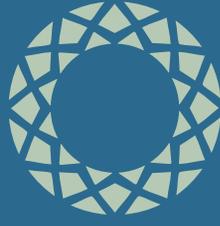


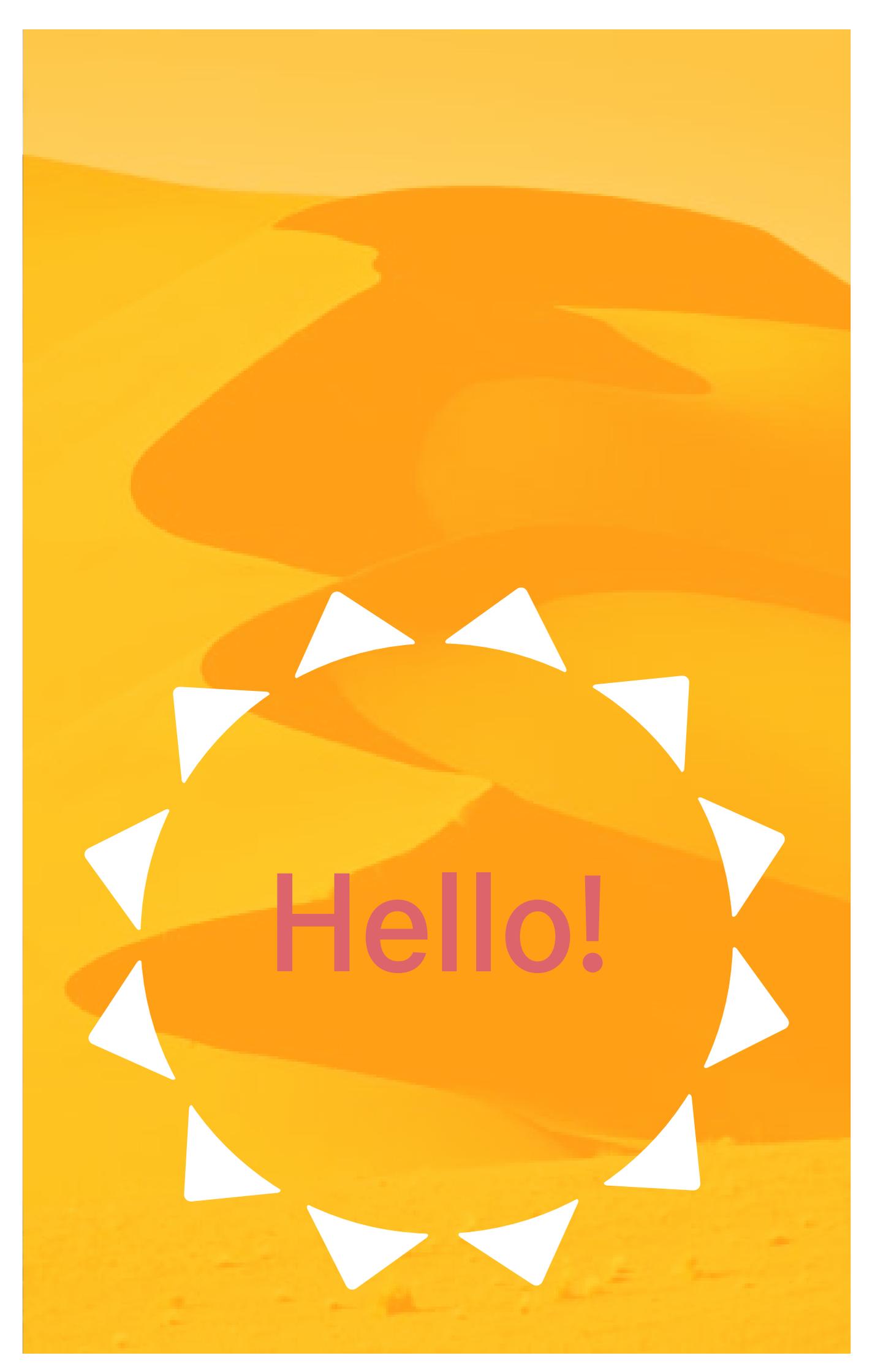
Corporate Profile



GIPF

Government Institutions
Pension Fund

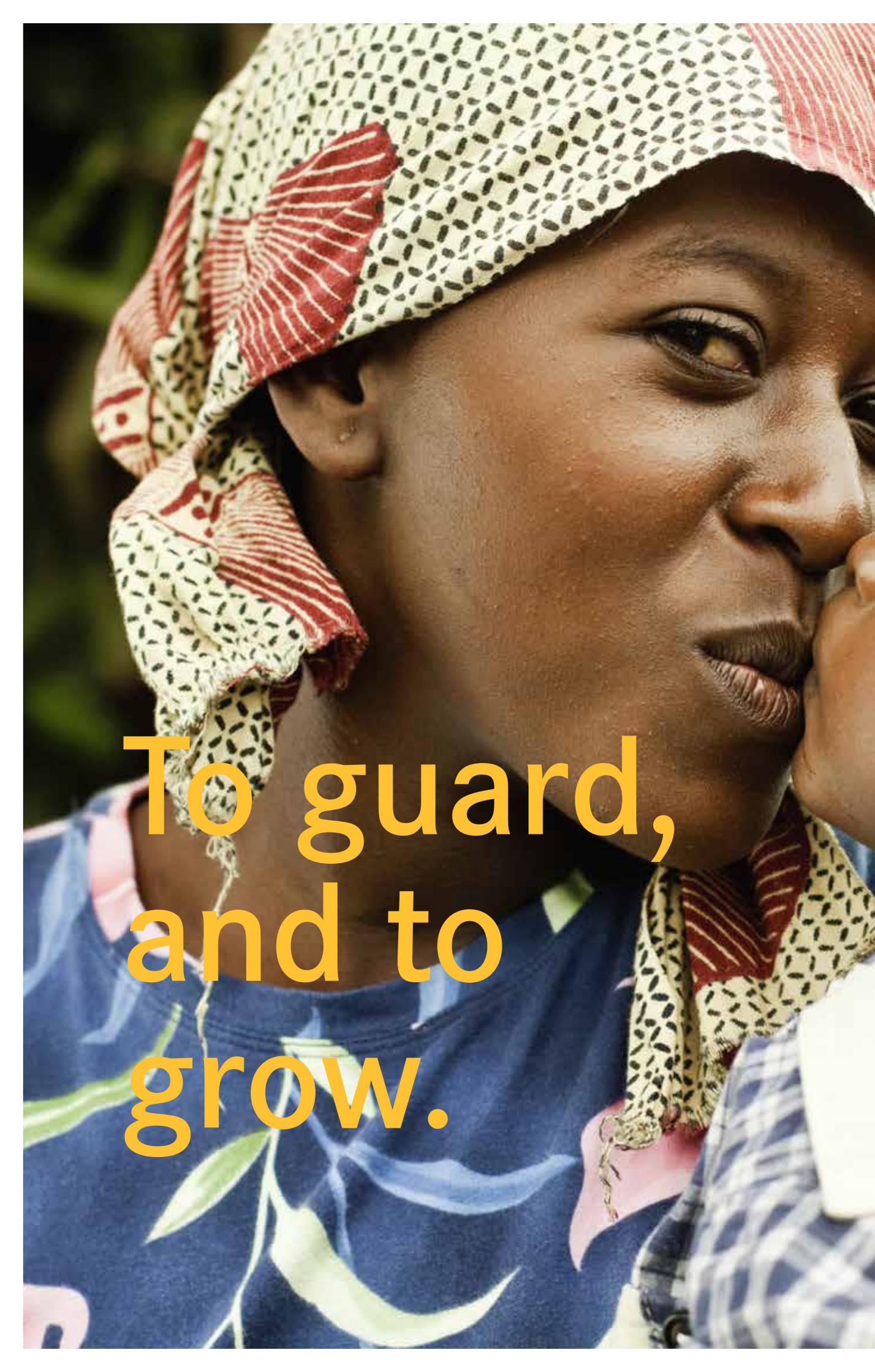


The image features a warm, orange-toned background with soft, wavy patterns. In the center, a large, dark orange circle is surrounded by a ring of white, triangular rays, resembling a sun. The word "Hello!" is written in a bold, purple font across the middle of the sun circle.

Hello!

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To guard,
and to
grow.



Vision

To be a leading pension fund and a model corporate citizen in Namibia.

Mission

GIPF's mission is to safeguard and grow the Fund for the benefit of its stakeholders and Namibia.

Values

Teamwork

We believe that teams achieve more than individuals. We therefore undertake to work together as a team in support of one another in pursuit of our vision.

Service Excellence

We will strive to deliver the highest quality of service (Right, Fast and Humane) to all our stakeholders in an innovative, professional and respectful manner.

Integrity

We will always be honest, fair, transparent and trustworthy in everything we do.

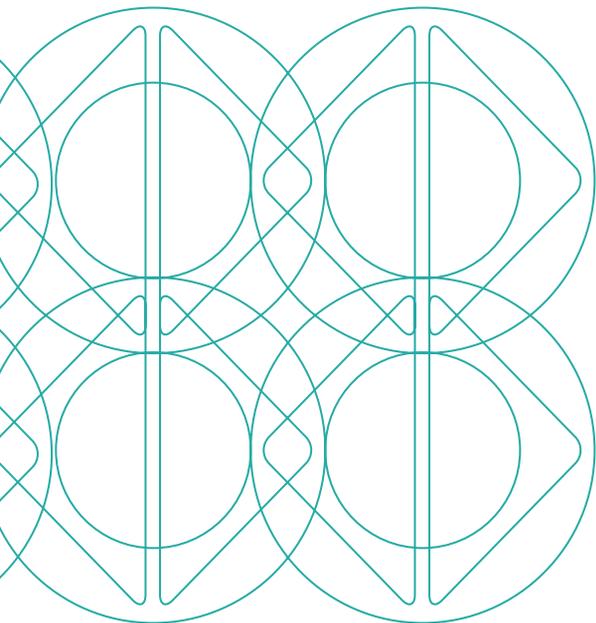
Introduction



One of the few in Africa

The Government Institutions Pension Fund (GIPF) was established in 1989 and offers benefits to employees in the service of the Namibian Government. The fund also provides pension benefits to institutions such as parastatals and mission hospitals. Its operations are guided and are subject to the provisions of the Pension Funds Act and the Income Tax Act, in exactly the same way as all other private sector pension funds in Namibia.

It is believed that GIPF is the first government pension fund in the world to have successfully completed a privatisation process. GIPF is also one of the few fully funded pension funds in Africa that have built up enough funds to cover its liabilities. In addition, the GIPF provides an excellent structure of pension benefits that are market related with affordable contribution rates.





A defined benefit pension fund

Guaranteed pension benefits

GIPF is a defined benefits pension fund that provides guaranteed pension benefits to its members. This means that should liabilities of GIPF exceed its assets, (e.g. bad performance of the markets), the employer undertakes to cover the shortfall. The benefits are defined in terms of the Rules of the Fund and most of the benefits are calculated based on the final average salary and years of service, which is the number of years that the member was employed by the Government or member institution and contributed to the Fund.

The scheme provides guaranteed benefits to members no matter what happens in the stock market, how long an employee lives after retirement, or whether he or she becomes disabled and unable to work. Besides the above benefits, GIPF provides funeral benefits to its members at no cost.

Real value pension benefits

For any business, attraction and subsequent retention of key personnel is of strategic importance. An employer who fails to provide a

competitive and comprehensive range of attractive staff benefits will soon lose key employees. GIPF provides excellent benefits to its members, which is one of the key incentives for civil servants to stay in public service. Many employees who could earn a higher salary in the private sector remain in public service because of the guaranteed pension benefits that the Fund provides upon retirement.

To offset the increasing cost of living, the pensioners have been receiving pension increases (higher than the average inflation rate) of about 10% per annum for the last 10 years.

Saving made easier through compulsory contributions

Saving enough money is one of the most important and often difficult thing to do. Fortunately, access to retirement benefits for GIPF members is not tied to the employees' ability to save, because contributions to the fund is compulsory thus compelling employees to save indirectly. The Fund therefore makes saving easier for employees who, if left to their own devices might make inadequate retirement provision for themselves.

Management of the fund

Board of Trustees

The management, control and administration of the Fund are vested in a Board of Trustees consisting of nine persons, appointed as follows:

- Three by Government
- Three by organized labour and
- Three by the Public Service Commission.

The Trustees operate within a unitary structure that provides for interaction among all members in the decision-making process on strategy; planning; performance; investments; business ethics and communication with stakeholders. The terms of office of the Trustees are 3 years.

In addition to induction and initial training, the Board is exposed to continuous pension fund specific knowledge and is constantly being apprised on developments in the regulatory environment by the Board Secretariat.

Trustees duties

The legislated duties of the Trustees as advocated by the Pension Funds Act are to:

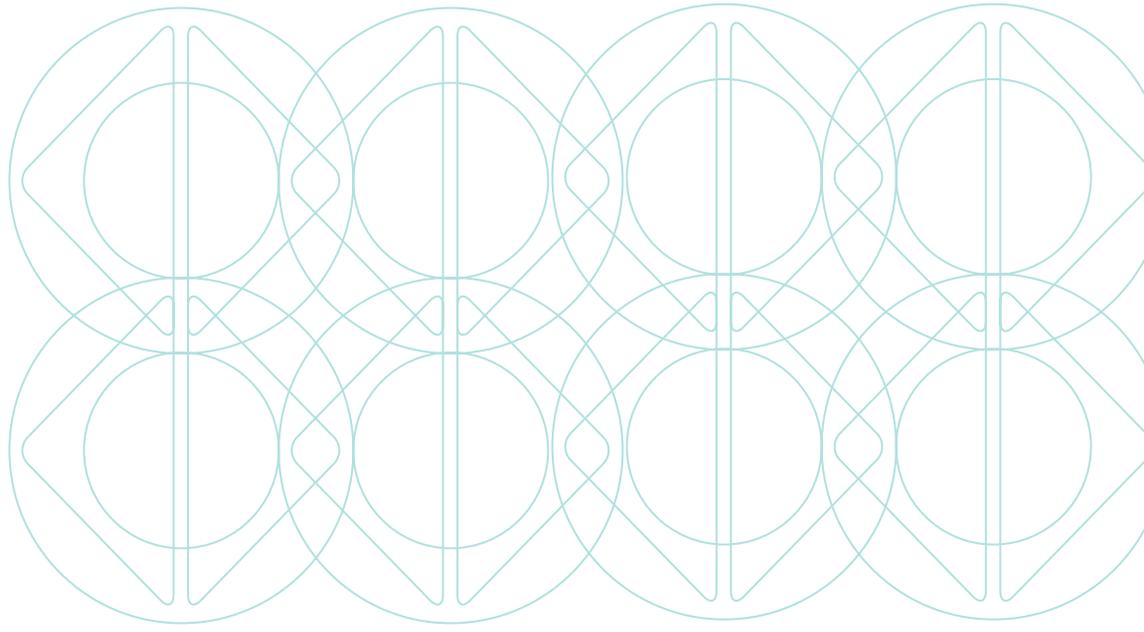
- Ensure that the interest of members are protected.
- Act with due care, diligence and in good faith.
- Avoid conflict of interest.

- Act with impartiality.
- Ensure that proper control systems are in place.
- Effective communication to members.
- Ensure that contributions are paid timeously.
- Obtain expert advice and
- Carrying out of fiduciary duties relating to investments.

In addition to the above, the Board of Trustees are responsible to the members for setting the direction and growth parameters of GIPF through the establishment of strategic objectives and key policies and the monitoring of the achievement by management of these objectives.

The board meets on a regular basis to consider issues of strategic direction, such as investment decisions, discussion and approval of policy matters and other matters having a material effect on the operations of GIPF.

Management makes presentations to the Board of Trustees on the activities of the operations, via investment consultants on the performance of the investment portfolio. In addition, the Trustees undertake regular visits to operations of GIPF and projects funded by GIPF.



Subcommittees

Audit Committee

This committee comprised of three non-executive Trustees one of whom is the chairperson. The Chief Executive Officer, the General Manager: Finance, the Manager: Internal Auditor and External Auditors are invited to meetings of the Audit Committee.

The Head of Internal Audit and the External Auditors have unrestricted access to the Chairperson of the committee and the Chairman of the Fund. GIPF has an independent internal audit function that reports directly to the Audit Committee.

The main objective of the Audit Committee is to ensure the quality, integrity and reliability of the Fund's compliance with relevant legislation and ensures that a sound system of risk and internal control is maintained to protect and safeguard the assets of the Fund. It reviews the activities of the Internal Audit Department and the effectiveness thereof. It is also responsible for the evaluation of the independence, objectivity and effectiveness of the external auditors and for the review of accounting and auditing concerns identified

by internal and external audit. The committee promotes the accuracy, reliability and credibility of financial reporting, and ensures that the annual financial statements and the annual report of the Fund are reviewed by management and the external auditors before approval by the Board of Trustees.

Investment Committee

The Investment Committee comprises of 4 trustees of which one of them is the chairperson. An independent Investment Consultant is invited to the meetings as and when the need arises. The Investment Committee reviews and makes recommendations to the Board of Trustees regarding the Fund's investment strategy. It considers the hiring of asset managers and accordingly, makes recommendations to the Board of Trustees for final decision. The Investment Committee also considers proposals submitted to the Fund in terms of the Fund's Development Capital Portfolio and makes recommendations to the Board of Trustees for approval.

Technical Committee

The Technical Committee comprises of 5 trustees of which one of them is the chairperson. The committee considers issues of a technical nature





that requires the approval of the Board of Trustees and then makes recommendations to the Board of Trustees. Strategic issues, such as policy matters, remuneration related, annual budgets, annual strategic plans and other material issues are among the items discussed by this committee before they are tabled to the Board of Trustees for final approval.

Executive Management Committee

The Executive Management Committee consists of six departmental heads, the Legal Advisor and the Chief Executive Officer, who is the chairperson of the committee. The latter is the Principal Officer of the Fund.

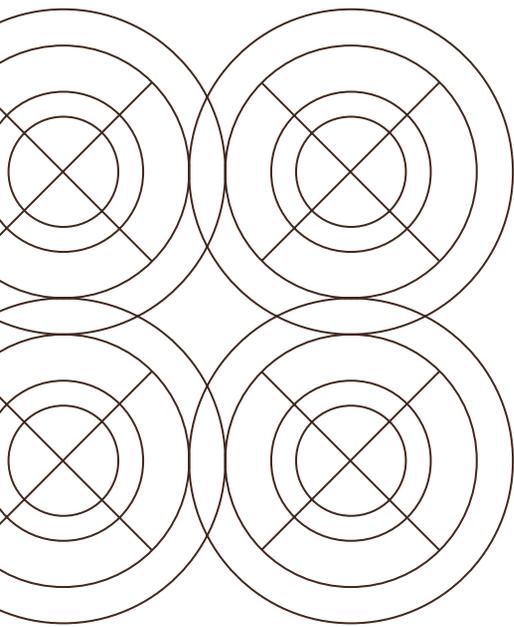
The Executive Management Committee assists the Chief Executive Officer in guiding and controlling the overall direction of the fund. The committee is responsible for ensuring the effective management of the day-to-day operations of the Fund. The Executive Committee meets twice a month to review operational performance and other relevant issues, subject to statutory limits and the Trustees' limitations on delegation of authority to the CEO.

Service providers

The Trustees delegate responsibilities that require specialized expertise such as asset management, asset consulting and actuarial services to experts. A policy has been adopted to make use of service providers who are domiciled in Namibia and who are committed to invest in the industry and to grow Namibian skills. While the Trustees remain accountable for the overall operations of the Fund, they monitor these consultants independently to ensure that the assets that have been allocated to them perform in accordance to their mandates.



Sources of funding



The pension benefits are funded both by the employee and the employer. The member contributes an amount equal to 7% of his/her monthly pensionable salary (also known as emoluments) to the Fund while the employer contributes 16%. These contributions are used to provide the benefits promised in terms of the Rules of the Fund.

Pension Benefits

Normal Retirement

The normal retirement age is 60. Upon retirement, the member will receive a lump sum of one third of the total pension tax-free. In addition, he/she will receive a taxable monthly income (if in excess of N\$24 000 per annum) for life. The pension benefits payable is based on the final salary of the employee and years of service. The first payment of the pension is made at the end of the first month of retirement.

Early Retirement

Should an employee wish to go on early retirement, he/she has to seek approval from the employer. The employee must be 55 years to go on early retirement. The formula used is the same as where a person retires at the age of 60 but the pension amount is reduced for every month the employee falls short of the normal retiring age, which is 60 years.

Resignation/Dismissal

When the employee resigns/dismissed from service he/she has the following options:

1. Take the benefit in cash (the benefit will be taxed),
2. Transfer the benefit to the new employer's pension fund,

3. Transfer the benefit to an approved retirement annuity,
4. Transfer the benefit to an approved preservation fund,
5. Keep the benefit within the GIPF if he/she has been a member of GIPF for an uninterrupted minimum period of 10 years.

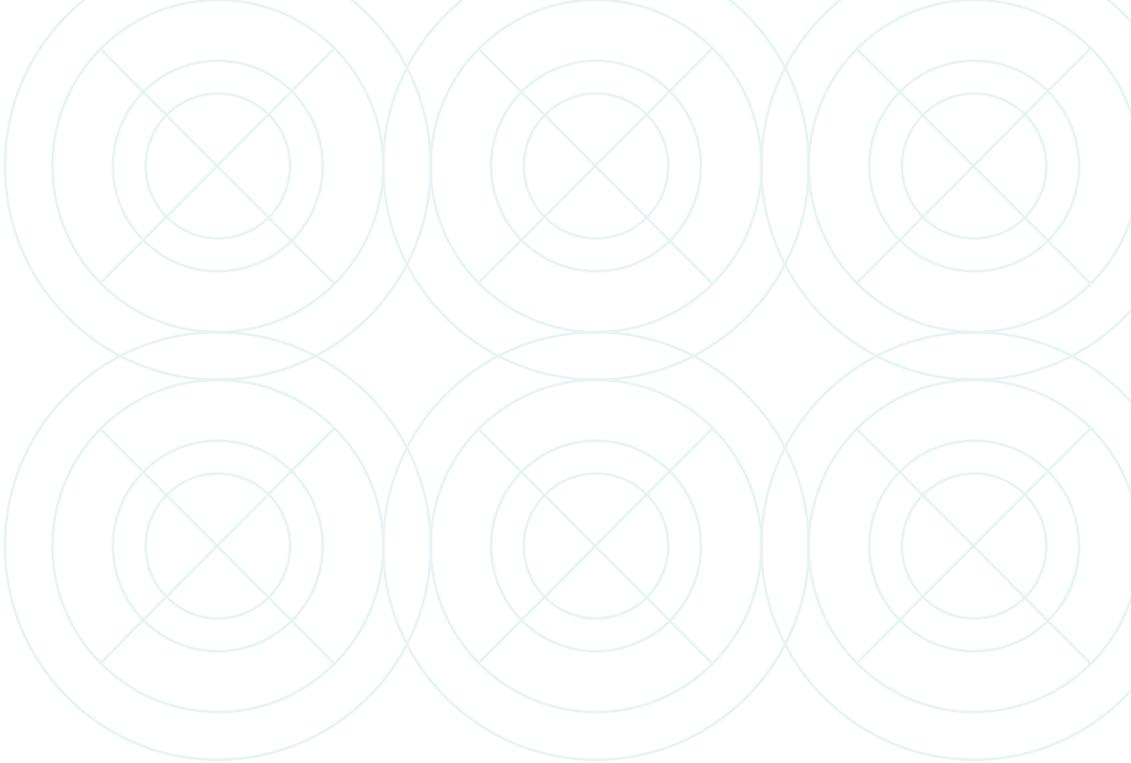
The member will get his/her accrued benefit based on age, salary and service period.

Retrenchment

Employers decide to retrench their employees when they reduce the size of their workforce due to financial constraints or to promote efficiency. Retrenched members are entitled to a service bonus that is paid by the employer. The benefits are calculated in the same manner as normal retirement benefits plus the shortest of the following periods; 1/3 of service period of the employee, the difference between real date and actual date of retirement and a period of 5 years.

Disability benefit

Employees who suffer from diseases such as cancer, stroke, total blindness and heart problems qualify for a disability benefit. Although their services are



terminated, they remain full members of the fund; they contribute to the fund and qualify for death and funeral benefits like any civil service employee. The benefit they receive is a disability income that is equal to 75% of the latest salary of the employee.

Ill-Health Retirement

Employees who suffer from continuous illnesses can be put on ill-health retirement. To qualify for this benefit the employee has to be assessed by the Medical Board whose members make recommendations to the Public Service Commission about the condition of the employee. A retiree on ill-health will receive a pension that is calculated in the same manner as normal retirement. The difference between the two benefits is that the service period in the event of ill-health could be shorter.

Death benefits

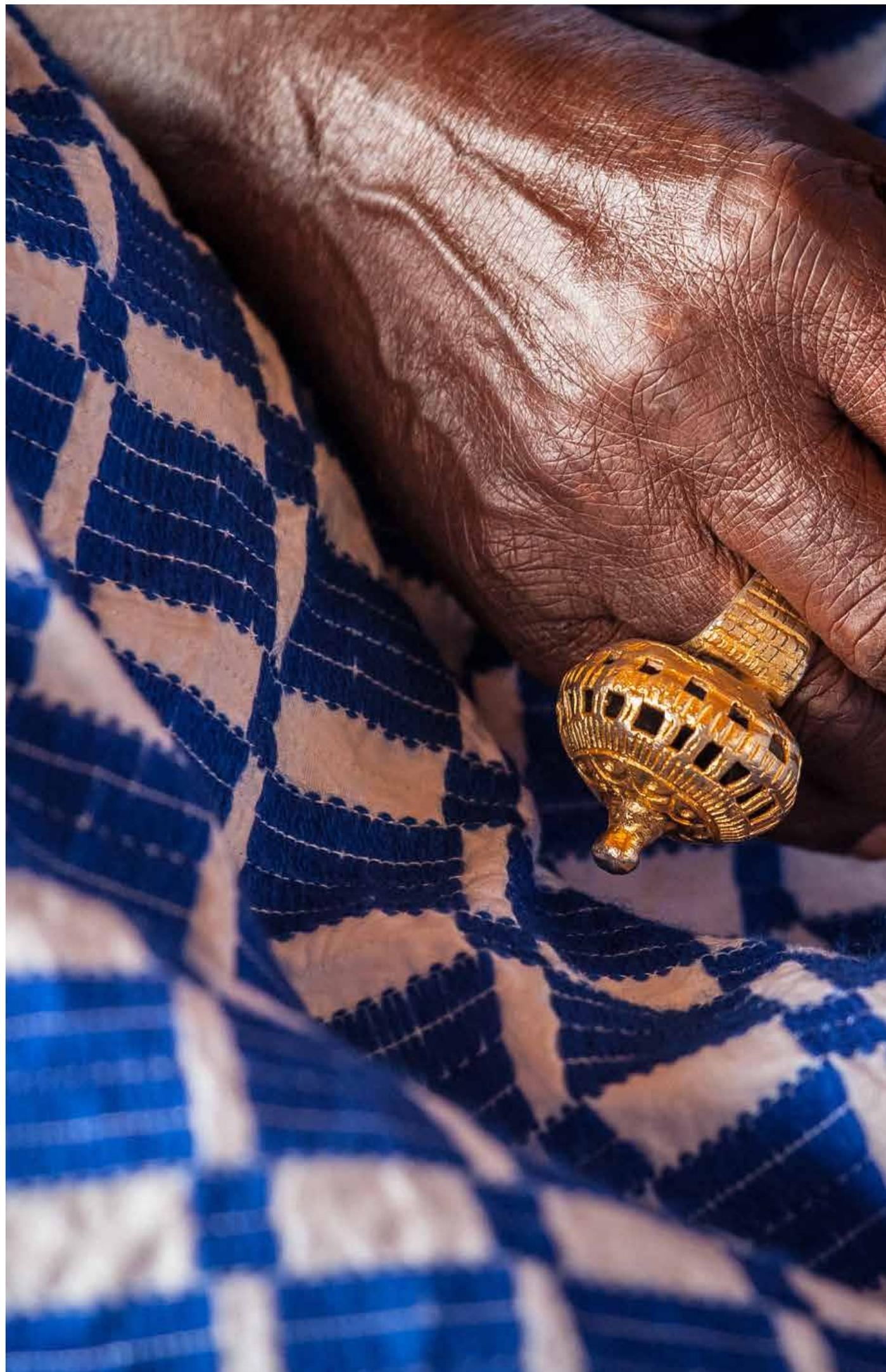
Should an employee die before retirement, GIPF will pay out a tax-free lump sum of 2x the final annual salary of the deceased employee. The qualifying spouse would receive a pension equal to 40% of annual salary for life and the children will receive a monthly income of up to a maximum of 30% of the annual salary for a maximum of 3 children. If the member was single but had

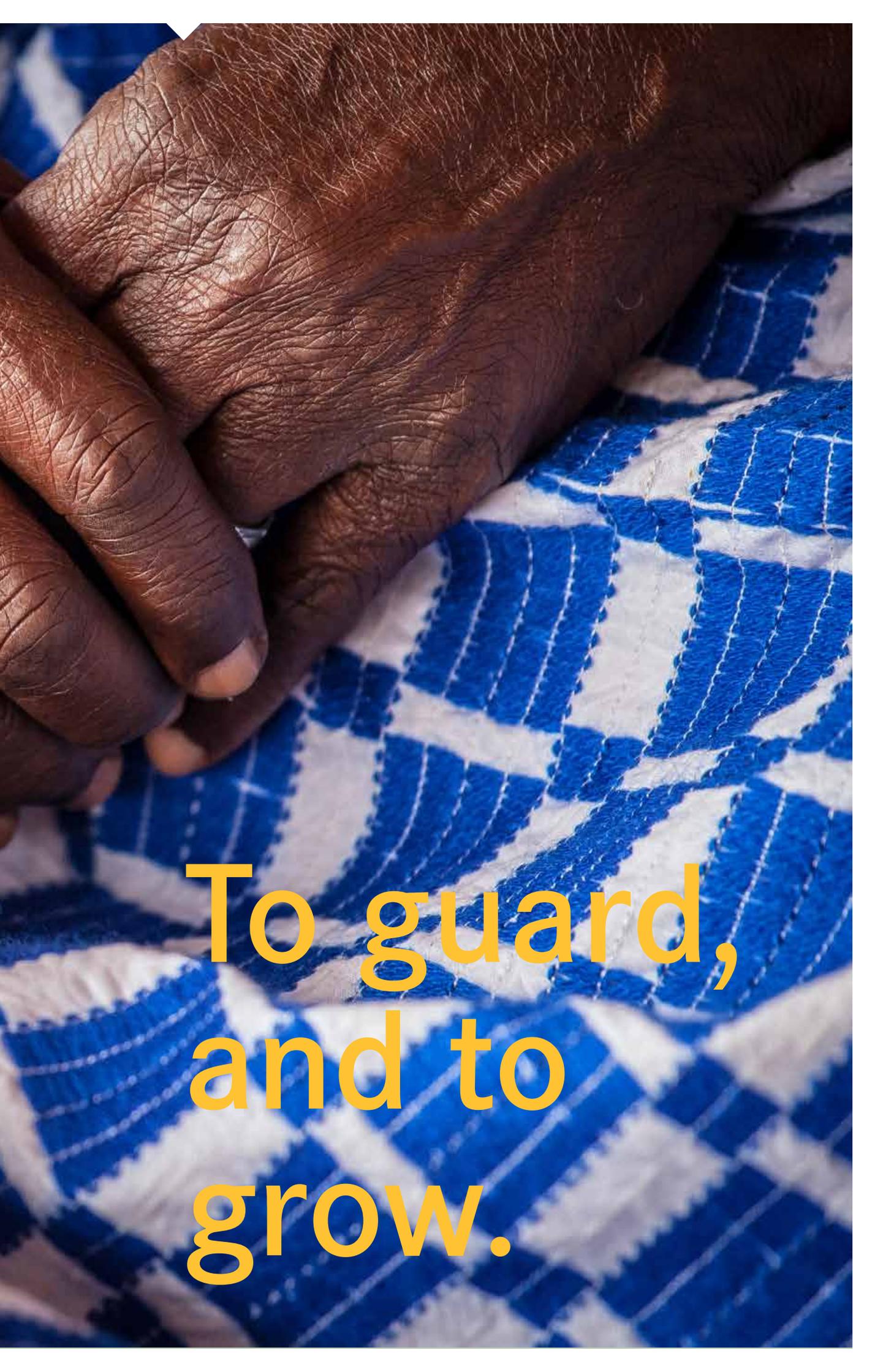
children, they will receive up to a maximum of 60% of the annual salary. The Trustees recognize traditional marriages, provided that they are verified by an affidavit issued by a traditional leader. Qualifying children include biological, legally adopted, stepchildren, disabled children and students. Should the pensioner die within the first 5 years (called the guarantee period) after retirement, the spouse will receive a pension equal to the amount that the deceased pensioner was receiving. This amount will be reduced to 50% once the guarantee period expires. If the pensioner had no dependants, the pension to be paid in respect of the guaranteed period will be paid into his estate.

If a pensioner dies after the age of 65, the spouse will receive 50% of the amount that the pensioner was getting. In a case where the member had no children or spouse, the pension will cease.

Funeral benefits

GIPF provides a funeral benefit as a lump sum to assist members with family funeral costs. This benefit is provided to members at no additional cost. The amount paid ranges from N\$1000 for children under one year to N\$8000 on the death of the member or spouse.





To guard,
and to
grow.

Going Back in Time

Before 1990

Namibia was governed as part of South Africa before 1990 resulting in the two countries sharing a similar history in respect of the evolution of retirement funds.

Historically and in line with the apartheid laws, the South African Government made provision for retirement benefits for white civil servants excluding non-white civil servants. In 1969, the South African Government amended the Pensions Funds Act to make provision for separate pension benefits designed for non-white civil servants of which the structure of benefits were inferior compared to the ones for white civil servants. The Act was followed by the Blacks Authorities' Service Pension Act of 1971 that made provision for fragmented pension benefits exclusively for black civil servants working for various Bantustans.

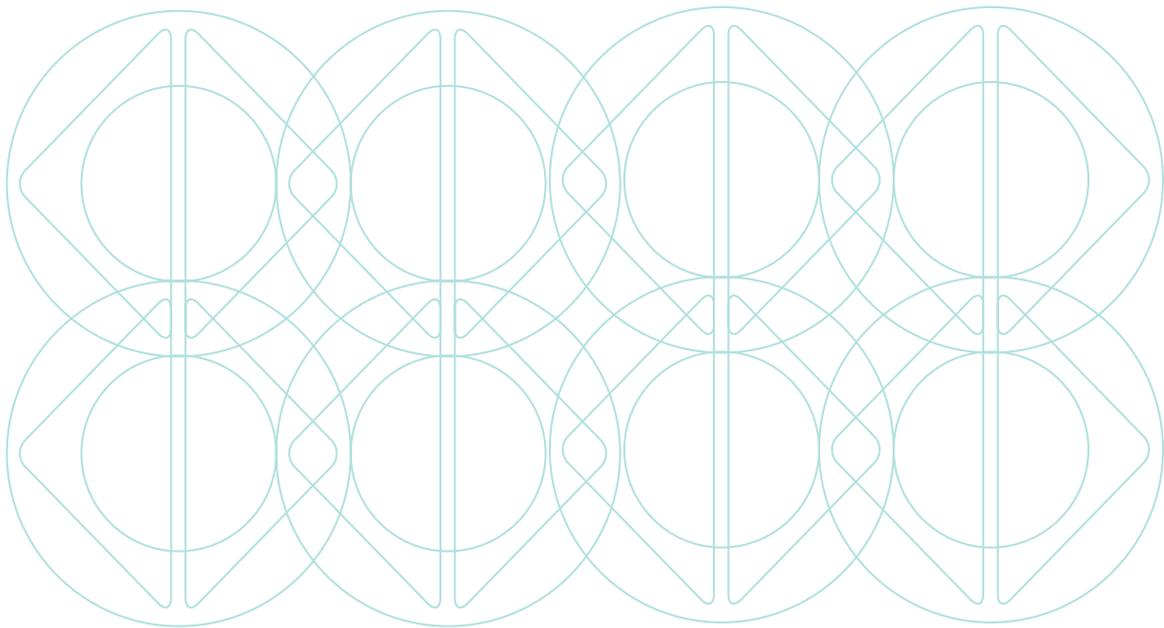
As the political pressure was mounting against the South African Government, efforts were made to consolidate the previous separate pension arrangements through the Temporary Employees Pension Fund Act in 1979, followed again by the General Pensions Act that provided for equal pension benefits for all civil servants, blacks and

whites. This Act was further repealed to make way for the Statutory Pension Funds Act of 1980.

Immediately before Namibia's independence, a new pension fund called Government Institutions Pension Fund was established in 1989 to provide pension benefits to Namibian civil servants. Sanlam, a life insurance company, was appointed to administer the Fund.

There were suspicions that the incoming Government might take the members' pension assets for their own use. The Administrator General of South West Africa for example stated that Resolution 435 could not be relied on to safeguard pension benefits of civil servants. The members and pensioners were thus given the option to either:

1. Transfer their service period, full actuarial reserve and share of surplus to the Namibian domiciled Government Institutions Pension Fund or
2. Privatize their pensions by transferring their actuarial reserve plus share of surplus to any other retirement annuity fund.



For members who selected the latter option, their “past service” was not transferred to the new Fund. Those who opted for the first option had to join GIPF in respect of their future service.

By 1990, the assets of GIPF were N\$844 070 million.

1996 - The Namibianization process
In 1996, the Board of Trustees of GIPF resolved that operations of GIPF should be conducted and controlled by Namibians. They decided that the administration of the fund should be done in-house in order to render better service to members. The Board of Trustees invested the assets of GIPF in a mix of Namibian, South African and international equities, bonds, properties and cash. With the assistance of bullish markets that prevailed at that time, the financial position of the fund improved extremely. This is why the civil servants who transferred their full pensions to the GIPF are today much better off than their counterparts who privatized their pensions.

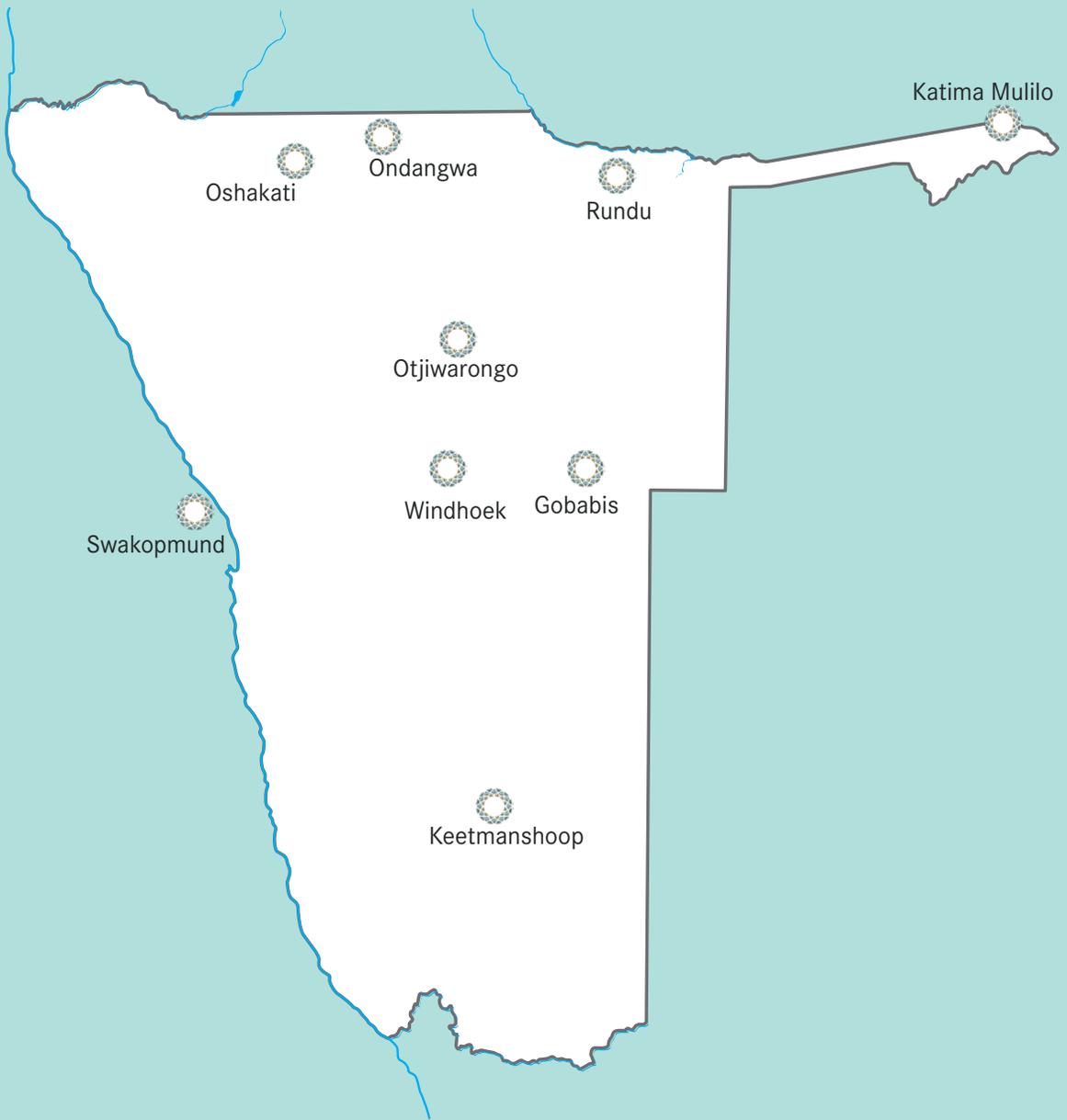
By 1996 the assets of GIPF were N\$4 398 896 billion.

1999 - The establishment of the GIPF Administrators (Pty) Ltd.

In line with the changes within the retirement funds industry, characterized by increased consumerism, high costs to the employer, tighter regulatory control of retirement funds and the poor service delivery of the historical life insurer, the Board of Trustees took a strategic decision and registered a professional retirement administration company in 1999 that would administer both defined benefits and defined contributions benefits funds. This was done to give institutional customers and members flexibility and choice in investment options.

By 1999, the assets of GIPF were N\$6 894 084 billion.

Regional offices

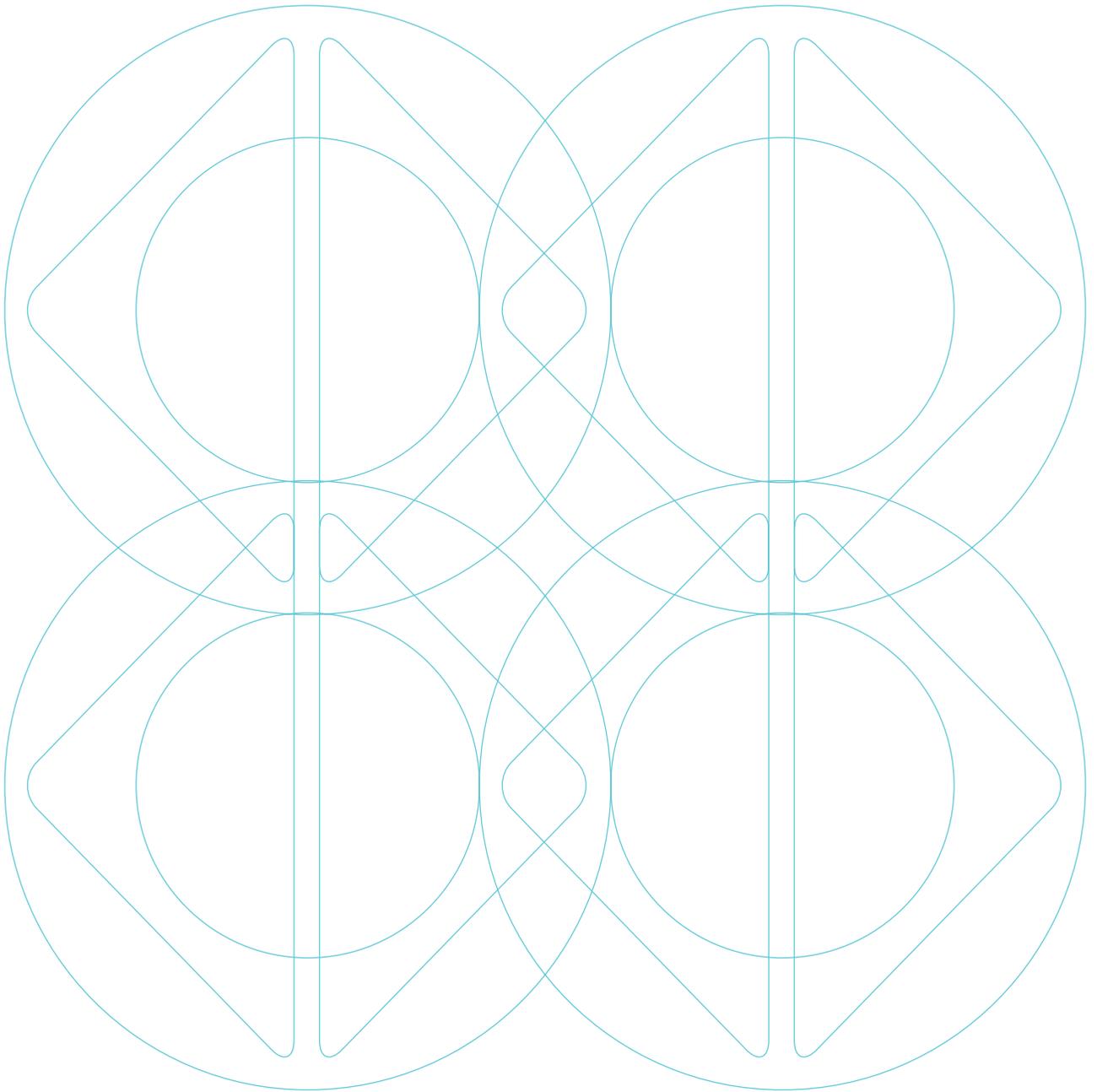


The GIPF has regional offices in Windhoek, Otjiwarongo, Ondangwa, Oshakati, Katima Mulilo, Gobabis, Swakopmund, Keetmanshoop and Rundu that were established to bring services nearer to our members.

The regional offices are connected to our administration system (GIMIS) that facilitates the coordination and exchange of member information.

GIPF Regional Offices Contact Numbers

Windhoek	061 – 2051000
Ondangwa	065 – 241381/2
Swakopmund	064 – 461735
Katima Mulilo	066 – 254589/254223
Otjiwarongo	067 – 307078/9
Gobabis	062 – 564098
Rundu	066 – 256820/1
Keetmanshoop	063 – 226021
Oshakati	065 – 220587/42



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