

Investment Manager:	Sanlam Namibia Ltd
Benchmark:	Namibian CPI + 2% over rolling 3 years
Target:	Namibian CPI +3% over rolling 3 years
Inception Date:	3 March 2001
Risk Profile:	Conservatively Cautious
Fees:	35bps per annum (excluding underlying Collective Investment Fees)

Mandate Description

The primary objective of the fund is to deliver a stable level of income and preserve capital at low levels of risk. To achieve this the fund will be predominantly invested in cash and fixed interest instruments with a maximum exposure of 40% to total equities (local and foreign). The fund uses managers with a proven ability to deliver returns and protect capital in times of market distress. Performance is derived from interest and dividends with a low to medium level of capital growth. The Fund is Regulation 28 compliant.

Quarterly Comment

The South African economy has grown 2.2%, emerging from its technical recession and beating market expectations. Growth was largely driven by manufacturing, agriculture and transport. Manufacturing was the biggest driver of growth (7.5%), supported by increased production of basic iron and steel, metal products and machinery; wood and paper; petroleum products; and motor vehicles. Business confidence continued its downward trajectory in Q4. The RMB/BER Business Confidence index fell to 31 points as political and policy issues remain, especially the uncertainty around land expropriation without compensation.

The global equities sell-off spilled over to the South African market. The All Share Index returned -4.9% during Q4. This underperformance was led by small and large cap shares. Small cap shares gave up 7.3% and the Top 40 returned -5.3% for the quarter. In contrast, mid-caps returned 2.7% adding to overall performance. Telecommunications and technology were the best performing sectors returning 4.9% and 3.5%. The worst performing sector was Consumer Goods (-18.6%) followed by Healthcare (-8.2%).

The SARB surprised the market by hiking interest rates in November. The repo rate increased by 25 basis point to reach 6.75% on the back of rising inflation expectations. South Africa's headline inflation edged up slightly to 5.2%, above the desired midpoint level of 4.5%. The rand weakened by 1.4% during the quarter.

Locally, bond markets outperformed as the ALBI returned 2.7% during Q4. This included inflation-linked instruments which returned 0.2%. The best performing fixed income asset class was in the short end of the yield curve (1 - 3 years) which delivered 4.1%. Cash (STeFI) returned 1.8%, underperforming preference shares which returned 4.1%. Property (SAPY) continued to decline, giving up 4% during the last quarter.

Global markets weakened on concerns over slowing economic growth and global trade. Markets in all regions performed poorly as companies reported slower-than-expected earnings growth.

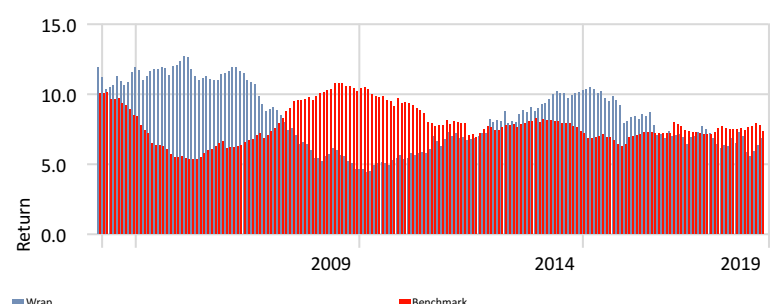
Developed market equities took strain in Q4 returning -13.7% in US dollar terms (-12.5% in rand) while emerging market equities delivered -7.9% in USD (-6.6% in rand). The Fed raised interest rates by 0.25% on the back of its strong labour market and economic growth. This was the fourth hike this year and takes the target range to 2.25% - 2.5%. The FOMC expects three rate hikes in 2019. The Bank of England held interest rates as uncertainty around Brexit intensified. The ECB also kept interest rates unchanged at 0%. This is in line with expectations. The market expects one or two rate hikes in 2019.

Performance Summary

As of Date: 2019/02/28

	1M	3M	6M	1Y	3Y	5Y	Since Inc.
Wrap	1.90	3.35	1.08	5.38	6.82	6.90	8.46
Benchmark	1.34	2.11	3.83	6.65	7.32	7.15	8.03
Target	1.41	2.34	4.31	7.65	8.32	8.15	9.03

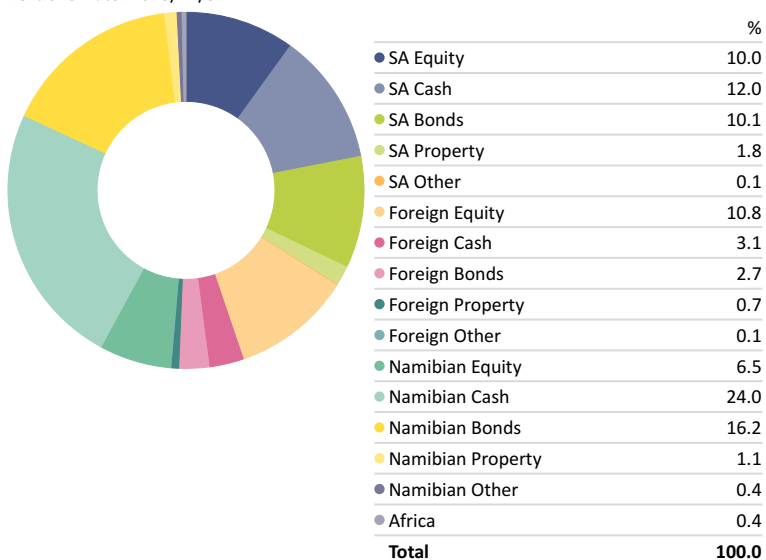
Rolling Returns - 3 years



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Asset Allocation

Portfolio Date: 2018/12/31



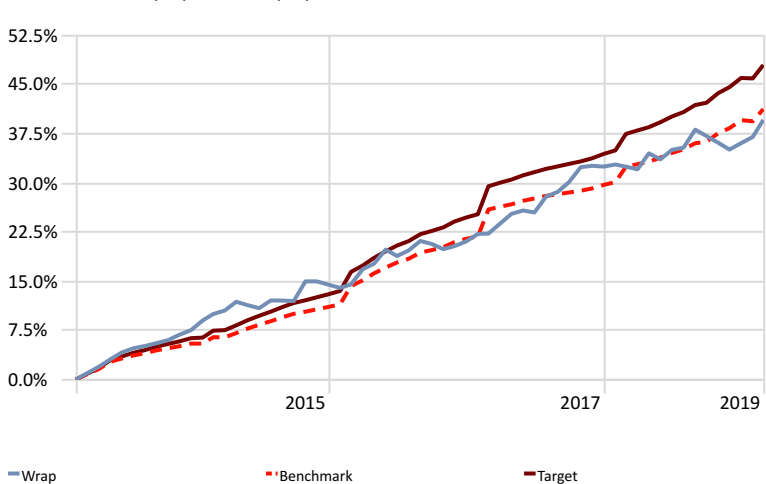
Manager Allocation

Portfolio Date: 2019/02/28

Manager	%
Sanlam Namibia Infl Linked A	19.74
Sanlam Namibia Active B	15.39
Allan Gray Namibia Balanced B	13.27
Prudential Namibian Inflation Plus A	11.05
NAM Coronation Strategic Income	10.28
Capricorn High Yield B	10.22
Hangala Prescient Income Provider A1	10.18
Investec Namibia Managed I	9.87

Cumulative Investment Growth

Time Period: 2014/03/01 to 2019/02/28



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