



UNIPOLY RETIREMENT FUND

Newsletter June 2016

In this edition of the newsletter the focus are going to be on the following issues:

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Investment performance

Inflation spiked to 6.1% Year on Year in March 2016, from the previous 5.3% recorded in February 2016. The main contributors were increases to food and non-alcoholic beverages and transport categories, which contributed 0.3% and 0.1%, respectively. Transport, the third largest basket category by weighting, increased to 4.7% after turning positive in February, for the first time in twelve months. The reason for this spike was primarily due to the worn out effects of the drop in crude oil price experienced in 2015.

The Bank of Namibia (BoN) reported that foreign reserves increased 69.9% from N\$14.8 billion in February last year, to N\$25.2 billion in February 2016, and have increased by 0.1% from the previous month. This increase was due to the issuance of the US\$750 million euro bond in October 2015 and has resulted in a surge on import cover adequacy to over 11 weeks. The Namibian debt grew by 14.3% Year on Year to N\$119.0 billion, of which 38.8% of the total debt is attributable to household debt.

As at 31 March 2016 the Unipoly Retirement Fund's total underlying market value assets amounted to **N\$ 1 918,143,994**. Of this total amount N\$ 609,627,880 were under Allan Gray's management, N\$ 426,205,285 were managed by Investec, N\$ 429,000,653 were under Namibia Asset Managers management while N\$ 430,995,909 were under Old Mutual Investment Group Namibia's management.

As from 1 January 2016 the Fund is also fully compliant with Regulation 29. Regulation 29 provides a framework under which pension funds should invest in unlisted investments. Anyone who wishes to deal in unlisted investments of pension funds should be registered and approved by NAMFISA as an Unlisted Investment Manager (UIM). A Special Purpose Vehicle (SPV) must also be registered as it is through the SPV that funding will be channeled to the UIM. Unlisted investments are investments

that take the form of prescribed equity or debt capital in a company incorporated in Namibia and not listed on any stock exchange but excluding conventional asset classes. Regulation 28, among others, stipulates the minimum (1.75%) and maximum (3.5%) investments by pension funds in unlisted investments, within a period of 12 months from the date of promulgation in accordance with Regulation 29. As at 31 March 2016 the Fund invested N\$ 10,263,486 with Caliber Capital, N\$ 11,497,181 with the IJG Frontier Fund and N\$ 553,600 with Allegrow.

For the Fund year ended 31 December 2015 the market value assets returned 13.7%. Comparing this to the 10.9% return achieved during 2014 and the 24.9% return achieved during 2013 highlights the volatile investment markets currently experienced.

Declared Bonus

The Trustees are extremely pleased to announce that, based on advice received from the Fund's Actuary, **a final bonus declaration of 13.5%** was approved for the Fund year ending 31 December 2015.

Herewith please find a comparison of how the Fund performed and how members gained over the last 10 years.

	Unipoly Retirement Fund (net)	Annual Declared Bonuses
28/02/2007	29.3%	35.0%
29/02/2008	13.8%	21.0%
28/02/2009	-17.2%	8.0%
28/02/2010	26.4%	11.0%
28/02/2011	13.9%	12.0%
29/02/2012	9.5%	12.0%
01/03/12 - 31/12/12	13.3%	10.0%
31/12/2013	24.9%	20%
31/12/2014	10.9%	10.5%
31/12/2015	13.7%	13.5%
3 Year Return	16.35%	14.6%

Statutory Compliance

The Fund's unqualified financial statements for the financial year ended 31 December 2015 was recently signed off by the Trustees and has already been submitted to NAMFISA as required in terms of the provisions of the Pension Funds Act. The Actuary also concluded that the Fund was in a financially sound position following an actuarial valuation of the Fund as at 31 December 2015.

Benefit Statements

Enclosed with this newsletter you would have found your benefit statement for the Fund year ended 31 December 2015. Kindly scrutinize your personal details. Please do not hesitate to contact Ms. Antoinette De Greeff or Ms. Hilma Namupala at the pensions office should any of the static information on the statements not be correct i.e. date of birth or gender, etc.

Personal Member Data

The Fund is managed strictly in accordance with the Pensions Fund Act of Namibia and overseen by NAMFISA (Namibia Financial Institutions Supervisory Authority) as regulatory body to ensure that your investment in the Fund is protected. The latest request from NAMFISA indicates that funds will have to obtain certain documentation from its members on a regular basis.

To start this process we would like to get an updated list of members and their dependants. This information is especially important in case of a member's death. Remember we cannot ask you any questions once you are deceased and we sometimes receive the weirdest claims against your share in the Fund. This can seriously delay the settlement of your wishes to your dependants.

It is of utmost importance that you provide us with full details of all your potential dependants. As a professional team we will ensure absolute confidentiality of this information.

Please complete the attached form and return it to the Office of the Principal Officer.

Pension or Provident Fund

The Board of Trustees considered the input from members on this topic and raised their concern about the small number of members who responded.

Enclosed with this newsletter is a document to explain the difference between a Pension Fund, which is our current status, and a Provident Fund which is another option that the Board of Trustees is considering.

The Trustees would like to give more members an opportunity to respond. Please study the document carefully and complete the attached form to give us your guidance.

Please complete the attached survey and return it to the Office of the Principal Officer.

Beneficiary Nomination Form

The benefits payable on the death of an active member do not form part of the estate of the deceased's member but are distributed subject to the Trustees discretion. In order to assist the Trustees and ensure that your loved ones are taken care of in the event of

your death, **please complete your nomination form in full** and submit it to your HR office as soon as possible.

If you completed a nomination form previously, you must ensure that any changes in dependants and/or nominees are always kept up to date.

Please complete the attached form and return it to the Office of the Principal Officer.

Board of Trustees

UNAM Employer Appointed Trustees

Ms. Kadiva Hamutumwa (Council representative)
Dr. Ellen Namhila
Mr. Reginald Izaks

UNAM Employee Elected Trustees

Mr. Vonkie Olivier - Chairperson
Ms. Annelie Don
Mr. Raymond Vilander

NUST Employer Appointed Trustees

Vacant (Council representative)
Ms. Riëtte Duvenhage
Ms. Mamijoo Tjejamba

NUST Employee Elected Trustees

Ms. Magda Saayman - Vice-chairperson
Mr. Laurent Evrard
Ms. Juanita Frans

The Principal Officer is Mr. van Wyk du Plessis with the day to day general administration functions being performed by Ms. Antoinette de Greeff (207 2794) and Ms. Hilma Namupala (207 2376). You are welcome to contact the office should there be any Fund related issue you might be seeking clarity on in order for it to be addressed in future communiqués to the benefit of all Fund members. E-mail: unipoly@nust.na

Please note that this document is for information purposes only. Members' rights are embodied in the Rules and Policies of the Fund.