



# Benchmark Retirement Fund

**Quarterly Investment Report: As at 30 September 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, M&G Namibia Domestic Balanced Fund, Sanlam Namibia Domestic Balanced Fund, Ninety One Namibia Domestic Balanced Fund, 20Twenty Credit Solution, Satrix Emerging Markets Tracker Fund, Satrix World Equity Tracker Fund, Sanlam USD Enhanced Yield Fund and Colchester Global Bond 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:

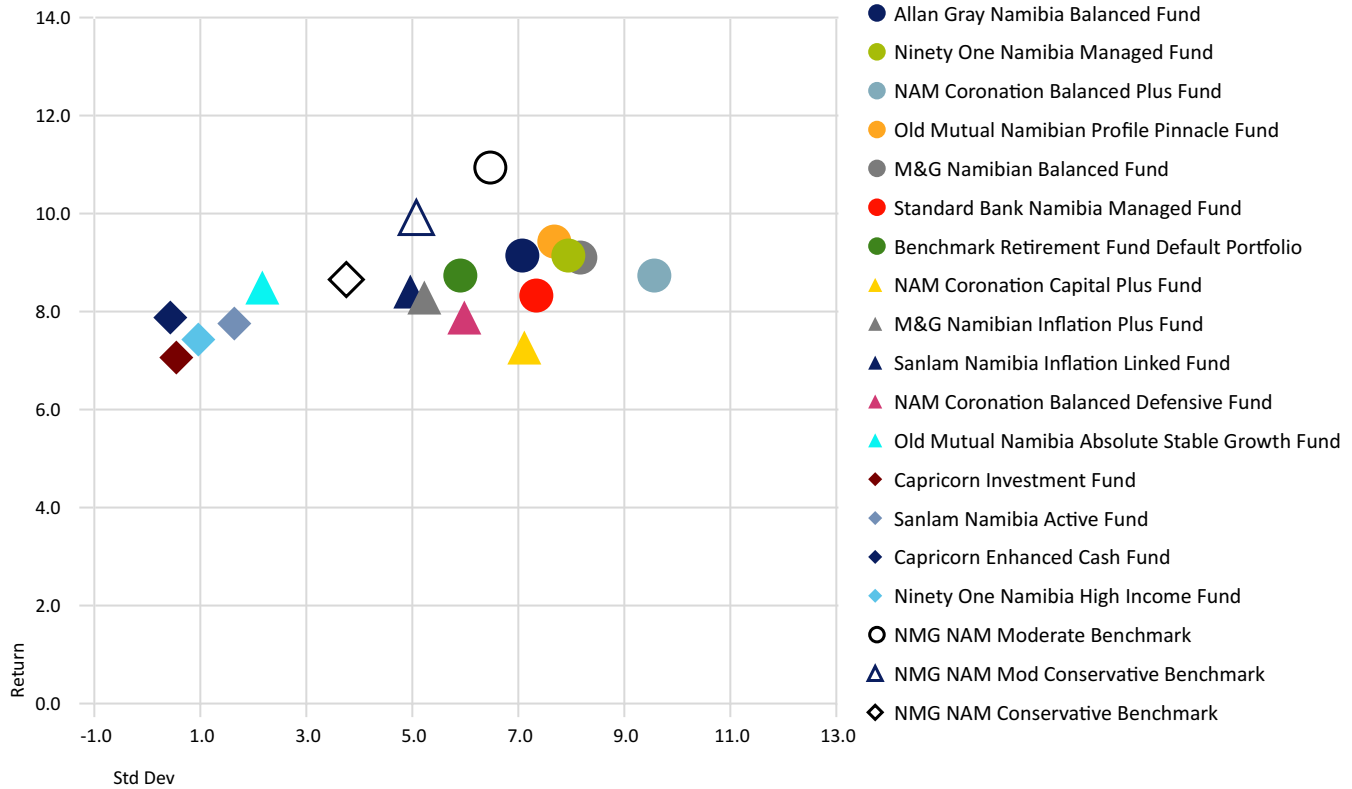
- **Aggressive risk portfolios:** Short term negative returns are possible with this type of portfolio. Exposure to equities (shares) is normally maximised for these types of portfolios in order to achieve the return objective. Maximisation of equity exposure however takes place within the prudential 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

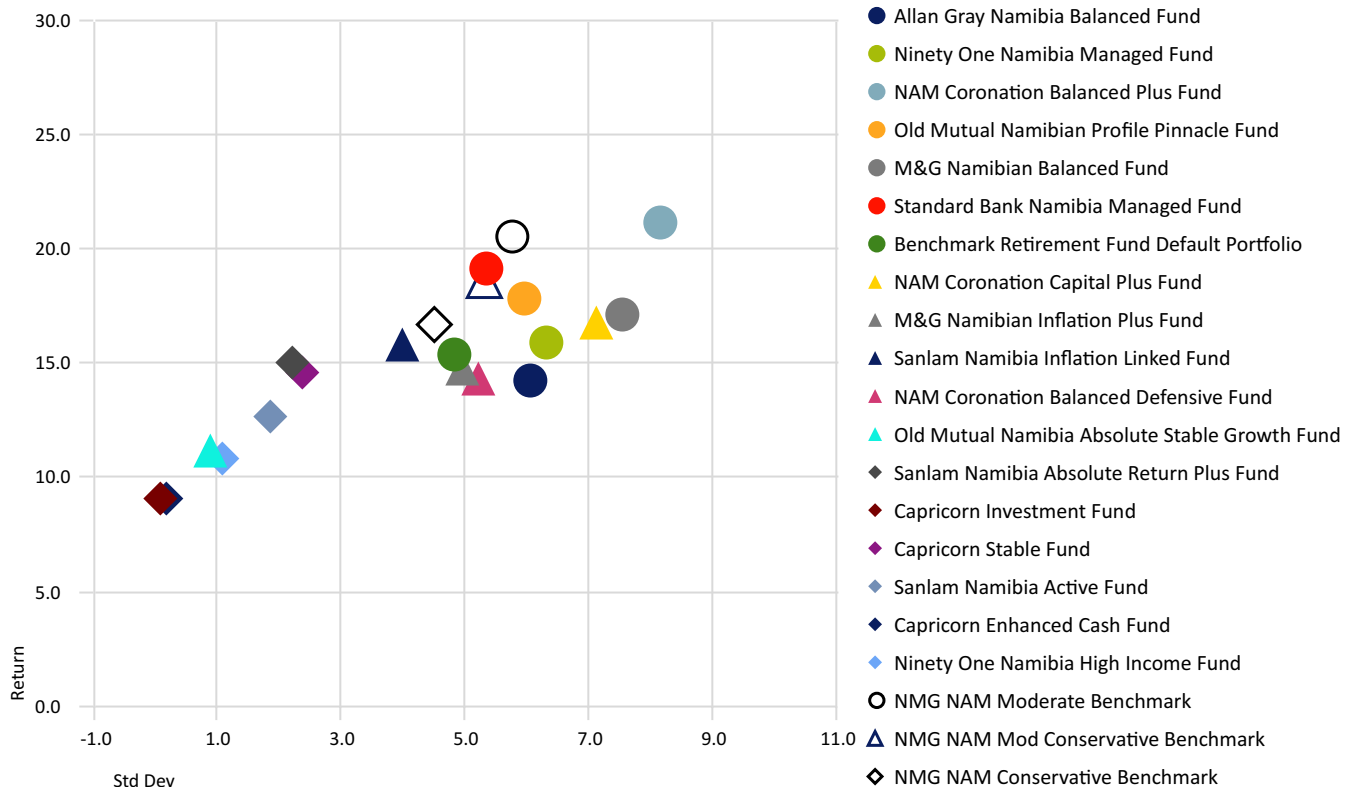
## Risk-Reward - Over the long term

Time Period: 01 October 2014 to 30 September 2024



## Risk-Reward - Over the short term

Time Period: 01 October 2023 to 30 September 2024



# Market Overview

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## **Markets**

The third quarter of 2024 saw a re-acceleration of US stocks with a 5.53% gain on the S&P 500 (3.92% in Q2 albeit still below the strong Q1 gains (10.16%). However, it was a quarter characterized by significant sectoral rotation. Tech stocks and energy struggled while defensives like utilities rallied. Interestingly, healthcare, which is usually a defensive sector, failed to rally to the same extent given the dependency on the election outcome but remains a promising option after election results. Rate cuts helped real estate stocks rally as a bond proxy, with financials also a beneficiary.

The JSE All Share index enjoyed a strong quarter, up 9.6% (8.2% in Q2). This took year-to-date gains to 16%, marginally ahead of 15.5% for the ALBI (TR). This still means that risk adjusted returns were better in bonds and 12-month returns still favoured bonds. On a sectoral basis, Financials and Real Estate were key gainers, tracking global trends.

South African equities, despite the rally, remain comparatively cheaper than global peers. The evolving risk outlook following a new political dispensation is optimistic, but investors would do well to avoid getting ahead of themselves and would be better served observing the data and actual delivery on reform.

Namibian stocks lagged SA stocks, reversing the outperformance trend observed previously. The NSX overall rose 7% in Q3 (vs 19% Q2), a substantial deceleration. The NSX Local lags the overall index. For the quarter, real estate and financials were key gainers tracking trends in SA and globally.

Emerging markets still lagged in rand terms given the strong performance from the local currency. SA stocks reversed the underperformance against EM peers. EM's continue to lag developed markets which are supported by still strong US markets.

Equities continue to appear expensive relative to bonds, echoing a trend which has been evident for some time. Volatility escalated in Q3, spiking in August and ending the quarter 500bps higher. VIX seasonality suggests higher risk into Q4. On a style basis, value has continued to lag growth stocks although sectoral allocations suggest that positioning has shifted notably over Q3.

Among the asset classes most at risk given valuations and the stage of the cycle are US tech stocks, US dollar, corporate credit. Areas which see superior upside risk/reward meanwhile include government bonds, commodities, emerging markets, and certain sectors on a tactical basis such as defensives.

Oil was down 16% over the quarter despite the escalating Middle East conflict. Strong supply remains a counterbalance. Gold rallied 14% over the quarter and is up a staggering 29% by the end of Q3 (vs. SP500 +22%), making it one of the best-performing global asset classes.

The Rand remains a standout performer vs. weaker EM's. However, when considering the Purchasing Power Parity approach, the rand remains undervalued even when incorporating a long-term average risk premium.

## **Economy**

The third quarter was characterized by slow aggregate growth in most regions, due to the overhang of higher rates going into the cycle. Geopolitical risks have also served as a headwind. However, it was also a quarter characterized by rate cuts from major central banks in an acknowledgment that inflation risks have abated, and growth remains concerning in many regions.

In Europe, Eurozone economic performance remains poor. In the UK, the economy grew by 0.7% yoy in Q2 2024.

Japan's GDP grew by 0.7% yoy in Q2 2024, driven by wage growth and a recovery in the automotive sector. China's GDP grew by 4.7% yoy in Q2 2024, the weakest growth since Q1 2023, impacted by a property downturn and weak domestic demand.

In South Africa, GDP expanded by 0.4% yoy (0.3% yoy) in Q2 due to improved electricity supply and domestic demand, although mining and agriculture underperformed.

Namibia's GDP grew by 3.5% yoy in Q2 2024, with strong contributions from financial services, despite contractions in mining and agriculture. Namibia's central bank cut the key lending rate by 25 bps to 7.5% in August 2024, aiming to support economic growth while maintaining the currency peg with the South African rand.

## **Inflation**

Global inflation trends remain to the downside. However, services inflation remains sticky. A key risk to the upside includes rising energy prices due to Middle Eastern conflicts.

In the US, inflation slowed to 2.4% yoy in September 2024, the lowest since February 2021, with falling energy and vehicle prices offset by rising food and transportation costs. Inflation is now close to the Fed's 2% target signaling scope for muted rate cuts.

The UK's inflation rate remained steady at 2.2% yoy in August 2024, driven by rising airfares and transport costs, while food and fuel prices eased. China's inflation rate rose to 0.6% yoy in August 2024, driven by a sharp rebound in food prices, particularly fresh vegetables, amid supply disruptions.

In South Africa, CPI fell to 4.4% yoy in August, below the midpoint of the South African Reserve Bank (SARB)'s 3-6% range target. Inflation is expected to average 4.6% in 2024 and ease to 4.2% in 2025.

Namibia's inflation rate fell to 3.4% yoy in September 2024, the lowest in over three years, driven by a sharp slowdown in transportation prices.

# Market Overview

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## **Conclusion:**

The third quarter of 2024 was characterized by sectoral shifts in global markets, with U.S. equities re-accelerating but showing significant rotation away from tech and energy into defensive sectors like utilities and real estate. In South Africa, the JSE All Share Index posted strong gains premised on renewed political optimism, but bonds continued to offer better risk-adjusted returns thus far.

Emerging markets experienced mixed performance due to a strong local currency. Commodities saw notable volatility, with oil down despite escalating geopolitical tensions, while gold surged as one of the best-performing assets, driven by safe-haven demand.

Namibia's markets, on the other hand, lagged South Africa, reversing the previous outperformance trend.

Inflation trends globally remained on a downward trajectory, with central banks such as the U.S. Federal Reserve and the People's Bank of China initiating or continuing rate cuts to support growth. However, inflation's tail risks, particularly those tied to energy prices, persist. The SARB also cut rates modestly, reflecting a cautious approach despite balanced inflation risks.

# 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 52.9
	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: Financials 23.7
	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: Overall 21.2
	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 18.7
	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) 13.5
	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: Consumer Staples 9.6
	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: Local 7.7
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: IJG Money Market 6.3

## Namibian Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia: Basic Materials	-0.9	18.7	9.3	7.2	15.5	13.2
Namibia: Consumer discretionary	16.8	52.9	48.6	35.0	29.8	13.8
Namibia: Financials	12.7	23.7	41.2	20.4	11.4	10.1
Namibia: Consumer Staples	5.1	9.6	23.7	21.0	11.7	13.0
Namibia: Local	1.7	7.7	8.7	22.3	8.1	12.2
Namibia: Overall	7.1	21.2	26.9	15.4	14.1	10.7
Namibia: IJG ALBI(All Bond)	8.2	13.5	21.0	14.1	12.1	11.1
Namibia: IJG Money Market	2.1	6.3	8.5	7.1	6.4	6.9

# Market Overview

## RSA Headline Indices

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
RSA: All Share	9.6	15.9	23.9	14.7	13.7	9.4
RSA: SWIX	9.6	16.0	25.3	12.0	11.0	7.7
RSA: Capped SWIX	9.6	15.9	25.4	12.4	11.9	7.6
RSA: Top 40 (Large Caps)	8.6	14.6	22.1	14.8	13.9	9.4
RSA: Mid Cap	10.9	17.2	28.9	10.7	10.2	7.5
RSA: Small Cap	15.6	26.6	37.5	18.1	19.3	9.6
RSA: Listed Property	18.7	30.0	51.3	16.0	5.4	4.3
RSA: Resources	-1.1	3.2	3.1	4.2	11.0	5.4
RSA: Industrials 25	11.5	17.9	24.8	16.0	13.7	9.6
RSA: Financial 15	13.9	23.9	39.1	19.3	11.8	9.0
RSA: All Bond Index	10.5	16.7	26.1	11.1	9.8	9.1
RSA: Inflation Linked Bonds	4.7	6.9	13.4	7.9	7.3	5.5
RSA: STeFI Composite (Cash)	2.1	6.3	8.5	6.9	6.1	6.6

## Consumer Price Index

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Namibia CPI	0.3	2.4	3.4	5.3	4.3	—
NAM CPI	0.3	2.4	3.4	5.3	4.3	4.5

## Commodities

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Gold	6.5	19.2	28.6	20.0	15.0	12.7
Platinum	-8.1	-7.2	-2.4	5.4	4.5	1.5
Oil	-22.2	-12.8	-31.6	1.3	5.9	1.3

## International Indices

Currency: South African Rand

	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
USA: S&P 500	-0.1	15.0	24.7	17.1	19.0	18.3
UK: FTSE 100	2.0	8.9	13.0	14.0	10.6	8.7
Japan: Nikkei 225 Average	2.4	7.0	15.6	6.9	10.5	12.8
MSCI Emerging Markets	1.7	7.8	12.4	2.3	5.9	5.9
MSCI World	0.5	12.4	21.7	14.7	16.5	15.4
MSCI All Country World	0.7	12.2	21.1	13.6	15.6	14.7
USA: DJ Industrial Average	2.6	7.4	17.9	15.1	14.7	16.9

## Global Fixed Income

Currency: South African Rand

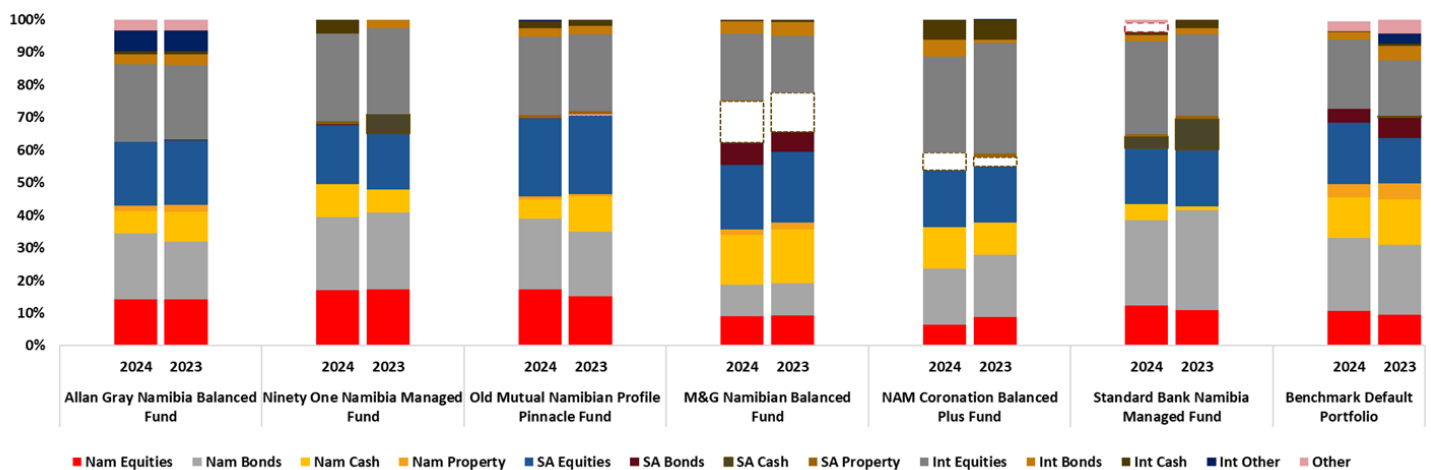
	Current Quarter	YTD	1 Year	3 Years	5 Years	10 Years
FTSE World Government Bond Index	-0.1	-2.4	0.6	2.7	2.3	4.4
ICE BofA 0-3 M US Trsy Bill TR USD	-4.3	-1.9	-3.5	8.4	5.0	6.0
ICE BofA 3-6 M US Trsy Bill TR USD	-4.3	-1.9	-3.4	8.3	5.0	6.1
FTSE WGBI USD	0.9	-3.2	1.6	0.0	0.5	4.2



## Performance Comparison

### Moderate Risk Portfolios

#### Asset Allocation as at 30 September 2024 as compared to 30 September 2023



**Notes 30 September 2024:**

- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property, Hedged Equity and Commodities.
- NAM Coronation Balanced: Other represents Commodities and preference shares and International Other represents property and commodities.
- 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.
- Negative allocation to an asset class is represented by dashed bars.

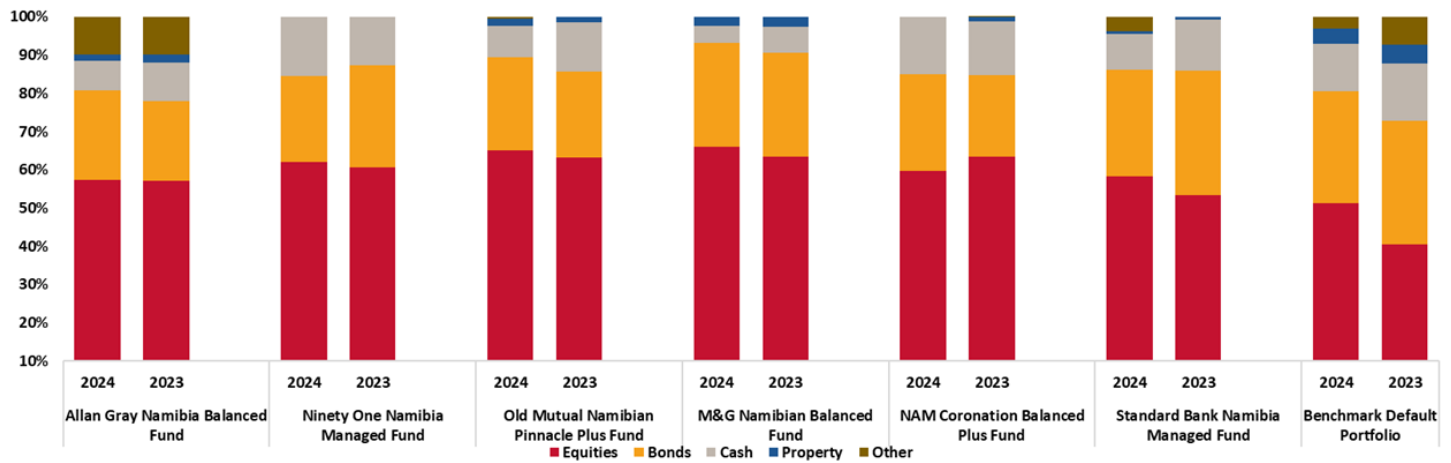
**Notes 30 September 2023:**

- Allan Gray: International Other represents Property, Hedged Equity & Commodities
- Allan Gray: Other represents SA and Namibia Commodities
- Allan Gray: International Equity represents Net Equity
- Default: International Other represents Property, Hedged Equity and Commodities.
- NAM Coronation Balanced Plus: Other represents Commodities and International Other represents Property.
- 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.
- Negative allocation to an asset class is represented by dashed bars.

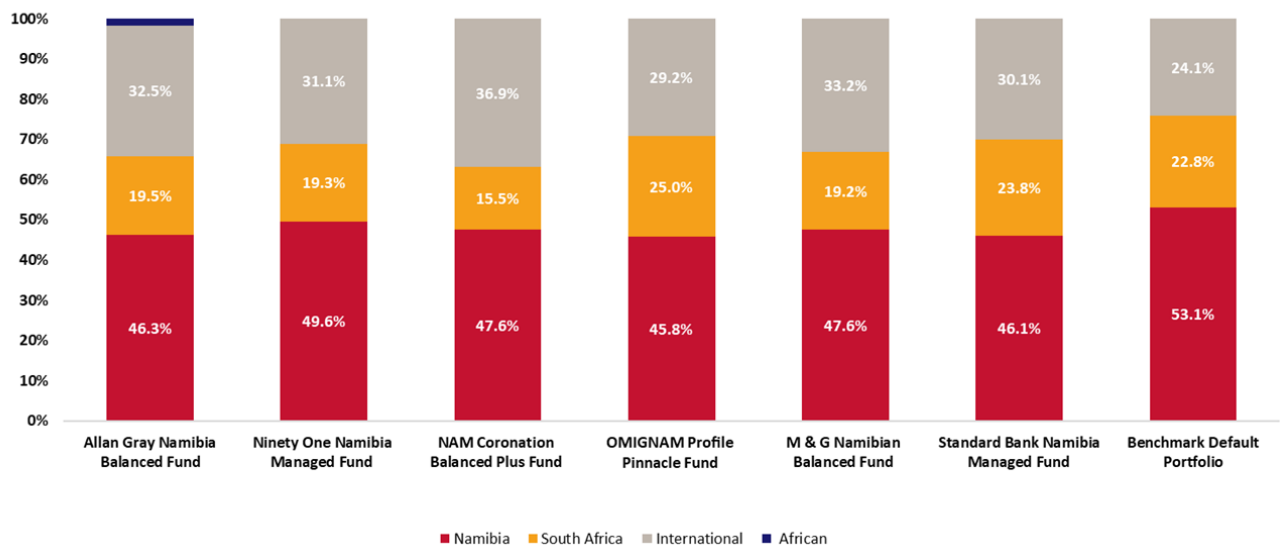
## Performance Comparison

### Moderate Risk Portfolios

#### Asset Allocation as at 30 September 2024 as compared to 30 September 2023



#### Geographical Split as at 30 September 2024:



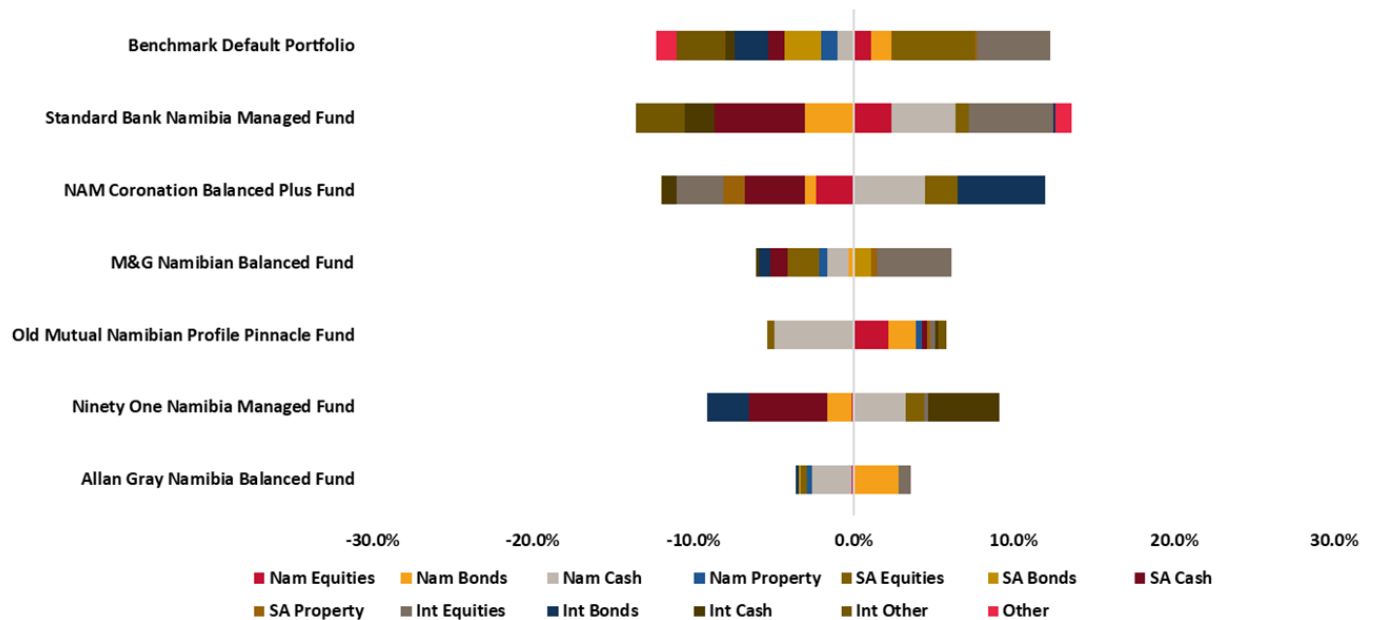
Notes:  
Allan Gray: 1.7% African

## 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 **30 September 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.



Over the past year, the Standard Bank Managed Fund underwent the most significant portfolio changes. The fund shifted assets from Namibian bonds, South African and international cash to Namibian cash, Namibian, South African, and international equities. This reallocation likely responded to the attractiveness of Namibian cash and the strong performance of the equity asset class. The Nam Coronation Balanced Fund also saw notable changes, in increasing its allocation to Namibian cash and international bonds while slightly decreasing its offshore exposure. In contrast, the Benchmark Default Portfolio increased its exposure to South African and international equities, eliminating its allocation to international alternatives. Allan Gray made minimal adjustments, slightly increasing its holding in Namibian bonds while decreasing Namibian cash. Across managers, asset allocation changes were mixed, with no uniform trend observed among Moderate risk portfolios. However, most portfolios reduced their exposure to SA cash and increased their allocation to international equity. It's essential to note that these changes result from both active management decisions and market fluctuations. The combination of manager decisions and market movements contributed to the observed portfolio adjustments.

## Performance Comparison

### Moderate Risk Portfolios

#### Trailing Returns as at 30 September 2024

	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	14.3	13.9	11.1	9.1
NAM Coronation Balanced Plus Fund	21.2	11.7	11.8	8.7
Ninety One Namibia Managed Fund	15.9	10.3	9.6	9.1
Old Mutual Namibian Profile Pinnacle Fund	17.8	11.0	11.0	9.4
Standard Bank Namibia Managed Fund	19.2	9.7	9.2	8.3
M&G Namibian Balanced Fund	17.2	12.0	10.9	9.1
Benchmark Retirement Fund Default Portfolio	15.4	12.5	10.2	8.7
NMG SA Moderate Benchmark	20.2	12.1	11.8	9.6
NMG NAM Moderate Benchmark	20.6	13.4	12.4	10.9
FTSE/JSE All Share TR ZAR	23.9	14.7	13.7	9.4
NAM CPI + 6%	9.6	11.6	10.6	10.8

#### Trailing Returns as at 30 September 2023

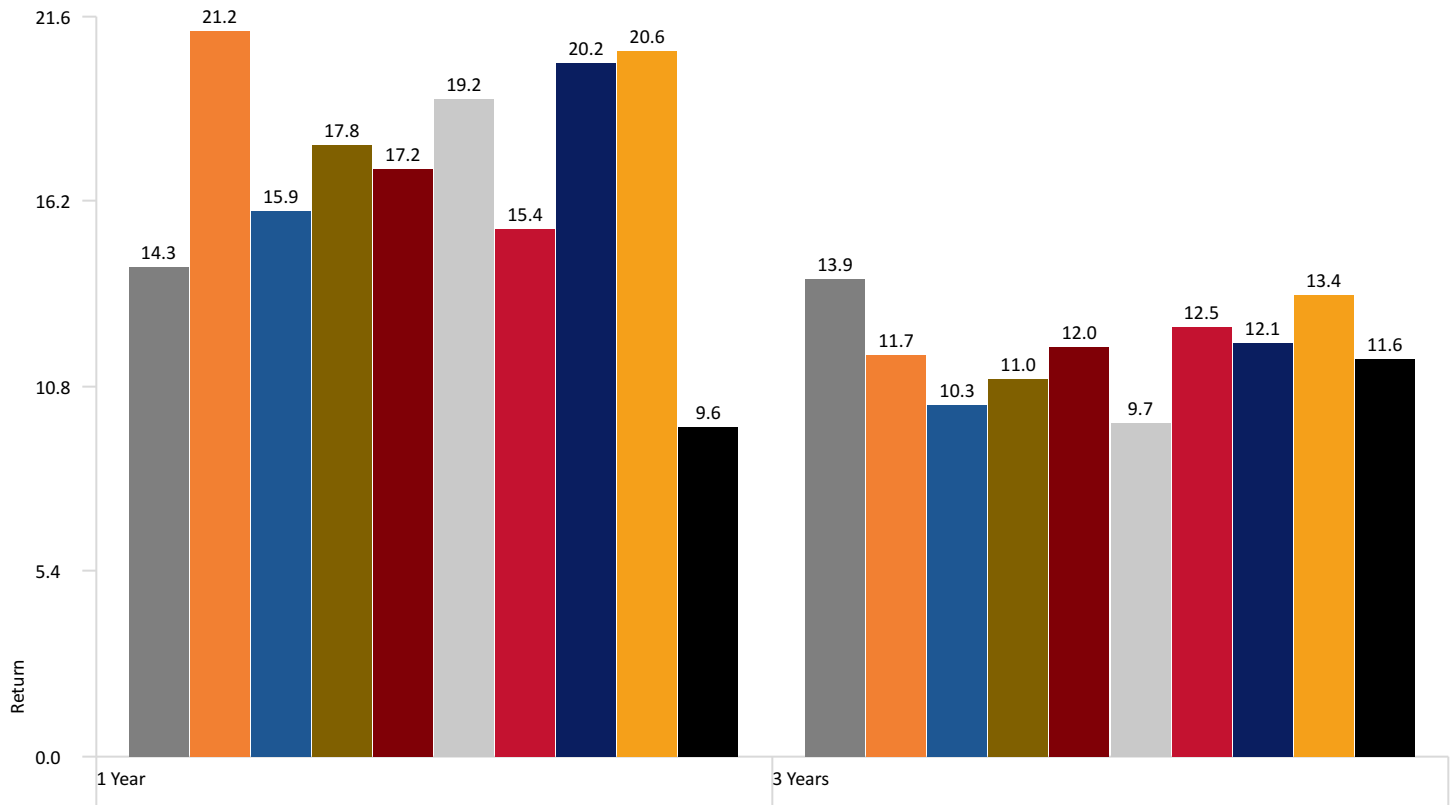
	1 Year	3 Years	5 Years	10 Years
Allan Gray Namibia Balanced Fund	22.9	13.6	8.3	9.3
NAM Coronation Balanced Plus Fund	19.7	12.1	8.3	8.2
Ninety One Namibia Managed Fund	14.0	9.4	7.5	9.1
Old Mutual Namibian Profile Pinnacle Fund	15.7	11.6	8.1	9.1
Standard Bank Namibia Managed Fund	16.9	6.6	6.6	7.6
M&G Namibian Balanced Fund	14.9	12.2	8.1	8.7
Benchmark Retirement Fund Default Portfolio	18.1	11.3	7.8	8.6
NMG SA Moderate Benchmark	13.7	10.8	9.1	9.0
NMG NAM Moderate Benchmark	16.5	11.5	10.2	10.1
FTSE/JSE All Share TR ZAR	17.7	14.5	9.3	8.6
NAM CPI + 6%	11.7	11.6	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.

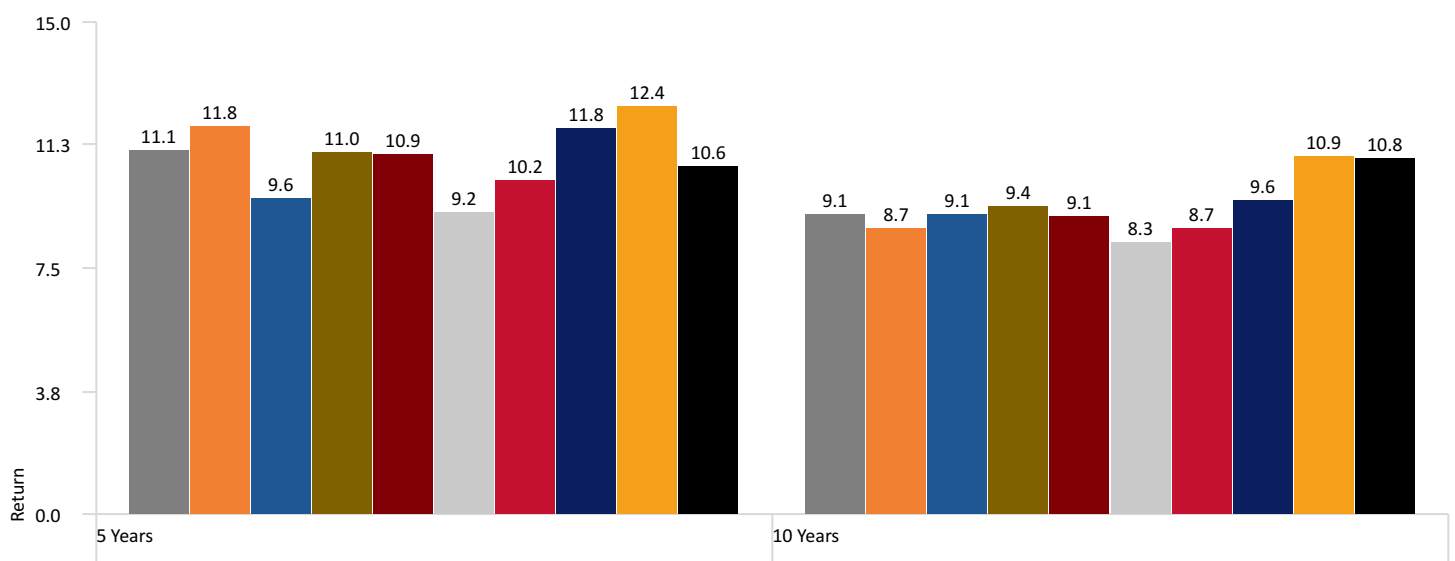
## Performance Comparison

### Moderate Risk Portfolios

#### 1 & 3 year performance for the period ended 30 September 2024



#### 5 & 10 years performance for the period ending 30 September 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
- NMG NAM Moderate Benchmark
- NAM CPI + 6%

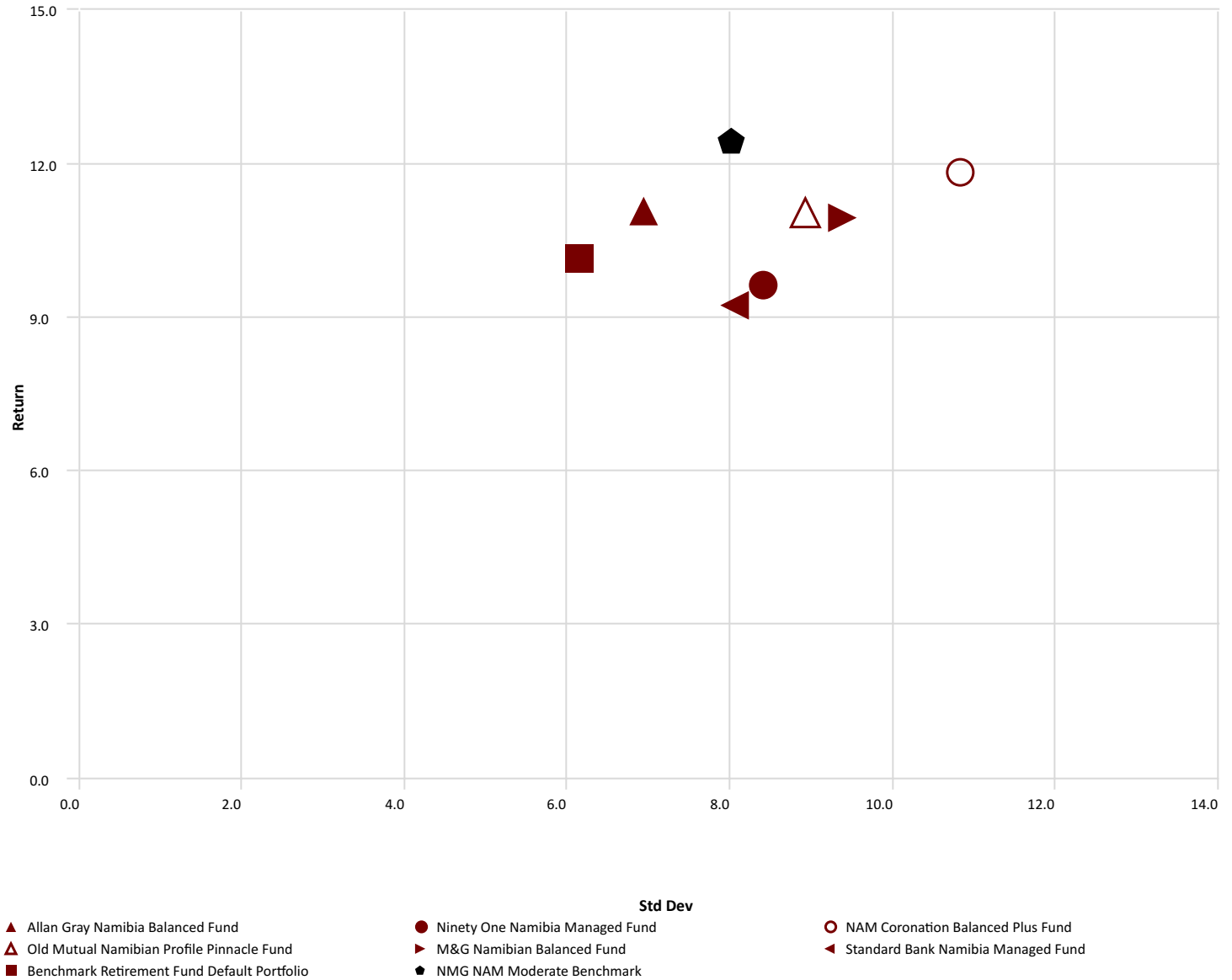
## Performance Comparison

### 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

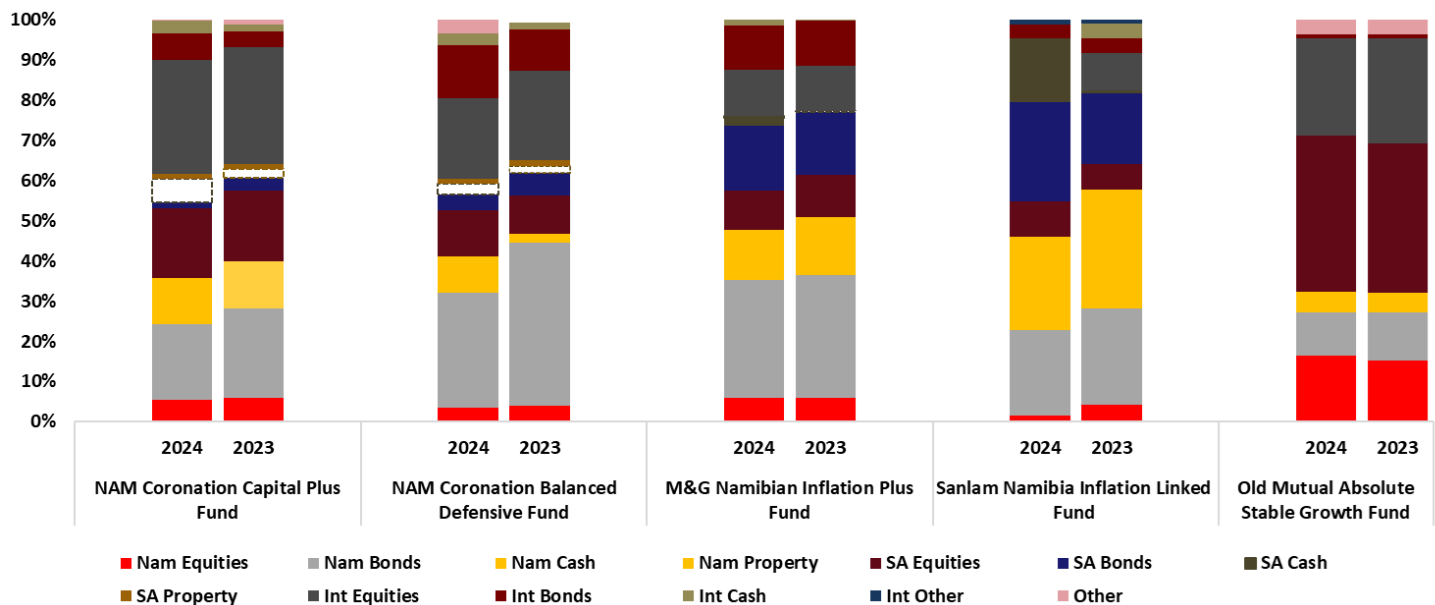
Time Period: 01 October 2019 to 30 September 2024



## Performance Comparison

### Moderate-Low Risk Portfolios

#### Asset Allocation as at 30 September 2024 as compared to 30 September 2023



**Notes 30 September 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

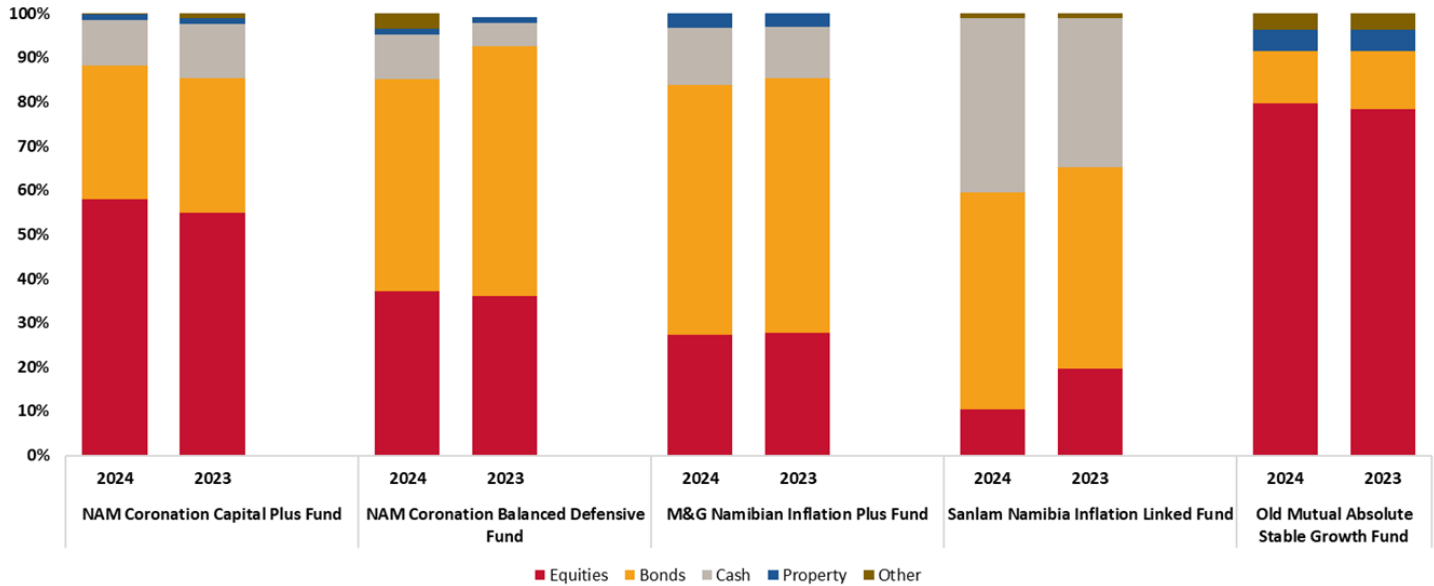
**Notes 30 September 2023:**

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

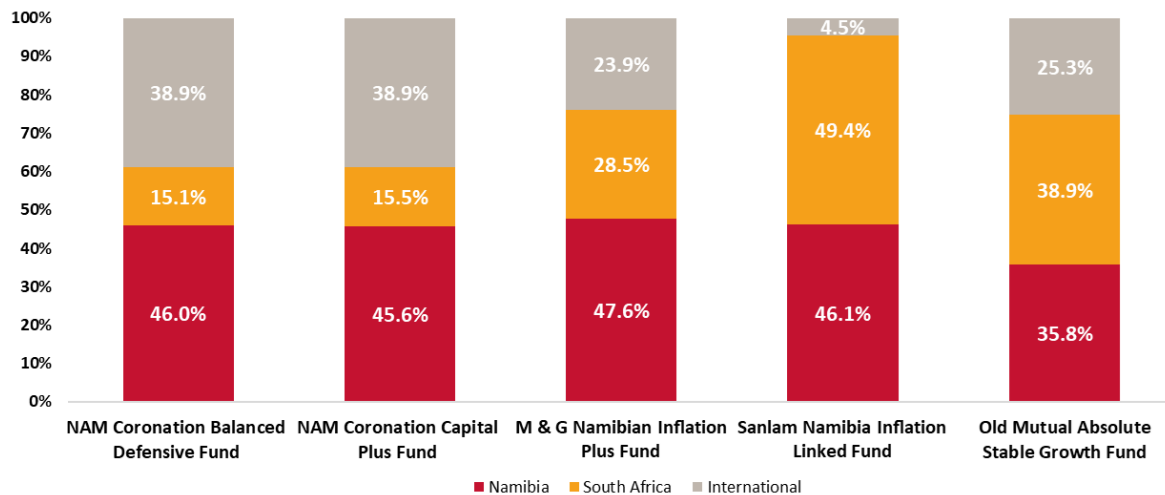
## Performance Comparison

### Moderate-Low Risk Portfolios

Asset Allocation as at 30 September 2024 compared 30 September 2023



### Geographical Split as at 30 September 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

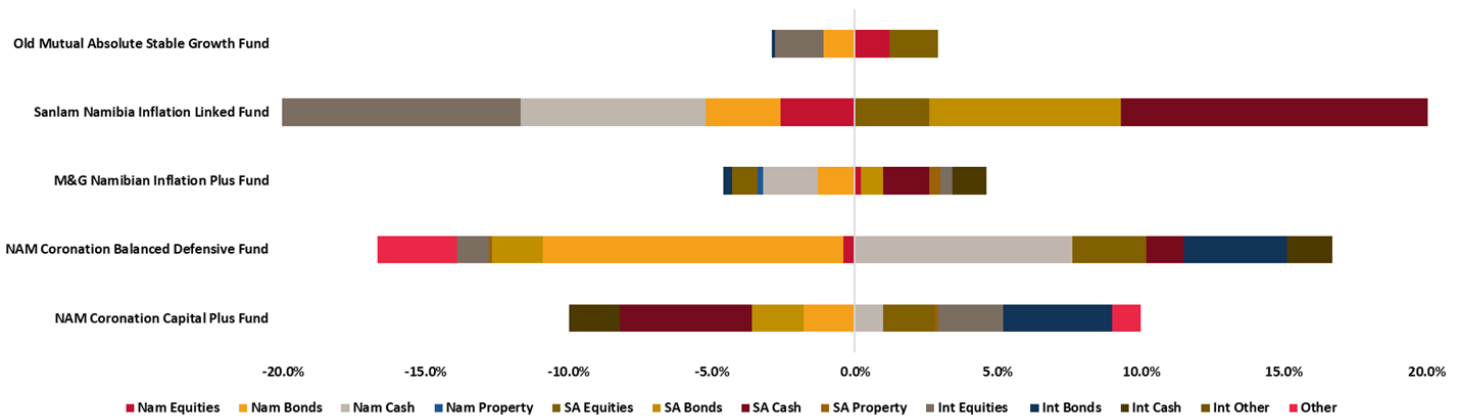


## Performance Comparison

### 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 **30 September 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.



Over the past year, the Sanlam Namibia Inflation Linked Fund underwent the most significant portfolio changes. Its exposure increased to South African equities, bonds, and cash, while decreasing holdings in international equity, Namibian cash, equities, and bonds. Similarly, the NAM Coronation Balanced Defensive Fund made notable adjustments, increasing its allocation to Namibian cash and international bonds, while reducing Namibian bonds. In contrast, the M&G Inflation Plus Fund had minimal changes, with no significant movements observed. Despite varied strategies, a common trend emerged, all managers had a reduced allocation to Namibian bonds over the past year. It's essential to note that these changes result from a combination of active management decisions and market fluctuations, rather than solely from manager decisions.

## Performance Comparison

### Moderate-Low Risk Portfolios

#### Trailing Returns as at 30 September 2024

	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	14.3	9.7	8.8	7.9
NAM Coronation Capital Plus Fund	16.7	9.5	9.2	7.3
M&G Namibian Inflation Plus Fund	14.7	10.6	9.0	8.3
Sanlam Namibia Inflation Linked Fund	15.8	10.2	8.9	8.4
Old Mutual Absolute Stable Growth Fund	11.2	11.2	8.8	8.5
NMG NAM Mod Conservative Benchmark	18.6	12.2	11.1	9.9
NAM CPI + 4%	7.5	9.5	8.5	8.7

#### Trailing Returns as at 30 September 2023

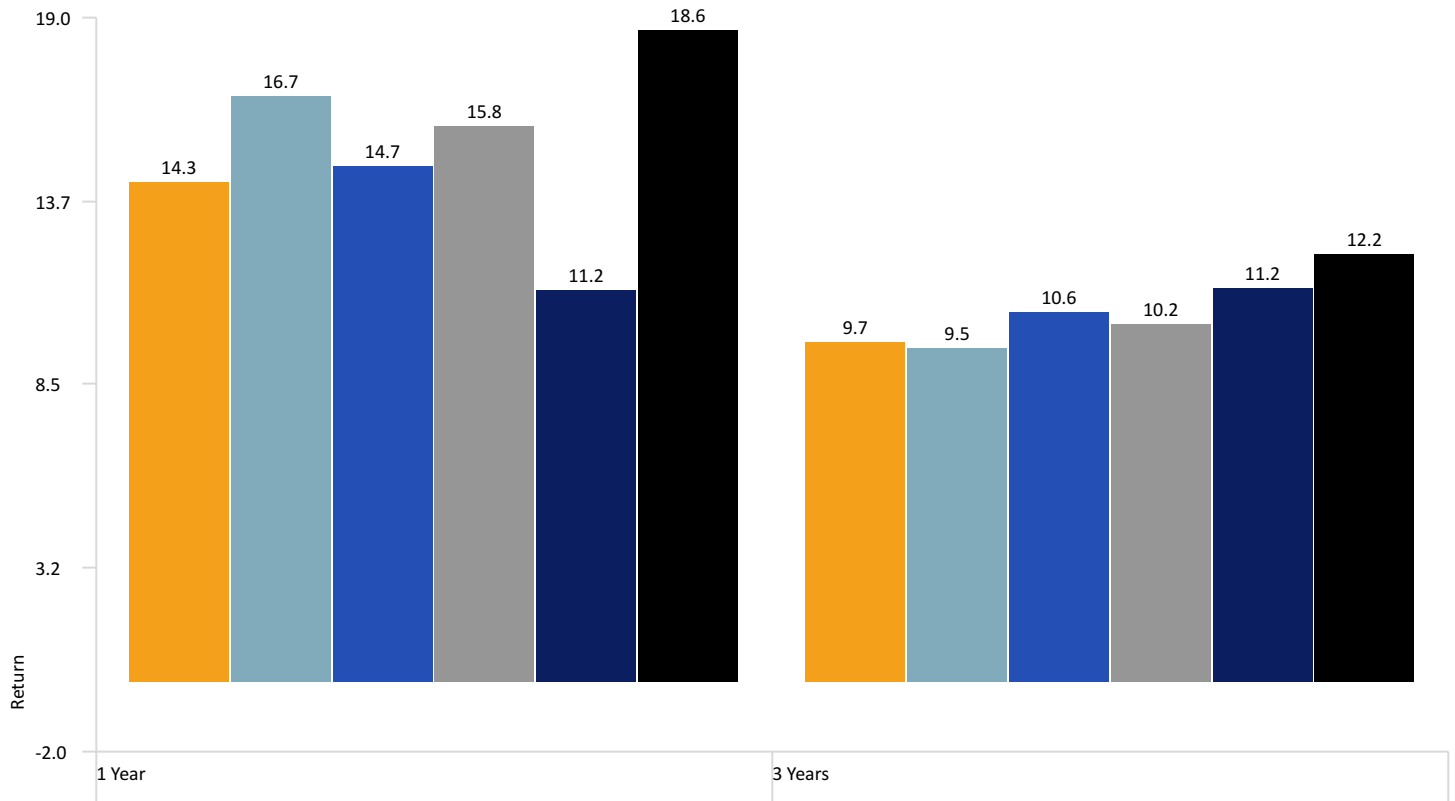
	1 Year	3 Years	5 Years	10 Years
NAM Coronation Balanced Defensive Fund	13.7	9.0	7.4	7.7
NAM Coronation Capital Plus Fund	15.2	9.1	7.1	6.8
M&G Namibian Inflation Plus Fund	11.9	10.0	7.4	8.1
Sanlam Namibia Inflation Linked Fund	14.0	7.7	7.2	8.0
Old Mutual Absolute Stable Growth Fund	10.6	11.4	7.4	9.1
NMG NAM Mod Conservative Benchmark	13.4	10.0	9.4	9.0
NAM CPI + 4%	9.6	9.5	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.

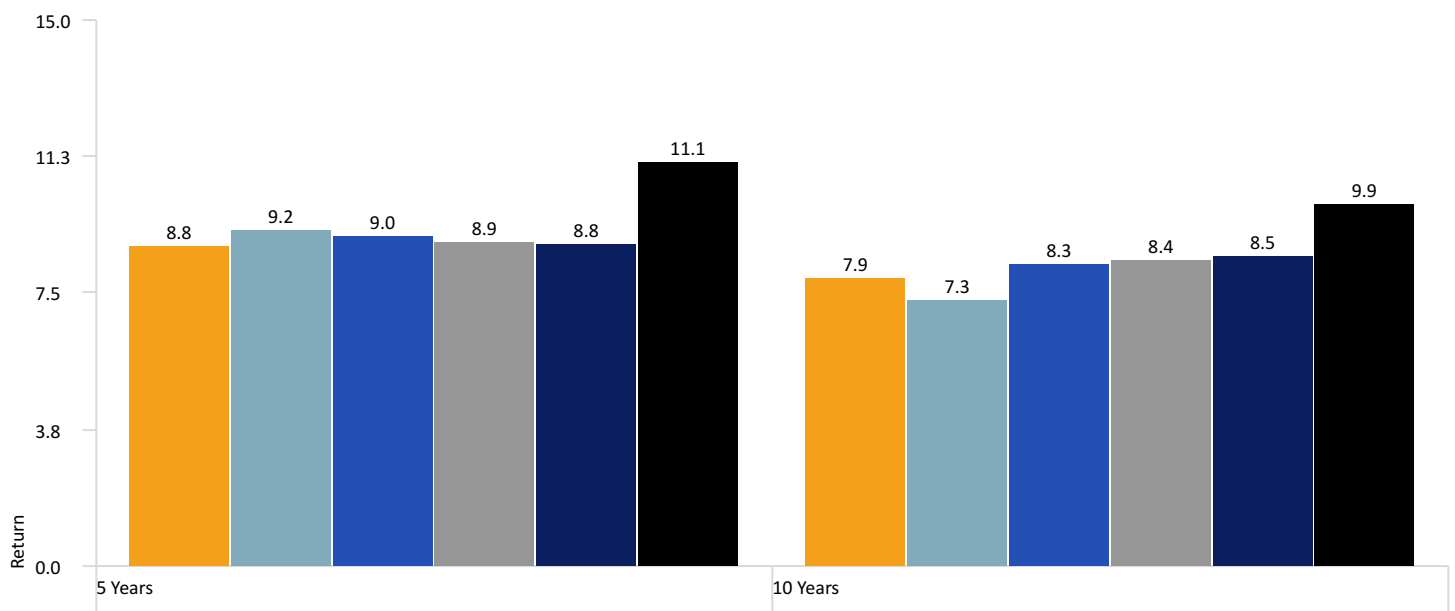
## Performance Comparison

### Moderate-Low Risk Portfolios

#### 1 & 3 year performance for the period ended 30 September 2024



#### 5 & 10 years performance for the period ended 30 September 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

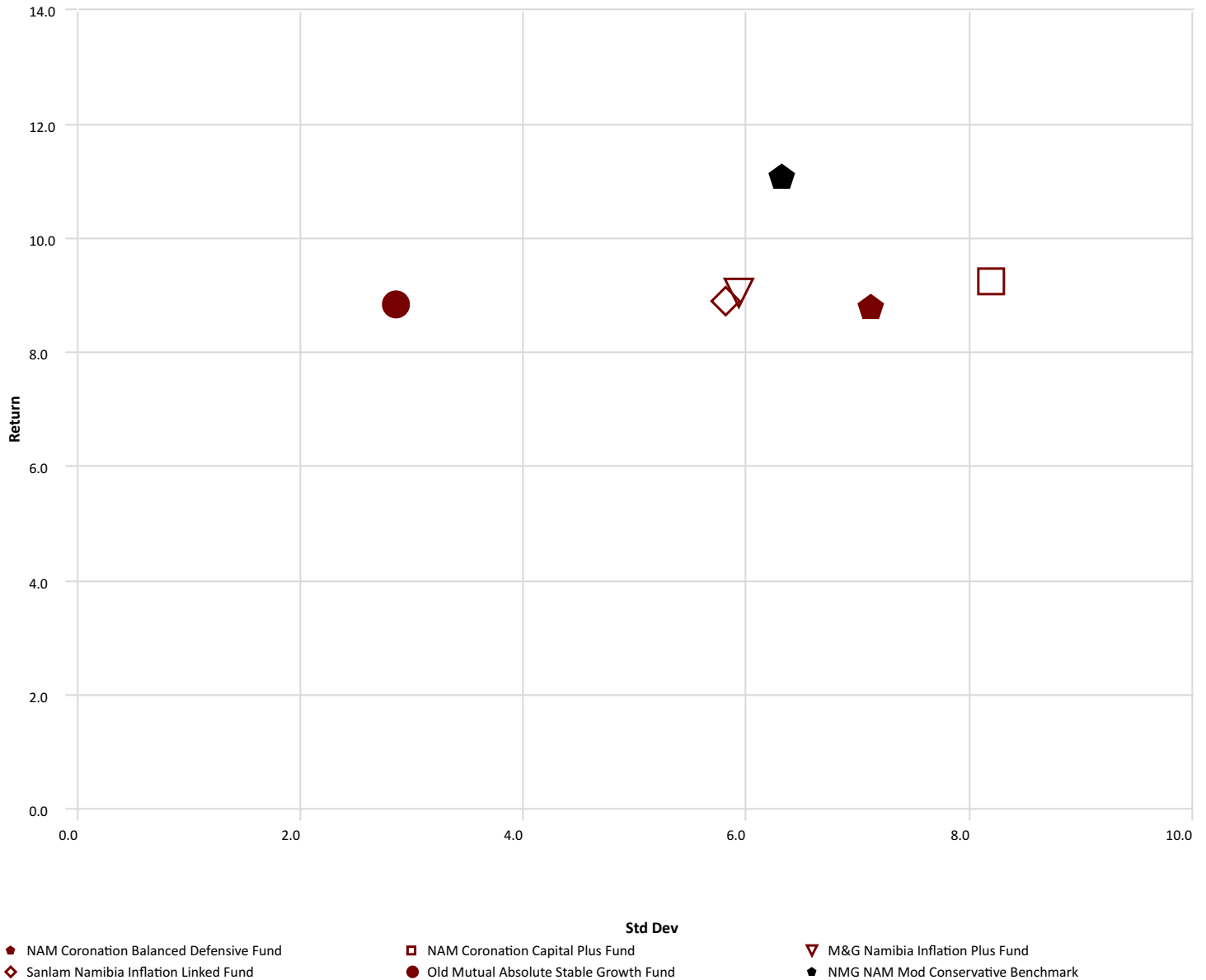
## Performance Comparison

### 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

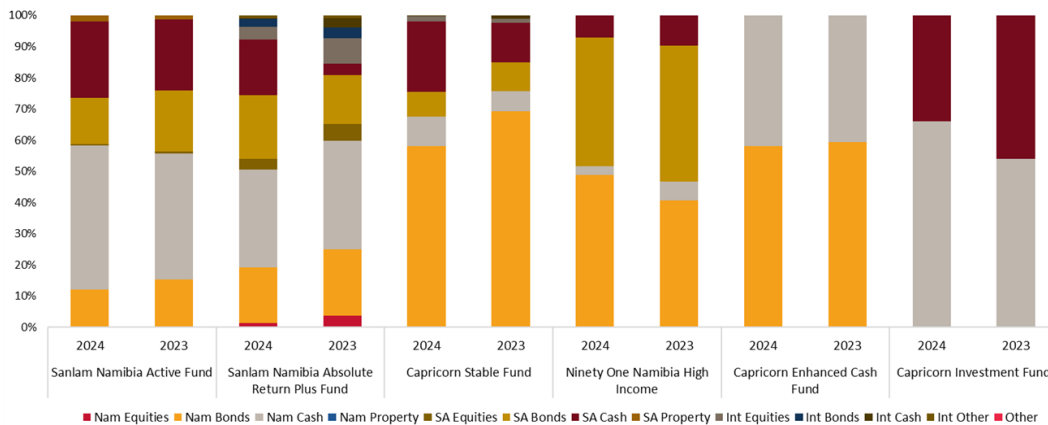
Time Period: 01 October 2019 to 30 September 2024



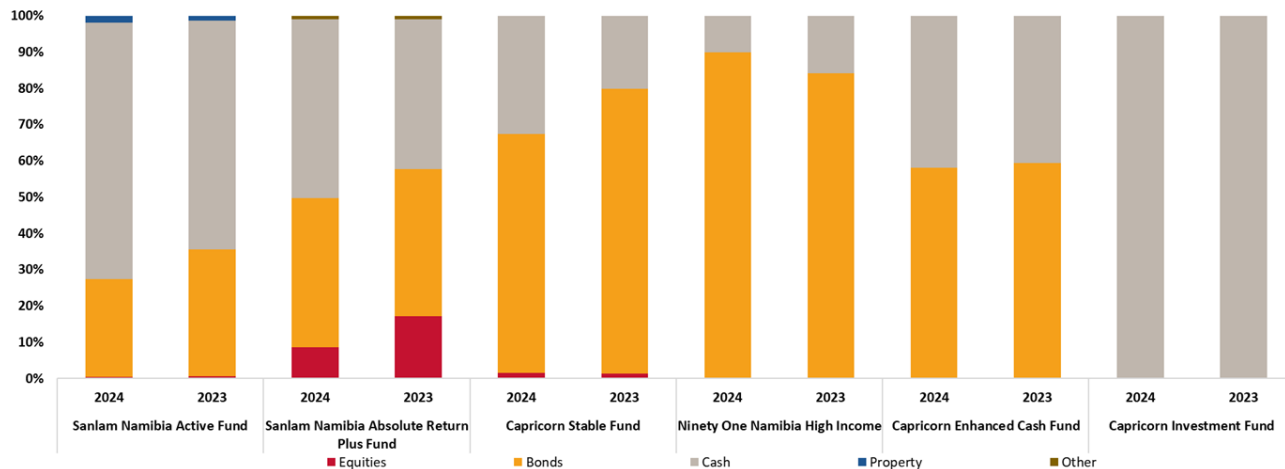
## Performance Comparison

### Low Risk and Capital Preservation Portfolios

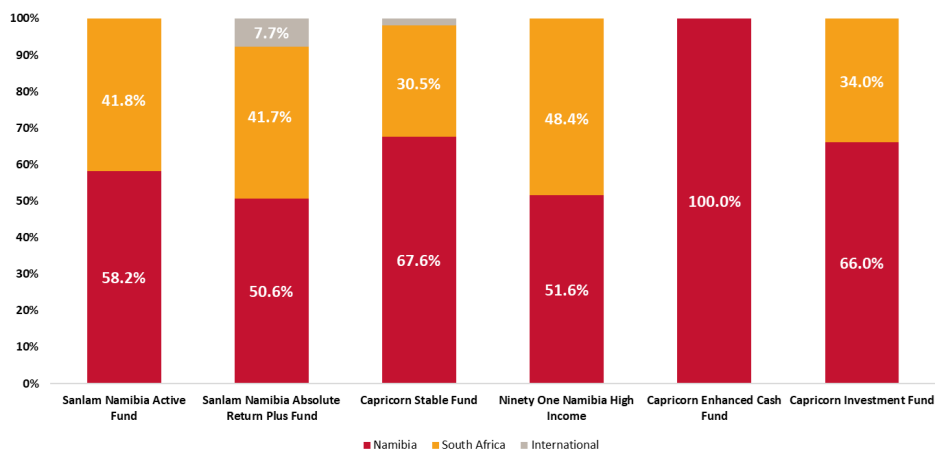
#### Asset Allocation as at 30 September 2024 as compared to 30 September 2023



The total Namibian exposure is 58.2% for the Sanlam Namibia Active Fund. The Capricorn Stable fund is a multi-asset low risk fund. 67.6% 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 50.6% exposure to Namibian assets.



#### Geographical Split as at 30 September 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 30 September 2024

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	12.7	8.3	7.2	7.7
Sanlam Namibia Absolute Return Plus Fund**	15.0	8.8	7.6	7.9
Capricorn Stable Fund*	14.5	13.4	10.8	—
Ninety One Namibia High Income Fund***	10.8	8.5	7.5	7.4
Capricorn Enhanced Cash Fund***	9.1	7.4	7.1	7.8
NAM CPI + 1%	4.4	6.3	5.4	5.6
NAM CPI + 2%	5.5	7.4	6.4	6.6
FTSE/JSE ALB 1-3 Yr TR ZAR	12.5	8.2	8.0	8.1

\*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 30 September 2023

	1 Year	3 Years	5 Years	10 Years
Sanlam Namibia Active Fund	8.1	6.3	6.4	7.2
Sanlam Namibia Absolute Return Plus Fund**	6.2	5.9	6.1	7.6
Capricorn Stable Fund*	13.6	11.1	9.6	—
Ninety One Namibia High Income Fund***	9.4	6.4	7.1	6.8
Capricorn Enhanced Cash Fund***	7.4	6.3	7.1	7.6
NAM CPI + 1%	6.4	6.4	5.4	5.8
NAM CPI + 2%	7.5	7.4	6.4	6.8
FTSE/JSE ALB 1-3 Yr TR ZAR	8.8	5.4	7.6	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 30 September 2024

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	9.1	7.5	6.7	7.0
NAM CPI	3.4	5.3	4.3	4.5
IJG Money Market GR NAD	8.5	7.1	6.4	6.9

#### Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	10 Years
Capricorn Investment Fund	7.9	5.9	6.3	6.7
NAM CPI	5.4	5.3	4.3	4.7
IJG Money Market GR NAD	7.7	5.7	6.2	6.7

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 30 September 2024

	1 Year	3 Years	5 Years	01 January 2016 - 30 September 2024
Allegrow Fund*	-8.0	1.5	-4.0	-0.9
Caliber Capital Fund (A)	10.8	9.5	8.6	7.6
IJG Frontier Investment Fund**	-24.2	-6.2	-6.6	-6.2
Stimulus	0.1	4.6	3.6	3.5
<b>NAM CPI + 4.5%</b>	<b>8.0</b>	<b>10.0</b>	<b>9.0</b>	<b>9.5</b>

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.

\*\*Fair value adjustment in September 2024.

#### Trailing Returns as at 30 September 2023

	1 Year	3 Years	5 Years	01 January 2016 - 30 September 2023
Allegrow Fund	13.5	-4.3	-2.4	0.1
Caliber Capital Fund (A)	10.3	8.0	8.4	7.2
IJG Frontier Investment Fund	0.7	6.5	-4.5	-3.5
Stimulus	12.7	5.2	5.3	4.0
<b>NAM CPI + 4.5%</b>	<b>10.1</b>	<b>10.0</b>	<b>9.0</b>	<b>9.7</b>

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:

<b>Assumed NET Contributions towards retirement i.e. AFTER all costs for risk and administration etc. (as % of pensionable salary)</b>					
<b>Assumed Investment Return for 30 years before retirement (after fees)</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>
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.