

**BENCHMARK RETIREMENT FUND
SUMMARY OF THE 31 DECEMBER 2017
STATUTORY ACTUARIAL VALUATION REPORT**

Introduction

1. We have been asked to carry out a statutory actuarial valuation of the Benchmark Retirement Fund (“the Fund”) for the year ending 31 December 2017.
2. The previous statutory actuarial valuation of the Fund was carried out by us as at 31 December 2016.
3. Each annual statutory actuarial valuation report is submitted to Namfisa.

Purpose of the valuation

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

Financially significant changes during the year

Rules

5. There were no amendments to the Fund’s general rules during the year.

Participating employers

6. 4 participating employers (164, 166, 167 and 168) joined the Fund during the year. Special rules were registered in respect of these new participating employers.

7. A further participating employer (171), referred to in the general rules as a participating employer with previous fund structure (PEWPFS) joined the Fund during the year. This is the first PEWPFS to join the Fund. We carried out an actuarial valuation of the participating employer's portion of the Fund as at 31 December 2017 and confirm that the PEWPFS sub-fund is financially sound.
8. Section 14 transfer payments were received for participating employers 62 and 171 during the year.
9. Participating employers 39 and 62 allocated portions of their Employer Reserve Account to their members' Shares during the year.
10. Participating employer 156 was on a partial contribution holiday during the year.

Other

11. The Fund introduced a Default Life Annuity option with effect from 1 May 2015. The first 2 life annuitants commenced under this option during the year.

Investments during the year

12. Participating employers, the small employers group (SEG), individual members and living annuitants can elect to invest their Shares and Employer Reserve Accounts in a range of 17 investment portfolios. Survivor annuitants are invested in the Old Mutual Absolute Stable Growth Portfolio.
13. To comply with Regulation 29, the Fund has invested in 3 special purpose vehicles that invest in unlisted investments. The special purpose vehicles are the Allegrow Fund, the Caliber Capital Fund and the IJG Frontier Investment Fund.
14. The unlisted investments are combined proportionately with each of the main investment portfolios offered by the Fund. The exceptions are the Money Market Fund, the Old Mutual Namibia Absolute Growth Portfolio, the Old Mutual Namibia Profile Pinnacle Fund and the Sanlam Namibia Active Fund.
15. As at 31 December 2017, the unlisted investment made up about 1.5% of each of the investment portfolios. For the purposes of this report, we include the unlisted investments with each of the main investment portfolios.
16. The 17 investment portfolios that were utilised during the year, and the investment return earned during the year, are shown in the following table:

| Investment returns (gross of Fund fees and levies) | |
|---|------------------------------------|
| Investment portfolio | Year ending 31 Dec 2017 |
| Allan Gray Namibia Balanced Fund | 10.02% |
| Bank Windhoek: Money Market Fund | 8.58% |
| EMH Prescient Absolute Balanced Fund | 13.58% |
| Investec Managed Namibia Fund | 12.97% |
| NAM Coronation Balanced Plus Fund | 12.59% |
| NAM Coronation Balanced Defensive Fund | 7.93% |
| NAM Coronation Capital Plus Fund | 7.03% |
| OM Namibia Absolute Stable Growth Portfolio | 8.50% |
| OM Namibia Profile Pinnacle Fund | 13.96% |
| Prudential Namibia Inflation Plus Fund | 10.77% |
| Prudential Namibia Balanced Fund | 12.48% |
| Sanlam Namibia Active Fund | 8.61% |
| Sanlam Namibia Inflation Linked Fund | 7.45% |
| Standard Bank Namibia Managed Fund | 12.08% |
| Investec / AG Combined Portfolio ¹ | 11.41% |
| Default Portfolio ² | 9.61% |
| Initial Drawdown Portfolio ³ | 6.86% |

1. Made up of the Allan Gray Namibia Balanced Fund (50%) and the Investec Managed Fund Namibia (50%).
2. Made up of the Allan Gray Namibia Balanced Fund Trust (50%), Prudential Namibia Inflation Plus Fund (25%) and the Sanlam Namibia Inflation Linked Fund.(25%).
3. Made up of the Sanlam Namibia Inflation Linked Fund (100%).

17. No investment portfolios were added or removed during the year.

Investment based fees

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

Valuation information

19. The Fund is administered by Retirement Fund Solutions (Pty) Ltd who supplied us with the information and data set out below.

20. The following documents were examined:

- 20.1 The revised general rules of the Benchmark Retirement Fund and the special rules of each participating employer of the Fund;
- 20.2 The Fund's audited financial statements for the year ending 31 December 2017;
- 20.3 The detailed trial balance underlying the audited financial statements;

- 20.4 The quarterly investment reports prepared by the Fund's investment consultants;
 - 20.5 The monthly unit prices and portfolio values determined by the Fund's external investment administrator;
 - 20.6 The statutory actuarial valuation report of the Fund as at 31 December 2016; and
 - 20.7 The individual member application forms for 20 randomly selected SEG members, individual members, living annuitants and survivor annuitants.
21. The following data was examined:
- 21.1 In respect of each participating employer, records of every active member as well as of members who had exited in the past year;
 - 21.2 A record of each SEG member's, individual member's, living annuitant's and survivor annuitant's Share and the underlying investment portfolios;
 - 21.3 In respect of each participating employer, a summary of the contribution allocation to retirement and risk benefits and administration expenses;
 - 21.4 A schedule setting out the monthly unit price of each investment portfolio; and
 - 21.5 Schedules setting out the monthly investment returns and balances for each investment portfolio manager showing the investment return achieved by the Fund and the investment return allocated to the Fund's various accounts.
22. The Fund's detailed balance sheet as at 31 December 2017 is set out in Appendix 3.

Fund accounts

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

PEWPFS

24. In the case of a PEWPFS, there are additional accounts and reserves within the Employer Reserve Account. For the purpose of the valuation the entire accounts and reserves in respect of the PEWPFS are treated as a single liability.

Members' Share Account

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

Employer Reserve Account

28. Participating employers' contributions towards reserves are paid into the Employer Reserve Account. This account is designed to absorb the impact of unfavourable

experience and may consist of an investment, risk and data reserve. Unallocated surplus attributable to the participating employers is also transferred into this account.

Living Annuity Account

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

Survivor Annuity Account

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

Default Life Annuity Account

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

General Reserve Account

34. The General Reserve Account represents all residual monies in the Fund that are not allocated to a particular member, participating employer, living annuitant or survivor annuitant.
35. The Fund's assets and accounts (liabilities) as at 31 December 2017 and 31 December 2016 are set out below:

| | N\$ | |
|---------------------------------------|----------------------|----------------------|
| | 31 Dec 2016 | 31 Dec 2016 |
| Market value of assets | 2 681 517 879 | 2 047 693 291 |
| PEWPFS Account and Reserves | 290 559 279 | 0 |
| Members' Share Account | 1 934 909 621 | 1 721 071 203 |
| - Participating employers | 1 343 414 774 | 1 182 366 418 |
| - SEGs | 158 568 985 | 128 299 984 |
| - Individual members | 432 925 862 | 410 404 801 |
| Employer Reserve Account | 11 885 411 | 11 454 436 |
| Living Annuity Account | 389 488 287 | 298 335 740 |
| Survivor Annuity Account | 46 034 388 | 9 084 665 |
| General Reserve Account | <u>8 640 893</u> | <u>7 747 247</u> |
| Total liabilities and reserves | 2 681 517 879 | 2 047 693 291 |

Summary of the valuation findings

36. We have carried out a statutory actuarial valuation of the Benchmark Retirement Fund as at 31 December 2017.
37. We are satisfied that the data and supporting information provided to us is appropriate for the purposes of the valuation.
38. Based on our valuation, we confirm the following:
 - 38.1 The Fund is administered in terms of the general rules of the Fund and the special rules of the participating employers;
 - 38.2 The Share Account, Living Annuity Account, Survivor Annuity Account, Employer Reserve Account and the General Reserve Account established by the rules are maintained correctly;
 - 38.3 The investments of the Fund are well matched to the Fund's liabilities;
 - 38.4 Expense deductions and contributions toward risk benefits are made in terms of the Fund's rules and the special rules of the participating employers and in accordance with the service level agreement;
 - 38.5 Ad-hoc expenses are met from the General Reserve Account and the General Reserve Account balance of 0.32% of the Fund's assets is reasonable; and
 - 38.6 The Fund complies with legislation and service level agreements.
39. We wish to thank the administrator for their assistance in supplying us with the relevant information and assisting us with our queries.
40. The Fund is in a financially sound position as at the valuation date.



COLIN HENDRIKS (FASSA)

ACTUARY

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

Primary professional regulator: ASSA

9 October 2018

APPENDICES

APPENDIX 1: PARTICIPATING EMPLOYERS

- A1.1. In order to confirm each participating employers' Share Account balance, we estimated the individual members' Shares based on the member data and investment portfolio returns supplied by the administrator. These estimates were successfully compared to each member's Share shown in the data as at the valuation date.
- A1.2. The individual estimates were then summed to obtain a Share Account estimate for each participating employer. The estimates and the actual Share Account shown in the financial statements as at 31 December 2017 are compared below. The Employer Reserve Accounts as at the valuation date are also set out below.

| Employer Code | Share Account as at 31 December 2017 (N\$) | | AFS / Data (%) | Employer Reserve Account (N\$) |
|---------------|--|-------------------------|----------------|--------------------------------|
| | Per financial statements | Estimated based on data | | |
| 6 | 18 665 190 | 18 665 188 | 100% | 393 370 |
| 12 | 26 357 106 | 26 357 108 | 100% | 322 779 |
| 14 | 15 551 959 | 15 551 964 | 100% | 253 220 |
| 23 | 58 537 734 | 58 537 641 | 100% | 805 359 |
| 34 | 56 502 644 | 56 502 643 | 100% | 989 310 |
| 36 | 34 378 719 | 34 378 721 | 100% | 74 718 |
| 39 | 33 526 937 | 33 526 937 | 100% | 17 262 |
| 43 | 0 | 0 | 100% | 158 503 |
| 44 | 45 172 790 | 45 172 790 | 100% | 1 037 185 |
| 49 | 49 144 662 | 49 144 666 | 100% | 133 060 |
| 53 | 5 991 196 | 5 991 197 | 100% | 126 488 |
| 54 | 30 493 217 | 30 493 217 | 100% | 1 299 507 |
| 56 | 5 103 906 | 5 103 906 | 100% | 164 430 |
| 57 | 32 696 382 | 32 696 380 | 100% | 1 689 |
| 62 | 14 768 457 | 14 768 453 | 100% | 84 059 |
| 63 | 17 097 003 | 17 096 998 | 100% | 233 953 |
| 65 | 12 562 641 | 12 562 637 | 100% | 108 769 |
| 66 | 17 476 632 | 17 476 637 | 100% | 3 657 |
| 67 | 52 804 981 | 52 804 980 | 100% | - 20 751 |
| 69 | 31 921 687 | 31 921 689 | 100% | 80 345 |
| 74 | 21 594 863 | 21 605 512 | 100% | 211 472 |
| 75 | 24 994 965 | 24 994 966 | 100% | 706 740 |
| 99 | 17 145 847 | 17 145 849 | 100% | 348 612 |
| 103 | 6 432 189 | 6 432 189 | 100% | - 1 083 |
| 104 | 10 344 782 | 10 344 779 | 100% | 83 074 |
| 105 | 62 626 813 | 62 626 812 | 100% | 7 726 |
| 107 | 34 306 236 | 34 306 234 | 100% | 783 738 |
| 108 | 18 387 551 | 18 387 542 | 100% | 9 970 |
| 109 | 13 408 000 | 13 408 000 | 100% | 273 707 |
| 110 | 49 116 872 | 49 116 400 | 100% | 658 364 |
| 114 | 69 622 965 | 69 622 968 | 100% | - 18 850 |
| 115 | 20 541 751 | 20 541 749 | 100% | 52 591 |
| 117 | 25 571 513 | 25 571 508 | 100% | 67 654 |

| Employer Code | Share Account as at 31 December 2017 (N\$) | | AFS / Data (%) | Employer Reserve Account (N\$) |
|---------------|--|-------------------------|----------------|--------------------------------|
| | Per financial statements | Estimated based on data | | |
| 118 | 1 678 831 | 1 678 831 | 100% | 6 978 |
| 119 | 11 077 678 | 11 077 678 | 100% | 112 909 |
| 120 | 19 367 816 | 19 367 817 | 100% | 60 970 |
| 121 | 44 570 303 | 44 570 300 | 100% | 794 386 |
| 122 | 31 805 386 | 31 805 391 | 100% | 325 227 |
| 125 | 19 415 757 | 19 415 756 | 100% | 29 842 |
| 127 | 22 836 744 | 22 836 739 | 100% | 183 861 |
| 129 | 10 206 317 | 10 206 317 | 100% | 7 283 |
| 135 | 11 909 105 | 11 909 101 | 100% | 7 518 |
| 137 | 10 298 437 | 10 298 437 | 100% | 7 249 |
| 138 | 12 050 736 | 12 050 736 | 100% | 85 329 |
| 139 | 66 633 711 | 66 633 710 | 100% | 409 205 |
| 142 | 33 799 048 | 33 799 047 | 100% | 74 097 |
| 153 | 3 922 075 | 3 922 075 | 100% | 10 226 |
| 154 | 2 855 604 | 2 855 603 | 100% | 4 123 |
| 156 | 67 715 037 | 67 715 037 | 100% | 277 367 |
| 157 | 15 209 700 | 15 209 700 | 100% | 7 838 |
| 158 | 1 332 628 | 1 332 625 | 100% | 4 818 |
| 160 | 5 523 473 | 5 523 473 | 100% | 55 397 |
| 163 | 10 583 122 | 10 583 122 | 100% | - 12 766 |
| 164 | 5 663 738 | 5 663 738 | 100% | - 17 245 |
| 166 | 453 770 | 453 770 | 100% | 137 |
| 167 | 1 301 102 | 1 301 102 | 100% | 0 |
| 168 | <u>356 466</u> | <u>356 466</u> | <u>100%</u> | <u>35</u> |
| Total | 1 343 414 774 | 1 343 424 834 | 100% | 11 885 411 |

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

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

| Age band | Number | Shares (N\$) ¹ | | Annual salaries (N\$) | | Average service (yrs) |
|----------------|--------------|---------------------------|------------------|-----------------------|----------------|-----------------------|
| | | Total | Average | Total | Average | |
| Females | | | | | | |
| 15 - 19 | 5 | 28 128 | 5 626 | 246 921 | 49 384 | 0.85 |
| 20 - 24 | 222 | 4 048 841 | 18 238 | 19 518 270 | 87 920 | 1.50 |
| 25 - 29 | 653 | 24 742 095 | 37 890 | 85 170 718 | 130 430 | 2.20 |
| 30 - 34 | 697 | 50 343 781 | 72 229 | 109 664 799 | 157 338 | 3.08 |
| 35 - 39 | 592 | 69 581 155 | 117 536 | 109 708 653 | 185 319 | 3.87 |
| 40 - 44 | 515 | 81 971 511 | 159 168 | 96 616 818 | 187 605 | 4.78 |
| 45 - 49 | 410 | 95 014 177 | 231 742 | 79 625 568 | 194 209 | 5.92 |
| 50 - 54 | 265 | 91 669 585 | 345 923 | 56 753 768 | 214 165 | 7.11 |
| 55 - 59 | 174 | 92 222 031 | 530 012 | 46 319 966 | 266 207 | 7.59 |
| > 60 | <u>46</u> | <u>40 292 507</u> | <u>875 924</u> | <u>14 919 760</u> | <u>324 343</u> | <u>8.46</u> |
| Total | 3 579 | 549 913 811 | 153 650 | 618 545 241 | 172 826 | 4.11 |
| Males | | | | | | |
| 15 - 19 | 11 | 19 446 | 1 768 | 321 226 | 29 202 | 0.59 |
| 20 - 24 | 244 | 2 971 264 | 12 177 | 17 225 657 | 70 597 | 1.39 |
| 25 - 29 | 744 | 24 474 420 | 32 896 | 81 575 465 | 109 644 | 2.26 |
| 30 - 34 | 805 | 62 741 304 | 77 940 | 123 435 882 | 153 336 | 3.29 |
| 35 - 39 | 744 | 85 298 698 | 114 649 | 132 056 016 | 177 495 | 3.99 |
| 40 - 44 | 641 | 113 368 971 | 176 863 | 121 880 285 | 190 141 | 4.60 |
| 45 - 49 | 509 | 111 275 205 | 218 615 | 99 306 990 | 195 102 | 5.62 |
| 50 - 54 | 323 | 151 226 479 | 468 193 | 87 982 387 | 272 391 | 6.84 |
| 55 - 59 | 188 | 150 574 083 | 800 926 | 60 611 796 | 322 403 | 7.53 |
| > 60 | <u>55</u> | <u>74 423 396</u> | <u>1 353 153</u> | <u>20 627 005</u> | <u>375 036</u> | <u>7.53</u> |
| Total | 4 264 | 776 373 266 | 182 076 | 745 022 708 | 174 724 | 4.12 |
| TOTAL | 7 843 | 1 326 287 077 | 169 105 | 1 363 567 949 | 173 858 | 4.12 |

1. The Share reflected above are the actual invested amounts per member as at 31 December 2017. In particular, it excludes the contribution for December 2017 which has not been invested as at 31 December 2017 and excludes any housing loan balances.

APPENDIX 2: SEG MEMBERS, INDIVIDUAL MEMBERS AND ANNUITANTS

- A2.1. We compared the SEG member' and the individual members' Shares as stated in the financial statements to the total of all the SEG members' and the individual members' Shares as stated in the administrators' data.
- A2.2. We compared the pensioners' accounts shown in the financial statements to the total of all the living annuitants' and survivor annuitants' Shares shown in the data. The values tied up to within an acceptable difference.
- A2.3. The following table compares the individual members' Share Account, the SEG members' Share Account and the Living and Survivor Annuity Accounts as per the data with the figures shown in the financial statements as at 31 December 2017:

| | 31 December 2017 (N\$) | | Difference (%) |
|------------------------------------|------------------------|----------------------|----------------|
| | Financial statements | Data | |
| Individual members' Share Account | 432 925 862 | 432 925 862 | 0.0% |
| SEG members' Share Account | 158 568 985 | 158 568 986 | 0.0% |
| Living & Survivor Annuity Accounts | <u>435 522 675</u> | <u>435 522 675</u> | <u>0.0%</u> |
| Total | 1 027 017 522 | 1 027 017 523 | 0.0% |

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

| Age band | Number | Shares (N\$) | |
|--------------|------------|--------------------|-------------------|
| | | Total | Average |
| < 30 | 21 | 1 841 301 | 87 681 |
| 30 - 34 | 40 | 6 615 534 | 165 388 |
| 35 - 39 | 62 | 19 944 859 | 321 691 |
| 40 - 44 | 72 | 38 333 246 | 532 406 |
| 45 - 49 | 112 | 83 955 721 | 749 605 |
| 50 - 54 | 82 | 83 148 154 | 1 014 002 |
| 55 - 59 | 56 | 66 946 841 | 1 195 479 |
| 60 - 64 | 30 | 67 448 438 | 2 248 281 |
| 65 - 69 | 9 | 27 797 695 | 3 088 633 |
| > 70 | <u>2</u> | <u>36 894 072</u> | <u>18 447 036</u> |
| Total | 486 | 432 925 862 | 890 794 |

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

| Age band | Number | Shares (N\$) | |
|--------------|------------|--------------------|----------------|
| | | Total | Average |
| < 25 | 50 | 735 653 | 14 713 |
| 25 - 29 | 176 | 6 098 986 | 34 653 |
| 30 - 34 | 166 | 13 011 433 | 78 382 |
| 35 - 39 | 128 | 15 030 284 | 117 424 |
| 40 - 44 | 105 | 21 471 811 | 204 493 |
| 45 - 49 | 104 | 28 085 384 | 270 052 |
| 50 - 54 | 78 | 37 741 825 | 483 870 |
| 55 - 59 | 33 | 6 076 460 | 184 135 |
| 60 - 64 | 19 | 22 998 956 | 1 210 471 |
| > 70 | <u>8</u> | <u>7 318 193</u> | <u>914 774</u> |
| Total | 867 | 158 568 986 | 182 894 |

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

| Age band | Number | Shares (N\$) | |
|--------------|------------|--------------------|------------------|
| | | Total | Average |
| <55 | 5 | 9 507 815 | 1 901 563 |
| 55 - 59 | 31 | 60 572 566 | 1 953 954 |
| 60 - 64 | 70 | 137 539 865 | 1 964 855 |
| 65 - 69 | 56 | 109 425 798 | 1 954 032 |
| 70 - 74 | 21 | 57 948 342 | 2 759 445 |
| 75 - 79 | 5 | 7 089 510 | 1 417 902 |
| 80 - 84 | <u>2</u> | <u>7 404 391</u> | <u>3 702 195</u> |
| Total | 190 | 389 488 287 | 2 049 938 |

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

| Age band | Number | Shares (N\$) | |
|--------------|------------|-------------------|----------------|
| | | Total | Average |
| 0 - 4 | 16 | 2 288 756 | 143 047 |
| 5 - 9 | 30 | 3 939 774 | 131 326 |
| 10 - 14 | 47 | 5 020 568 | 106 821 |
| 15 - 19 | 47 | 3 806 007 | 80 979 |
| 20 - 24 | 42 | 3 076 184 | 73 242 |
| 25 - 29 | 28 | 4 012 424 | 143 301 |
| 30 - 34 | 11 | 1 145 020 | 104 093 |
| 35 - 39 | 16 | 2 699 526 | 168 720 |
| 40 - 44 | 21 | 2 714 827 | 129 277 |
| 45 - 49 | 22 | 6 989 434 | 317 702 |
| 50 - 54 | 24 | 5 093 838 | 212 243 |
| 55 - 59 | 11 | 2 020 328 | 183 666 |
| 60 - 64 | 10 | 1 238 707 | 123 871 |
| 65 - 69 | 8 | 460 547 | 57 568 |
| 70 - 74 | 5 | 598 399 | 119 680 |
| 75 - 79 | 6 | 400 564 | 66 761 |
| > 79 | <u>5</u> | <u>529 486</u> | <u>105 897</u> |
| Total | 349 | 46 034 388 | 131 904 |

A2.8. The table below summarises the data for all active members in the Fund by age band (excluding members of PEWPFS):

| Age band | Number | Number (%) | Cum. (%) | Shares (N\$) | Share (%) | Cum. (%) |
|--------------|--------------|---------------|----------|----------------------|---------------|----------|
| < 25 | 532 | 5.8% | 5.8% | 7 803 332 | 0.4% | 0.4% |
| 25 - 29 | 1 594 | 17.3% | 23.1% | 57 156 803 | 3.0% | 3.4% |
| 30 - 34 | 1 708 | 18.6% | 41.7% | 132 712 052 | 6.9% | 10.3% |
| 35 - 39 | 1 526 | 16.6% | 58.3% | 189 854 996 | 9.9% | 20.2% |
| 40 - 44 | 1 333 | 14.5% | 72.8% | 255 145 538 | 13.3% | 33.5% |
| 45 - 49 | 1 135 | 12.3% | 85.1% | 318 330 487 | 16.6% | 50.1% |
| 50 - 54 | 748 | 8.1% | 93.3% | 363 786 044 | 19.0% | 69.1% |
| 55 - 59 | 451 | 4.9% | 98.2% | 315 819 415 | 16.5% | 85.5% |
| <u>≥ 60</u> | <u>169</u> | <u>1.8%</u> | 100.0% | <u>277 173 259</u> | <u>14.5%</u> | 100.0% |
| Total | 9 196 | 100.0% | | 1 917 781 925 | 100.0% | |

APPENDIX 3: ASSET AND LIABILITY COMPARISON

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

| 31 December 2017 N\$ | | | | | | | % |
|--|-------------------------------------|----------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Investment portfolio | Participating employer ¹ | | Ind. member / annuitant ² | | Total | | Assets / Liabilities |
| | Asset | Liability | Asset | Liability | Assets | Liabilities | |
| Allan Gray Namibia Balanced Fund | 480 199 472 | 478 342 965 | 434 392 649 | 434 392 649 | 914 592 121 | 912 735 614 | 100% |
| Bank Windhoek: Money Market Fund | 1 825 172 | 1 761 471 | 14 421 589 | 14 421 589 | 16 246 762 | 16 183 060 | 100% |
| Default Portfolio: | 672 880 716 | 679 132 340 | 118 115 320 | 118 115 320 | 790 996 036 | 797 247 660 | 99% |
| - Allan Gray Namibia Balanced Fund | 351 151 996 | 354 414 491 | 61 640 094 | 61 640 094 | 412 792 089 | 416 054 585 | 99% |
| - Prudential Namibia Inflation Plus Fund | 162 700 161 | 164 211 781 | 28 559 864 | 28 559 864 | 191 260 024 | 192 771 645 | 99% |
| - Sanlam Namibia Inflation Linked Fund | 159 028 560 | 160 506 068 | 27 915 363 | 27 915 363 | 186 943 922 | 188 421 430 | 99% |
| Initial Drawdown Portfolio: | 0 | 0 | 1 983 439 | 1 983 439 | 1 983 439 | 1 983 439 | 100% |
| - Sanlan Inflation Linked fund | 0 | 0 | 1 983 439 | 1 983 439 | 1 983 439 | 1 983 439 | 100% |
| EMH Prescient Absolute Balanced Fund | 0 | 0 | 1 664 375 | 1 664 375 | 1 664 376 | 1 664 375 | 100% |
| Investec Managed Namibia Fund | 291 093 684 | 289 401 974 | 104 461 935 | 104 461 935 | 395 555 619 | 393 863 909 | 100% |
| Investec / AG Combined: | 150 601 258 | 151 956 047 | 6 657 946 | 6 657 946 | 157 259 204 | 158 613 993 | 99% |
| - Allan Gray Namibia Balanced Fund | 78 652 959 | 79 360 510 | 3 477 176 | 3 477 176 | 82 130 135 | 82 837 687 | 99% |
| - Investec Managed Namibia Fund | 71 948 299 | 72 595 537 | 3 180 769 | 3 180 769 | 75 129 069 | 75 776 306 | 99% |
| NAM Coronation Balanced Plus Fund | 0 | 0 | 4 606 374 | 4 606 373 | 4 606 374 | 4 606 373 | 100% |
| NAM Coronation Balanced Defensive Fund | 4 839 999 | 4 888 427 | 7 159 727 | 7 159 727 | 11 999 727 | 12 048 154 | 100% |
| NAM Coronation Capital Plus Fund | 5 280 955 | 5 317 691 | 2 211 417 | 2 211 417 | 7 492 372 | 7 529 108 | 100% |
| Old Mutual Absolute Growth Portfolio | 0 | 0 | 46 034 388 | 46 034 388 | 46 034 388 | 46 034 388 | 100% |
| Old Mutual Namibia Profile Pinnacle Fund | 14 486 430 | 14 589 367 | 15 256 639 | 15 256 639 | 29 743 069 | 29 846 006 | 100% |
| Prudential Namibia Inflation Plus Fund | 3 373 625 | 3 387 704 | 187 540 890 | 187 540 890 | 190 914 515 | 190 928 594 | 100% |
| Prudential Namibia Balanced Fund | 222 568 | 0 | 16 517 507 | 16 517 507 | 16 740 075 | 16 517 507 | 101% |
| Sanlam Namibia Active Fund | 942 335 | 923 131 | 22 847 476 | 22 847 476 | 23 789 811 | 23 770 607 | 100% |
| Sanlam Namibia Inflation Linked Fund | 102 296 | 0 | 36 950 520 | 36 950 520 | 37 052 816 | 36 950 520 | 100% |
| Standard Bank Namibia Managed Fund | 0 | 0 | 4 529 281 | 4 529 258 | 4 529 281 | 4 529 258 | 100% |
| Housing loans | 4 273 134 | 4 272 937 | 1 666 073 | 1 666 073 | 5 939 207 | 5 939 010 | 100% |
| Net current assets ³ | 0 | 0 | 0 | 0 | 79 080 064 | 74 661 225 | 106% |
| General Reserve Account | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>8 074 438</u> | <u>8 640 893</u> | 93% |
| Total | 1 630 121 645 | 1 633 974 053 | 1 153 774 250 | 1 153 774 226 | 2 744 293 693 | 2 744 293 693 | |

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

2. Includes the SEG category.

3. The Employer Reserve Accounts (with the exception of the PEWPFS) in the amount of N\$11 885 411 is included under the current liabilities.

APPENDIX 4: MEMBERSHIP RECONCILIATION

Participating Employers (excluding PEWPFS)

| Employer Code | Active 31.12.2016 | New members | Deaths | Retired | Withdrawal | Active 31.12.2017 |
|---------------|----------------------|----------------|--------|---------|------------|----------------------|
| 6 | 166 | 40 | 0 | - 2 | - 14 | 190 |
| 12 | 80 | 21 | - 1 | - 1 | - 5 | 94 |
| 14 | 41 | 8 | 0 | 0 | - 8 | 41 |
| 23 | 428 | 63 | - 1 | - 3 | - 69 | 418 |
| 34 | 626 | 184 | - 3 | - 2 | - 30 | 775 |
| 36 | 60 | 9 | 0 | 0 | - 2 | 67 |
| 39 | 66 | 28 | 0 | 0 | - 13 | 81 |
| 44 | 204 | 65 | 0 | - 2 | - 42 | 225 |
| 49 | 211 | 23 | - 1 | - 5 | - 17 | 211 |
| 53 | 42 | 16 | 0 | 0 | - 8 | 50 |
| 54 | 148 | 4 | 0 | - 2 | - 31 | 119 |
| 56 | 33 | 3 | 0 | 0 | - 15 | 21 |
| 57 | 198 | 20 | 0 | - 2 | - 23 | 193 |
| 62 | 66 | 8 | - 1 | 0 | - 8 | 65 |
| 63 | 56 | 8 | - 1 | - 1 | - 8 | 54 |
| 65 | 47 | 8 | 0 | - 1 | - 6 | 48 |
| 66 | 140 | 24 | 0 | - 1 | - 15 | 148 |
| 67 | 81 | 12 | - 1 | - 1 | - 6 | 85 |
| 69 | 142 | 46 | 0 | 0 | - 25 | 163 |
| 74 | 400 | 99 | 0 | - 1 | - 79 | 419 |
| 75 | 104 | 14 | 0 | 0 | - 8 | 110 |
| 99 | 35 | 0 | 0 | - 1 | - 15 | 19 |
| 103 | 23 | 5 | 0 | 0 | - 3 | 25 |
| 104 | 107 | 10 | - 1 | 0 | - 8 | 108 |
| 105 | 59 | 6 | 0 | 0 | - 11 | 54 |
| 107 | 281 | 15 | - 1 | - 2 | - 18 | 275 |
| 108 | 29 | 4 | 0 | - 1 | - 2 | 30 |
| 109 | 41 | 9 | 0 | - 2 | - 8 | 40 |
| 110 | 377 | 20 | - 1 | - 14 | - 145 | 237 |
| 114 | 506 | 66 | - 2 | - 3 | - 25 | 542 |
| 115 | 85 | 8 | 0 | - 1 | - 3 | 89 |
| 117 | 139 | 28 | 0 | 0 | - 23 | 144 |
| 118 | 17 | 1 | 0 | 0 | - 2 | 16 |
| 119 | 23 | 2 | 0 | 0 | - 6 | 19 |
| 120 | 149 | 40 | - 1 | - 1 | - 30 | 157 |
| 121 | 164 | 22 | 0 | 0 | - 36 | 150 |
| 122 | 93 | 6 | 0 | 0 | - 18 | 81 |
| 125 | 516 | 282 | 0 | 0 | - 113 | 685 |
| 127 | 80 | 15 | 0 | - 2 | - 16 | 77 |
| 129 | 25 | 0 | 0 | 0 | - 7 | 18 |
| 135 | 168 | 11 | 0 | 0 | - 20 | 159 |
| 137 | 45 | 10 | 0 | 0 | - 7 | 48 |
| 138 | 68 | 8 | 0 | 0 | - 7 | 69 |

| Employer Code | Active 31.12.2016 | New members | Deaths | Retired | Withdrawal | Active 31.12.2017 |
|---------------|----------------------|----------------|-------------|-------------|----------------|----------------------|
| 139 | 103 | 15 | 0 | - 3 | - 2 | 113 |
| 142 | 56 | 18 | 0 | 0 | - 13 | 61 |
| 153 | 26 | 3 | 0 | 0 | - 3 | 26 |
| 154 | 209 | 88 | - 2 | - 5 | - 91 | 199 |
| 156 | 145 | 19 | - 1 | - 1 | - 11 | 151 |
| 157 | 29 | 4 | 0 | 0 | - 5 | 28 |
| 158 | 68 | 18 | 0 | 0 | - 8 | 78 |
| 160 | 125 | 18 | 0 | 0 | - 16 | 127 |
| 163 | 244 | 66 | 0 | 0 | - 52 | 258 |
| 164 | 0 | 88 | - 1 | 0 | - 5 | 82 |
| 166 | 0 | 25 | 0 | 0 | 0 | 25 |
| 167 | 0 | 35 | 0 | 0 | 0 | 35 |
| 168 | <u>0</u> | <u>42</u> | <u>0</u> | <u>0</u> | <u>- 1</u> | <u>41</u> |
| Total | 7 374 | 1 710 | - 19 | - 60 | - 1 162 | 7 843 |

SEG members, individual members, living annuitants and survivor annuitants

| Type | Active 31.12.2016 | New member | Retired | Death | Withdrawal | Active 31.12.2017 |
|---------------------|----------------------|---------------|---------|-------|------------|----------------------|
| Individuals | 441 | 127 | - 17 | - 2 | - 63 | 486 |
| SEGs | 776 | 268 | - 5 | - 4 | - 168 | 867 |
| Living annuitants | 153 | 43 | 0 | - 5 | - 1 | 190 |
| Survivor annuitants | 64 | 285 | 0 | 0 | 0 | 349 |