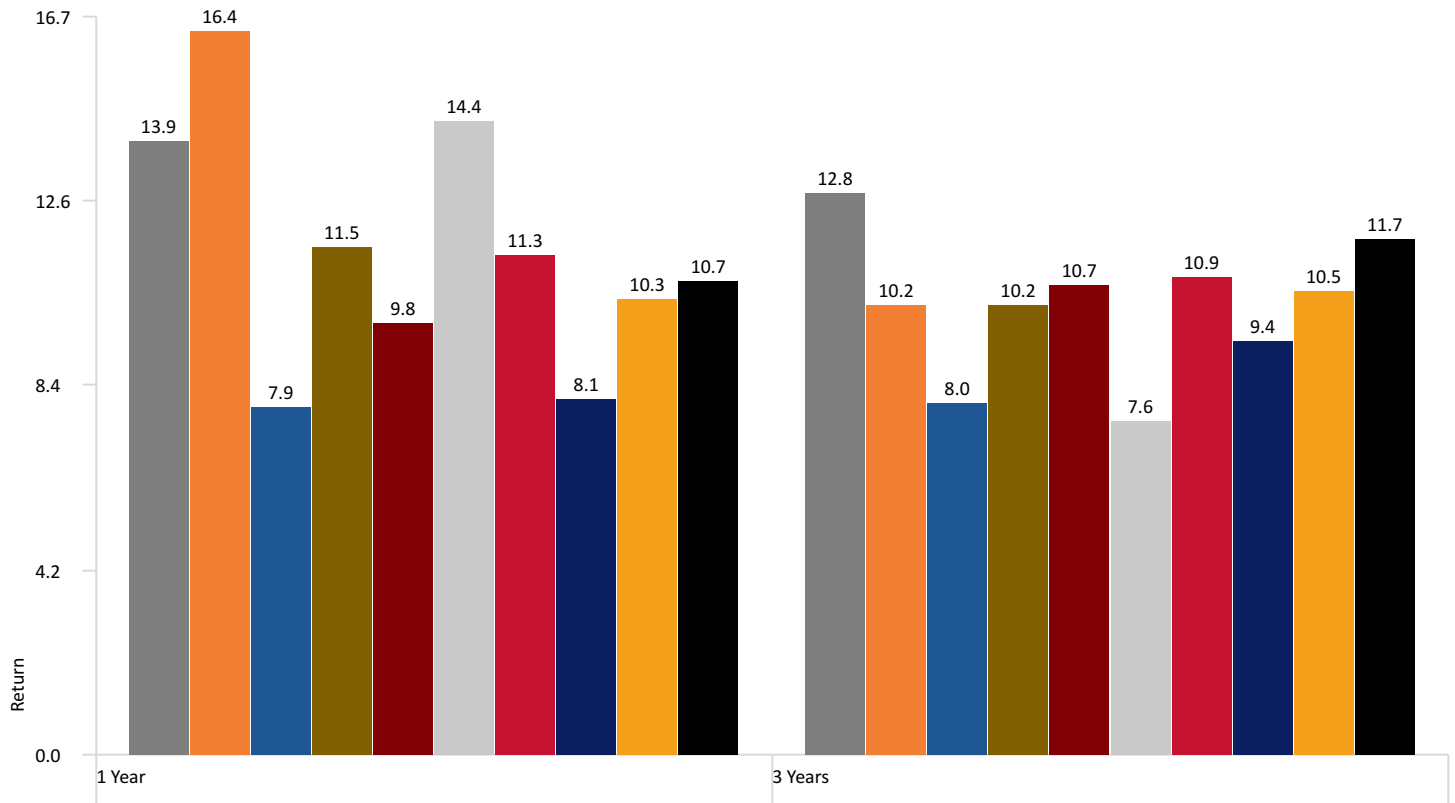
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	16.2	13.5	8.5	9.7
NAM Coronation Balanced Plus Fund	5.5	16.2	8.0	8.9
Ninety One Namibia Managed Fund	9.1	13.0	8.9	10.0
Old Mutual Namibian Profile Pinnacle Fund	5.7	15.2	8.7	9.8
Standard Bank Namibia Managed Fund	5.3	9.4	7.6	8.4
M&G Namibian Balanced Fund	9.8	16.5	8.7	9.4
Benchmark Retirement Fund Default Portfolio	13.1	12.2	8.1	8.9
NMG SA Moderate Benchmark	7.3	16.1	10.1	9.8
NMG NAM Moderate Benchmark	8.1	15.3	10.5	10.4
FTSE/JSE All Share TR ZAR	4.9	24.2	10.4	10.2
NAM CPI + 6%	13.6	11.2	10.6	11.0

The returns for the Default Portfolio and the Allan Gray Namibia Balanced Fund (segregated) are the unit price returns allocated to members after fees, which is received from RFS Fund Administrators. The remaining returns are net money-weighted rate of return after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

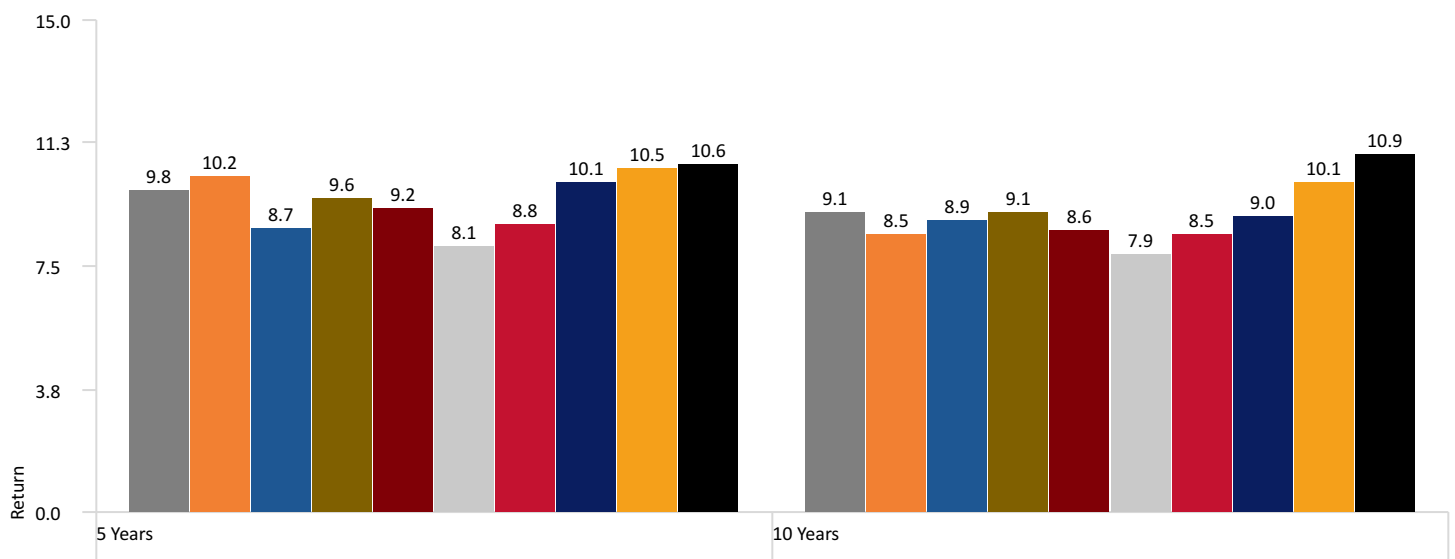
Performance Comparison

Moderate Risk Portfolios

1 & 3 year performance for the period ended 31 March 2024



5 & 10 years performance for the period ending 31 March 2024



- Allan Gray Namibia Balanced Fund
- NAM Coronation Balanced Plus Fund
- Ninety One Namibia Managed Fund
- Old Mutual Namibian Profile Pinnacle Fund
- M&G Namibian Balanced Fund
- Standard Bank Namibia Managed Fund
- Benchmark Retirement Fund Default Portfolio
- NMG SA Moderate Benchmark
- NAM CPI + 6%
- NMG NAM Moderate Benchmark

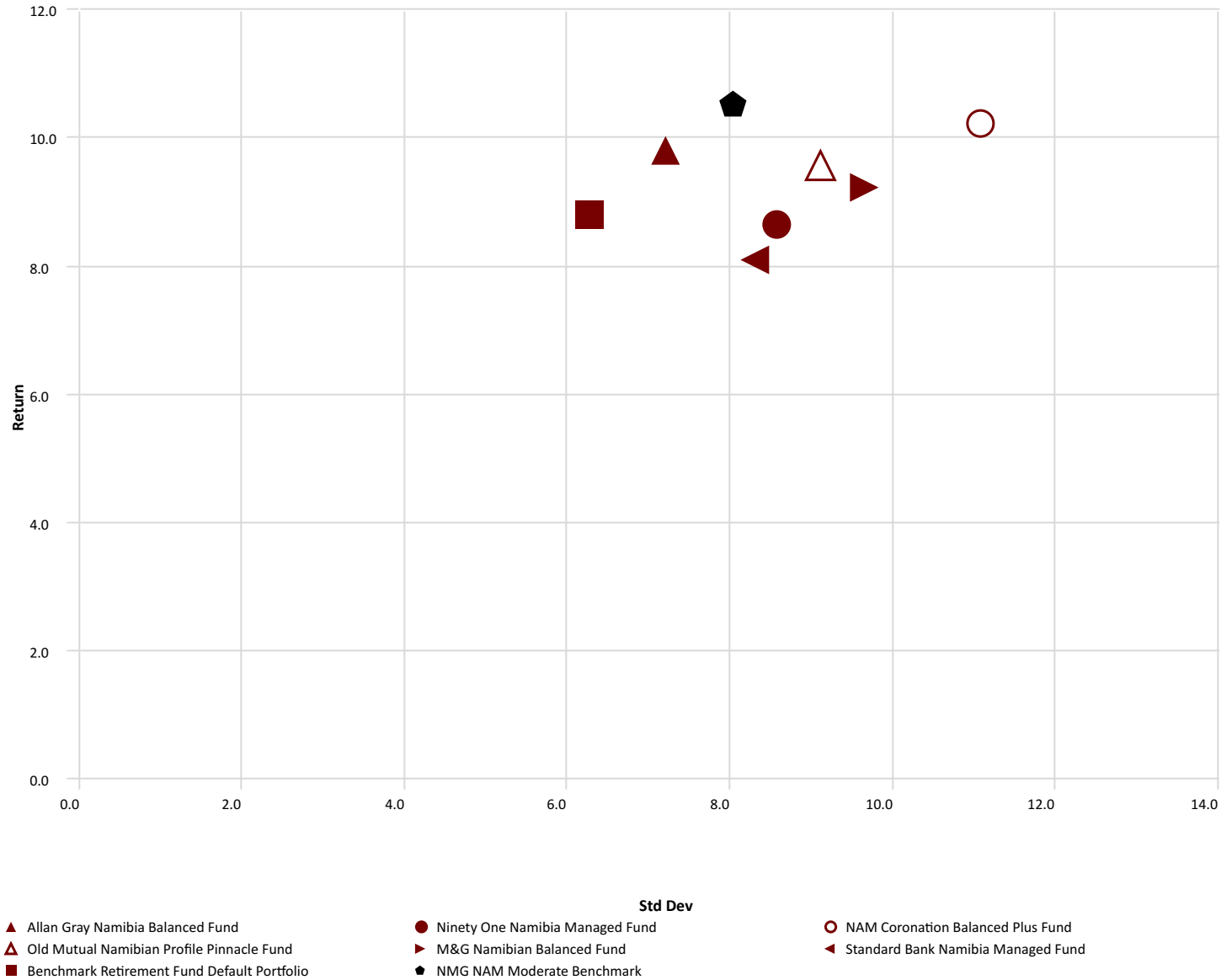
Performance Comparison

Moderate Risk Portfolios: Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate portfolios for a 5 year period. These returns are **net** of all investment charges.

Risk-Reward

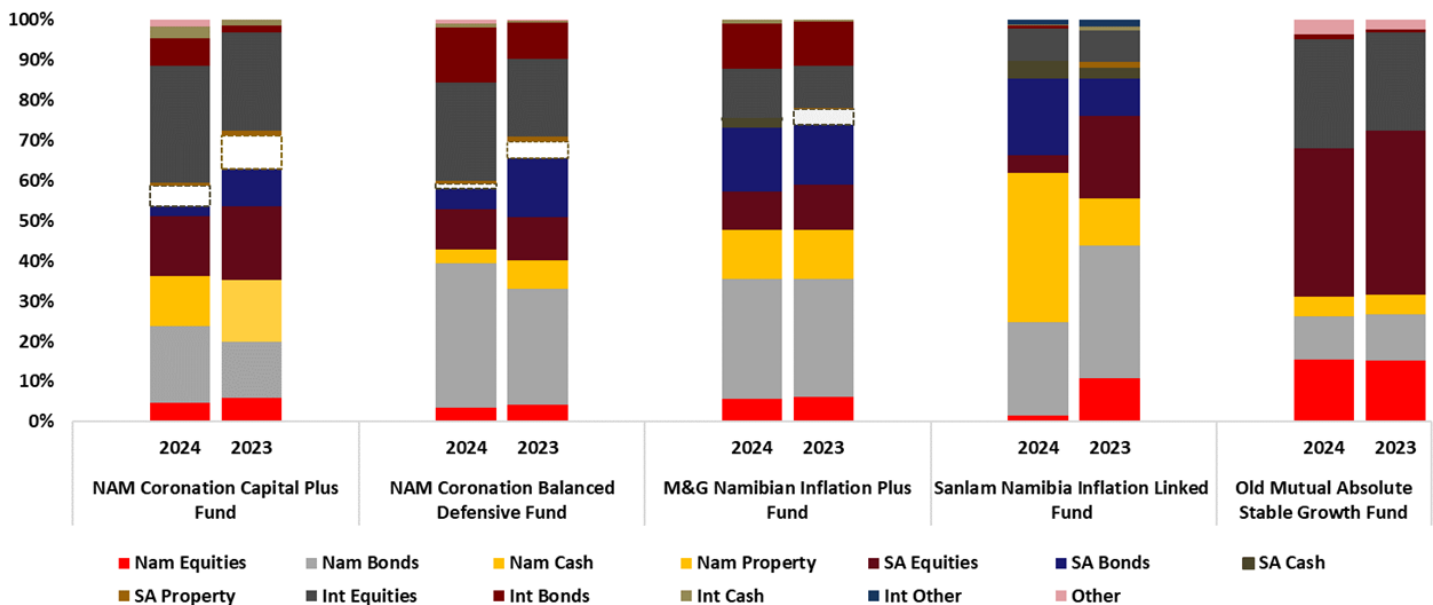
Time Period: 01 April 2019 to 31 March 2024



Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 March 2024 as compared to 31 March 2023



Notes 31 March 2024:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
4. NAM Coronation Capital Plus SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
5. NAM Coronation Capital Plus & NAM Coronation Balanced Defensive: SA & NAM Other represents Commodities, Preference shares and other securities
6. Old Mutual Stable Growth: Other represents Namibian Alternative Investments

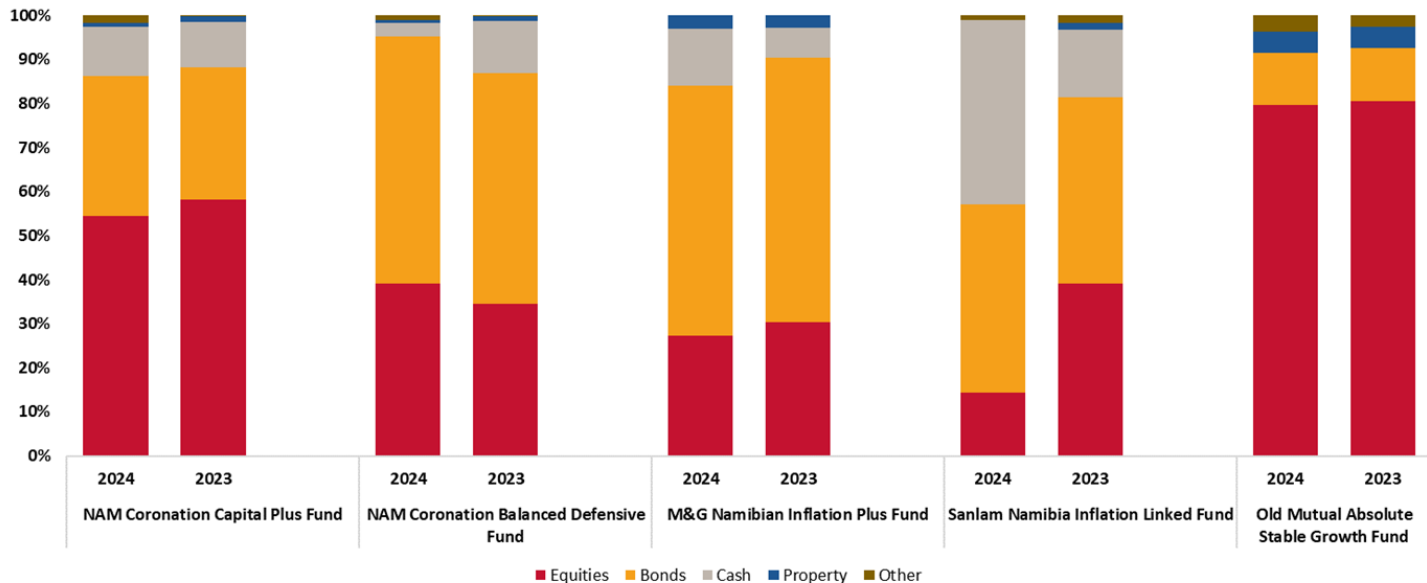
Notes 31 March 2023:

1. NAM Coronation Capital Plus: International Other represents Commodities
2. Sanlam Namibia Inflation Linked: International Other represents Property
3. NAM Coronation Balanced Defensive NAM Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
4. NAM Coronation Capital Plus SA Cash position includes an **off-set or "Notional Cash value"** for all derivative effective exposure.
5. NAM Coronation Capital Plus & NAM Coronation Balanced Defensive: SA & NAM Other represents Commodities, Preference shares and other securities
6. Old Mutual Stable Growth: Other represents Namibian Alternative Investments

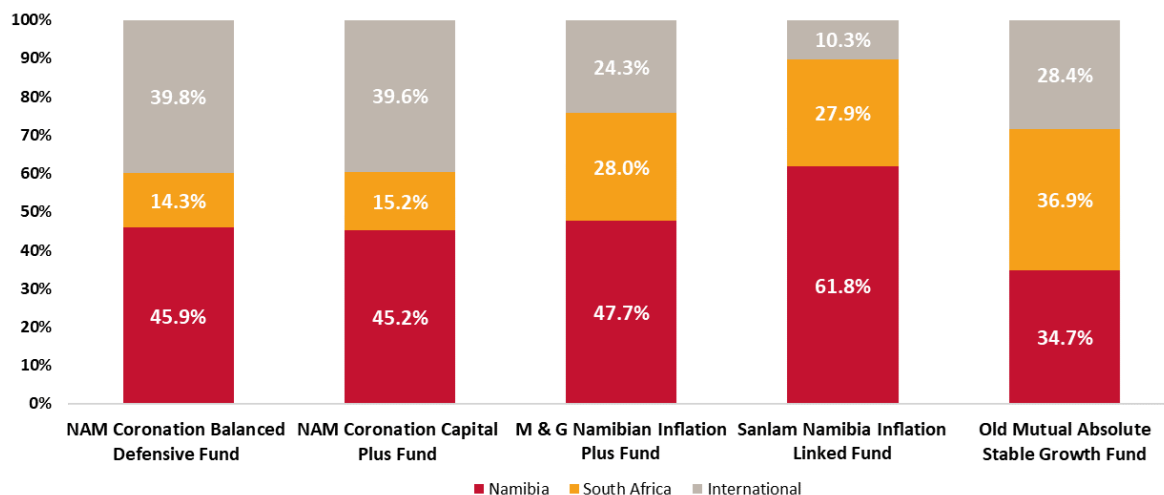
Performance Comparison

Moderate-Low Risk Portfolios

Asset Allocation as at 31 March 2024 compared 31 March 2023



Geographical Split as at 31 March 2024:



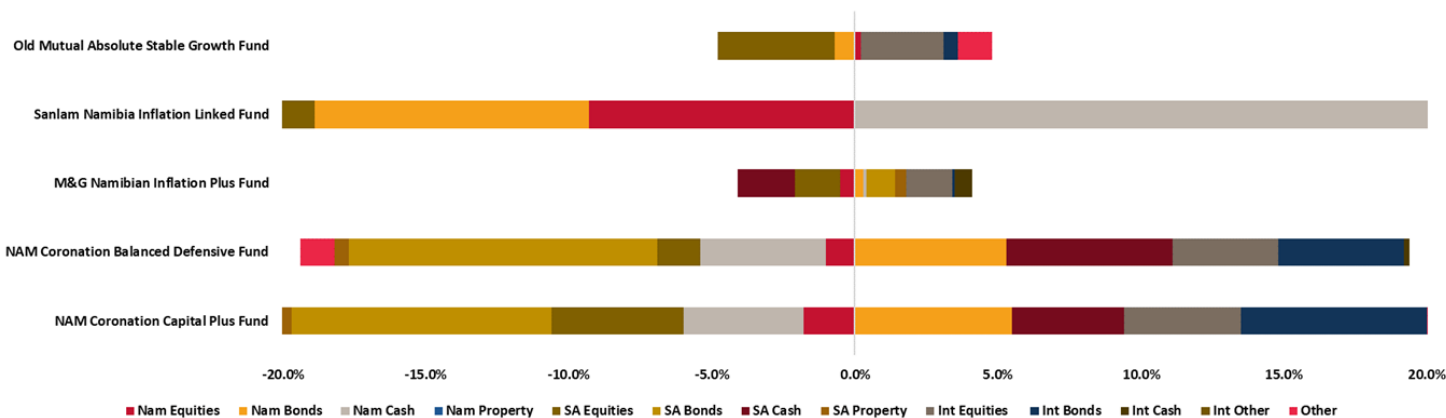
*Note: Sanlam and Old Mutual portfolios are classified as insurance policies and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure

Performance Comparison

Moderate-Low Risk Portfolios

Change in Asset Allocation

The following graph illustrates the changes that were made to the managers' asset allocation over the 12 month period ending **31 March 2024**. In the event that the allocation to an asset class was decreased, the change would be indicated on the left hand side of the vertical axis, and vice versa.



The Sanlam Namibia Inflation Linked Fund made the most significant changes to its portfolio over the past year, notably increasing its exposure to Namibian Cash and South African bonds while reducing its holdings in South African and Namibian equities and bonds. In contrast, the M&G Namibian Inflation Plus Fund made minimal changes to its portfolio, with no substantial adjustments. Across the majority of portfolios, there was a trend of increasing exposure to international equities and bonds, accompanied by a decrease in South African equities. It is essential to note that these changes are not solely the result of active management decisions made by the underlying managers but also reflect market movements.

Performance Comparison

Moderate-Low Risk Portfolios

Trailing Returns as at 31 March 2024

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	11.8	8.5	8.3	7.9
NAM Coronation Capital Plus Fund	12.9	8.3	8.6	7.2
M&G Namibian Inflation Plus Fund	9.3	9.8	8.0	8.0
Sanlam Namibia Inflation Linked Fund	9.9	8.2	7.9	7.9
Old Mutual Absolute Stable Growth Fund	10.4	11.5	8.0	8.7
NMG NAM Mod Conservative Benchmark	7.9	9.0	9.1	9.0
NAM CPI + 4%	8.6	9.6	8.5	8.8

Trailing Returns as at 31 March 2023

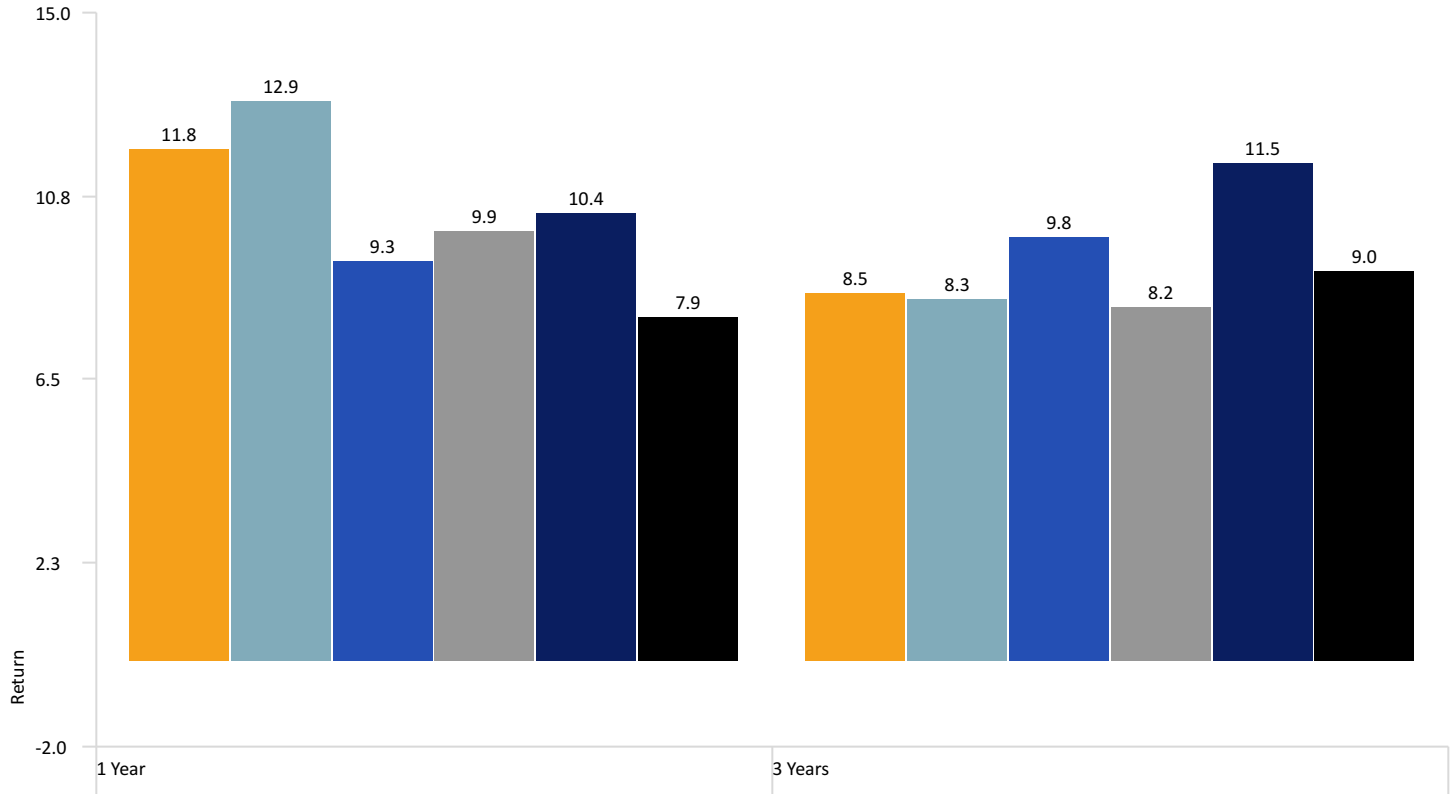
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	8.7	11.6	7.8	8.1
NAM Coronation Capital Plus Fund	5.5	11.8	7.5	7.4
M&G Namibian Inflation Plus Fund	9.8	12.0	7.8	8.3
Sanlam Namibia Inflation Linked Fund	8.2	9.9	7.8	8.3
Old Mutual Absolute Stable Growth Fund	9.0	8.4	6.9	9.2
NMG NAM Mod Conservative Benchmark	8.0	13.0	9.3	9.1
NAM CPI + 4%	11.5	9.1	8.5	8.9

The returns for the Old Mutual AGP portfolios are sourced from the NMG Survey data. The remaining returns are net money-weighted rate of return after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

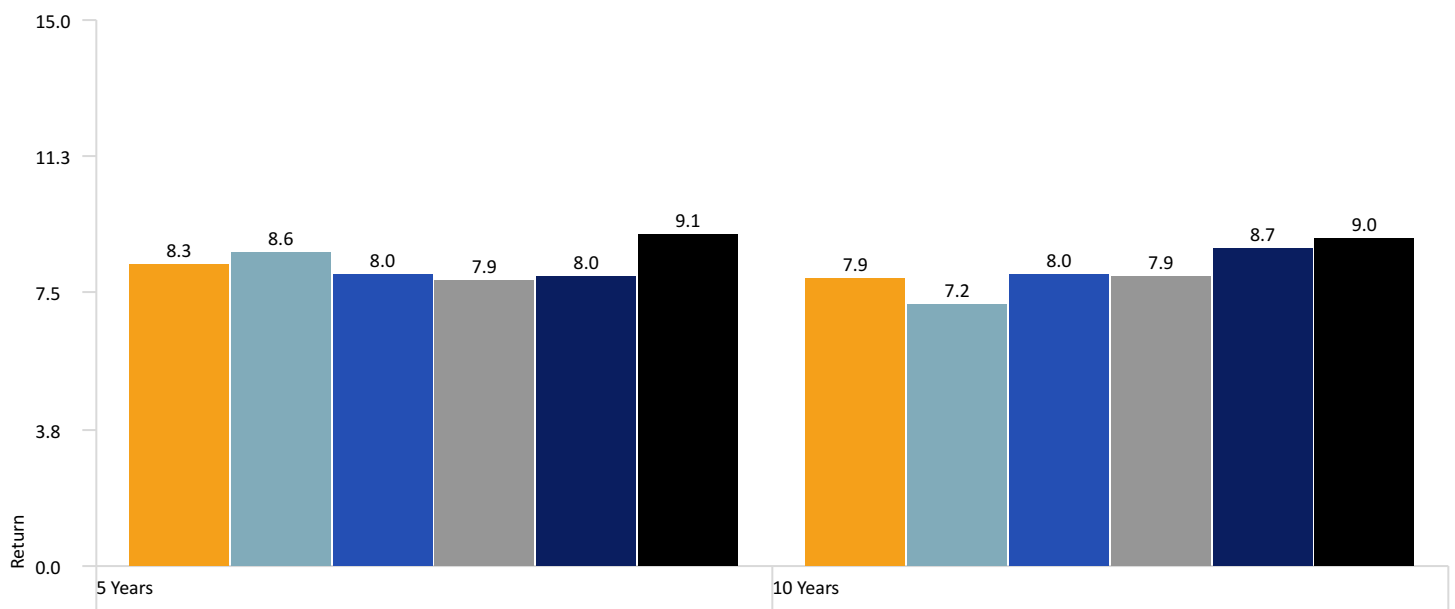
Performance Comparison

Moderate-Low Risk Portfolios

1 & 3 year performance for the period ended 31 March 2024



5 & 10 years performance for the period ended 31 March 2024



■ NAM Coronation Balanced Defensive Fund
■ Sanlam Namibia Inflation Linked Fund

■ NAM Coronation Capital Plus Fund
■ Old Mutual Absolute Stable Growth Fund

■ M&G Namibia Inflation Plus Fund
■ NMG NAM Mod Conservative Benchmark

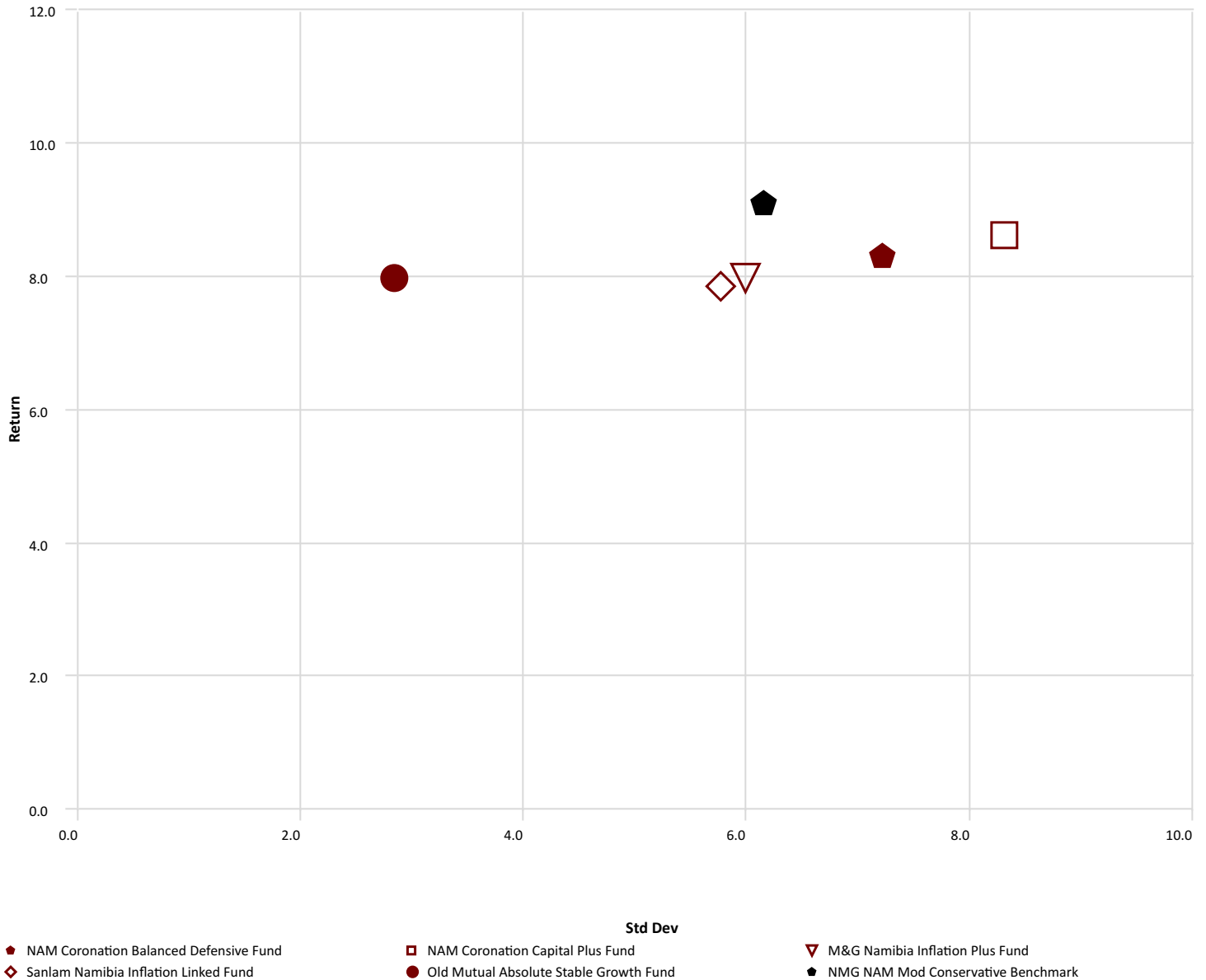
Performance Comparison

Moderate-Low Risk Portfolios: Volatility vs Return

The following graph illustrates the volatility and return statistics of the moderate low portfolios for a 5 year period. These returns are **net** of all investment charges.

Risk-Reward

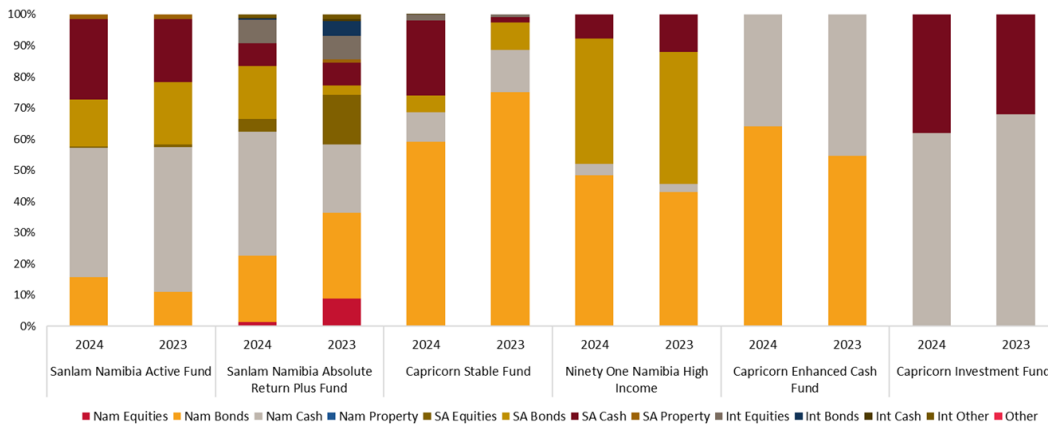
Time Period: 01 April 2019 to 31 March 2024



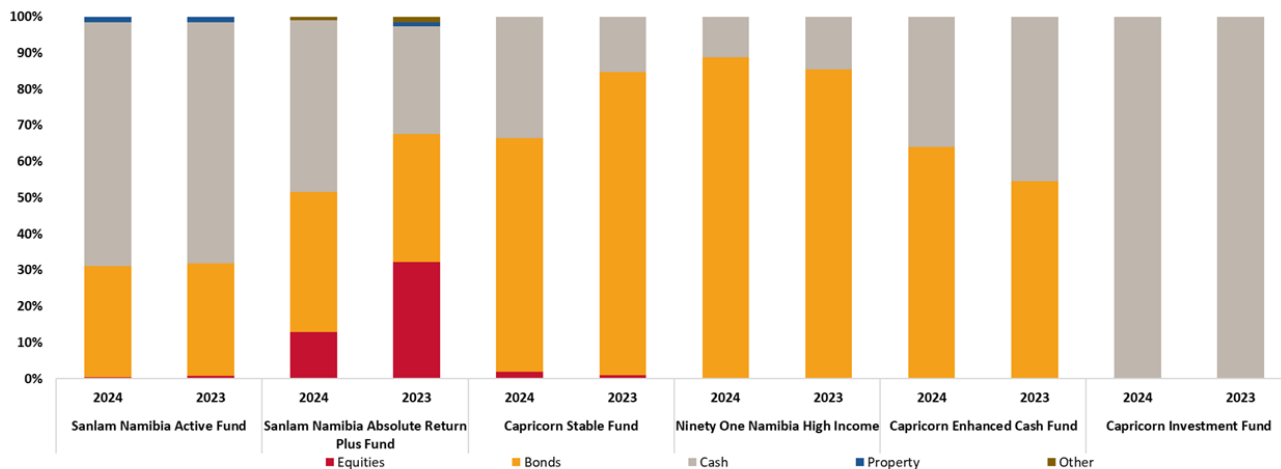
Performance Comparison

Low Risk and Capital Preservation Portfolios

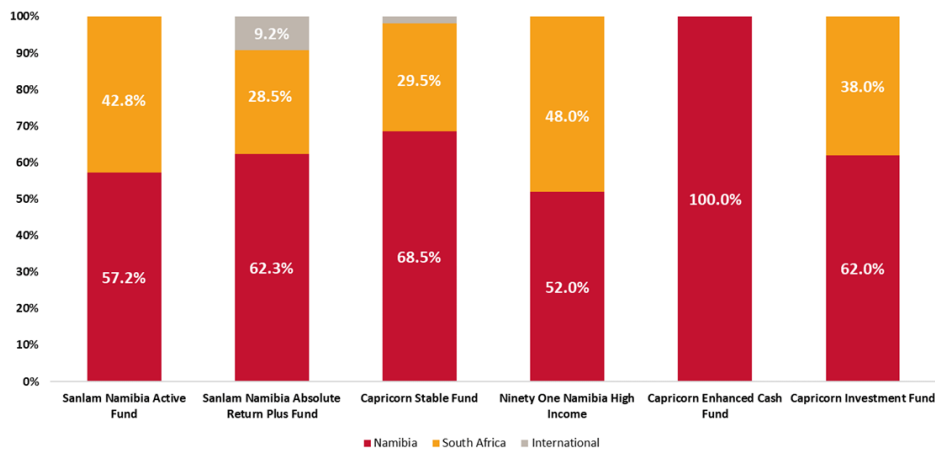
Asset Allocation as at 31 March 2024 as compared to 31 March 2023



The total Namibian exposure is 57.2% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 68.5% of the funds assets are currently invested in Namibian assets. The Money Market Fund (Capricorn Investment Fund) is managed by Capricorn Asset Management and is mainly invested in Namibian & South African cash investments. The Sanlam Namibia Absolute Return Plus fund is a low risk smoothing product with 62.3% exposure to Namibian assets.



Geographical Split as at 31 March 2024:



*The Sanlam Namibia Absolute Return Plus fund is classified as an insurance policy and therefore their Namibian exposure is managed in accordance with the life company's balance sheet exposure.

Performance Comparison

Low Risk and Capital Preservation Portfolios

Trailing Returns as at 31 March 2024

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	7.9	6.8	6.5	7.4
Sanlam Namibia Absolute Return Plus Fund**	10.0	6.7	6.7	7.7
Capricorn Stable Fund*	12.1	11.7	10.0	—
Ninety One Namibia High Income Fund***	8.7	7.2	7.1	7.0
Capricorn Enhanced Cash Fund***	8.0	6.7	7.1	7.7
NAM CPI + 1%	5.5	6.4	5.4	5.7
NAM CPI + 2%	6.6	7.5	6.4	6.7
FTSE/JSE ALB 1-3 Yr TR ZAR	7.5	6.7	7.4	7.7

*Investment by Benchmark into the fund was only made at the end of March 2019. Returns beyond that period are for illustrative purposes.

**Investment by Benchmark into the fund was only made during June of 2019. Returns beyond that period are for illustrative purposes.

***Investment by Benchmark into the fund was only made during February 2022. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 31 March 2023

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	6.7	6.8	6.4	7.2
Sanlam Namibia Absolute Return Plus Fund**	3.3	5.0	5.7	7.5
Capricorn Stable Fund*	15.1	11.5	8.6	—
Ninety One Namibia High Income Fund***	8.8	6.5	7.0	6.6
Capricorn Enhanced Cash Fund***	6.9	6.3	7.2	7.5
NAM CPI + 1%	8.3	6.0	5.4	5.8
NAM CPI + 2%	9.3	7.0	6.4	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	6.9	7.5	7.5	7.4

*Investment by Benchmark into the fund was only made at the end of March 2019. Returns beyond that period are for illustrative purposes.

**Investment by Benchmark into the fund was only made during June of 2019. Returns beyond that period are for illustrative purposes.

***Investment by Benchmark into the fund was only made during February 2022. Returns beyond that period are for illustrative purposes.

Trailing Returns as at 31 March 2024

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	8.9	6.7	6.5	6.9
NAM CPI	4.5	5.4	4.3	4.6
IJG Money Market GR NAD	8.4	6.3	6.3	6.8

Trailing Returns as at 31 March 2023

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	6.3	5.5	6.3	6.6
NAM CPI	7.2	4.9	4.3	4.7
IJG Money Market GR NAD	6.3	5.3	6.2	6.5

The returns are net money-weighted rate of return after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

Performance Comparison

Unlisted Investments

Trailing Returns as at 31 March 2024

	1 Year	3 Years	5 Years	01 January 2016 - 31 March 2024
Allegrow Fund*	12.9	-4.2	-2.3	0.1
Caliber Capital Fund (A)	11.0	8.8	8.4	7.4
IJG Frontier Investment Fund	-6.3	4.6	-6.3	-4.2
Stimulus	0.1	5.2	5.3	3.7
NAM CPI + 4.5%	9.2	10.1	9.0	9.6

Due to the illiquid nature of unlisted investments, returns over shorter time periods may not be a true reflection of the funds' performance over that period.

*Fair value adjustment in September 2021.

Trailing Returns as at 31 March 2023

	1 Year	3 Years	5 Years	01 January 2016 - 31 March 2023
Allegrow Fund	1.1	-8.3	-4.2	-1.5
Caliber Capital Fund (A)	8.7	7.3	8.2	6.9
IJG Frontier Investment Fund	6.2	2.1	-9.1	-3.9
Stimulus	14.4	6.0	6.2	4.2
NAM CPI + 4.5%	12.0	9.7	9.0	9.7

Due to the illiquid nature of unlisted investments, returns over shorter time periods may not be a true reflection of the funds' performance over that period.

The returns are net money-weighted rate of return after fees values calculated by NMG Investment Consultants from the data provided by the individual asset managers.

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 (ALBI): 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 greater stability in returns and aim to preserve capital. These portfolios experience less volatility and may or may not have an underlying guarantee.

FTSE/JSE All Share Index (ALSI): 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.

Inflation (CPI): The consumer price index represents the increase in the price of a “basket” of basic goods and services e.g. food, petrol. It provides an indication as to how fast prices are increasing in the economy.

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.

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 N\$20, N\$80, N\$100, N\$300, and N\$500 respectively, the median value would be N\$100, whereas the mean would be N\$200.

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.

Glossary

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 13 of the Pension Fund Act.

Regulation 13: 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.

Appendix A: Replacement Ratios

The following table represents some salary replacement ratios:

Assumed NET Contributions towards retirement i.e. AFTER all costs for risk and administration etc. (as % of pensionable salary)					
Assumed Investment Return for 30 years before retirement (after fees)	8%	10%	12%	14%	16%
CPI + 5%	47%	59%	70%	82%	94%
CPI + 4%	39%	49%	59%	69%	79%
CPI + 3%	33%	42%	50%	58%	67%
CPI + 2%	28%	35%	42%	50%	57%

The Trustees consider an appropriate post retirement income to be 60% of pre-retirement pensionable income after 30 years of service (assuming that 2% accumulates for each year of service). This ratio is defined as the salary replacement ratio. The above table shows a range of ratios for various net retirement funding contribution rates in relation to real investment returns, assuming retirement at age 60. Other assumptions are:

Pre-retirement:

- **Real rate of return before retirement is dependent on the investment portfolio chosen;**
- Salaries are assumed to increase in line with price inflation. In order to assess the impact of a salary increase of 1.0% per annum above inflation, one needs to look at a 1.0% per annum lower real return (e.g. if the targeted real rate of return on the selected investment portfolio is CPI + 4% then one needs to look at the results of CPI + 3% in the above table to see the salary replacement ratio if salaries increase 1.0% per annum above price inflation);
- No break in service or 100% preservation of accumulated fund credit where there is a change of employer;
- Full fund credit available on retirement (one-third and two-thirds) is used to generate the pension; and
- Effect of tax is not taken into account.

Post retirement

- Single life with-profit annuity is purchased at age 60 years; and
- Allowance for future pension increases is approximately 2/3rds of price inflation.