



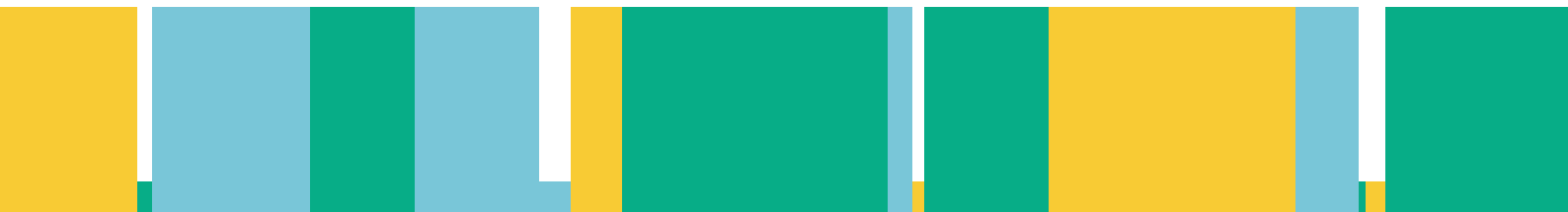
# 2021

INTEGRATED ANNUAL REPORT



**GIPF**

Government Institutions  
Pension Fund



## Continuing to create shared value

Our passion for safeguarding and growing the Fund with the purpose of creating shared value and improving the quality of life of our members will always remain the driving force of our business. Our investments bring about social change and enable local economic development for the collective good of our people and our country in a sustainable manner.

The Government Institutions Pension Fund (GIPF) is the largest defined benefits pension fund in the country and the single biggest investor in the economy; with assets of N\$135.4 billion, the GIPF represents more than 62% of the GDP in Namibia.

Our members are the primary beneficiaries of this shared value, with consistent increases provided in line with inflation. Knowing that their benefits are guaranteed provides our members with long-term security and peace of mind for themselves and their families.

Our shared value also extends across several major sectors of the economy, such as financial services, manufacturing, infrastructure development, housing developments, health establishments, agriculture, and renewable energy. The assets of the Fund have been utilised to assist with fiscal policy by assisting government to meet their borrowing needs through investments in bonds and treasury bills.

Our relevance as a pension fund today and in the future, and our ability to create long-term value, are interrelated and fundamentally dependent on the forms of capital available to us (inputs), how we use them (value-adding activities), our impact on them, and the value we deliver (outcomes), as discussed.



*We take immense pride in the fact that during 2021 GIPF continued to create significant shared value by investing in several projects across major sectors in Namibia. We provide housing and related infrastructure for thousands of families, clean energy to several households, opened the doors to healthcare for the entire population of Namibia, installed transport infrastructure for several communities (transport and logistics), and boosted the agricultural sector. In the process, and during a difficult year, the Fund has kept the flame of hope alive.*







*"Strive not to be a success, but rather to be of value"*  
- Albert Einstein

## ICONS USED THROUGHOUT THIS REPORT








### Our Strategic Themes

-  Sustainability
-  Excellent service
-  Outcomes-based governance risk and compliance
-  Employer of choice

### Our Capitals

-  Financial capital
-  Social and relationship capital
-  Intellectual capital
-  Human capital
-  Manufactured capital
-  Natural capital

### Our Key Stakeholders

-  Employees and unions
-  Fund members
-  Government departments and agencies
-  Regulator
-  Suppliers
-  Media
-  Society

### Other Icons

-  This icon directs the reader to pages with more information

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*The intended audience of GIPF's fourth Integrated Annual Report are all stake holders who have a vested interest in the governance, performance, and strategy of the GIPF, and in our ability to generate long-term value.*



# INTRODUCTION



# About our integrated annual report

## Reporting scope and boundary

GIPF has upheld the principles of good governance, accountability and transparency for more than 30 years. This commitment was expressed in our very first integrated annual report in 2018, followed by our second and third integrated annual reports in 2019 and 2020. These three reports have given us immense pride to present our fourth integrated annual report for 2021.

This report reviews GIPF's strategy and business model, risks and opportunities, and operational and governance performance. It seeks to provide a concise, material and frank assessment of our performance for the year ended 31 March 2021, as well as outlining our strategic path for achieving strong financial performance and delivering on our vision.

In assessing the risks, opportunities, and outcomes that materially impact value creation, we have looked beyond the financial reporting boundary to provide for the material interests of relevant stakeholders and to address the significant risks, opportunities and impacts associated with our activities over the short-term (less than 12 months), medium-term (one to four years), and long-term (beyond four years).

## Reporting frameworks

Integrated reporting enhances the way we think, plan and report the story of our business in a clear, concise, integrated story that explains how all of our resources create value. Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the Value Reporting Foundation's Integrated Reporting Framework, the Namibian Code of Corporate Governance (NamCode), and the Report on Corporate Governance for South Africa 2016 (King IV).

## Materiality

This report aims to disclose information about matters that could substantively affect our ability to create value over time. The process of identifying and prioritising the material for inclusion in this report involved reviewing a number of aspects, including GIPF's business model, our interaction with the capitals, our operating environment, and the interests of our key stakeholders as expressed during our mutual business engagements. This report presents the identified material information through a structured narrative that reviews who we are and how we create value, identifies those issues that have a significant impact on value, and outlines our strategy and performance in ensuring long-term value creation. Additional information that is not contained in this report, but which may be of interest for other purposes, is provided on our website.

## Target audience

This report has been prepared primarily for current and prospective investors, and for representatives from government, regulatory authorities in Namibia, to inform their assessments of our performance.

## Integrated thinking

Integrated thinking is intrinsic to how we manage our business and to our internal strategy development and reporting practices. We have developed our strategy and the four strategic themes to ensure that we manage the resources and relationships needed to create value over time. A considered assessment of the capitals (as referred to in the IIRC's <IR> Framework) informed both our strategy and the internal materiality process used to determine the content and structure of this report.

## Forward-looking statements

This report contains forward-looking statements with respect to GIPF's future performance and prospects. While these statements represent our judgments and future expectations at the time of this report's preparation, a number of emerging risks, uncertainties and other important factors could result in actual results to differing materially from our expectations. These include factors that could adversely affect our business and financial performance.

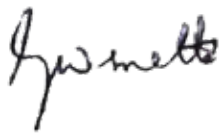
## Board responsibility statement

As members of the Fund's Board of Trustees, we acknowledge our responsibility for ensuring the integrity of this report. We have reviewed the report and believe that it addresses those matters that have a material effect on the Fund's ability to create value over the short, medium, and long-term. It is our opinion that this report presents a balanced account of the Fund's performance for the reporting period as well as an accurate reflection of our strategic commitments for the next three years. The Board has approved the GIPF AFS for distribution as of 29 September 2021 and has endorsed the GIPF Integrated Annual Report on the recommendation of the Audit and Risk Committee.



We encourage our stakeholders to read this report and to share your feedback on our disclosure, our performance, and our strategic roadmap for delivering value.

A digital copy of the report is available at [www.gipf.com.na](http://www.gipf.com.na)



**Goms Menetté**

Chairperson of Board of Trustees

29 September 2021



# Delivering societal value:

## Our alignment and contribution to the 2030 UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) are a universal call to action and provide the best articulation of what sustainable value is, setting a clear long-term agenda to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. GIPF's culture is built on a foundation of nurturing, sharing, and caring for the wellbeing of its members, our society and the long-term prosperity of our country. We are committed to playing our role in the attainment of these SDGs, together with government, communities and other businesses.

*Through our core purpose to be a leading global pension fund that creates sustainable and shared value for its members, we are making a positive impact on the socio-economic development of Namibia and its people for a prosperous future.*

Pending a formal review process next year, we have initially identified five SDGs, as depicted below, where we believe we can have the most meaningful impact:



**THE NEED:** One in nine people in the world today (815 million) are undernourished.

**OUR CONTRIBUTION:** We have committed over N\$510 million through our Fund Managers to agricultural investments in Namibia.



**THE NEED:** Energy is the dominant contributor to climate change, accounting for around 60% of total global greenhouse gas emissions.

**OUR CONTRIBUTION:** Our investments of N\$2.7 billion in renewable energy projects during this year alone power hundreds of businesses and homes with clean energy.



**THE NEED:** 470 million jobs are needed globally for new entrants to the labour market between 2016 and 2030.

**OUR CONTRIBUTION:** The investments we make on behalf of members' promote job creation in various sectors, including agriculture, energy, infrastructure, manufacturing, property, to name a few.



**THE NEED:** 95% of urban expansion in the next decade will take place in the developing world.

**OUR CONTRIBUTION:** Our housing investments have provided over 3,721 affordable homes in Namibia.







**THE NEED:** Global emissions of carbon dioxide (CO<sub>2</sub>) have increased by almost 50% since 1990.

**OUR CONTRIBUTION:** The renewable energy projects we have invested in help to reduce carbon dioxide from the environment every year.



# Key enablers for achieving our global vision and our key milestones

STRATEGIC THEME	KEY ENABLERS FOR ACHIEVING OUR GLOBAL VISION	KEY MILESTONES DURING THE YEAR
Sustainability 	<ul style="list-style-type: none"> <li>Quality of member data</li> <li>Adequate financial resources and prioritisation</li> </ul>	<ul style="list-style-type: none"> <li>Strong Fund growth</li> <li>Alignment of the current asset allocation to the strategic asset allocation</li> <li>Onboarded new investment consultants in line with GIPF's global vision</li> </ul>
Excellent service 	<ul style="list-style-type: none"> <li>Mature and refined processes aligned with best practices</li> <li>Execution of breakthrough strategies</li> <li>Digital transformation and innovation</li> <li>Adoption and embedding of latest systems</li> <li>A service excellence culture</li> <li>Proactive stakeholder engagement/reputation management (member retention)</li> <li>Innovation culture/changed mindsets</li> </ul>	<ul style="list-style-type: none"> <li>Improved data integrity</li> <li>Adoption of virtual office concept</li> <li>Maintained good turn-around time in benefits payment</li> <li>Improved external stakeholder satisfaction levels</li> <li>Reduction of unclaimed benefits and turnaround times for pay-out of member benefits</li> <li>Well mobilised workforce under the new "work from home" dispensation</li> <li>Optimisation of ICT reliance in service delivery</li> <li>New annuity structure fully implemented</li> <li>Average decrease in turnaround time of benefits processing and reduced client service time</li> <li>Maintained 99.9% contributions collection rate</li> <li>Maintained systems' availability - no downtime due to any security incidents</li> <li>Embedded a culture of service excellence</li> </ul>
Outcomes-based governance, risk and compliance 	<ul style="list-style-type: none"> <li>Participation in global surveys</li> <li>Benchmarking against world-class companies</li> <li>Strong cyber-security and data protection</li> <li>Strong ethical and organisational culture aligned with organisational core values</li> <li>Issues management</li> </ul>	<ul style="list-style-type: none"> <li>The institutionalisation of the ethics management plan and strategy</li> <li>Drafted the GIPF Funding policy and GIPF Reserves policy</li> <li>Implemented the practice of a Board resolution implementation matrix</li> </ul>
Employer of choice 	<ul style="list-style-type: none"> <li>Transformational leadership</li> <li>Human capital, skills and capacity</li> <li>Focus on employee wellness</li> </ul>	<ul style="list-style-type: none"> <li>Phase 1 of the Global Leadership Development Programme successfully implemented (21 leaders and 100% attendance)</li> <li>Developed and implemented several employee wellness programmes, including the establishment of a Covid-19 Task force and guidelines</li> </ul>



*GIPF is a defined and self-administered pension Fund that provides guaranteed pension benefits to its members. Its operations are guided by the provisions of the Pension Funds Act (Act 24 of 1956) and the various Income Tax Acts. The Fund evolved from the Statutory Institutions Pension Fund ("the Old Fund") with effect from 1 October 1989, and is believed to be the first government pension fund in the world to have successfully completed a privatisation process. It is also one of a small number of fully funded pension funds in Africa that have built up sufficient funds to cover its liabilities.*




# OUR BUSINESS



# Who we are

*The Government Institutions Pension Fund (GIPF) is a statutory pension fund that provides pension and related benefits to civil servants, and employees of participating employers in Namibia.*


GIPF was established by the Namibian Government in 1989, with the purpose of providing pension and other related benefits to civil servants as well as employees of institutions established by Acts of Parliament such as state-owned enterprises and mission hospitals in Namibia.



### Our Mandate


The objective of the Government Institutions Pension Fund (GIPF) is to provide retirement and ancillary benefits to its members and their dependents.

## What we strive for




### Our Vision

To be a leading and model pension fund globally.




### Our Mission


To safeguard and grow the Fund for the benefit of its members.




### Our Core Values

We embrace our corporate values, and working together as a team, are transparent and accountable in how we operate. We share these values through our member-centric culture and delivering the highest quality of service.

- 

**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.

## What we do

As a defined-benefits pension fund, we provide guaranteed pension benefits to our members irrespective of stock market performance, employee lifespan after retirement, or whether a member becomes disabled and unable to work. These benefits are defined in terms of the Rules of the Fund. Most of the benefits are calculated based on the final average salary and the number of years of employment an employee of the Government or member institution has contributed to the Fund.

The GIPF offers the following pension benefits:

- Normal pension benefits
- Early retirement benefits
- Ill-health benefits
- Disability income benefits
- Death benefits
- Retrenchment benefits
- Funeral benefits

To fulfil its fiduciary responsibilities, the Board thoroughly evaluates, directs and monitors Fund matters to ensure that the Fund achieves its objectives of providing professional and efficient services to its members.

The Board employs a competent executive management team to assist with administering the operations of the Fund under the guidance of the Board of Trustees, who manage and control the Fund's affairs according to its Rules.

## Sources of funding

There are currently 44 participating employers registered under the Fund. The largest proportion of employees is from the Government ministries, constituting about 94% of the total active membership as at the end of the financial year.

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.

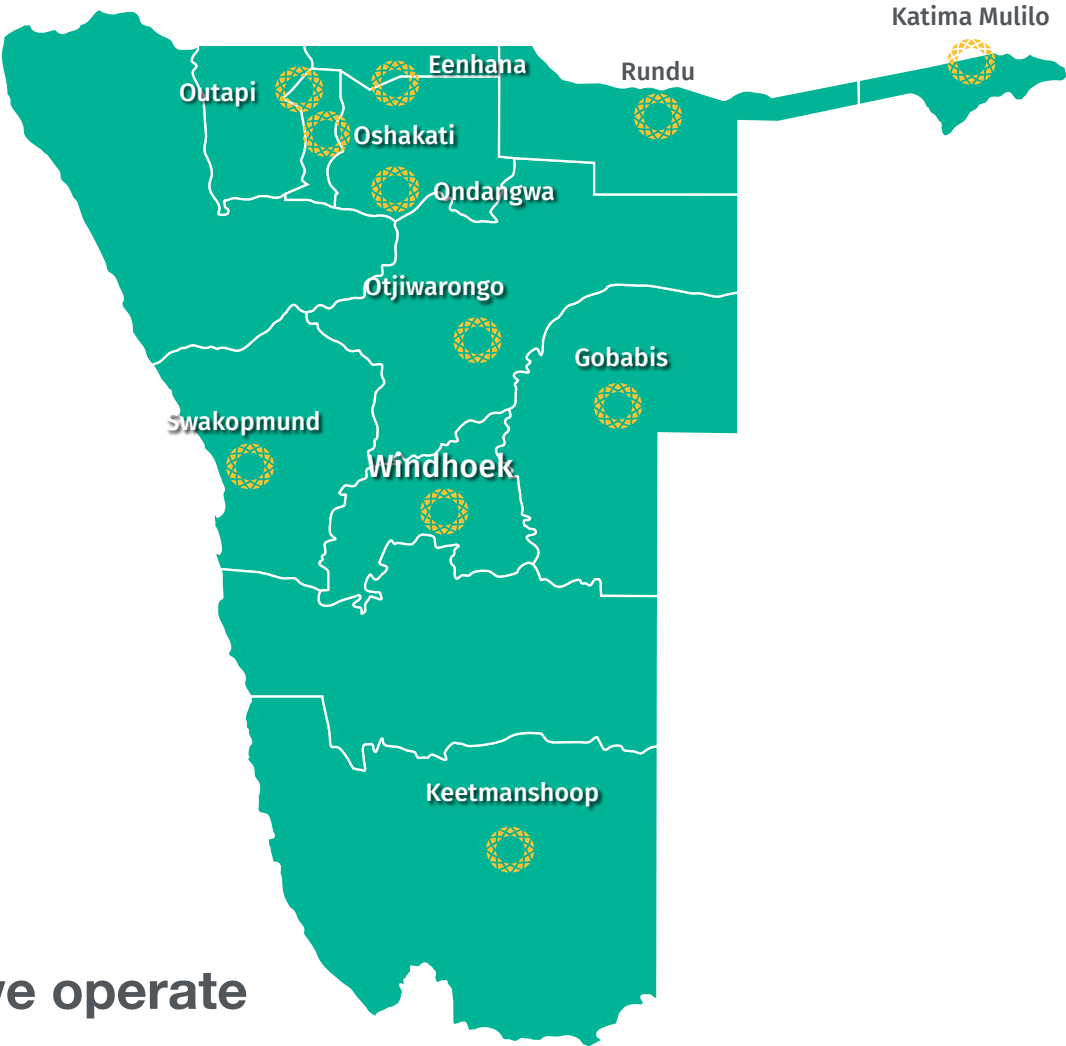
## How we are managed

The Fund is regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA) in terms of the NAMFISA Act, (Act 3 of 2001) and the Pension Funds Act, (Act 24 of 1956). In line with this mandate, NAMFISA conducts routine inspections to examine the Fund's overall risk management strategies and compliance with relevant regulatory requirements.

GIPF is governed by a Board of Trustees appointed by the employer (the Government of the Republic of Namibia) and the employee trade unions (the Namibian National Teachers' Union (NANTU) and the Namibian Public Workers' Union (NAPWU)).

The Board of Trustees has established committees to deal with various aspects of the Fund, namely the Audit and Risk Committee; Investment Committee; Benefits and Administration Committee; Legal, Governance and Compliance Committee; and the Remuneration and Human Resources Committee.





# Where we operate

## GIPF Regional Offices

GIPF currently has 11 offices spread over 12 regions. These are in Windhoek, Rundu, Katima Mulilo, Outapi, Eenhana, Oshakati, Ondangwa, Otjiwarongo, Swakopmund, Gobabis, Keetmanshoop, and one satellite office in Windhoek at the B1 City Mall in Katutura.

As part of our plan to decentralise our services systematically and sustainability to areas where the most need was identified, a new regional office in Oshakati will be established, and three satellite offices set up at Opuwo, Grootfontein and Nkurenkuru.

Regional offices are connected to our Government Institutions Member Information System (GIMIS), which facilitates the management and exchange of member information and protects their privacy.

All Offices are resourced by highly professional team members who are conversant in local languages.

## GIPF Regional Office Contact Numbers

Windhoek (Head Office)	061 - 205 1000
Windhoek (B1 City)	061 - 446 200
Ondangwa	065 - 241 381/2
Swakopmund	064 - 461 735/42
Katima Mulilo	066 - 254 223/589
Otjiwarongo	067 - 307 078/9
Gobabis	062 - 564 098
Rundu	066 - 256 820/1
Keetmanshoop	063 - 226 021
Oshakati	065 - 220 587/42
Outapi	065 - 202 001/3
Eenhana	065 - 263 762



# Our strategy

Our 2018 - 2023 Strategic Plan is structured around four distinct strategic themes and thirty-two strategic objectives designed to guide our actions/strategic initiatives towards achieving our mission to safeguard and grow the Fund for the benefit of our members.

GIPF STRATEGIC PLAN 2018 - 2023		
Our strategic themes	Our strategic objectives	Accountability
 <b>ST 01. Sustainability</b> The sustainability of the Fund is of paramount importance to ensure longevity and create lasting socio-economic impact.  Financial capital Social and relationship capital   <b>SEE PAGES</b> 72 - 108	<b>S.1:</b> Capacitate the Investment department <b>S.2:</b> Strengthen investment processes <b>S.3:</b> Practice responsible investing <b>S.4:</b> Ensure effective asset and liability management  <b>S.5:</b> Maintain optimal cost-to-serve ratio <b>S.6:</b> Enhance financial reporting of the Fund <b>S.7:</b> Prudent financial management <b>S.8:</b> Ensure governance risk and compliance <b>S.9:</b> Ensure assets and liability management <b>S.10:</b> Unique and conducive work environment and facilities <b>S.11:</b> Improve data integrity	GM: Investments          GM: Finance          GM: Operations
 <b>ST 02. Excellent service</b> GIPF strives to deliver positive and professional interactions with our members and stakeholders in a manner that is right, fast and humane.  Social and relationship capital Intellectual capital   <b>SEE PAGES</b> 109 - 122	<b>S.12:</b> Ensure stellar member care <b>S.13:</b> Maximise operational efficiency  <b>S.14:</b> Enhance brand resonance through proactive communication of the Fund's investment strategy <b>S.15:</b> Enhance member outreach and retention <b>S.16:</b> Enhance stakeholder engagement  <b>S.17:</b> Enhance enterprise infrastructure and architecture management <b>S.18:</b> Drive digital transformation and innovation <b>S.19:</b> Enhance information systems and cyber-security resilience <b>S.20:</b> Enhance information systems continuous improvement and optimisation	GM: Operations and GM: Marketing and Stakeholders' Engagement GM: Operations          GM: Marketing and Stakeholders' Engagement          GM: Information Systems
 <b>ST 03. Outcomes-based governance, risk and compliance</b> GIPF will institutionalise a governance driven culture that strives to achieve the true and intended outcomes of good governance principles and practices.  Intellectual capital   <b>SEE PAGES</b> 123 - 125	<b>S.21:</b> Ensure continuous enhancement of the internal control environment <b>S.22:</b> Enhance governance culture <b>S.23:</b> Embed a positive risk culture in GIPF  <b>S.24:</b> Enhance management of compliance and legal risks <b>S.25:</b> Ensure that GIPF rules and policies comply with regulations requirements  <b>S.26:</b> Ensure effective talent acquisition and retention <b>S.27:</b> Inspirational leadership and management <b>S.28:</b> Strategy driven training and development <b>S.29:</b> Drive occupational health, wellness and safety <b>S.30:</b> Build the GIPF organisational culture <b>S.31:</b> Ensure sustainability of HR related costs	Acting Chief Audit Executive          Company Secretary and Head: Ethics Manager: Risk          Chief Legal and Compliance Officer
 <b>ST 04. Employer of choice</b> GIPF takes pride in fostering an ideal working environment for skilled, engaged professionals.  Human capital   <b>SEE PAGES</b> 126 - 133	<b>S.26:</b> Ensure effective talent acquisition and retention <b>S.27:</b> Inspirational leadership and management <b>S.28:</b> Strategy driven training and development <b>S.29:</b> Drive occupational health, wellness and safety <b>S.30:</b> Build the GIPF organisational culture <b>S.31:</b> Ensure sustainability of HR related costs	Acting GM: Human Resources

Integrated reporting has helped the business to think holistically about its strategy and plans, make informed decisions and manage key risks to build investor and stakeholder confidence and improve future performance. The GIPF 2018 - 2023 Strategic Plan serves as the principal framework, guiding decision-making and assists the Fund in allocating valuable resources towards areas that will positively impact the lives of our members, their families, and the Namibian nation at large.

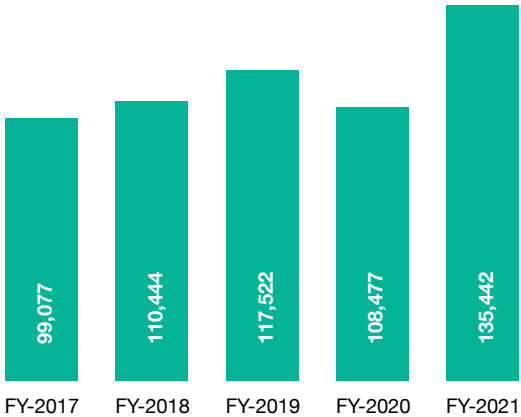
# Overview of our 2021 performance

How we provided value

## Fund assets

N\$135.4 billion

The Fund's investment return has increased by 26% to N\$27.9 billion, from an unrealised net investment loss of N\$7.7 billion in the prior year. The increase is attributed mainly to favourable investment returns during the period under review.



## Contributions received

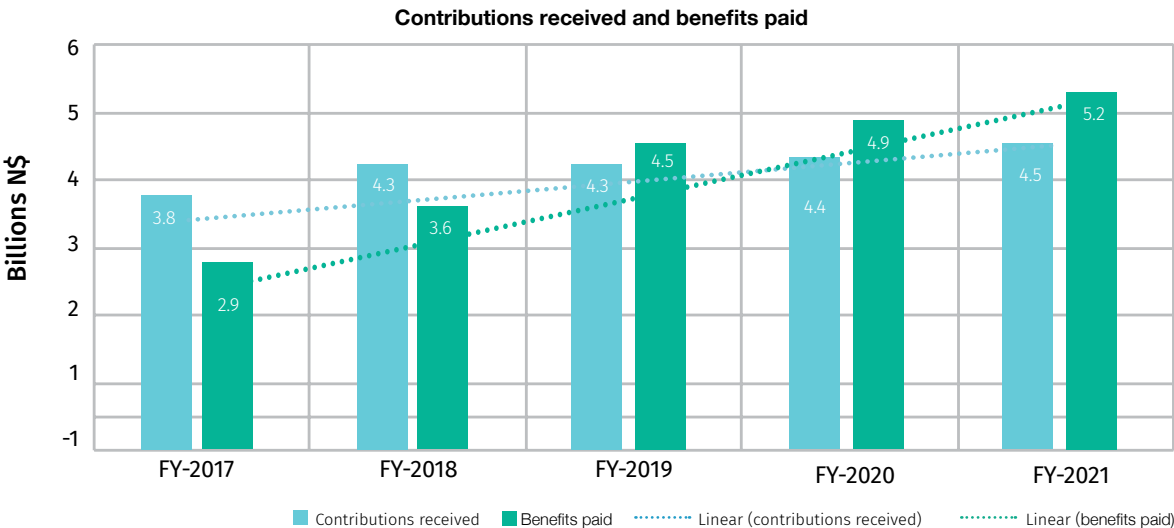
N\$4.5 billion

(up 2%)

## Benefits paid

N\$5.2 billion

(up 5%)

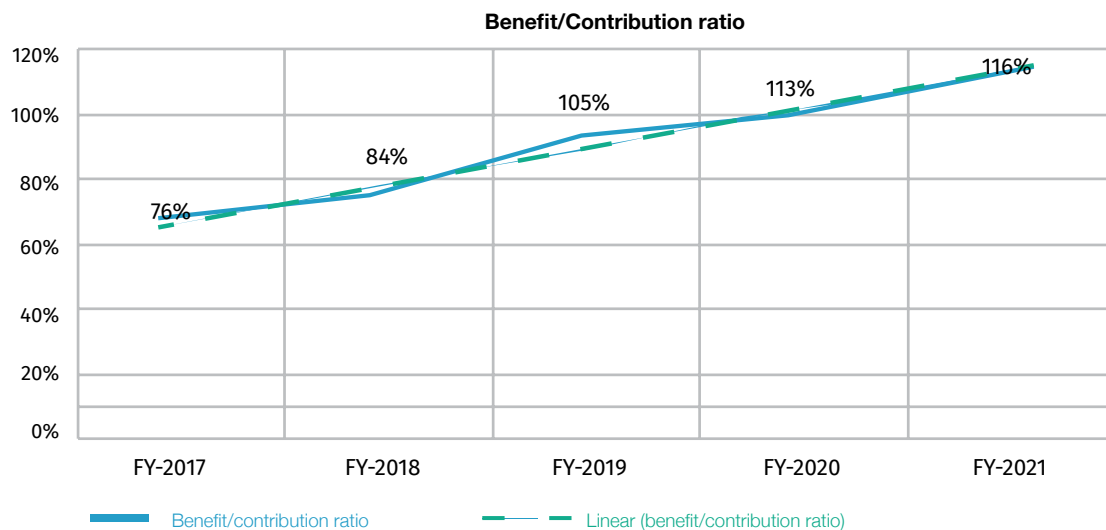


The Fund received a total of N\$4.5 billion in contributions, while N\$5.2 billion was disbursed in benefits to active annuitants.

## Benefit / Contribution ratio

# 116% increase

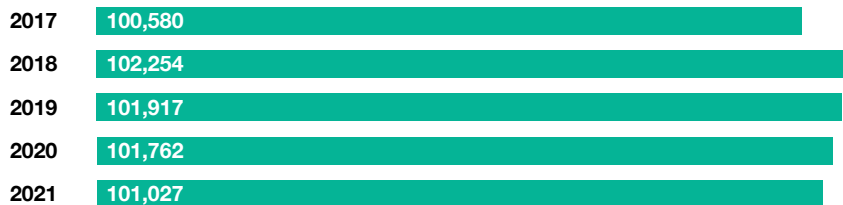
The Fund's benefit/contribution ratio increased to 116% by the end of the financial year (from 113% in the past year), representing a growth rate in this ratio of about 3%, whereas the cost-to-serve ratio stands at 1.55% (from 1.45% in the past year).



## Active member count

# 101,027

The Fund's active membership decreased by 735, from 101,762 to 101,027 by 31 March 2021, representing a decline of approximately -0.7% when compared to a decline of -0.1% during the corresponding period of the 2020 financial year.



## Value provided to our members

Pensioners receiving regular payments increased by 5,993 from 39,504 to 45,497 representing an increase of 15% when compared to a decrease of 3% (from 40,666 to 39,504) during the 2020 financial year.

A total of

**7,737**  
(2020: 8,351)

benefit claims were paid in the current financial year, 614 less than the previous financial year's claims of 8,351. This was mainly as a result of an increase in lump sum payments on retirement, monthly pension pay-outs, death benefits and funeral costs.

▲ **Retirement (lump sum):**

**3,197**  
(2,961 in 2020)

▲ **Monthly pensions:**

**45,497**  
(39,504 in 2020)

▼ **Resignation: Transfer**

**1,819**  
(2,273 in 2020)

▼ **Resignation: Cash**

**17**  
(29 in 2020)

▲ **Ill-health:**

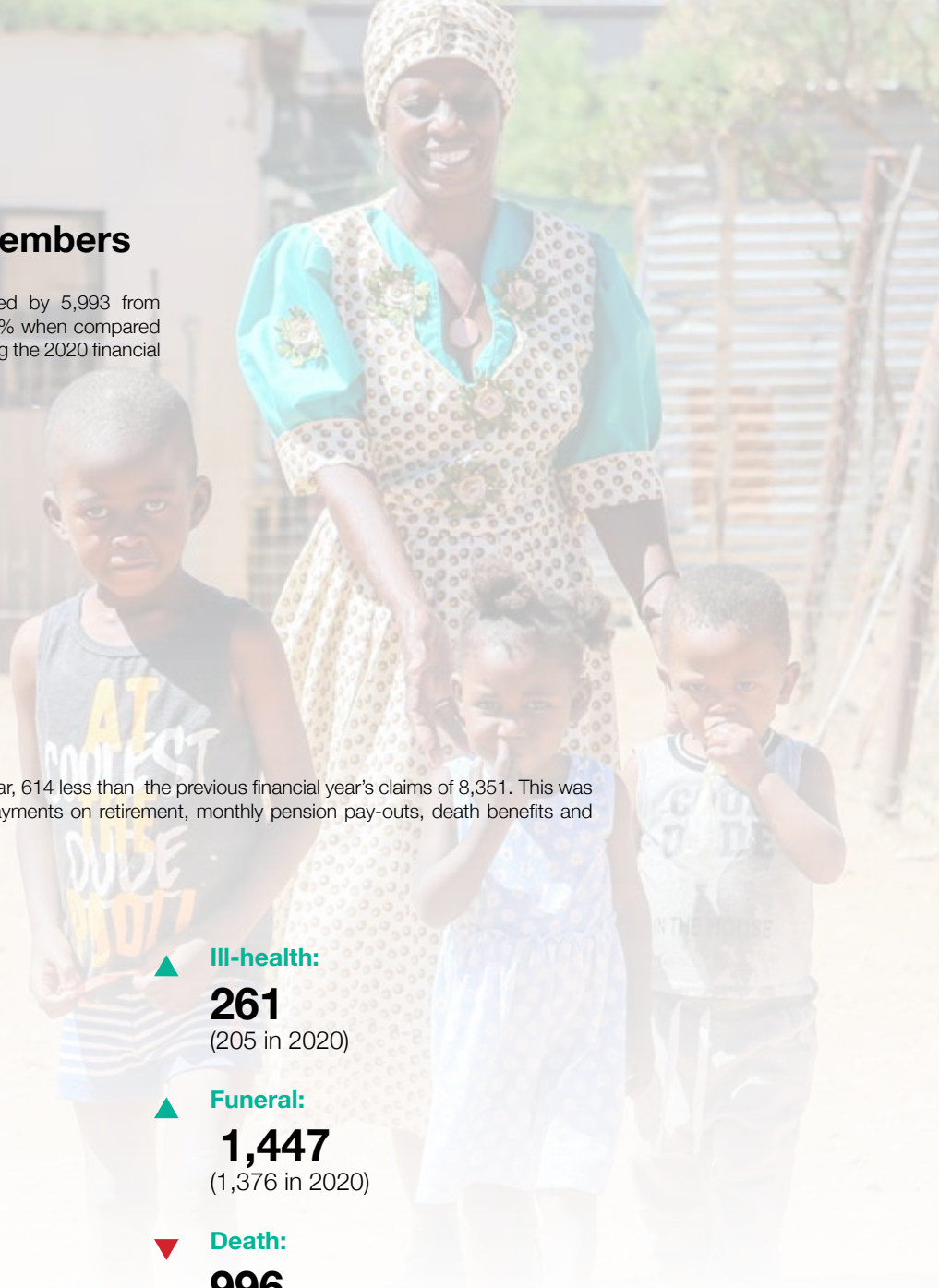
**261**  
(205 in 2020)

▲ **Funeral:**

**1,447**  
(1,376 in 2020)

▼ **Death:**

**996**  
(1,505 in 2020)





### The Fund provides the following valued benefits to its members:

**Normal retirement:** Upon retirement at 60, members receive a lump sum of one third of the total pension tax-free, as well as a monthly pension for life, commencing on the first day of the month following retirement. This is calculated as 2.4% of the member's final salary, multiplied by the member's term of pensionable service.

**Early age retirement:** Early age retirement is permissible, with the consent of the employer, upon (or after) the member reaching the age of 55, but before reaching 60. The formula used is the same as where a person retires at 60 but the pension amount is reduced for every month that the employee falls short of the normal retiring age of 60 years.

**Retrenchment:** Retrenched members are entitled to a service bonus 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 the employee's service period, the difference between real date and actual date of retirement, and a period of five years

**Early ill-health retirement:** A member who is on protracted ill-health leave may retire at any time prior to his/her normal retirement date. Such ill-health early retirement pension is calculated as 2.4% of the member's final salary, multiplied by the member's term of pensionable service. A once off lump sum is also payable on early ill-health retirement.

**Disability pension:** A member may qualify for a disability pension if the member becomes totally and permanently disabled while in service. The disability pension is calculated as 75% of the member's pensionable emoluments and is payable until the member's normal retirement age, after which the member retires in terms of the rules of the Fund.

**Death benefit:** A once off lump sum amount (of double the final annual salary of the deceased), as well as monthly pensions, are paid to the surviving spouse and children of a member who dies while in service. The qualifying spouse receives a pension equal to 40% of the annual salary for life, and the children receive a monthly income of up to a maximum of 30% of the annual salary for a maximum of three children.

**Funeral benefit:** A lump sum payment is provided to assist members with family funeral costs. This benefit is provided to members at no additional cost. The amounts paid are as follows:



**N\$8,000**

on death of a Fund member or his/her spouse



**N\$3,000**

to a child dependant of one to 18 years old



**N\$1,000**

to a child dependant less than one year old



**N\$1,000**

to a child dependant (stillborn)





## Joint leadership review

*In last year's Joint Leadership Review, we expressed our pride in the Fund's resilient performance amidst the global recession. Last year's resilience has brought with it further resurgence this year, helping us to perform beyond expectations in the context of some truly immense challenges. This resilience has paid handsome dividends during a year in which the focus was on balancing strategic stability and tactical agility, while remaining steadfast in our mission and purpose to guard and grow the Fund and create sustained, shared value for our members and the Namibian economy.*





*In 1940, during the height of the Second World War, an under-pressure Winston Churchill uttered eight words to his cabinet that still ring true, particularly today: "Never let a good crisis go to waste". Much like the Second World War, the Covid-19 pandemic is a seismic global event that has changed the world as we knew it. While one cannot ignore the devastating loss caused by the pandemic, we should also recognise the valuable opportunities that such significant change presents. In the context of the profound financial, trade and investment challenges we face, Churchill's words offer sound advice.*



## NAVIGATING A TURBULENT 2020/2021:

### Balancing strategic stability and tactical agility

Being ever vigilant of any threats to the long-term sustainability of the Fund, the first signs of distress were observed in January 2020. The response taken by GIPF was to immediately conduct thorough internal and external Covid-19 impact assessments to devise and implement immediate and appropriate response measures. Business continuity plans were kickstarted as part of our enterprise risk management and crisis response measures, with a full simulation exercise conducted two days before the national lockdown was announced in March 2020.

This tactical agility and foresight by the Board and Executive Management ensured that more than 45,000 households received their monthly pension on time throughout the duration of the pandemic, without any disruption of services or inconvenience to members. We also acted with equal swiftness in rolling out our Covid-19 Response Plan to ensure the safety and wellbeing of our employees, our members, and other stakeholders, and providing our employees with the necessary resources to enable them to work from home. Our operations were supported by innovative and enabling technology whereby the processing of payments could be processed remotely. Our ability to ensure the continued provision of excellent service to our members resonates with the GIPF being counted among the best in the world throughout the value chain, and for being fully funded, at 110%.

### A strong financial performance

It is pleasing to report on an outstanding performance achieved by the Fund for the 2020/2021 financial year. We were equally pleased with the fact that, as a Board, we approved the GIPF's annual financial statements for the year ended 31 March 2021 within the stipulated six months period, with an unqualified audit opinion issued by our external auditors in September 2021.

The decline in the investment market value of the Fund during the first quarter of 2020, when we witnessed the largest economic contraction in Namibia's history, was reversed during the current financial year through expeditious amendments to our strategic initiatives, robust investment strategies, and a responsive business model crafted to withstand market forces. As part of its enterprise risk management, the Fund assembled an investment task team during the initial lockdown to conduct rapid tactical asset allocation decisions resulting in a remarkable increase of N\$27.9 billion (26%) return on investment as at the end of the financial year. This increased the Fund's total asset base from N\$108.5 billion in the prior year, to N\$135.4 billion by financial year end.

GIPF operates within a highly competitive environment, despite being a defined benefit fund, and given our foreign investment portfolio of approximately 37%, we remain vulnerable to any downturns in large and competitive global economies. Some of the high-level challenges that the Board and Executive Management have identified over the short to medium term include: a significant devaluation of assets; volatile currency fluctuations; massive job losses and associated socio-economic pressures; increased government fiscal pressure due to declining GDP and rising sovereign debt; and a drastic reduction in dividends issued by financial institutions and property investments. The GIPF has responded to these profound challenges tactically and with agility. Our strategy has seen the Fund grow over the past 12 months from N\$108.5 billion in March 2020 to N\$135.4 billion in March 2021, with some notable unlisted investments made in key strategic sectors. This was achieved by converting current environmental challenges into opportunities and by making various strategic investment decisions.

Against this background, we have identified and realised various opportunities to ensure our resilience and growth. We revisited the corporate scorecards and revised some of strategic objectives to cater to the changed circumstances. We expedited our digital transformation efforts and enabled staff and the Board to work remotely. Some significant asset allocation investment decisions were taken to respond to global market movements, and we took advantage of currency fluctuations to allow the Fund to grow by approximately N\$16 billion over six months. We mitigated the risk the pandemic posed to vulnerable pensioners by suspending all biometric verifications, without affecting any payments to pensioners or other beneficiaries.

GIPF consistently increased pension benefits in line with inflation since 2008, ensuring that pensioners' benefits are not eroded by inflation. This year, an increase of 3% to all GIPF pensioners was approved by the Board, effective from 1 April 2021.

Total active members contributing to the Fund declined by 735, from 101,762 last year to 101,027 at financial year end. Despite the decrease in active membership, contributions received increased from N\$4.4 billion in the previous year to N\$4.5 billion at year end. We envisage membership of the Fund to remain relatively stable, with no marked increase in membership due to the current economic downturn and resultant limited new employment opportunities in Government.

During the year we paid out N\$5.2 billion (2020: N\$4.9 billion) in benefits to members, representing an increase of 5% year-on-year, while pension contributions from contributing employers rose 5%, to N\$4.9 billion. The increase in benefits payments is mainly attributable to the increase of newly retired, higher-earning members, new additional annuitants of 6,238 (2020: 2,850), and an annual inflationary adjustment of 3% offered to pensioners. Monthly pension benefits constitute the largest outflow of the Fund, which is an indication of a maturing Fund due to an increasing number of members retiring each year. The Board is keeping a close eye on the trend of benefits payments to increase over the past five years

at a higher rate than contributions being received. This has resulted in an increase in the Fund's benefits/contribution ratio from 113% in the past year, to 116% ending March 2021, representing a growth rate of 3%.

The Fund expenditures as a percentage of pensionable remuneration of members (cost-to-serve ratio) increased to 1.55%, mainly as a result of significant increases in regulatory fees for the period. The Fund adopted a strategy to manage the cost of administration to a ratio of less than 1.50% of pensionable remuneration for the next strategic plan cycle of the Fund. We will continue to monitor the solvency ratio and maintain tight budget controls to ensure that the appropriate level of expenditure is maintained each financial year. A total of over N\$324 million (2020: N\$285 million) was incurred by the Fund as administration fees.

### Global and domestic economic prospects

The negative economic impact of Covid-19 has been significant, with global growth projected at -4.9% in 2020. On the assumption that the pandemic will remain contained, and that the economy will gradually open, Namibia's economic growth is projected to accelerate to 2.8% by 2022 and further strengthen to an average of 3% over the Government's next medium-term expenditure framework (MTEF). The economic recovery is projected to be anchored by a strong recovery in primary industries, which are estimated to grow by 4.9% in 2022 and remain steady at an average of 4.8% over the medium-term, underpinned by a strong performance in the mining sector broadly and diamond mining in particular.

Global recovery is projected to be more gradual than previously forecast, with 2021's global growth pegged at 5.4% and GDP 6.5% lower than in the pre Covid-19 projections of January 2020. China is the first major economy to show signs of recovery since the pandemic, with business confidence improving. According to the IMF, the economic recovery in Europe is expected to lag behind the global average, with real GDP only expected to recover to its 2019 level by 2023. The US dollar is expected to weaken going into 2021 and the US unemployment rate is expected to peak at around 16% with improvement towards end of 2021, reaching pre-pandemic levels in 2022. A significant increase in spare capacity across emerging market economies post crisis is expected to persist into the foreseeable future, with exchange rate risks posing a major concern and demonstrating relatively weak external and/or fiscal balance sheets, especially in Turkey, South Africa, and Brazil.

## Creating and maintaining value through our Strategy

The Fund has continued to demonstrate consistently high performance across its four strategic themes by continuously monitoring the external environment and trends that have a material impact on the ability of the Fund to create value. The Board, together with its sub-Committees and Executive Management, has carefully

and strategically steered the Fund through turbulent waters to ensure that the Fund meets its vision to be a leading and model pension fund globally, and that it is well-positioned and resourced to respond to the ever-evolving retirement funds industry. These joint efforts have culminated in the Fund achieving a strategy execution rate of 84.8% for the year.

In this integrated report we provide a detailed account of our performance and prospects against our four strategic objectives, each of which is briefly reviewed below.

### Financial sustainability and responsible investing

Driving responsible investment practices is a critical part of our commitment to good governance and to our vision of being a leading and model pension fund, globally. While Covid-19 has created uncertainty on the expected returns on investments, the Fund's liability-driven investment strategy has enabled the Fund to adapt rapidly to prevailing economic market conditions. Following a full review conducted during late 2020, a submission was made to the Investment Committee recommending amendments to the Asset Liability Model (ALM) and to approve recommended changes to the Strategic Asset Allocation (SAA). The ALM is an integral component of the strategy formulation for the Fund's investment assets and, therefore, a thorough process is followed to assess its appropriateness considering the current and future market conditions. The revised strategic asset allocation, as predicted, targeted a sufficient return above that assumed by the actuary, while minimising risk as far as possible.

In terms of the asset class performance, the composite (overall) performance of the portfolio was 26.7% compared to the benchmark of 26.1% and shows overperformance of approximately 0.6%. For the year ending March 2020, the return amounted to -9.46% against the benchmark of -9.50%. Since the establishment of GIPF at the end of 1989, overall return performed at 12.90%, against a benchmark of 12.50%. An interim actuarial valuation was performed for the period from 1 April 2018 to 30 September 2019, which noted that, overall, the Fund's improvement data management processes resulted in more credible data for valuation processes. In terms of the Fund's current practice, the next statutory valuation is due for completion in March 2022.

GIPF has invested the funds entrusted to it in equities, fixed income, derivatives, private equity, collective investment schemes, as well as cash and deposits totalling N\$135.4 billion ending March 2021. The portfolio is invested across various geographical markets, which further helps with portfolio diversification. Geographically, of the total asset allocation for the year, 46% of the Fund was invested in the Namibian market, 19% in South Africa, 6% in Africa, 24% in the global arena, and 5% in emerging markets.

The GIPF is in full support of the objectives of the increased local asset requirement to stimulate growth in the country while simultaneously

deepening the local financial market. These objectives align well with the GIPF Investment Policy and Strategy, which stipulates GIPF's wish to make a meaningful contribution to the Namibian economy by providing capital to potential or high priority areas of the economy. We are extremely pleased that the domestic asset investment requirement (in terms of Regulation 13(2)) of 45% was exceeded during the year, with 45.53% invested in domestic assets.

The market value of our investments in the local economy over the past ten years, cumulatively, amounts to N\$4.765 billion (2020: N\$3.9 billion) through our unlisted investment programme, which is invested in 19 unlisted Investment Managers and at least 83 Namibian portfolio companies, with around N\$4.765 billion still to be invested. GIPF is also a significant investor in Government bonds. At financial year end, the Fund held 37% (N\$18.7 billion) of the total Government bonds in issue across all maturities. A large portion of these holdings are in treasury, with the internally managed portfolio holdings exceeding 50% of all bond mandates that the GIPF is invested in, targeted at the Namibian Bond Markets.

### **Our commitment to environmental, social and governance (ESG) standards**

Being a UN PRI Signatory has encouraged us to showcase our interest in investing responsibly. This required reviewing and creating a Responsible Investment and Ownership Policy committed to practical and actionable goals with respect to the six principles that seek to incorporate ESG factors into all investment decisions, as well as standard financial considerations. This is done to improve risk management, generate sustainable and consistent long-term returns, and ensure alignment with the broader objectives of society. The ESG standards provide the necessary guidance to the Board on matters that are critical to our mission of having sustainable investments. As an institutional investor, GIPF inspires to position itself to be at the forefront of these efforts. To this end, the Fund will bring other partners in on the journey and collaborate in connecting people, resources, and ideas to drive innovative solutions. GIPF will continue to make sound and sustainable investments, which act in the best long-term interests of our beneficiaries.

Our members are our core business, and it is pleasing to know that our efforts towards investing, creates shared value through our socio-economic impact projects that are not only profitable, but also enhance the standard of living for our members.

Several examples of such investment are reported under the investment section of this report.

### **Opportunities for growth emanating from the Covid-19 crisis**

One of the few benefits of a crisis is that it helps to highlight what is critical in any given context. During the height of the shutdown that began in March 2020, various sectors were identified as essential and of national strategic importance. Key sectors that require our collective attention include the following:

**Healthcare, pharmaceuticals, safety, and personal protective equipment:** During the height of the pandemic, countries started stockpiling essential medical and protective gear supplies. Our main import partner, South Africa, similarly restricted the export of such goods, which highlighted our dependence on importing products that we have the capacity to produce ourselves. The GIPF has invested in three companies that have the technical and operational capacity to manufacture locally produced paracetamol, immune boosters, hydroxychloroquine, sanitiser, ethanol, and relevant PPE.

**Agribusiness and food security:** Namibia has annual consumption capacity of 16,000 tons of maize, another 160 tons of wheat, and 30,000 tons of potatoes. As of last year, our country produced less than half of its annual demand and imported the rest. This presents a clear opportunity. Namibia has the potential to be maize and potato self-sufficient within 12 to 24 months. With an estimated development and production budget of N\$500 million, the Namibian maize and potato gap can be closed. To date, GIPF has invested more than N\$120 million in the production of maize and blueberries, which anticipates producing in excess of 10,000 tons of grains, animal fodder, and fruits this year.

## Excellent Service

We did not falter on our drive and passion to provide excellent service and ensure high levels of stakeholder management despite the challenges presented during the year. The strategic approach taken by the Fund of balancing strategic stability and tactical agility flowed through the entire value chain of the Fund. Resources were swiftly mobilised, innovation deployed, and a new operating culture was adapted to the new normal.

The Fund's robust information systems infrastructure, solutions, services, and resilience all played key roles in ensuring business continuity and service delivery to our members and stakeholders during a year dominated by the Covid-19 pandemic. Technology standards and architecture (including remote work enablement) was advanced, and innovative processes, solutions, and digitalisation deployed.

Maximising operational efficiency is a continuous process, with constant reviews undertaken to identify any inefficiencies within our operational value stream. Some of the projects at the centre of our operational strategy being pursued include: a review of our pension administration system; a new biometric enrolment and verification solution to be acquired for members that will bring a new dimension to our service provision landscape; and setting up additional satellite offices at Opuwo, Grootfontein and Nkurenkuru.

One of the highlights of the year was achieving a contribution collection percentage of 99.9% against a target of 100%, due primarily to improved efficiency and streamlined processes.

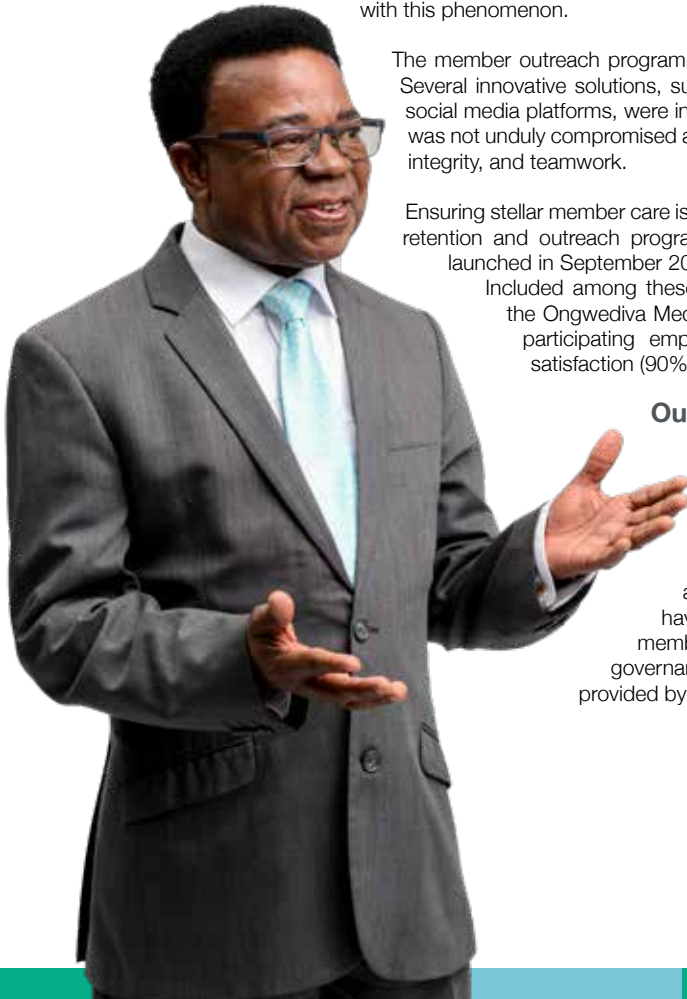
Strong emphasis continued to be placed on the importance of data integrity and the sustainability thereof, as this directly impacts on service delivery levels. The data integrity level increased significantly during the year, resulting in a review of contingency reserves. Historically, our data reserve was placed at 5% of the Fund's liabilities. The last valuation placed data reserves at 2.5% of liabilities. This reduction in data reserves, combined with the reduction in overall material risk, is a significant achievement given the challenges associated with this phenomenon.

The member outreach programmes were adapted to limit face-to-face engagements with the Fund membership. Several innovative solutions, such as the "roving office concept" and the utilisation of advanced technology and social media platforms, were introduced and strengthened. This ensured that our commitment to excellent service was not unduly compromised and that we were able to continue delivering on our core values of service excellence, integrity, and teamwork.

Ensuring stellar member care is an ongoing process, with more than N\$6.6 million spent during the year on member retention and outreach programmes. An awareness campaign regarding the Fund's investment strategy was launched in September 2020, profiling high impact domestic investments made by the Fund across Namibia. Included among these were the Mashare Blueberries Project, the Osona Village Housing Project, and the Ongwediva Medipark Hospital. Above-average ratings on external stakeholder satisfaction (97%), participating employer retention (97.6%), member satisfaction (91%), and internal stakeholder satisfaction (90%) were achieved during the year.

## Outcomes-based governance, risk and compliance

We continued to place a strong emphasis during the year on ethical leadership and sound risk management practices underpinned by accountability and transparency through full disclosure. GIPF observes optimal regulatory compliance, stringent financial governance, and responsible investment practices founded on the six fundamental governance standards and principles of fairness, accountability, responsibility, transparency, competency, and integrity, all of which have helped to promote GIPF's purpose of guarding and growing the Fund for its members and supporting sustainable development for the country. An enterprise-wide governance maturity rating of 4.18 was determined during the year, with assurance thereof provided by an independent external service provider.





A Business Continuity Management Improvement Plan was defined following the June 2019 disaster recovery exercise, with a follow-up disaster recovery test completed after the implementation of the identified improvement actions, confirming that critical systems can be restored within two hours. A detailed Covid-19 response plan addressing the recommendations made in the interim impact assessment report was prepared early in the 2020/2021 reporting period to mitigate the potential risks posed to the business and our stakeholders. The risks and opportunities have been updated with the status of implementation described.



SEE PAGES  
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The legislative environment under which the Fund operates remained stable, with no new legislation promulgated during the year that directly impacted on the Fund's operations. Due to the robustness of the Fund's legal risk management framework, the Fund did not experience any legal challenge against it. The legal risks management strategy was enhanced during the year to ensure that the Fund is governed and managed within the boundaries of the law, regulatory requirements, and best industry standards. Furthermore, the internal control environment was strengthened, with a significant reduction in logged audit issues of 76% in 2021, as compared to 67% during 2020. Management efforts to address the identified risks were diligently addressed, with no breakdowns in the internal control systems of the Fund being identified.

During the reporting period, the Fund retained its regulatory exemption from Regulation 13(2), allowing the Fund to extend the period within which it must commit a minimum of 45% of its investments in domestic assets, to 31 March 2021. We are pleased to report that, considering the size of the Fund's assets and fluctuating market and currency movements, this threshold was exceeded by 0,53% during the year, with 45.53% invested in domestic assets. The Fund applied for an exemption of "other assets in terms of Regulation 13(5), whereby the Fund is only allowed to hold up to a maximum of 2.5%. An exemption, whereby the threshold be increased to 5%, from the 2.5% was subsequently approved by NAMFISA. The exemption is valid for a period of nine years.

The GIPF remains committed to the objectives of the increased local asset requirement to stimulate growth in the country and in deepening the local financial markets, which align with the GIPF Investment Policy and Strategy of promoting socio-economic development in the country by providing capital to potential or high priority areas of the economy.

## Employer of choice

Our human capital is the driving force behind execution and achieving our purpose at pace. This is supported by our strong employee value proposition to ensure that we attract, develop, and retain the required skills to execute our strategy. The deep sense of connection and meaning our employees have in our purpose contributes immensely to creating shared value to our members and enhances our brand value. It is also acknowledged that the organisational culture is a key

enabler to overall strategy execution. Several initiatives in support of building and maintaining an optimal culture in alignment with our corporate values, are being implemented

The staff complement of 246 at year end remained the same as last year. This year's staff turnover rate was 3.2% - well below the staff turnover rate set in the strategic plan of between 5 and 7%.

In observance of Covid-19 protocols, training was conducted virtually during the year, which resulted in reduced travelling costs and a resultant decrease in training spend from N\$5.68 million at the end of March 2020, to N\$1.8 million at year end. Various targeted training programmes, team building sessions, and engagement building activities continued to be undertaken during the year as an ongoing strategic initiative towards embedding an optimal culture driven by strong and effective leadership and embracing our values and code of conduct.

Our leaders are the future of tomorrow, and we are proud of the fact that the second phase of the customised Global Leadership Development Programme developed by the Gordon Institute of Business Science (GIBS) of the University of Pretoria will be rolled out soon. The first phase was successfully rolled out to executive management with positive and tangible results.

We were well prepared for the second wave of Covid-19 and ensured that infections were manageable and kept to a minimum through stringent health and safety standards and protocols throughout head office and all regional offices. An Organisational Safety, Health, and Wellness Programme developed in the previous year was rolled out to provide the necessary morale support and maintain high levels of productivity, and increased awareness of maintaining a healthy lifestyle balance.

## Outlook

The new post-Covid-19 environment will require a fundamental change in how we approach business and investments. A new environment requires a new mindset. We have a unique opportunity to create thriving businesses, vibrant local sectors, deeper financial markets, and wide participation in the growth of the local economy. This is a rare opportunity that may not soon present itself again. We must embrace the hard lessons learnt and incorporate them into our thinking and our policy going forward. As Churchill said, we must not let a good crisis go to waste.

## Appreciation

Our appreciation goes to all of our Board colleagues and the executive team, who demonstrated their mettle in rising above the challenges and ending the year on a high note. It will be difficult to exceed this year's performance during the coming year, but we know that with the same driving force and commitment to creating shared value, we will buffer the storms together for a brighter future.



**The five key elements that we consider important for a purpose-led growth strategy moving forward are:**

**Sustainability** – GIPF embraces the business case for sustainability as one of the defining challenges of our time. As a purpose-driven global pension fund, this may require difficult trade-offs as long-term investments are prioritised over short-term profit making. Our liability-driven strategy is comprised of a robust Asset Liability Modelling (ALM) process, which feeds into the risk and return parameters known as the Strategic Asset Allocation (SAA) which GIPF, as a long-term investor, uses to implement its investment philosophy.

**Trust** – Trust, in the post-pandemic era, will be important to all businesses' licence to operate. At a time that public trust is at an all-time low, the importance of building trust in an increasingly virtual and connected world will be critical to create long-term value. People want to trust the organisations they buy from, work for, and invest in. As a defined benefits pension fund, we provide guaranteed pension benefits to our members, irrespective of stock market performance, how long an employee lives after retirement, or whether a member becomes disabled and unable to work. This fosters trust and provides our members with the long-term security of knowing that their Funds are in safe hands.

**Technology** – The pandemic has catapulted us into the 'digital first' era overnight. As part of technological acceleration and transformation, a culture of agility and a transformative mindset has been adopted at GIPF, with the primary aim to continue providing excellent service to our members and stakeholders. Strategic investments are necessary to ensure future-proof and high-quality services in an increasingly digital and data-driven era. In 2022, this will still largely have to be done from home. To facilitate this properly, tools are used that are in line with the new ways of working. We expect that the office of the future will move more towards a combination of working at home and at the office.

**Trade** – Geopolitical tensions and the uncertainty that they create are constantly monitored by the Board, our Investment Committee, and the Executive Management Committee. As we acknowledge that we are living in times of instability, our strategies remain flexible and are best placed to take advantage of the opportunities presented in these times.

**People** – Our purpose-led long-term value strategy recognises the value of our people as the front and centre of all we do, and that the most advanced innovations, or cutting-edge technologies, can fail if they lose sight of human values. As we reimagine how and where our people work, a new hybrid approach to managing the transition to the post-pandemic era, whereby increasingly flexible working arrangements are enabled without causing any disruption to providing excellent service, has been successfully implemented.



**Goms Menetté**  
Chairperson of Board of Trustees

**David Nuyoma**  
Chief Executive Officer / Principal Officer

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29 September 2021

## Our business model:

How we create value

### Member contributions

# N\$4.5 billion

(up 2%)

Pension benefits are funded primarily by monthly contributions from public sector employers and employees



**EMPLOYER**

16%

of each member's pensionable salary



**EMPLOYEE**

7%

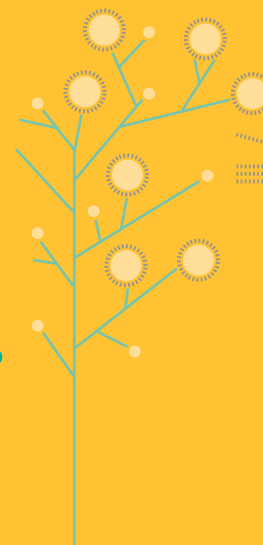
of his/her pensionable salary

101,027  
active members

32  
government  
ministries

44  
participating  
employers

52  
professional  
service providers  
(up 2%)



### Investing in people



#### Human Capital

- 246 permanent employees management systems
- Low staff turnover of 3.2% (2020: 1.64%)
- N\$1.8 million was invested in training provided
- 52 service providers
- 44 participating employers

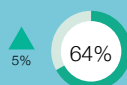


#### Intellectual Capital

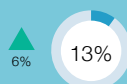
- Effective internal management systems
- Robust information systems (IS)
- Enhanced efficiencies through Business Process Improvement (BPI) project
- Strong GIPF brand

## Total operational expenditure

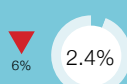
**N\$324,468 million**  
(2020: N\$285,182 million)



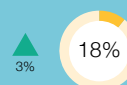
**N\$207,627 million**  
paid in salaries and benefits  
(2020: N\$198.4 million)  
**Employment**  
employee salaries,  
benefits and bonuses



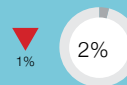
**N\$40.9 million**  
ICT-related costs  
such as data communication  
charges, computer maintenance and  
renewal of licences



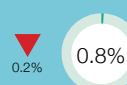
**N\$7.7 million**  
Professional fees  
for investment consulting, business  
improvement project and other  
services



**N\$60.3 million**  
Office expenses  
rental, S&T for member  
education activities, advertising and  
investment site visits



**N\$6.6 million**  
Member education  
various member engagement, marketing,  
and education and awareness initiatives



**N\$2.8 million**  
Trustees expenses



## Investment income reinvested

N\$26.9 billion

Once the funds have been invested, they are allowed the opportunity to grow with the market and generate returns.

Any residual funds are reinvested into the Fund, ready for another round of growth.

## Guaranteed benefits

N\$5.2 billion

paid out in benefits to members (2020: N\$4.9 billion) (up 5%)

### Our products and services



N\$2.5 billion  
Monthly pension



N\$1.7 billion  
Lump-sum on retirement



N\$138 million  
Death benefits



N\$870 million  
Withdrawal benefits



N\$8.8 million  
Funeral benefits



### Top five risks

1. Potential lower investment returns earned
2. Reducing income
3. Lack of data integrity leading to higher data reserves and delayed payments
4. Outdated and non-integrated systems
5. Inability to effectively respond to significant disaster

## The Fund

N\$135.4 billion

in assets (2020: N\$108.5 billion) (increased by 25%)



### Investment types

**Listed:**  
Instruments listed on the formalised stock exchange

**Unlisted:**  
Alternative instruments such as private equity and venture capital

**Treasury:**  
Fixed income instruments such as bonds, cash and negotiable certificates of deposits

### Total asset allocation per region

Namibia



Africa



South Africa



International



China



Emerging markets



### Total alternative investment asset allocation per region

Namibia



Africa (excluding South Africa and Namibia)



South Africa



Europe



United States of America



## Investing in the Namibian economy

Total amount committed to unlisted investments in Namibia:

N\$9.17 billion



### Social capital

#### Infrastructure social

(debt) commitment N\$300 million (2020: N\$300 million)

#### Affordable housing commitment

N\$1.38 billion (2020: N\$1.3 billion)

#### Health facility commitment

N\$220 million (2020: N\$220 million)

#### Educational services commitment

N\$60 million (2020: N\$60 million)

#### Transport and logistic commitment

N\$90 million (2020: N\$90 million)

#### Private equity commitment

N\$2 billion (2020: N\$2 billion)

#### Private debt - procurement financing

N\$410 million (2020: N\$410 million)

#### Mortgage financing commitment

N\$1.5 billion (2020: N\$1 billion)



### Natural capital

#### Renewable energy

N\$2.7 billion (2020: N\$1.7 billion)

#### Agricultural value chain

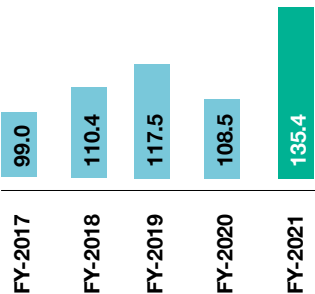
N\$510 million (2020: N\$360 million)



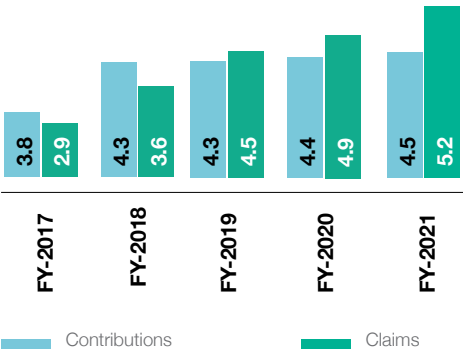
### Manufactured capital

11 regional offices and one satellite office countrywide

## Fund growth (N\$ billion)



## Contributions vs claims (N\$ billion)



110%  
Fund solvency

116%  
Benefits / contributions ratio

1.55%  
Cost-to-serve ratio

# How we sustain the value we create

Through the execution of our 2018 - 2023 Strategic Plan and the strategic objectives driving the four strategic themes – Sustainability; Excellent Service; Outcomes-based Governance, Risk and Compliance; and Employer of Choice – we impact the capitals and strive to manage these responsibly to sustain value. We maintain our capacity to create value by reinvesting in the capitals on which the Fund and its members depends.

## Funding available for our operations

Capitals	Necessary inputs	How we sustain value	Outcomes
Financial capital	Member and participating employer contributions  Net investment income	<ul style="list-style-type: none"> <li>Actively manage cost-to-serve ratio</li> <li>Asset and liability modelling</li> <li>Implementation of the strategic asset allocation</li> <li>Adherence and compliance to the Investment Policy and Strategy</li> <li>Implementation of the Development Policy</li> <li>Integration of sustainability aspects into the management of our business and our role in the socio-economic development of the country</li> </ul>	<ul style="list-style-type: none"> <li>Safeguarding and growing the Fund's assets</li> <li>N\$4.5 billion contributions received</li> <li>Return on investment of 26%</li> <li>N\$5.2 billion benefits paid to members</li> <li>Financially sound organisation</li> <li>Positive and tangible contribution to the growth in GDP of the country</li> <li>Tangible impact on the socio-economic development of the country through housing, food security, employment creation, health and hygiene, renewable energy</li> </ul>

## Quality relationships with key stakeholders

Capitals	Necessary inputs	How we sustain value	Outcomes
Social and relationship capital	Networking and collaboration: <ul style="list-style-type: none"> <li>Cooperation, knowledge-sharing</li> <li>Active dialogue with our stakeholders to promote our members' interests</li> <li>Constructive engagement with key stakeholders</li> <li>Positive relationships with members</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with several strategic stakeholders, members and the public through targeted programmes</li> <li>Provision of expert advice, such as on member benefits, retirement planning.</li> </ul>	<ul style="list-style-type: none"> <li>Maintained positive relations with strategic stakeholders and other stakeholder groups</li> <li>Maintained GIPF's reputation and corporate image</li> <li>Public trust and confidence</li> <li>Brand loyalty</li> <li>Excellent service provided to members</li> <li>Affordable housing commitment N\$1.38 billion</li> <li>Health facility commitment N\$220 million</li> <li>Educational Services Commitment N\$60 million</li> <li>Infrastructure social (debt) commitment N\$300 million</li> <li>Educational services commitment N\$60 million</li> <li>Transport and logistics commitment N\$90 million</li> <li>Private equity commitment N\$2 billion</li> <li>Private debt – procurement financing N\$410 million</li> <li>Mortgage finance commitment N\$1.5 billion</li> </ul>

### People, culture, intellectual capability and governance

Capitals	Necessary inputs	How we sustain value	Outcomes
Human and intellectual capital	<ul style="list-style-type: none"> <li>• 246 motivated and engaged employees</li> <li>• Skilled and diverse leadership team</li> <li>• Ethical culture that enables the attainment of strategic goals</li> <li>• Corporate values embedded in the organisation</li> <li>• Robust governance systems and practices</li> </ul>	<ul style="list-style-type: none"> <li>• Responsive employee value proposition</li> <li>• Emphasis placed on a culture of wellness</li> <li>• Customised leadership development programme</li> <li>• Outcomes-based governance, risk and compliance prioritised as a key strategic pillar</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained employee motivation, skills, diversity and talent through: N\$1.8 million invested in training</li> <li>• Consistently low staff turnover</li> <li>• Healthy and happy workforce</li> <li>• Good corporate governance and ethical leadership</li> <li>• Regulatory compliance</li> <li>• Risk appetite and the four lines of defence model adopted</li> </ul>

### Assets needed for our operations

Capitals	Necessary inputs	How we sustain value	Outcomes
Manufactured capital	<ul style="list-style-type: none"> <li>• Expand the regional footprint (from the existing 11 regional offices and one satellite office)</li> <li>• Robust Information Systems infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• To provide the necessary infrastructure to serve our members (bring our services closer to our members)</li> </ul>	<ul style="list-style-type: none"> <li>• Optimal and convenient client service</li> <li>• Streamlined business processes</li> <li>• Innovative solutions</li> <li>• Two additional satellite offices being set up</li> </ul>

### Natural resources

Capitals	Necessary inputs	How we sustain value	Outcomes
Natural capital	<ul style="list-style-type: none"> <li>• Incorporation of ESG standards and matrix in the core investment beliefs of the GIPF</li> <li>• Including ESG factors in the mandate of fund managers</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance and monitoring of relevant policies and procedures</li> <li>• ESG performance by fund managers</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible investing</li> <li>• Proxy Voting</li> <li>• UNPRI rating/signatory</li> <li>• ESG compliance</li> <li>• Renewable energy N\$2.7 billion</li> <li>• Agricultural value chain N\$510 million</li> </ul>



# Our external environment:

## Material trends impacting value

*Our ability to create value by reinvesting in the capitals on which the Fund and its members depends, is impacted, both negatively and positively, by various factors in our external environment.*

*This year we have identified and prioritised the following issues that have a material impact on our business model. Our 2018 - 2023 Strategic Plan and outlook ensures that we are best positioned to seize the opportunities and mitigate the risks associated with each of these issues.*

### Navigating a turbulent 2020/2021: Balancing strategic stability and tactical agility

The broader retirement fund industry has had to respond to a vastly changed world in the 2020/2021 financial year, and the GIPF is no exception. The Fund has had to strike a fine balance between remaining steadfast as a long-term focused organisation and becoming agile in response to sharp changes in the external environment.

As a significant corporate citizen of Namibia, as well as an international investor, the GIPF is exposed to domestic, regional and international developments and must therefore exercise both strategic stability and tactical agility. Although the public health implications of the Covid-19 pandemic dominated global activities and decisions, it was the social and economic implications that impacted the Funds corporate strategy, with significant material effects on the GIPF strategy.

The Fund responded by adapting and taking advantage of the opportunities presented by these environmental changes, adopting an agile approach to its Corporate and Departmental Scorecards by institutionalising continuous strategy monitoring interventions and by making expeditious amendments to our strategic initiatives. The Fund amended and revised 14.1% of the strategic initiatives during the first two quarters of the financial year to remain abreast of these changes. The Board of Trustees and Management convened in February 2021 to deliberate on the Fund's high-level strategy.

The Fund incorporated the following global environmental and industry trends/factors into its strategic considerations going forward:

### Devaluation of assets due to global market fluctuations

The GIPF maintained its Strategic Asset Allocation (SAA) throughout the height of market volatility. The SAA is robustly designed to withstand short term fluctuations, as witnessed during the 2020-2021 financial year, and targets a sufficient return while minimising risk as far as possible. This decision has paid off and the Fund has grown from N\$108.5 billion as on 31 March 2020 to N\$135.4 billion on 31 March 2021.

### Global lockdowns and Covid-19 regulations

Provision of benefits and services to its members in a way that is right, fast and humane is at the heart of the Fund's mandate. The challenges brought about by various implementations of Covid-19 regulations have tested the Fund's ability to carry out its core mandate efficiently and effectively. Due to its global exposure, the Fund initiated its preparedness by kickstarting business continuity measures in anticipation of the lockdown to continue serving members without disruption. Deliberate, high-level efforts were taken to classify the GIPF as an essential service provider to allow for the Fund to continue its strategic and operational activities. The result was that members and their beneficiaries were attended to without major disruption or inconvenience.

### Reduced investment returns and incomes

Sharp changes in capital markets, experiencing near-zero interest rates, placed immense pressure on traditional investments strategies across large funds. While maintaining the Strategic Asset Allocation, the Fund constituted an investment task team to operate 24/7 during the initial lockdown to make rapid tactical asset allocation decisions that resulted in significant gains in investment income throughout the financial year.

### Increased unemployment and global economic recession

The year 2020 witnessed the largest economic contraction in Namibia's history, reflective not only of adverse external conditions but also the domestic restraints to economic activity in response to the coronavirus pandemic. The Fund recognises its role in contributing to broad economic growth and has enshrined this responsibility within the Strategic Plan. The Fund adopted the concept of shared socio-economic value as a high-level statement in its Strategic Plan. This concept prioritises the effort to create value for broader society, while still maintaining its core mandate of providing retirement and ancillary benefits to our members and their beneficiaries.

On reflection, the Fund experienced a successful year of strategic implementation due to its ability to remain strategically stable and tactically agile. The prevailing headwinds and seismic environmental changes were significant enough to materially change the retirement fund landscape. The Fund promptly identified these changes and responded to them appropriately, converting the challenges into opportunities for growth towards our strategic vision of becoming a leading and model pension fund globally.

# Integrated stakeholders' engagement

*The GIPF continuously strives to engage, maintain, strengthen and foster a trust-based and transparent relationship with all its stakeholders in a collaborative manner, that promotes excellent service and creates long term value.*

As a leading defined-benefit pension fund, we engage with a variety of stakeholders, including Fund members, employees, public officials, the regulator (NAMFISA), business partners, the media, our suppliers and the general public.

At GIPF our primary focus is towards the future security and prosperity of our members and the better good of our people, planet and society. We understand the needs and expectations of our members, being to receive benefits as promised in the rules of the Fund; to receive a pension on retirement which has grown commensurate with past service contributions built up for each retiree; to receive growth in pensions in excess of the Consumer Price Index (CPI); and to have their dependants cared for in the event of early death, ill-health or disability.

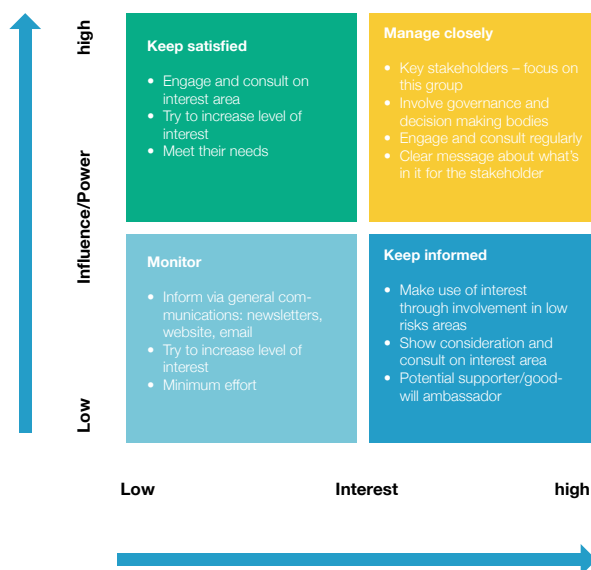
Our integrated corporate communications and marketing strategy is directly linked to the high-level strategy of the GIPF with the express purpose of providing an excellent service through positive and professional interactions with our members and stakeholders in a manner that is right, fast and humane.

The strategy is supplemented by stakeholder engagement, marketing, and member outreach and retention plans that are developed annually in consultation with the relevant business units.

## Identifying our key stakeholders

Our key stakeholders are mapped, classified and prioritised by using the stakeholder analysis matrix guide below. The analysis assists the Fund to better align its strategic initiatives and objectives to those of its stakeholders. This process also allows the Fund to identify how to coordinate engagement with each stakeholder and determine which stakeholders should be given priority in the engagement plan.

### Stakeholder Matrix Guide







By: John Jeston and Johan Nelis


## Engaging our key stakeholders

The table below details the contribution of each key stakeholder group to value creation, the various means we use to engage with them, and the most material interests of that group. We recognise that there is significant diversity within each stakeholder group, with individual stakeholders often having divergent interests. The priority interests listed below are broadly indicative of each stakeholder group's priorities based on an assessment of our continuing engagements with them. Furthermore, we carefully review the associated impacts on the capitals to identify the most effective trade-offs to ensure that the Fund reach its shared goals in a sustainable manner.

MATERIAL RELATIONSHIPS	MEANS OF ENGAGEMENT	PRIORITY INTERESTS	IMPACT ON CAPITALS
<b>Fund members</b> (active members, pensioners, orphans)  Use our services – the rationale for the Fund's existence  	<ul style="list-style-type: none"> <li>• Member education sessions</li> <li>• Member engagement at GIPF offices</li> <li>• Trade fairs and exhibitions</li> <li>• GIPF website, social media and through marketing and promotional materials</li> <li>• Media</li> <li>• Consultative regional meetings</li> <li>• Targeted meetings</li> <li>• Pre- and post-engagement</li> <li>• Member outreach road shows</li> </ul>	<ul style="list-style-type: none"> <li>• Fast, efficient and timely service</li> <li>• Reliable payment of benefits</li> <li>• To care for dependants in the event of early death or ill health or disability of the member</li> <li>• Accurate and timely information</li> <li>• Well governed Fund</li> <li>• Address complaints timeously</li> <li>• Fund performance and investment philosophy</li> </ul>	<ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Relationship capital</li> </ul>
<b>Employees and unions</b>  Their interests, skills, experience, productivity and client engagement are essential to delivering on our purpose  	<ul style="list-style-type: none"> <li>• CEO briefings</li> <li>• Intranet</li> <li>• Policy workshops</li> <li>• GIPF website and social media platforms</li> <li>• Management / employee meetings</li> <li>• Social events</li> <li>• Wellness sessions</li> <li>• Consultation meetings</li> <li>• Management and union negotiations</li> <li>• Trade union members engagement sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Job satisfaction and a conducive work environment</li> <li>• Clear career paths with opportunities for personal development and skills training</li> <li>• Competitive remuneration for trade union members and those not in the bargaining unit</li> <li>• Clear processes on bargaining and consultation procedures with unions for the members</li> <li>• Employee wellness, housing, health and safety</li> <li>• Recognition and rewards</li> <li>• Accurate and timely release of strategic information</li> <li>• Secured conditions of employment in line with recognition agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Human capital</li> <li>• Social and relationship capital</li> <li>• Intellectual capital</li> </ul>
<b>Government departments and agencies; participating employers</b>  Our key clients, as employers of the Fund members Imposes statutory measures  	<ul style="list-style-type: none"> <li>• Direct personal engagement with key government representatives</li> <li>• Participation in consultations and public forums</li> <li>• Submissions and engagement on draft regulations and bills</li> <li>• GIPF website and social media platforms</li> <li>• Integrated and other statutory reports</li> </ul>	<ul style="list-style-type: none"> <li>• Effective delivery of the Fund's services</li> <li>• Regulatory compliance and timely tax and social security payments</li> <li>• Contribution to the Namibian economy and broader developmental objectives</li> <li>• Strong governance and data integrity</li> <li>• Timely submission of reports and prompt response to queries</li> </ul>	<ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Social and relationship capital</li> <li>• Human capital</li> </ul>

MATERIAL RELATIONSHIPS	MEANS OF ENGAGEMENT	PRIORITY INTERESTS	IMPACT ON CAPITALS
<b>Regulator (e.g., NAMFISA)</b>  Imposes and monitors regulatory measures  	<ul style="list-style-type: none"> <li>• Direct personal engagement with key NAMFISA representatives</li> <li>• Participation in pension fund industry consultations and public forums</li> <li>• Submission of regulatory reports and returns</li> <li>• Submission and engagement on draft regulations and bills</li> <li>• GIPF website and social media</li> <li>• Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous engagement on the Fund's services</li> <li>• Strong governance and data integrity</li> <li>• Regulatory compliance</li> <li>• Timely submission of reports and prompt response to queries</li> </ul>	<ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Social and relationship capital</li> </ul>
<b>Suppliers (service providers)</b>  Reliable and cost-effective provision of goods and services needed to deliver our services  	<ul style="list-style-type: none"> <li>• Direct supplier engagement through clear procurement processes</li> </ul>	<ul style="list-style-type: none"> <li>• Open tender processes</li> <li>• Efficient and transparent contracting processes</li> <li>• Well-defined service level agreements</li> <li>• Timely payment for services and goods offered</li> </ul>	<ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Social and relationship capital</li> <li>• Human capital</li> </ul>
<b>Media</b>  Critical role in keeping stakeholders informed of our operational developments, and services of the Fund. To also inform the public on the impact the Fund's operations have on the members and the Namibian economy  	<ul style="list-style-type: none"> <li>• Interviews with CEO and key executives</li> <li>• Telephone and email engagement</li> <li>• Media releases</li> <li>• Media engagements</li> <li>• Media training workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Being informed of key activities and offerings</li> <li>• Clear, accurate and timely information on the Fund's activities and performance</li> <li>• Evidence of investment in the economy</li> <li>• Responsible corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>• Financial capital</li> <li>• Social and relationship capital</li> <li>• Human capital</li> <li>• Natural capital</li> </ul>
<b>Society and key interest groups (e.g., NASIA, RFIN, GIPAN)</b>  Key to informing GIPF's reputation  	<ul style="list-style-type: none"> <li>• GIPF website and social media</li> <li>• Newspapers and radio, advertorials</li> <li>• Media releases and media events</li> <li>• Trade fairs and exhibitions</li> <li>• Stakeholder engagement events</li> </ul>	<ul style="list-style-type: none"> <li>• Clear, accurate and timely information on the Fund's activities and performance</li> <li>• Evidence of investment in the economy</li> <li>• Responsible corporate citizenship</li> <li>• Evidence of investment in the economy</li> </ul>	<ul style="list-style-type: none"> <li>• Social and relationship capital</li> </ul>

Our approach to engaging our stakeholders, developing trust, and maintaining social and relationship capital, is reviewed under our strategic theme, Excellent Service.

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## Our principal risks

*Commitment to the GIPF's strategic theme of "Embedding a Positive Risk Culture" goes hand-in-hand with our assurance of embracing best practice governance principles and practices. Moreover, it ensures the preservation of our assets and delivers sustained value to our members. GIPF defines risk appetite as the nature and extent of the risk that the Fund is willing to accept in the pursuit of its strategy, while risk tolerance refers to the strategic capacity of the Fund to accept or absorb risk.*

### Enterprise risk management process

The GIPF adopted an enterprise-wide approach to risk management that encapsulates all identified material risks within a structured and systematic process of risk management. The Board, through the Audit and Risk Committee, governs risk through the GIPF's Enterprise Risk Management Framework (ERMF), which includes the risk strategy, policies, procedures, risk appetite, and tolerance, among others.

The GIPF's Risk Division is responsible for coordinating the Fund's enterprise risk management function, as well as its business continuity and fraud risk management activities. Our risk assessment and management process encompass the identification, assessment, mitigation, monitoring, and reporting activities related to enterprise risks, business continuity, and fraud.

The risk management process effectively identifies, assesses, quantifies, and mitigates risks, thereby providing reasonable assurance that our value-creation strategy and accompanying strategic objectives are achieved. Leveraging opportunities and their associated risks without jeopardising the interests of our stakeholders is of utmost importance to the sound management of risk and delivering sustained value-creation to our stakeholders over the short, medium, and long term.

### Risk appetite and tolerance statement

Articulating risk appetite and tolerance and balancing the risk/reward trade-off to provide a sustainable, long-term result is high on the Board's agenda. Risk appetite and tolerance measures are a key component of our enterprise risk management framework and strategy. It is reflective of our strategy and organisational objectives and considers stakeholder expectations along with all other strategic aspects of the business.

We have defined risk tolerances and key risk indicators to monitor risk taking against the approved risk appetite across our strategic themes and strategic objectives. While the tolerance measures are variances around the target key performance measures, the key risk indicators measure the trend of the underlying factors contributing to the most significant risks. This is work in progress that requires further embedding with the appropriate and timely data points.

### Business continuity management and business impact analysis

The Business Continuity Management response mitigates the impacts of any significant disruptions to the most important functions at the Fund. It allows for the prioritising of resources, whether they be financial, human, work environment, or systems related. The Business Impact Analysis helps to determine the priority functions, especially those that directly or indirectly impact the continuation of service delivery to our members. In addition, the ideal recovery windows are also determined, i.e., whether an affected process be restored within hours, days, weeks, or even months. It further informs what manner and level of minimum human resources, work environment, computer equipment and systems would be needed to support the highest priority functions and/or processes from a 'customer' (member) perspective.

An improvement plan was defined following the June 2019 disaster recovery exercise, with a follow-up disaster recovery test completed after the implementation of improvements actions, confirming that critical systems can be restored below two hours.

### Review of Covid-19 related risks and opportunities

A detailed Covid-19 response plan addressing the recommendations made in the interim impact assessment report was prepared early in the 2020/2021 reporting period to mitigate the potential risks posed to the business and our stakeholders. The risks and opportunities have been updated with the status of implementation described in the table on the next page.



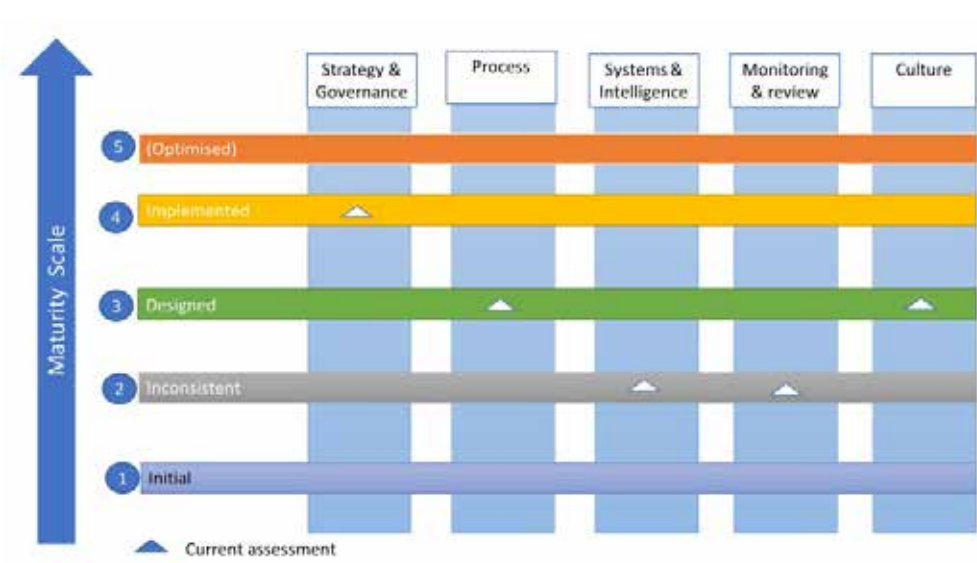
Risks and opportunities	Description	Status of implementation
<b>Risks</b>	Unbudgeted spending	Unplanned costs were incurred because of the pandemic response plan introduced to comply with the safety protocols. The Fund's cost-to-serve ratio was nonetheless maintained within the tolerable level as the budgeted expenditures were adequate to cover the unplanned expenses.
	Investment returns impacted	The markets were heavily impacted due to the outbreak of the pandemic in March 2020. Investment returns, however, bounced back during April 2020, as a result of stimulus provided by major economies, which improved market sentiments and investment performance.
	Increased cyber security risks	As a result of working from home (WFH) arrangements, laptops and personal computers have been increasingly exposed to global security threats, including ransomware. The WFH guidelines have since been revised to cater for computer equipment to be brought to the office regularly for updates. In addition, a ransomware response management plan was drafted and will be implemented.
	Business continuity risks	The Fund's operations were able to continue to serve its members during the year. Reviews of the Fund's responses were performed frequently by the Covid-19 task team in accordance with ever changing regulations.
	Information security risks	The WFH arrangements resulted in increased exposure to confidential Fund and member documentation, which could be intentionally or unintentionally shared with unauthorised parties. To counter this risk, increased awareness on cyber/ information security was conducted through e-training platforms. No incidents related to the aforementioned were noted though.
	Compliance risk	As a response to Covid-19, new regulations were promulgated to regulate conduct of persons and operations of organisations, and kept changing frequently. The Fund kept abreast of the Covid-19 regulations and provided the necessary awareness. Compliance to Covid-19 regulations were monitored to ensure compliance and a safe working environment. As a result, the Fund kept adjusting its operations accordingly.
	Delay of initiatives	Although initial delays were experienced, the Fund's strategy has executed well over 80% of its planned initiatives.
	Loss of productivity	Changes due to remote working as an alternative introduced a dynamic requiring a level of adaptation. Supervisors and management remain an important link in maintaining employee morale and productivity in the achievement of the stated deliverables. Though this was considered a possible risk, from a member perspective, the number of benefit claims processed have increased substantially.

Risks and opportunities	Description	Status of implementation
<b>Risks</b>	Relaxed internal controls	There are compensating controls for suspended biometrics for member verification, employee access control at offices, and emergency procurement. Where weaknesses were identified, mitigation measures were defined.
	Health and safety risks	The employee infection rate was fairly low, and no employee fatalities were recorded during the period. Employees with underlying conditions have been prioritised for remote working in line with WFH guidelines.
	Inadequate communication	Employee and stakeholder communication continued through more diversified channels, such as WhatsApp and SMS.
<b>Opportunities</b>	Improved employee value proposition	Work from home (WFH) arrangements provided flexibility where risks had to be balanced (i.e., productivity against employee health and safety).
	Cost savings	Savings were realised due to reduced travel and training as alternative uses of communication technology were employed.
	Shared learning from other institutions	Through employees attending virtual conferences, sharing evolving experiences from the pandemic, and obtaining expert advice, understanding and effectiveness of communication and response strategies was enhanced.
	Acceleration of digital transformation	Technology and systems continued to be at the core of how we do business - with provision for virtual meeting platforms and collaboration tools, introduction of online funeral applications.
	Streamlining of corporate strategy	Continuous environment scanning and responding to the changing environment in real time through agile decision-making and policy application was required.
	Improved use of technology mediums	Stakeholder engagement has been performed using other mediums besides face-to-face, such as radio and television.
	Review policies and procedures	HR practices including leave policies, for example, had to be revised as the evolving pandemic conditions necessitated its review in order to remain relevant.

## GIPF’s Risk Maturity Model

GIPF’s Enterprise Risk Management Policy requires that independent assurance is received on the adequacy, effectiveness, and maturity level of the Fund’s risk management capabilities at least once every three years. GIPF has therefore adopted a Risk Maturity Model as a benchmarking tool, which measures to what extent Enterprise Risk Management (ERM) has been implemented in the organisation in accordance with prevailing best practices to ultimately improve the impact of risk management on the business value of the Fund.

The Risk Maturity Model that has been adopted is based on the guidelines of the International Standards Organisation on Risk Management ISO 31000: Risk Management, as well as the Namibian Standard: Risk Management - Guidelines NAMS 31000. It consists of five levels and five assessment dimensions on which the levels of maturity are assessed, as depicted below:



The risk maturity level rating at 31 March 2021 was estimated at 3, which represents “An enterprise risk management framework exists covering all major risks. Standardised risk management principles are defined and documented; basic training conducted. Consistent risk management processes with communication and accountability exist throughout the business, but not all processes have been fully implemented.” (GIPF Risk Maturity Model).



## The top ten risks impacting value



The following table identifies the top ten residual risks that we have prioritised as having a material impact on the Fund’s ability to create value. For each of these risks, we have briefly outlined our existing mitigation controls and our planned activities to mitigate the risk.

The ten top risks, as distributed across the four strategic themes and thirty-two strategic objectives, are reported on at the quarterly meeting of the Fund’s Executive Committee before being presented quarterly to the Audit and Risk Committee and, ultimately, to the Board of Trustees.



A detailed account of the strategic initiatives conducted during the year under review is included under the Outcomes-based Governance, Risk and Compliance strategic theme.

 [SEE PAGES 123 - 125](#)

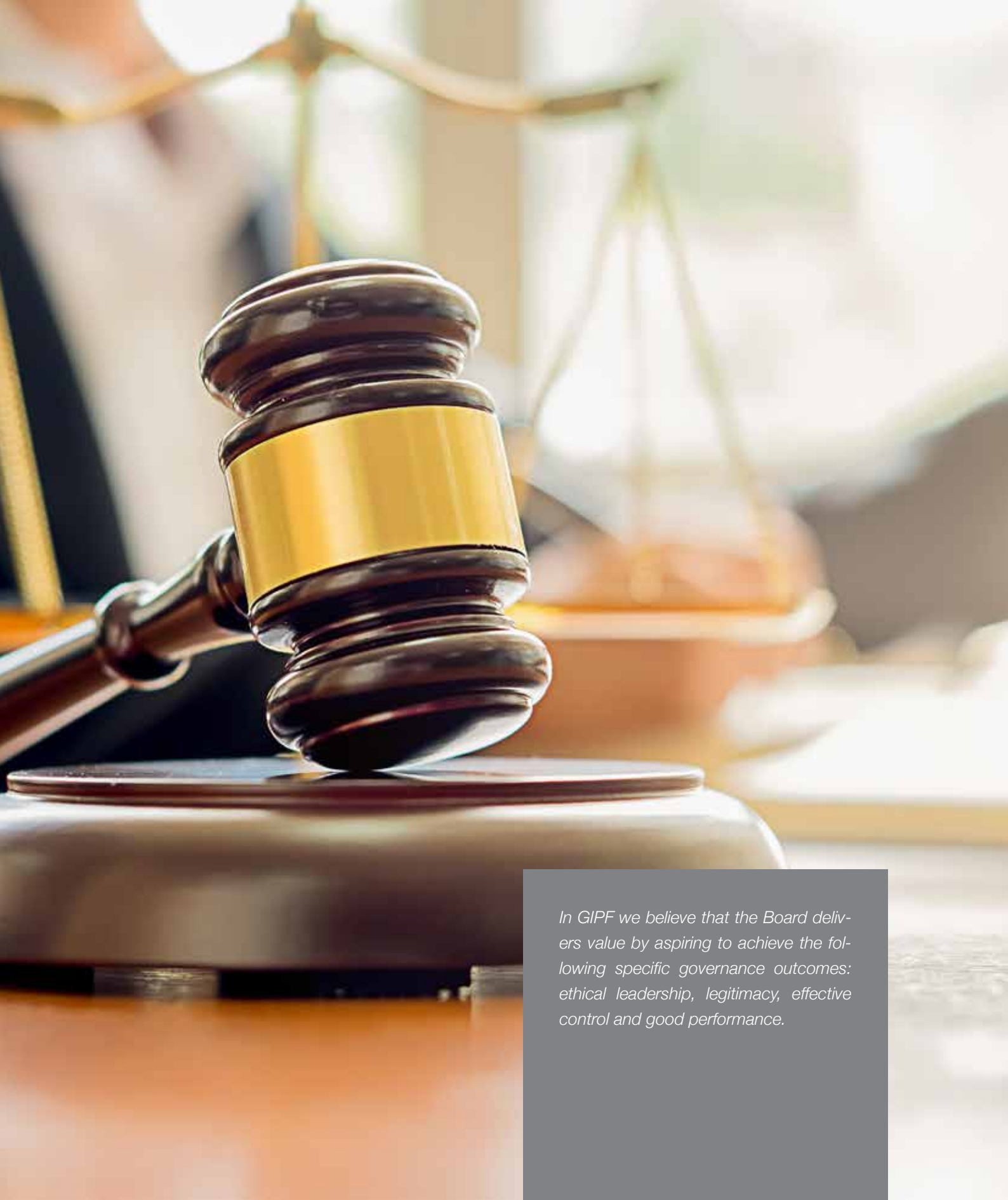
Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
<b>Sustainability</b> 	<b>1. Potential lower investment returns earned</b>  There is a potential risk of earning lower returns due to possible inappropriate investment strategies, market and economic factors, poor governance, lack of monitoring in investee companies, and/or delayed implementation of the investment strategy	<ul style="list-style-type: none"> <li>Risks are minimised by employing a liability-driven asset model</li> <li>Performance monitoring is undertaken by an external asset consultant, and investments are outsourced through investment mandates to carefully selected asset managers</li> <li>The investment team and investment committee undertake regular reporting and monitoring of investments</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact: negative cash outflow, frequent liquidation of investment assets</li> <li>Not meeting long-term obligations</li> <li>Reputation could be affected if we struggle to fund benefit claims promptly as per agreed upon SLA's</li> <li>Reduced funding level might lead to scrutiny from the regulator (compliance risk)</li> </ul>	<ul style="list-style-type: none"> <li>Managers' performance reviews: Review of managers relative to their peers and an agreed upon industry benchmark to ensure appropriate performance</li> <li>Improved reporting: Improving quarterly reporting through internal resources and external consultant</li> </ul>
	<b>2. Reducing income</b>  There is a risk that we might lose income due to non-compliance by participating employers	<ul style="list-style-type: none"> <li>Projection of monthly revenue lost if the Village Councils exit the Fund</li> <li>Regular stakeholder engagement to pension contributions</li> <li>Performing monthly collections</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact: negative cash outflow, frequent liquidation of investment assets/ returns.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a review of employers at risk of leaving the Fund</li> <li>Engaging employers</li> </ul>
<b>Excellent service</b> 	<b>3. Lack of data integrity leading to higher data reserves and delayed payments</b>  Inaccurate or incomplete member information can contribute to incorrect benefit payments and undermine timely service delivery to members. Contributory causes include delays in, or non-submission of, required admission documents of new members; unclaimed benefits; cumbersome data processes at participating employers; a general lack of prioritisation of pension-related issues by employers; and insufficient systems integration and understaffing at certain employers.	<ul style="list-style-type: none"> <li>Ongoing data verification measures in place including visits to HR Offices</li> <li>Continuing efforts to trace unenrolled beneficiaries</li> <li>Built-in control systems, including internal verification and auditing processes</li> <li>Member education</li> <li>Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Incorrect (overpayments/ double-payments) and delayed benefit payments could occur due to inaccurate or incomplete member information</li> </ul>	<ul style="list-style-type: none"> <li>Targeted member education sessions</li> <li>Employer targeted approach to obtain commitment</li> <li>Capacity building</li> </ul>

Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
<b>Excellent service</b> 	<b>4. Outdated and non-integrated systems</b>  <p>There is a risk of poor performance, non-availability, and even failure of IT systems. This risk is mainly due to business evolution outpacing existing technology (outdated), availability of newer technology, drive to improve service delivery to members, systems not integrated with critical agencies, and business processes not aligned to technology and corporate strategy</p>	<ul style="list-style-type: none"> <li>Regular updates to bring outdated systems within acceptable controls</li> <li>Backups/restore points</li> <li>Continuous user awareness and training</li> </ul>	<ul style="list-style-type: none"> <li>Security threats due to outdated technology and systems</li> <li>Business disruption</li> <li>Poor quality of service delivery to members</li> <li>Financial impacts</li> </ul>	<ul style="list-style-type: none"> <li>Integrate solutions towards realising a single managed system</li> <li>Upgrade technology</li> <li>Improvement of business processes in order to align with strategy and technology</li> <li>Implement digital transformation initiatives</li> </ul>
	<b>5. Inability to effectively respond to significant disruptions</b>  <p>here is a risk that the Fund may not be able to respond effectively and in a timely manner to significant disruptions. This risk is mainly due to insufficient training on business continuity management (BCM), insufficient emergency response measures and a lack of regular business continuity exercises</p>	<ul style="list-style-type: none"> <li>The Business Continuity Plan and IS Continuity Management Plan is in place</li> <li>An alternate site has been identified where core functions will be continued in case of a disruptive incident</li> <li>Service Levels Agreements have been concluded with key service providers</li> </ul>	<ul style="list-style-type: none"> <li>Delayed services to members due to the disruption</li> <li>Negative stakeholder perception</li> </ul>	<ul style="list-style-type: none"> <li>BCM exercises: a BCM exercise plan will be defined and implemented to prepare for disruptive incidents</li> <li>This will be implemented in addition to the creation of business continuity awareness</li> <li>BCM coordination will be strengthened across the Fund through implementing identified improvement actions</li> </ul>
<b>Outcome-based governance, risk and compliance</b> 	<b>6. Information security breaches and cyber security</b>  <p>There is a risk of unintended disclosure of confidential information due to insufficient information security awareness or mechanisms</p> <p>Information and security breaches may result in loss of public confidence and reputation</p>	<ul style="list-style-type: none"> <li>Firewalls</li> <li>Endpoint security</li> <li>E-Mail Management Solution</li> <li>Backups, restore points</li> <li>Continuous cyber security awareness initiatives</li> <li>Artificial intelligence for Cyber Security Solution</li> <li>Security Information and Event Management (SIEM) Solution</li> </ul>	<ul style="list-style-type: none"> <li>Financial impact in case of ransomware infections</li> <li>Consultancy fees for cyber security expertise to clean up and restore affected devices</li> <li>Operational disruption/ business continuity</li> <li>Reputation due to unauthorised disclosure of information.</li> <li>Compliance risk - POPIA Act (data stored in SA)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing security awareness training</li> <li>Regular patching of software</li> </ul>



Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
<b>Outcome-based governance, risk and compliance</b>  	<b>7. Desired organisational and ethical culture not embedded</b>  The absence of a well-defined and embedded organisational and ethical culture could result in avoidable ethical/culture lapses and negative media exposure	<ul style="list-style-type: none"> <li>• Ethics awareness and education</li> <li>• Company-wide policies</li> <li>• Board oversight and Board level ethics champion appointed</li> <li>• Appointment of ethics champions and ambassadors</li> </ul>	<ul style="list-style-type: none"> <li>• Occurrence of avoidable ethical lapses</li> <li>• Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing initiatives to establish the desired organisational culture</li> <li>• Institutionalisation of ethics through training and awareness of Code of Ethics and Conduct and enablement of confidential reporting through a whistle-blowing platform</li> <li>• Coordinating fraud awareness amongst employees</li> </ul>
	<b>8. Change to: Delayed adaptation of strategy to rapidly changing environment</b>  There is a risk that the Fund may not effectively respond to the changing environment that we are operating in. We might not be able to adapt quickly to the global changing environment	<ul style="list-style-type: none"> <li>• Five-year strategic plan aligned to the global vision</li> <li>• Ongoing monitoring of strategic initiatives</li> <li>• Incorporate best strategic management practices in executing GIP's strategic scorecard</li> </ul>	<ul style="list-style-type: none"> <li>• Reputational impact</li> <li>• Not meeting set stakeholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>• Define and implement the strategic management policy in line with good strategic management practices</li> </ul>
	<b>9. There is a risk of non-compliance to known laws / regulation and Fund rules and that this could affect the Fund's reputation</b>	<ul style="list-style-type: none"> <li>• Compliance policy address risks for reporting on a quarterly basis</li> <li>• Regulatory report to NAMFISA is performed on a quarterly basis</li> <li>• Quarterly monitoring and reporting of non-compliance issues and correction thereof</li> <li>• Awareness to the Board of Trustees and staff on developing issues</li> </ul>	<ul style="list-style-type: none"> <li>• Operational and financial</li> <li>• Reputational impact</li> <li>• Regulatory fines</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Fund rules in alignment with new FIM Bill requirements</li> <li>• Monitoring and managing non-compliance to regulatory limits in certain asset classes</li> </ul>
<b>Employer of choice</b>  	<b>10. Lack of leadership development and succession planning to fulfil strategic mandate</b>  There is insufficient leadership development and succession planning, which may hamper the Fund in fulfilling its strategic mandate of being a recognised global player	<ul style="list-style-type: none"> <li>• Training and development programmes are prioritised towards the achievement of strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>• Delayed appointment of critical (key) positions</li> <li>• Delayed implementation of strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Continue the customised leadership development: The Fund has embarked on a customised leadership development programme for executive and middle management employees, facilitated by the Gordon International Business School (GIBS) in South Africa</li> </ul>

Implementing these measures has assisted the Fund in maturing its risk management capabilities. The Fund aims to attain a baseline "Level 3" maturity level within the next two years, up from "Level 2" in 2018, 2019 and 2020.



*In GIPF we believe that the Board delivers value by aspiring to achieve the following specific governance outcomes: ethical leadership, legitimacy, effective control and good performance.*

# OUR GOVERNANCE



# Delivering value through outcomes-based governance

*The GIPF subscribes to the principle that a well-governed pension fund should deliver sustainable value to its stakeholders. The Fund further upholds the high standards of governance through effective and ethical leadership. The Fund has also adopted sound risk management practices, strong internal controls, and high information technology governance standards. GIPF observes optimal regulatory compliance, stringent financial governance and responsible investment practices.*

## Strategy oversight

The Board creates value by exercising oversight over the implementation of the strategic plan. Executive management makes quarterly implementation reports to the Board, while the organisation holds an annual strategy review. During the year under review, the Board held a strategic review session during 9 – 10 February 2020 at the Safari Hotel, in Windhoek.

The rate of strategy execution at the conclusion of the reporting period was 84.8% of strategic initiatives successfully executed.

The Fund conforms to six fundamental governance standards and principles as provided for in the corporate governance framework: fairness, accountability, responsibility, transparency, competency and integrity. The GIPF believes that effective and ethical leadership is central to good governance, in line with the Corporate Governance Code for Namibia (NamCode) and the Report on Corporate Governance for South Africa 2016 (King IV). This implies that GIPF's leadership must deliver not only a seamless strategy but also ensure operational excellence, which it accomplishes by adhering to the following:

- Providing direction to the organisation through clear strategy
- Giving effect to that strategy through the development of appropriate policies
- Providing oversight over management's implementation of the strategy
- Demonstrating accountability and transparency through full disclosure

## Board of Trustees

The strategic leadership of the GIPF is vested in the Board of Trustees, ably supported by the executive management committee.

The Board consists of nine trustees, all appointed in terms of section 10(1) of the Rules of the Fund. Six Trustees are appointed by the Government and the remaining three by organised labour (one by the Namibian National Teachers' Union (NANTU) and two by the Namibian Public Workers' Union (NAPWU). The term of office of the Trustees is three years, renewable at the discretion of the appointing authorities.

The Board has, in turn, appointed independent specialists in the fields of human capital, information technology, and law, to augment existing skills on the substantive Board.

The Board of Trustees is diverse, which is a critical component in achieving our strategic objectives. At GIPF we hold the view that a diverse board brings competing perspectives to the boardroom while obviating against group thinking. Diversity further enhances dynamic decision-making perspectives.

The Trustees operate within a unitary structure that provides for interaction among all members in the decision-making process regarding strategy, human capital, benefits distribution, organisational performance, investments, business ethics, communication with stakeholders, governance, risk, and compliance.

The Trustees undergo formal induction upon appointment and are also exposed to periodic refresher training sessions in the areas pertinent to the Fund's business, their roles and responsibilities, and the regulatory environment within which the organisation operates.

## Trustees' duties

The Board of Trustees is responsible to the members of the GIPF for setting its direction and growth parameters by establishing clear strategic objectives and policies and by monitoring the executive management committee's achievement of these objectives. The Board meets regularly to consider issues of strategic importance and to review and approve policy matters and other issues that have a material effect on the operations of GIPF.

The duties of the Trustees are to:

- Manage, control and administer the Fund
- Ensure that proper internal control systems are in place to mitigate significant risks
- Establish a risk management framework and its review
- Provide strategic and policy direction to the Fund
- Receive regular management reports to monitor operational compliance
- Propose amendments to the Rules of the Fund
- Determine the investment policy, setting out investment guidelines and performance benchmarks in line with the policy framework
- Establish and manage relationships with key stakeholders

## Board Committees

The Board's ability to create value in the governance processes is supplemented through the work of the various standing Board committees. These committees provide a platform for holding more detailed discussion on issues within their respective mandates and for developing recommendations for consideration and approval by the Board of Trustees.

### Audit and Risk Committee

Chairperson: Faniel Kisting

#### Members:

Nillian Mulemi  
I-Ben Nashandi \*  
Penda Ithindi\*\*  
Evans Maswahu  
Martha Dama

\*I-Ben Nashandi's term on the committee ended when his term on the Board ended on 19 August 2020.

\*\* Penda Ithindi replaced I-Ben Nashandi on the committee on 2 September 2020.

The Committee's mandate is to:

- Ensure that a sound system of risk and internal control is maintained to protect and safeguard the Fund's assets
- Review the activities and effectiveness of the Internal Audit function
- Evaluate the independence, objectivity and effectiveness of the external auditors
- Review any accounting and auditing concern identified by internal and external auditors
- Promote the accuracy, reliability and credibility of financial reporting
- Consider and recommend the audited annual financial statements to the Board of Trustees
- Conduct oversight over the risk management of the Fund
- Provide internal assurance to the annual integrated report of the Fund
- Conduct oversight over Information Technology governance

### Investment Committee

Chairperson: I-Ben Nashandi\*

#### Members:

Goms Menetté  
Heinrich Iita  
Penda Ithindi  
Roswitha Gomachas\*\*  
Nillian Mulemi



\*Mr I-Ben Nashandi's tenure as Chairperson expired during the year under review. Ms Millian Mulemi was appointed as Chairperson of the Committee on 2 September 2020.

\*\*Mr Faniel Kisting replaced Ms Roswitha Gomachas on the committee on 2 September 2020.  
The investment consultant has a standing invitation to all quarterly meetings.

The Committee's mandate is to:

- Guide and advise the Board of Trustees on investment-related policies and strategies
- Consider and recommend the appointment of asset managers to the Board of Trustees
- Consider and make recommendations on the Asset Liability Model (ALM) and the Liability Driven Investing (LDI) to the Board of Trustees
- Consider and make recommendations on the Tactical Asset Allocation to the Board of Trustees
- Consider and make recommendations on the integration of Environmental, Social and Governance (ESG) considerations into investment decision-making processes to the Board of Trustees

## Benefits and Administration Committee

Chairperson: Heinrich Iita

### Members:

Goms Menetté\*

Maria Dax

Roswitha Gomachas

Stephen Siseho

Evans Maswahu\*\*

\*Goms Menette was only a member of the committee until 2 September 2020.

\*\*Evans Maswahu joined the committee on 2 September 2020.

The mandate of this committee is to ensure a sound administrative framework for the Fund as well as the efficient management and distribution of member and beneficiary benefits. Its responsibilities include reviewing, advising and making recommendations on matters pertaining to:

- The administration of the Fund
- Guidelines and processes on disposition of death benefits and the actual distribution of death benefits in terms of Section 37 C of the pension Funds Act, 1956 (Act 24 of 1956)
- The enhancement of member benefits from time to time
- The procurement of goods and services in line with the Fund's procurement framework
- Stakeholder relations management, business development and communication

## Legal, Governance and Compliance Committee

Chairperson: Roswitha Gomachas

### Members:

Nillian Mulemi\*

Maria Dax

Stephen Siseho

Goms Menette\*\*

Advocate Adolph Denk (specialist independent member)

\*Nillian Mulemi ceased being a member of the committee on 2 September 2020.

\*\*Goms Menetté joined the committee on 2 September 2020.

The mandate of the Committee is to guide and advise the Board on legal, governance and compliance matters. Its specific responsibilities include:

- To develop and regularly review corporate governance policies, systems and procedures
- To consider and recommend Rule amendments to the Board
- To deal with the legal risk management, litigation and complex contracts and disputes involving the Fund
- To monitor and oversee the Fund's compliance management framework
- To monitor and oversee the Fund's ethics management framework

## Remuneration and Human Resources Committee

Chairperson: Maria Dax

### Members:

Faniel Kisting\*  
 Stephen Siseho  
 Collin Katjitae  
 Evans Maswahu\*\*

\*Faniel Kisting ceased being a member of the committee on 2 September 2020.

\*\*Evans Maswahu joined the committee on 2 September 2021.

The primary mandate of this committee is to guide and advise the Board on human capital and remuneration related matters. Its specific responsibilities include:

- To review and advise on matters pertaining to the remuneration of the Board of Trustees, management and staff
- To review and advise on human capital issues pertaining to training and development, recruitment and selection, industrial relations, organisational development, strategic planning, succession planning, affirmative action, performance management and other human capital issues

## Executive Management Committee

The Executive Management Committee consists of heads of department and divisional heads and is chaired by the Chief Executive Officer/ Principal Officer. The mandate of the Executive Management Committee is to implement the organisational strategy and to execute the decisions of the Board of Trustees. 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, in line with the delegation of authority to the CEO and the management team.

## Company Secretary

The role of the company secretary is to render company secretarial services as well as advise the Board on governance and ethics. Trustees have unlimited access to the Fund's Company Secretary, Escher Luanda, who acts as an advisor on governance and ethical practices within the Fund. The Company Secretary is responsible for induction and ongoing training and development of Trustees to ensure that they settle well in their responsibilities and that they are kept abreast of all developments concerning corporate governance.

## Board and Committee meeting attendance for the year

Trustee	Meetings Attended					
	Board	AC	BAC	IC	LGCC	RHRC
Goms Menetté	12	-	4	7	4	-
Maria Dax	12	-	11	-	6	4
I-Ben Nashandi	2	1	-	2	-	-
Roswitha Gomachas	12	-	10	2	6	-
Nillian Mulemi	11	3	-	7	2	-
Heinrich Iita	11	-	11	7	-	-
Faniel Kisting	12	4	-	5	-	2
Stephen Siseho	12	-	10	-	6	4
Evans Maswahu	8	3	7	-	-	3
Penda Ithindi	9	3	-	5	-	-
Collin Katjitae (Specialist Independent Member)	2	-	-	-	-	4
Adv. Adolf Denk (Specialist Independent Member)	2	-	-	-	5	-
Martha Dama (Specialist Independent Member)	2	4	-	-	-	-
<b>Total Meetings Held</b>	<b>12</b>	<b>4</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>4</b>

### Trustee liability insurance

The GIPF extended a bid invitation to local and international insurance service provider during the period under review, but due to the lack of appetite from the market, a positive response from potential insurance providers was not forthcoming. The Fund, however, secured new fidelity insurance cover for its Trustees as of 01 July 2021.

## Board induction, training, capacity building and networking

The GIPF firmly believes that a competent Board adds value through providing effective leadership to the organisation. The Board Charter, read together with the Board Training Guidelines, provides that Board members would undergo formal induction immediately after their appointment. This is aimed at enriching their knowledge and understanding of the GIPF's strategy, business environment, the markets in which it operates, and the material risks that may impact our value creation in the short, medium and long-term.

This year, the Board received refresher training on the distribution of death benefits according to Section 37C of the Pension Funds Act, 1956. The refresher training was extended to all members of the Benefits and Administration Committee, as well as to new Trustees.

An awareness workshop focusing on the requirements and standards of the FIM Bill, how the Bill would impact the Fund, and its associated rules and processes, was conducted on 28 October 2020. An open invitation to attend the workshop was extended to all Trustees.

A Risk Awareness Training Workshop was conducted on 24 August 2020, which focused on risk management, risk appetite, and tolerance.

An induction seminar was held for Ms Martha Dama during the year which included an overview of the GIPF, the retirement industry, governance responsibilities of Trustees and specialist members, the internal control environment, risk management, finance and information systems governance.

This was followed by an induction seminar held for Mr Evans Maswahu and Mr Penda Ithindi covering an overview of the GIPF, the retirement industry, governance responsibilities, corporate strategy, the financial position of the Fund, investment governance, benefits administration, and the legal and compliance framework.

### Key decisions taken by the Board

The following Board decisions were taken during the year under review:

- Seamless migration to remote working
- Successful transitioning from physical to virtual meetings
- Full compliance to Covid-19 regulatory framework
- Successfully conducted an Interim Audit for the 2020/2021 financial year
- Approval of 3% pension benefit increase for the 2021/2022 financial year
- Approval of the Budget for the financial year 2021/2022
- Approval of the Asset Liability Model for the period June 2021 – December 2022
- Revision of the Strategic Plan 2018 - 2023

### Policies approved by the Board

The following policies and procedures were approved by the Board during the year under review:

- Fit and Proper Person Policy
- Amended Legal Risks Policy
- Amended Compliance Management Policy
- Affirmative Action Policy
- Property Acquisition and Development Policy
- Project Management Policy
- Job Evaluation and Grading Policy
- Strategic Management Policy
- Amended Enterprise-wide Risk Management Policy
- Funding Policy
- Investments Valuation Policy
- Amended Delegation of Authority Policy

## Conflicts of interest management and related party transactions

The GIPF follows a robust conflict of interest management approach in line with the policy. The policy applies to the Board members, the employees and service providers. Conflicts are declared annually and at the beginning of every meeting. The philosophy is that where conflicts arise, these should be avoided, and that where these cannot be avoided, managed. There were no related party transactions between GIPF and Board members during the period under review.

## Board performance assessment

The Board's performance assessment covering the financial year 2019/2020 was facilitated by EBL Consulting and the report-back was presented to the Board of Trustees during March 2021. The findings of the assessment were incorporated into the strategic and management action plans for the financial year 2021/2022. The Company Secretary would execute the curing of the adverse findings of the Board evaluation.

## Leading ethically through active management of ethics

In line with the recommendation that the Board should set the tone from the top and lead ethically, GIPF embarked on an effective ethics management programme in the organisation. GIPF adopted the principle that the Board should ensure that all deliberations, decisions and actions of the Board and executive management should be guided by ethical values.

The organisation formally established the Ethics Office during August 2017, thereby instituting an ethics function and enabling the enhancement of a positive ethical culture as a strategic deliverable. Comprehensive and certified training was provided to ethics ambassadors, while staff were sensitised on the contents of various policies. The Fit and Proper Person Policy was adopted and all subsequent appointments of Board members and Senior managers were subject to rigorous integrity tests.

The governance outcomes of applying these principles' results would inevitably lead to ethical culture, good performance, effective control measures, and legitimacy, all of which would promote GIPF's purpose of guarding and growing the Fund for its members and support sustainable development for the country.

GIPF embarked on an effective ethics management programme in support of the Board's commitment to embrace the principles of ethical and effective leadership and is in the process of implementing several initiatives as part of the ethics project roll-out framework as illustrated.



## Governance maturity audit

A governance maturity audit was conducted with all departments and the findings audited by the Internal Audit department. An enterprise-wide governance maturity rating of 4.18 was subsequently determined, with assurance thereof provided by an independent external service provider.

## Information technology governance

The Board continued to add value to the Fund through assuming ultimate ownership of information technology governance. IT governance continued to be a standing matter on the Audit and Risk Committee and the Board agenda during the year under review. The Board continued to ensure that there was alignment between the IT strategy and business strategy.

The Board further continued to take IT risks seriously, with significant human and capital resources deployed towards managing cyber risks.

## Responsible investment governance

GIPF continued to subscribe to responsible investing principles and practices as recommended under the Corporate Governance Code of Namibia (NamCode), King IV, United Nations Principles for Responsible Investing (UNPRI), and the Code for Responsible Investing in South Africa (CRISA). The Board ensured that responsible investment was practised by the Fund through promoting good governance and ensuring value creation by the investee companies. GIPF continued to engage investee companies on matters of good governance while attending the Annual General Meetings (AGMs) of selected investee companies. The Fund is well represented on Nominations, Compliance and Conflicts Committees of several unlisted Fund managers, while enjoying representation on Boards of investee companies through either Trustees or independent representatives.

## Board remuneration framework

The GIPF remunerates its Trustees and specialists in accordance with Rule 10.16, read together with the Board Remuneration Policy, which provides that the remuneration of Board members shall be determined by the Board of Trustees, after consultation with the Office of the Prime Minister. The Fund remuneration framework seeks to attract, compensate and retain Board members, taking into account the complexity and risk profile of their fiduciary responsibilities.

The remuneration consists of the combination of a retainer and a per-meeting fee. The fee is aligned to similar sized institutions in Namibia and the region. During the period under review, the total remuneration paid to Trustees was N\$2.82 million, which figure is also disclosed in the Annual Financial Statements.

## ENSURING REGULATORY COMPLIANCE

The Fund is committed to the effective and efficient preservation, promotion, and management of stakeholder value, and undertakes to conduct its business with integrity and due diligence in line with the relevant statutory, regulatory, and supervisory requirements applicable to it, as well as its rules.

## Managing compliance and legal risks

A strong compliance culture correlates with improved performance facilitated by a robust framework through which legal and compliance risks are identified, assessed, managed, monitored, and reported through its governance structure.

To instil a culture of legal compliance, and ensure sufficient awareness of regulatory requirements, regular awareness-raising sessions are held across the organisation. Quarterly regulatory compliance monitoring and reporting is conducted in line with the approved Compliance Risk Policy. The findings are presented to the Board at quarterly meetings to ensure that remedial action is taken, including applications for exemption when immediate compliance is not possible.

The Fund enhanced its legal risks management strategy during the year by revising the Legal Risk Policy. The policy was subsequently approved by the Board, workshopped with employees, and implemented throughout the organisation.

The Legal Risk Policy provides a new framework for proactive control, management, and mitigation of legal risks in the Fund, and ensures that the Fund's strategic decisions, policies, and contractual arrangements are legally sound and do not offend other persons' rights.

The Compliance Policy was also revised, approved by the Board, and fully implemented during the year, and focuses on establishing the principles of, and commitment to, the management of compliance risk by the Fund. The Compliance Policy further provides a framework for the identification, assessment, monitoring, and reporting of compliance risk matters, which collectively foster a compliance culture within the Fund.

Both policies are geared towards ensuring that the Fund is governed and managed within the boundaries of the law, regulatory requirements, and best industry standards.

## Legal challenges

Due to the robustness of the Fund's legal risk management framework, the Fund did not experience any legal challenge against it. As reported previously, the Fund, together with many other investors who were invested in Steinhoff International, is participating in a class action lawsuit against Steinhoff International in the Netherlands and South Africa. This matter is still ongoing.

The regulator (NAMFISA) has undertaken an off-site inspection of GIPF's Annual Financial Statements for the financial year ended 31 March 2019, and any related ancillary information, as provided by the Fund.

Following recommendations by NAMFISA, we have subsequently instituted certain remedial actions.

## Ensuring compliance with regulations requirements

Due to its size, the Fund continues to be faced with various compliance challenges related to the prudential limits of investment holdings set out in the Pension Fund Regulations. Most of these challenges are attributed to the fluctuations of our investments in the financial markets, causing us to be either overweight, or underweight, in certain asset classes. Remedial actions have been taken, but prudence requires an extended period of analysis to bring investments within the prescribed limits.

The Fund has not succeeded in maintaining its investments in some classes of assets within the regulatory prudential limits. The Fund has also continued to experience challenges relating to the payment of monthly contributions by some employers in respect of their members. Similar to all industry players, the GIPF remains non-compliant with the provisions of the Administration of Estates Amendment Act (Act 22 of 2018), which requires all monies due to children under the age to 21 years to be paid over to the Guardian Fund. GIPF pays directly to the guardians of the children. This practice will continue until the Ministry of Justice has fully implemented the Administration of the Estates Amendment Act (Act 22 of 2018). To mitigate some of the compliance challenges, the Fund continues to apply for exemption



from regulatory authorities while taking remedial actions. During the reporting period, the Fund retained its regulatory exemptions for the following asset classes, and applied for an exemption in “other assets”:

**Domestic assets** - The Fund retained an exemption from Regulation 13(2). This allows the Fund to extend the period within which it must commit 45% of its investments within domestic assets, provided the Fund remains invested in domestic assets, at all times, at a ratio of market value of its total assets of not less than 40% by 30 June 2019, 42.5% by 31 March 2020, and 45% by 31 March 2021. The Fund’s remedial actions have been successful under this asset class as the 45% domestic asset investment requirement was exceeded during the year by 0.53%, with 45.53% invested in domestic assets.

**Unlisted investments** - The Fund retained an exemption from Regulation 13(5). This allows the Fund to increase its holding of unlisted investments from 3.5% to a maximum of 7.5% in domestic unlisted investments. This exemption is valid until 30 June 2023. The exemption will allow the Fund to repatriate more funds back to Namibia and invest more in Namibian companies which are not listed on the stock exchange, especially those that are involved in infrastructure development projects.

**Other assets** - In terms of Regulation 13(5), the Fund is only allowed to hold up to a maximum of 2.5% in “Other Assets”. The Fund therefore applied for an exemption in this regard, requesting that the threshold be increased to 5%, from the 2.5% allowed by Regulation 13(5). NAMFISA subsequently granted the exemption, which is valid for a period of nine years, during which period GIPF will exit from most of these investments and only retain a maximum exposure of 2.5%.

## Legislative environment

One of the strategic objectives of the 2020/2021 scorecard of the Legal and Compliance division is to ensure that the GIPF Rules and Policies comply with all regulatory requirements. Under this strategic objective, we strengthened the Fund’s regulatory and policy framework, identified areas of improvement, and compiled policy intervention proposals, which will culminate in the rule amendment proposals.

The legislative environment under which the Fund operates remained stable as there were no major legislations which have a direct effect on the operations of the Fund promulgated during the year.

## Promulgation of the Financial Institutions and Markets Bill (FIM) Bill

The FIM Bill, once promulgated, will replace the current Pension Fund Act (Act 24 of 1956). The FIM Bill has, at its core, the need to strengthen the supervision of the non-banking financial institutions. Once promulgated, it will, amongst others, enhance the manner in which retirement funds are governed, protect the members of the retirement funds, and grant NAMFISA delegated legislative powers of passing prudential standards.

The FIM Bill also proposes heavy penalties for non-compliance, which is expected to put immense pressure on retirement fund boards and administrators. Therefore, the FIM Bill is of strategic importance to the Fund as it will become the main regulatory framework against which the Fund’s compliance will be assessed.

The Fund took proactive steps to prepare for, and build awareness of, the provisions of the FIM Bill in October 2020, well in advance of the Bill’s promulgation into law.

The Fund subsequently adopted a report on the impact of the FIM Bill to the Fund. The report included a gap analysis and identification of areas of improvement to comply with the provisions of the FIM Bill. In line with the aforesaid report, draft rule amendments were preliminarily approved by the Board. The draft rule amendments will be revised after the signing of the Bill into law and the publication thereof. Once revised, the new rules will be provided to the actuaries and to the Prime Minister before submission to NAMFISA for approval.

## Governance of risk and opportunities - embedding a positive risk culture

The Board, through the Audit and Risk Committee, continued to protect existing value and create new value through oversight over the management of risk and opportunity recognition. The reporting of risk management to the Board improved, while the risk culture was also enhanced.

Risk management had become entrenched as a strategic outcome, with an account of the activities undertaken during the year to further reinforce and embed a positive risk culture throughout the organisation.

## Internal controls and combined assurance model

### Internal controls

The Board of Trustees bears overall responsibility for the Fund's systems of internal control and is accountable for reviewing their effectiveness. Internal control systems are designed to manage risks within the Fund rather than to eliminate the potential failure of achieving the Fund's objectives. The Board can only provide reasonable, rather than absolute, assurance against material misstatement or loss. As a consequence, the Board is extremely conscious of the importance of the Fund's system of internal controls and prioritises monitoring effectiveness and development in line with best practice.

The Audit and Risk Committee exercises oversight over the internal audit function of the Fund. GIPF has an independent Internal Audit Department that reports directly to the Audit and Risk Committee. The Chief Audit Executive reports functionally to the Chairperson of the Audit and Risk Committee and administratively to the Chief Executive Officer/Principal Officer. The external auditors have unrestricted access to the Chairperson of the Committee. In line with sound governance best practice, the Internal Audit department continues to provide objective and relevant assurance to the Board, through the Audit and Risk Committee, that the Fund's risk management, governance and internal control processes are operating effectively.

Internal Audit reports for the 2020/2021 financial year showed that there were no identified breakdowns in the internal control systems of the Fund. The purpose of identifying control weaknesses for corrective action will serve to enhance and improve the effectiveness of internal control systems. All the control weaknesses identified by internal and external audits, are reported to the Audit and Risk Committee and tracked for resolution. The tracking reports are part of the quarterly reports presented to the Audit and Risk Committee by the Internal Audit Department. The Annual Internal Audit Plan is based on the risk-based method in line with The Institute of Internal Auditor's International Standards for the Professional Practice for Internal Auditing (IIA Standards). Informing the Internal Audit Plan are the significant risks identified and/or extracted from the organisation's risk register as well as the inputs by CEO, senior management and Audit and Risk Committee.

### Combined assurance model

GIPF adopted the principles of Combined Assurance process. A Combined Assurance Policy was approved by the Board on 22 July 2019 with the purpose of informing the development of the annual Combined Assurance Plan (CAP) for GIPF. The annual CAP is based on the annual risk assessment performed by the Risk Management division.

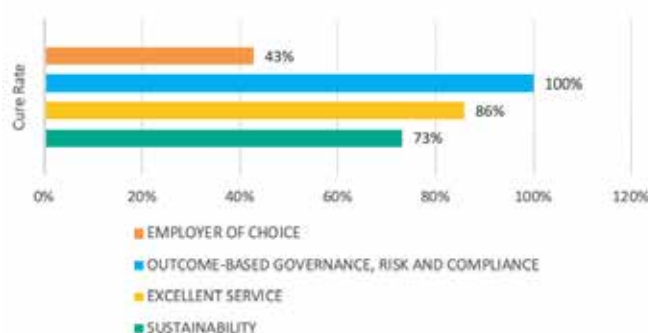
The GIPF continued to apply the Combined Assurance Model, which is premised on providing holistic assurance to the Board on the effectiveness of risk management and internal controls systems by co-ordinating assurance activities from various sources of assurance. The model is built on four lines of defence, being:

- I. First line of Defence: Risk owners responsible for ensuring the management of the risk. This line of defence has direct involvement, as the executing leg, and therefore offers broader assurance coverage. Management is the first line of defence.
- II. Second line of Defence: Internal assurance functions like Risk Management as well as Legal and Compliance services.
- III. Third Line of Defence: Independent assurance providers activities/functions such as Internal Audit.
- IV. Fourth Line of Defence: External assurance providers such as external auditors, regulators and valuers.

### Audit cure rate

All the control weaknesses identified by internal and external audits, are reported to the Audit and Risk Committee, and tracked for resolution (cure rate). The cure rate is a quantified yardstick to assess the resolution of audit findings and risks identified. A corporate cure rate of 76% was achieved for the year, in comparison to a cure rate of 67% achieved in the previous financial year.

### STRATEGIC THEMES CURE RATE





## Our leadership team - Who governs us

### Board of Trustees



**Goms Menetté (54)**

**Deputy Auditor General, Office of the Auditor General**



**Faniel Kisting (57)**

**Consultant**



**Penda Ithindi (51)**

**Senior Technical Economic Advisor, Ministry of Finance**



**Roswitha Gomachas (39)**

**Deputy Chief: Legal Advice, Office of the Attorney General**



**Heinrich Iita (51)**

**Claims Officer, Social Security Commission**

Position on the Board: Board Chairperson  
Appointed: 01 January 2013 by the Government of the Republic of Namibia  
Reappointed 01 January 2019  
Committee Assignment: Investment Committee (Member); Legal, Governance and Compliance Committee (Member)  
Qualifications: MBA, Postgraduate Diploma in Management Studies, National Diploma in Business Administration  
Work experience: 32 years  
Other roles: Non-executive Director, Capricorn Investment Group  
Previous roles: Namibia University of Science and Technology (Vice chairperson), Batswana ba Namibia Board (Member); Air Namibia (Director)  
Value added to the Board: Risk governance, leadership, auditing and internal control

Position on the Board: Trustee  
Appointed: 03 October 2017 by the Government of the Republic of Namibia  
Reappointed 21 October 2020  
Committee Assignment: Audit and Risk Committee (Chairperson); Remuneration and HR Committee (Member)  
Qualifications: MBA; CA (Nam) (SA), RAA (Nam); BCom, BCompt  
Work experience: 36 years  
Other roles: Anirep Limited (Director); Frans Indongo Trust (Trustee); Kisting Consult (Proprietor)  
Previous roles: MMI Holdings Namibia (Director); NAMCOR (Chairperson); Bank of Namibia (Independent Director)  
Value added to the Board: Risk governance, financing, auditing and internal control

Position on the Board: Trustee  
Appointed: 21 August 2020 by the Government of the Republic of Namibia  
Committee Assignment: Investment Committee (Member); Audit and Risk Committee (Member)  
Qualifications: M.Sc. Financial Economics; B.A Mathematics, Economics  
Work experience: 27 years  
Other roles: None  
Previous roles: Road Fund Administration (Chairperson)  
Value added to the Board: Economics, capital markets/ investments, public sector leadership and governance

Position on the Board: Trustee  
Appointed: 18 July 2016 by the Government of the Republic of Namibia  
Reappointed 18 July 2019  
Committee Assignment: Legal, Governance and Compliance Committee (Chairperson); Investment Committee (Member); Benefits and Administration Committee (Member).  
Qualifications: LLM (Cum laude), LLB, BJuris  
Work experience: 16 years  
Other roles: Oryx Properties (Director)  
Value added to the Board: Legal advisory, governance and compliance

Position on the Board: Trustee  
Appointed: 23 November 2011 by the Namibia Public Workers' Union (NAPWU)  
Reappointed 01 July 2018  
Committee Assignment: Benefits and Administration Committee (Chairperson); Investment Committee (Member)  
Qualifications: BBA (Hons), National Diploma in Commerce  
Work experience: 26 years  
Other roles: NAPWU NEC (Member); NAPWU CEC (Member)  
Value added to the Board: Benefits administration, human resources, industrial relations

**Stephen Siseho (55)**

**School Principal, Ministry of Education**

Position on the Board: Trustee  
Appointed: 01 April 2018  
by the Namibia National Teachers' Union (NANTU)  
Term ended 31 March 2021  
Committee Assignment: Remuneration and HR Committee (Member); Legal, Governance and Compliance Committee (Member); Benefits and Administration Committee (Member)  
Qualifications: MEd (Educational Management), BTech (Educational Management), Diploma in Higher Education  
Work experience: 31 years  
Other roles: NANTU (Secretary Marketing and Membership)  
Previous roles: Trade Unionist (NANTU); Regional Chairperson and National Secretary (NANTU); Zambezi Educational Forum (Member)  
Value added to the Board: Human resources, industrial relations, benefits administration

**Nillian Mulemi (47)**

**Chief Executive Officer: Petroleum Training and Education Fund (PETRO-FUND)**

Position on the Board: Trustee  
Appointed: 14 May 2018  
by the Government of the Republic of Namibia.  
Committee Assignment: Investment Committee (Chairperson); Audit and Risk Committee (Member)  
Qualifications: MSc (Finance), BAcc, BJuris, National Diploma in Cost Accounting  
Work experience: 28 years  
Other roles: Kuleni Fund Administrators (PTY) Ltd (Director); Kuleni Retirement Annuity Fund (Trustee)  
Value added to the Board: Law, corporate finance, leadership

**I-Ben Nashandi (50)**

**Executive Director: Office of the Prime Minister**

Position on the Board: Trustee  
Appointed: 19 August 2014  
by the Government of the Republic of Namibia  
Reappointed 19 August 2017  
Committee assignment: Investment Committee (Chairperson); Audit and Risk Committee (Member)  
Qualifications: MSc (Financial Economics), MA (Development Finance), BCom  
Work experience: 28 years  
Other roles: First Rand Namibia Limited (Non-executive Director), First National Bank Holdings Limited  
Value added to the Board: Economics, finance, public sector leadership

**Maria Dax (68)**

**Strategic Communications Consultant**

Position on the Board: Trustee  
Appointed: 19 August 2014  
by the Government of the Republic of Namibia  
Reappointed 21 August 2020  
Committee Assignment: Remuneration and HR Committee (Chairperson); Legal, Governance and Compliance Committee (Member); Benefits and Administration Committee (Member)  
Qualifications: MBA, BA, PRISA Accredited Public Relations Practitioner (APR)  
Work experience: 37 years  
Other roles: Standard Bank Namibia Board (Non-executive Director); Standard Bank Group (Non-executive Director); Dax Strategic Communications CC (Non-executive Director); PRISA – Namibia Chapter (EXCO); TUCSIN (Trustee); Kuti Oil CC (Non-executive Director)  
Previous roles: NamibRe (Non-executive Chairperson); PRISA – Namibian Chapter (Chairperson)  
Value added to the Board: Public relations, stakeholder relations governance, strategic communication




**Evans Maswahu (56)**

**Director: Finance, Human Resources, Administration and Information Technology**

Position on the Board: Trustee  
Appointed: 21 July 2020  
by the Namibia Public Workers' Union (NAPWU)  
Committee assignment: Benefits and Administration Committee (Member); Audit and Risk Committee (Member); Remuneration and HR Committee (Member)  
Qualifications: MBA, Postgraduate Diploma in Management Studies, BCom (Law), BBA (Hons), National Diploma in Personnel Management, National Certificate in Public Administration  
Work experience: 31 years  
Other roles: NAPWU (Vice President)  
Previous roles: Social Security Commission (SSC) (Member)  
Value added to the Board: Public Sector Leadership, Investments and Benefits Administration

## Our leadership team - Who governs us

### Board of Trustees

 <p><b>Collin Katjita</b> (49)</p>	 <p><b>Adv. Adolf Denk</b> (48)</p>	 <p><b>Martha Dama</b> (50)</p>
<p><b>Group Executive: Human Capital, Momentum Metropolitan Namibia</b></p>	<p><b>Practising Advocate</b></p>	<p><b>Deputy Director: Business Systems – Bank of Namibia</b></p>
<p>Committee Assignment: Independent Specialist external member of the Remuneration and Human Resources Committee Appointed: June 2016 by the GIPF Board of Trustees Qualifications: MBA (General); MBA (Human Resources); BSc (Occupational Therapy) Work experience: 18 years</p>	<p>Committee Assignment: Independent Specialist external member of the Legal, Governance and Compliance Committee Appointed: September 2018 by the GIPF Board of Trustees Qualifications: MCom (Forensic Accounting), LLB, BA (Law) Work experience: 25 years Other roles: Namclear (Pty) Ltd (Chairperson); Namibia Training Fund Council (Member)</p>	<p>Committee Assignment: Independent Specialist external member of the Audit and Risk Committee Appointed: April 2020 by the GIPF Board of Trustees Qualifications: MBA, MSc (Information Technology), Senior and Management Diplomas from the University of Stellenbosch Other roles: Iththus Fishing Company (Pty) Limited (Chairperson); Management Committee Member – ELCIN Hosianna Synagogue</p>
<p><b>Co-opted External Specialists</b></p>		



## Who leads us

### Executive Management Committee (EXCO)



**David Nuyoma (58)**

**Chief Executive Officer/Principal Officer**

Qualifications: MA (Development Economics and Industrial Development), BA (Hons) Development Studies  
Work experience: 28 years  
Value added to Exco: Strategic business leadership



**Daniel Ndara (51)**

**General Manager: Finance**

Qualifications: MPhil (Development Finance), MTech Business Administration, BTech Business Administration, National Diploma in Commerce, Leadership Development Programme, Postgraduate Certificate: Senior Management Development Programme  
Work experience: 19 years  
Value added to Exco: Financial management, procurement management and budgeting management



**Edwin Tjiramba (52)**

**General Manager: Marketing and Stakeholders' Engagement**

Qualifications: LLB, BJuris, MA (Corporate Communications), BA (Communications - with specialisation in Public Relations)  
Work experience: 24 years  
Value added to Exco: Corporate communications, health communications, social impact assessment, legal training.



**Onno Amutenya (53)**

**General Manager: Information Systems**

Qualifications: BCompSc, MA (Financial Economics), Leadership Development Programme, Certified in the Governance of Enterprise IT (CGEIT), Certified COBIT 5 Assessor, Certified COBIT 5 Implementation  
Work experience: 26 years  
Value added to Exco: Information systems/technology management and governance

## Our leadership team - Who governs us

### Executive Management Committee (EXCO)



**Conville Britz (49)**

**General Manager: Investments**

Qualifications: Chartered Accountant (South Africa) (Namibia), BCom, BCompt (Hons), Postgraduate Diploma in Auditing  
Work experience: 27 years  
Value added to Exco: Auditing, risk and compliance, investments



**Elvis Nashilongo (50)**

**General Manager: Operations**

Qualifications: MA International Business (MIB/MBA), Postgraduate Certificate: Executive Development Programme, BD Communication and Industrial Psychology, National Diploma in Public Management, Postgraduate Certificate in Strategic Public Relations Management  
Work experience: 22 years  
Value added to Exco: Strategic business management



**Getrude Xawes (42)**

**Acting General Manager: Human Resources**

Qualifications: MSc (Human Resources), BTech (Human Resources Management), Diploma in Human Resources Management, Leadership Development Programme, Postgraduate Certificate: Management Development Program (MDP): Certificate in Dispute Resolution; Certificate in Global Remuneration Programme (GRP)  
Work experience: 18 years  
Value added to Exco: Human resources, health and wellness



**Escher Luanda (49)**

**Company Secretary and Head: Ethics**

Qualifications: BJuris, LLB, Postgraduate Diploma in Compliance Management, MBL, Admitted Legal Practitioner, Certified Ethics Officer  
Work experience: 23 years  
Value added to Exco: Legal advisory, legal research and reform, ethics management, company secretariat and governance, strategy development



**Josia Shilyomunhu (45)**

**Acting Chief Audit Executive**

Qualifications: Postgraduate Diploma in Internal Auditing, BAcc, National Diploma in Commerce  
Work experience: 24 years  
Value added to Exco: Risk assessment and, Internal controls evaluation



**Melki-zedek Uupindi (42)**

**Chief Legal and Compliance Officer**

Qualifications: Master in Pension, Banking and Financial Law; Bachelors of Law, Bachelor of Jurisprudence, Harvard Law School's Corporate Counsel Programme, Admitted Legal Practitioner of the High Court, Executive Leadership Programme, Certified Risk Manager Programme, Certified Business Continuity Manager Programme, Advanced Private Equity Programme, Director's Development Programme  
Work experience: 16 years  
Value added to Exco: Pension fund governance and management; investment and financial law; compliance and risk management



**Michael Beukes (46)**

**Manager: Risk**

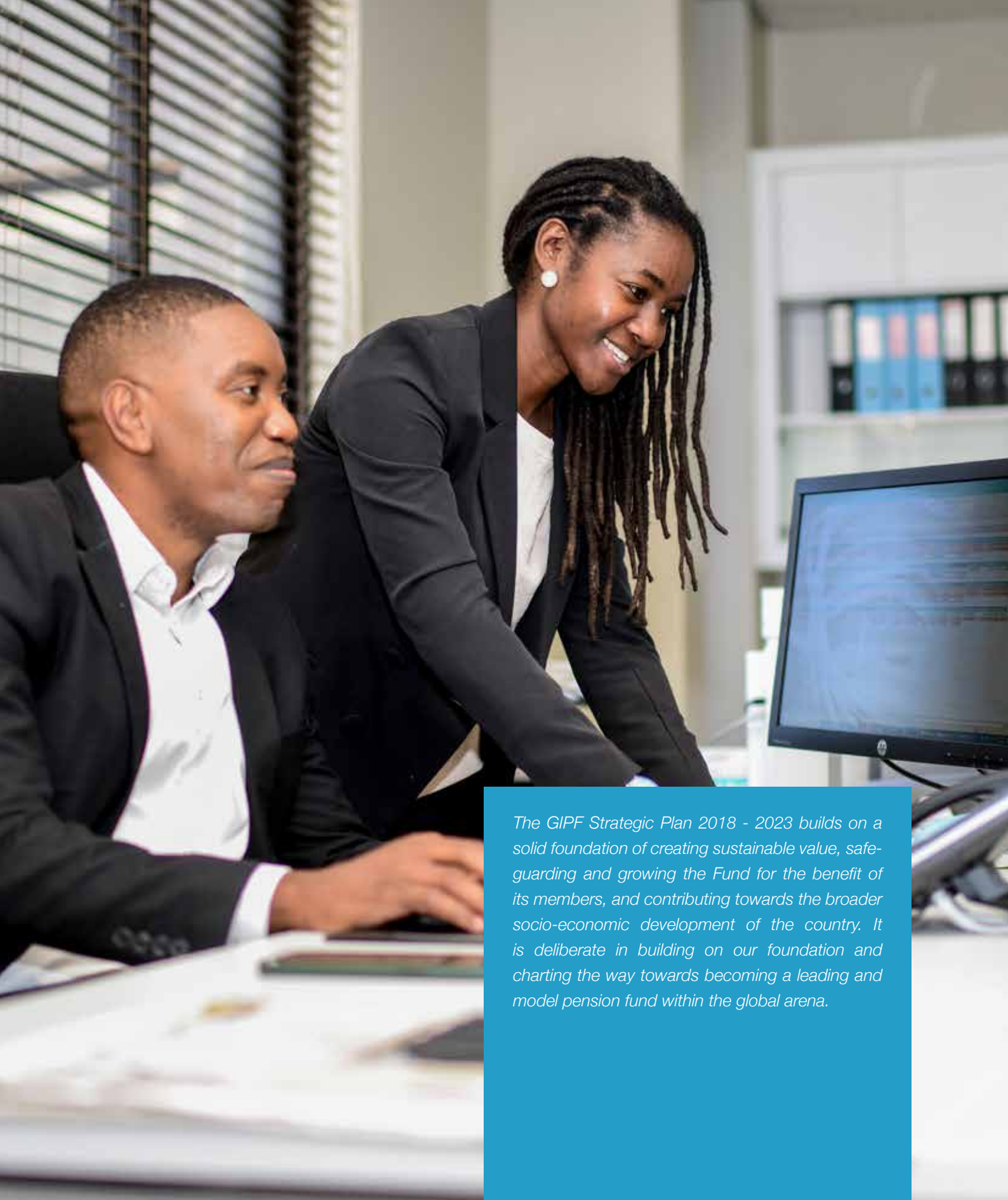
Qualifications: BCom (Financial Management, International Risk Management)  
Work experience: 27 years  
Value added to Exco: Enterprise risk management, business continuity management, project management



**Desmond Nikanor (35)**

**Manager: Strategy and Projects**

Qualifications: MScs (International Business - with Merit), BSocSc Organisational Psychology, Certified Balanced Scorecard Professional, Certified Organisational Culture Practitioner  
Work experience: 12 years  
Value added to Exco: Business strategy development and strategy execution, organisational culture, high performance management systems



*The GIPF Strategic Plan 2018 - 2023 builds on a solid foundation of creating sustainable value, safeguarding and growing the Fund for the benefit of its members, and contributing towards the broader socio-economic development of the country. It is deliberate in building on our foundation and charting the way towards becoming a leading and model pension fund within the global arena.*

# OUR PERFORMANCE AGAINST STRATEGY

(YEAR ENDED 31 MARCH 2021)





# OUR PERFORMANCE AGAINST STRATEGY (year ended 31 March 2021)

The 2020/2021 strategic year posed significant challenges to business as usual, which the Fund was nonetheless able to convert into opportunities. The onset of the Covid-19 pandemic had a material impact on the 2020/2021 corporate scorecard. Since the Fund is exposed to the domestic, regional, and international environment, these multifaceted ramifications required the GIPF strategy to identify these vast and rapid changes and to respond to them accordingly to take advantage of any potential strategic gains presented by such changes.

The Fund is in its fourth year of the five-year (2018 - 2023) Strategic Plan, and as is customary, held an annual strategy retreat workshop in February 2021 where the Board of Trustees and Management deliberated on the execution of the strategy, challenges and opportunities presented and charted the way forward for the coming year.

The Fund has over the duration of the strategic planning cycle, demonstrated consistent, high-performance across the four strategic themes by continuously adjusting and pivoting the annual scorecard, which allowed for the corporate scorecard to remain relevant and responsive to changes in the external environment. By mid-year the Fund had materially reviewed 14.1% of its strategic initiatives leading to a successful execution rate of 93.10%. During the past three years the Fund attained a strategy execution rate of 84.8%, from 87.2% in the previous year.

SUMMARY			
COMPARING PROGRESS ON OUR 3 YEAR TARGETS			
	Number of High Level targets	Targets Achieved or On Course	Targets Not met
 Sustainability	5	4	1 <i>Cost to Serve</i>
 Excellent Service	6	5	1 <i>Member Retention</i>
 Outcomes Based Governance Risk & Compliance	5	4	1 <i>Asset Cuts rate</i>
 Employer of Choice <small>(N/A - Strategic change in process)</small>	4	4	0















Looking ahead to 2022

The Fund will look to consolidate and build upon its current strategic momentum by critically assessing which of these key learnings that emanated from the 2020/2021 strategic year should be incorporated into the new way of doing things, and which should be regarded as tactical responses to the turbulent year. There are certain strategic responses that ushered in fundamentally improved ways of conducting the business of the Fund, and although these responses came off the back of unanticipated change, the learnings are highly valuable and should be incorporated into the Funds strategy, policies and procedures.





The table below illustrates the actual performance data for the year against the key performance indicators set for each strategic theme and objective.

Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021	
<b>ST 01: Sustainability</b>  (Financial capital) (Social and relationship capital)	S.1: Capacitate the Investment department	Build a business process investment management system by 31 March 2021	Phase 1 completed	
		Enhanced departmental structure	Completed	
		Enhanced departmental structure and middle/back office established	In progress	
	S.2: Strengthen investment processes	Monthly portfolio reports to management and quarterly reports to the Board	Completed and ongoing	
		Investment consultant transition plan in quarter 1 and execution in quarter 3	Transition plan completed, execution in progress	
		Submission report to investment committee on strategies implemented and recommendations by 30 November 2020	Completed	
		Local asset investment requirement compliance of 45%	Actual 45.53%	
	S.3: Practice responsible investing	Improve UNPRI rating from E to D	Rating E	
	S.4: Ensure effective asset and liability management	Fund growth (baseline CPI+5%)	CPI +5% exceeded by 20.5% Return: 25%	
		85% CAA: SAA (85% adherence by 31 March 2021)	Alignment to SAA: 87.13%	
		Investment Policy reviewed as per international best practice by 30 September 2020	In progress	
	S.5: Maintain optimal cost-to-serve ratio	Maintain cost-to-serve ratio: 1.45%	1.55%	
	S.6: Enhance financial reporting	Annual Financial Statements approved within six months of FYE (September 2021)	Completed	
		100% monthly reports (complete and accurate general ledger control accounts and timely submission of management reports)	Completed	















## Performance for the year against the key performance indicators

Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021	
	S.7: Prudent financial management	Contributions collections rate: 100%	99.9%	
		Procurement turnaround time: 100% (tenders finalised within three months)	Tenders finalised within three months	
		Invoices processed within turnaround time: 100%	100%	
		Business case for sourcing of movable asset software submitted and approved by 30 September 2020	In progress	
	S.8: Ensure governance risk and compliance	Compliance to statutory requirements (VAT, VET, PAYE, NAMFISA submissions): 100%	All paid and submitted	
	S.9: Ensure assets and liability management	100% Benefits/contributions ratio (baseline 124.3%)	116%	
		50% execution of City of Windhoek's safety health and environment inspection report recommendations	50%	
	S.10: Unique and conducive working environment and facilities	Policy approval and cost/benefit analysis report developed	Approved by the Board	
	S.11: Improve data integrity (reduction in unclaimed benefits)	Reduction in unclaimed benefits: 40% (1,616 baseline at April 2020)	273 unclaimed benefits	
		Reduction in unverified annuitants: 60% (baseline 60%)		
<b>ST 02. Excellent service</b> (Social and relationship capital) (Intellectual capital)	S.12: Ensure stellar member care	% GIPF client satisfaction (QMS statistics): 80%	80%	
		Average waiting and service time: <33 mins waiting time <8.6 mins service time	<26.6 mins waiting time and <6.51 mins service time	
		100% member outreach programme execution	125%	

Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021
	S.13: Maximise operational efficiency	Average turnaround time for: Funeral benefits: 12 hrs Retirement benefits: 30 days Resignation benefits: 30 days Death benefits: 12 months	12 hrs 13 days 14 days 6 months 
		Implementation of the new annuity structure by July 2020	In progress 
		Develop and implement support services operational plan by September 2020	In implementation 
		Review of the Biometric annuity enrolment method by September 2020	In progress 
	S.14: Enhance brand resonance through proactive communication of the Fund's investment strategy	Draft and approve investment campaign by July 2020, and implement all planned activities	100% 
	S.15: Enhance member outreach and retention	90% participating employer retention	97.6% 
		80% execution of member outreach programme	125% 
		100% member retention programme execution	100% 
		90% member satisfaction	91% 
	S.16: Enhance stakeholders' engagement	60% external stakeholder satisfaction	97% 
		80% internal stakeholders satisfaction	90% 
		50% attendance rate during engagement sessions	Severely affected by Covid-19 
		80% execution of stakeholder engagement strategy	100% 
		Draft of the integrated annual report	Target achieved 
		Approved media monitoring strategy by end October 2020	65% 
		100% implementation of the media monitoring strategy	100% 

## Performance for the year against the key performance indicators











Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021
	S.17: Enhance enterprise infrastructure and architecture management	Overall system availability: 97%	99.5% LAN/NETWORK 99% IFMIS 94% GIMIS 98% DMS/HORIZON Regional Offices availability: 90%
		Continuous evolution of technology standards and architecture services: 100% completion vs agreed plan	100%
	S.18: Drive digital transformation and innovation	Process automation index vs agreed plan: 70%	87.5%
	S.19: Enhance information systems security and cyber-security resilience	<10% downtime due to security incidents	0% downtime
		IS security maturity level: Level 2	Level 2
		CSX awareness vs benchmarks: 2% above benchmark and level 2	15% above benchmark and level 3
	S.20: Enhance information systems continuous improvement and optimisation programme	% completion vs agreed plan of an integrated pension administration system enhancement	50%
		% completion vs agreed plan (member's biometric enrolment and verification solution upgrade or acquisition)	93%
		CSX awareness vs benchmarks: 2% above benchmark and level 2	100%
	<b>ST 03: Outcomes-based governance, risk and compliance</b> (Intellectual capital)	100% risk-based audit plan completed	136%
		% audit recency: 80% of audits finalised within three months	100%

Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021
		100% verification of all reported completed items in the log of audit issues	100% 
		100% completion of combined assurance process	50% 
		80% satisfaction from stakeholders and Audit Committee	80% 
		80% satisfaction from clients	80.76% 
	S.22: Enhance governance culture	Governance maturity: Level 4: Improve governance maturity and culture	Level 4 
		80% satisfaction from Board/CEO	80% 
		70% planned items digitalised	70% 
		100% adherence to NamCode standards, NAMFISA requirements and the International Integrated Reporting Council's <IR> Framework	100% 
		Corporate governance reporting in integrated annual report	100% 
		Ethical culture maturity: Achieve compliance level by 31 March 2021	Compliance level achieved 
	S.23: Embed a positive risk culture in GIPF	GIPF risk maturity level 3: Improved risk awareness: Three initiatives per annum	Level 2: 100% 
		100% ongoing cure rate target	89% 
		Align Risk policy with ISO 31000 standard by 31 October 2020	ERM Policy was revised and approved on 3 December 2020 
		Coordinate business continuity implementation by 30 November 2020	Proactive implementation of business continuity measured. BCM exercise plan drafted for execution during 2021 workshopped 

## Performance for the year against the key performance indicators

Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021
	S.24: Enhance management of compliance and legal risks	85% of contracts reviewed within SLA	93% 
		85% average of contracts/legal opinions turnaround times	92% 
		% legal opinion provided within SLA	91% 
		Implementation of Compliance Risk Policy	Policy approved, signed and workshopped 
		% Coordination of compliance awareness sessions	8 policies and guidelines and 7 pieces of legislation workshoped 
		Quarterly compliance reports	4 reports tabled 
		Implementation of compliance monitoring tool	Monitoring tools finalised 
	S.25: Ensure that GIPF rules and policies comply with regulations requirements	Submission of proposal and recommendations to Legal, Governance and Compliance Committee (LGCC) by 31 December 2020	Review completed and submitted on 26 November 2020 
		Rule amendment submission to the Board by 31 March 2021	Submitted to the Board on 29 March 2021 
		Strategic policies amended by 31 March 2021	9 new policies adopted and 6 old policies were amended 
		Submission of the draft funding/reserves policy to the LGCC by 31 December 2020	Submitted to the Board on 29 March 2021 
<b>ST 04: Employer of choice</b> (Human capital) (Manufactured capital)	S.26: Ensure effective talent acquisition and retention	100% of positions filled within three months Wage bill savings: 10%	83.3% (15 out of the 18 positions) 3.6%  
		Board approval of Affirmative Action Policy by 30 December 2020	Policy approved by the Board on 10 July 2020 



Our four strategic themes	Strategic objectives	Strategic targets/key performance indicator for 2020/2021	Performance as at 31 March 2021	
		Review Job Evaluation Policy and the Talent and Succession Policy by December 2020	Target achieved	
	S.27: Inspirational leadership and management	100% of leaders (level 1 and 2) on programme	100%	
		Business case submission for level 3 and 4 supervisory staff to participate in the leadership development programme	In progress	
	S.28: Strategy driven training and development	Develop and implement critical skills guideline by September 2020	Developed and approved by the Board on 8 July 2020	
		Key/critical competency areas for GIPF business continuity determined by November 2020	Customised survey conducted and report provided by PwC	
		100% implemented of planned critical skills implemented	Three new candidates identified and approved for 2021/2022 intake	
	S.29: Drive occupational health, wellness and safety	100% execution of SHE and wellness programme	115.3%	
		Ongoing implementation of Covid-19 guidelines	Ongoing	
	S.30: Build the GIPF organisational culture	100% implementation of an optimal culture programme	100%	
	S.31: Ensure sustainability of HR related costs	20% reduction of leave liability	Ongoing	

**Legend:**

Ahead of schedule/Likely to meet or exceed target



Likely to meet target or target not achieved



Regular interventions to meet target



Target not achieved



# Sustainability

(Financial capital)

(Social and relationship capital)

*The financial sustainability of the Fund is of paramount importance to ensure longevity and create lasting socio-economic impact*

Our strategic objectives	Accountability
S.1: Capacitate the Investment department S.2: Strengthen investment processes S.3: Practice responsible investing S.4: Ensure effective asset and liability management	GM: Investments
S.5: Maintain optimal cost-to-serve ratio S.6: Enhance financial reporting of the Fund S.7: Prudent financial management S.8: Ensure governance, risk and compliance S.9: Ensure assets and liability management S.10: Unique and conducive work environment and facilities	GM: Finance and Administration
S.11: Improve data integrity (discussed under the strategic theme Excellent Service).	GM: Operations <a href="#">SEE PAGE 112</a>

## The impact of our efforts

- Compliance with the provision by the regulator (NAMFISA) for the approval of the annual financial statements within six months of the financial year ending (31 March 2021)
- Enhanced and improved financial reporting to the regulator (NAMFISA), improve general ledger accounts reconciliation, and enhanced management reporting processes
- Board approval of the Property Acquisition and Development Policy
- Efficient payment processes were maintained and not hampered by Covid-19 disruptions
- Achieved a 99.9% contribution collection rate
- Net investment income increased by 26% to N\$27.9 billion, from an unrealised net investment loss of N\$7.7 billion in the prior year
- The Investment Policy and Strategy document approved by the Board in September 2019 under review
- Review of the Asset Liability Model and Strategic Asset Allocation conducted
- Continued to developed strategies to deploy 45% of assets locally (40.9% as at 31 March 2021)
- Onboarded new Investment Consultants, Lane, Clarke Peacock “LCP” in line with our global vision
- Continued to developed strategies to deploy 45% of assets locally (45.53% as at 31 March 2021. 2020: 43.2%)

**Key enablers**

- Adequate financial resources and prioritisation
- Highly skilled staff and the ability to adapt to do all key responsibilities within the business
- Recovery of SA listed stocks
- Global Government stimulus packages
- Commencement of global travel, albeit under strict conditions
- Continuity management strategy deployed
- Integrated systems that allow automation of routine processes

**Key challenges**

- Increasing benefits over contributions ratio
- Delays in turnaround times of some activities caused by the impact of Covid-19
- Availability of local listings to comply with Domestic Asset Requirements
- Impact of Covid-19 on domestic and international markets
- Global low interest rate environment
- Chinese market regulatory tightening on certain sectors such as gaming and education

**Key financial performance data**

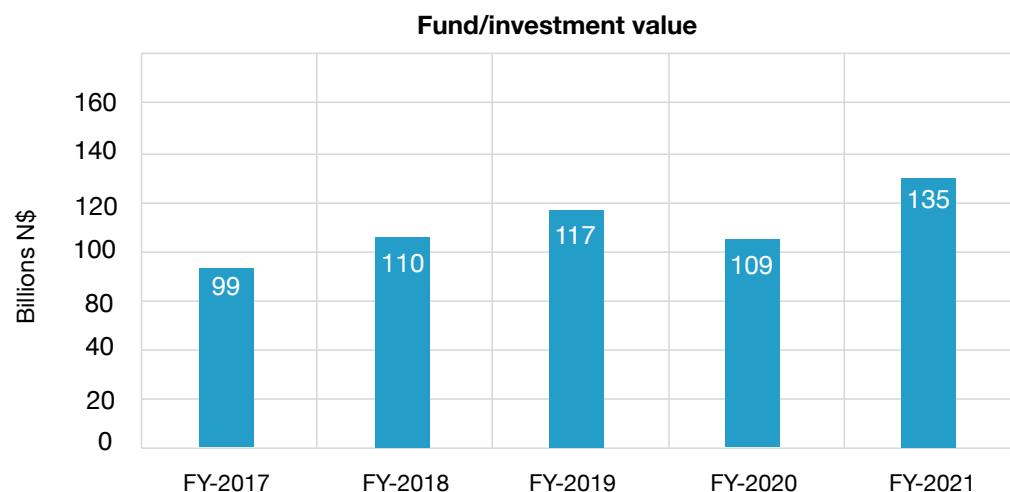
- The Fund's asset base increased from N\$109.3 billion to N\$136.2 billion (from a decrease of N\$118.1 billion to N\$109.3 billion in the prior year)
- The Fund's active membership declined to 101,027 from 101,762 members
- The Fund's active annuitants (beneficiaries) increased to 45,497 from 39,504
- Member's contributions to the Fund increased to N\$4.46 billion from N\$4.35 billion
- Benefits paid out by the Fund to its members and beneficiaries increased to N\$5.15 billion from N\$4.92 billion
- Member contributions increased by 2%
- Operational expenditure increased by 14%
- Benefits payment increased by 5%
- Fund growth increased by 25%
- Fund active membership decreased by 0.7%
- Fund active annuitants decreased by 15%

## An outstanding financial performance

The Fund entered the Covid-19 induced economic crisis last year from a position of strength, with its assets fully covering its liabilities. The volatility experienced worldwide on the stock markets due to Covid-19, resulted in a decline in the investment market value of the Fund towards the end of the last financial year, was swiftly reversed during the current financial year by the Fund's robust investment strategies and a responsive business model, crafted to withstand market forces.

We acted with equal swiftness in providing our employees with the necessary resources to enable them to work from home without interruption to critical services. Our operations were supported by enabling technology whereby the processing of payments could be done remotely. The Fund's total asset base increased by 25% to over N\$136.2 billion while the accumulated funds and reserves increased by N\$27 billion, from N\$108.5 billion in the prior year, to N\$135.4 billion, mainly as a result of an improved investment return during the period. The Fund value and the trajectory over the past five years is depicted in the graphs below.

The Fund received an unqualified audit opinion on its annual financial statements for the period ending 31 March 2021.



## Enhanced financial reporting

The processes involved in the preparation of the annual financial statements for the year ending 31 March 2021 was enhanced and the coordination thereof improved. The Fund confidently met the target of achieving timely and accurate reconciliation and submission of reports, and compliance obligations by the regulator (NAMFISA) of submitting the annual financial statements within six months after the financial year end, was also met. The annual financial statements for 2020/2021 were approved by the Board on 29 September 2021.

## Prudent financial management

The business process improvement initiative that commenced last year, greatly contributed to prudent financial management. One of the major impacts of such prudence is the contribution collection rate, which was maintained at 99.9% during the year, despite immense challenges faced by participating employers as a result of the Covid-19 pandemic. A total of N\$4.5 billion was collected from contributing employers compared to N\$4.4 billion collected in the prior year.

Budgetary resource allocation and the utilisation of capital expenditure across the organisation were strictly monitored and managed. Tenders and procurement administration of the Fund were furthermore enhanced, all of which contributed to an excellent performance for this strategic objective.

A Request for Proposal (RFP 002/2020) for a new Annuitants' Verification Solution was advertised and evaluated during the year, with the recommendations by Exco approved by the Board on 29 March 2021.

## Maintaining Fund solvency

GIPF is bound by a fiduciary duty to act in the best interests of its Fund members, whose assets are our prime responsibility to safeguard and grow. The services of the Actuary, Humanity Employee Benefits (Pty) Ltd was, during the year, commissioned to determine the cashflow sustainability of the Fund for a period of five years (2021–2025), allowing for various economic and demographic scenarios. The study provided the following recommendation to management to address the matters regarding the funding challenges:

### Employers Engagement

1. The Fund should consider a concerted effort to engage the participating employers to reduce the 4.98% contribution shortfall. The reduction can be effected over a period of time.

### Investments

2. The Fund should review and optimise its investment strategy in order to take into account the maturing demography of the Fund's membership, as well as the expected negative net cashflows projected.

### Claims Management and Systems

3. The Fund needs to implement a claims underwriting and management function that focuses on member retention programmes such as educating exiting members on the importance of opting for pension deferment, rather than taking a cash withdrawal or transfer of reserves to Defined Contribution Funds.
4. The establishment of Kuleni Preservation Fund is a welcome development as this enables our members to preserve their withdrawal benefits within the GIPF.
5. The Fund should carry out regular systems audits to ensure that the correct benefit calculations are done and that correct amounts in respect of claims are paid.
6. A strict claims management framework is needed to ensure that any fraudulent claims are identified and scope for fraud is minimised.
7. The Fund needs to investigate the difference emerging between the financials accounts information and members' data.

### The Fund's Practice of offering discretionary benefits

8. The Fund should ensure that discretionary benefits offered are in line with recommendations of the Actuary. Pension increases in the past were awarded at rates above those recommended by the Valuator. The amount of a Pension Increase awarded to a member should be proportionate to the period of time that the member has been a pensioner for that particular year. Again, the practice at the Fund was that all pensioners irrespective of the date on which they attained pensioner status were awarded a full annual pension increase.

The Investments Department addressed the "breakdown in internal controls" as highlighted by the auditors and took the following action:

- We re-structured the Investment Department to create a dedicated Investment Administration area
- In conjunction with Standard Bank Namibia, we conducted remediation workshops, which resulted in, amongst others, the documentation of our investment processes
- Performing regular reconciliations between what we reflect in our general ledger and what our Investment Book of Records service provider reflect
- We developed the Investment Valuation Policy and Guidelines which was approved by the Board

The next statutory valuation for the three-year period ending 31 March 2021 is being conducted by the Actuary with the results thereof expected in November 2021. The last statutory valuation was conducted in 2018.

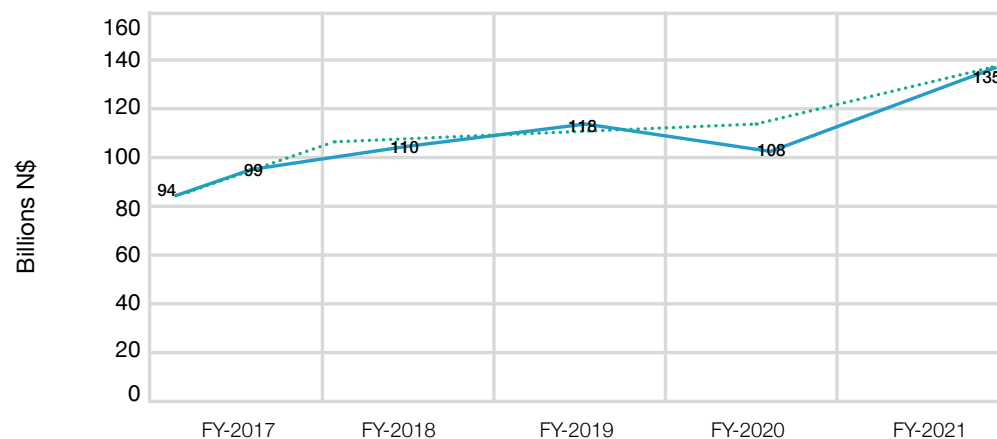
The table below shows the breakdown of the accumulated funds per reserve category as of 31 March 2021:

Fund reserves	2021 NS'000	2020 NS'000
Member liabilities		
Active members	61,595,247	61, 595,247
Pensioners	20,574,496	20,574,496
Disabled members	1,302,349	1,302,349
Risk reserves		
Aids	2,155,834	2,155,834
Data	1,539,881	1,539,881
Longevity	8,347,209	8,347,209
Employer contribution	13,929,270	13,929,270
Actuarial reserves	-	-
*Un-allocated reserves	26,037,746	(942,862)
<b>Accumulated funds</b>	<b>135,482,032</b>	<b>108,501,424</b>

\* represents retained income during the three-year actuarial cycle

The graph below depicts the Fund's reserve growth trend during the last five years. The GIPF Reserve increased by 25% to N\$135.5 billion during the period ending 31 March 2021, from a decrease of 7% (from N\$118.0 billion to N\$108.5 billion) in the previous year.

**Reserve growth trend**





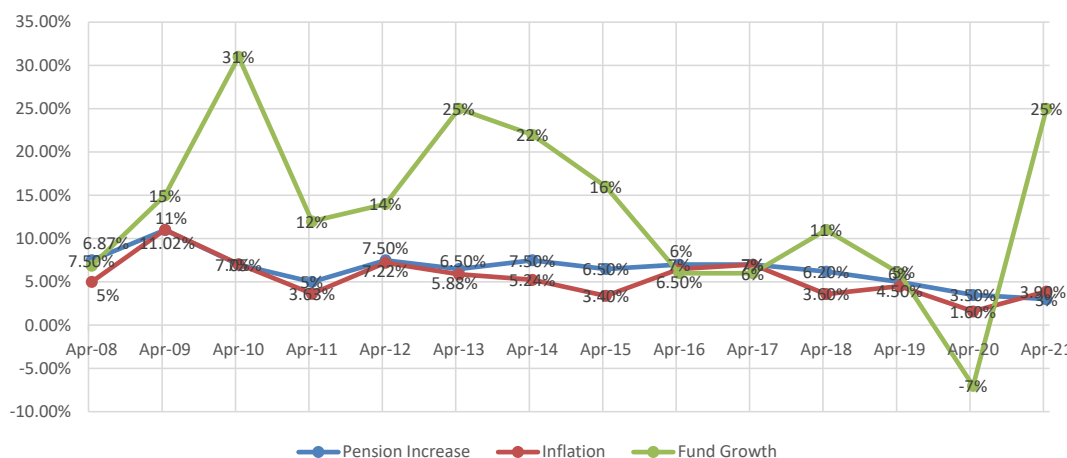
The key movements in the statement of changes in net assets and funds as of 31 March 2021 is depicted below:

	2021 NS'000	2020 NS'000	% Change
2020			
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>135,584,964</b>	<b>108,600,879</b>	<b>25%</b>
Property, plant and equipment	142,848	123,725	15%
Investments	135,442,116	108,477,154	25%
<b>Current assets</b>	<b>606,964</b>	<b>731,707</b>	<b>-17%</b>
Accounts receivable	37,581	36,994	
Contributions receivable	6,176	361,145	
Cash at bank	563,207	333,568	
<b>Total assets</b>	<b>136,191,928</b>	<b>109,332,586</b>	<b>25%</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated funds	135,482,032	108,501,424	
<b>Total funds</b>	<b>135,482,032</b>	<b>108,501,424</b>	<b>25%</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>84,523</b>	
Benefits payable	-	84,523	
<b>Current liabilities</b>	<b>709,896</b>	<b>746,639</b>	<b>-15%</b>
Benefits payable	605,129	603,468	
Accounts payable	102,997	126,706	
Bank rejections	1,770	16,465	
<b>Total funds and liabilities</b>	<b>136,191,928</b>	<b>109,332,586</b>	<b>25%</b>

## Pension increases vs annual inflation

GIPF has consistently increased pension benefits in line with inflation since 2008, ensuring that pensioners benefits are not eroded by inflation, as shown in the graph below. Pension payments grew by 3% as of 1 April 2021 (1 April 2020: 3.5%).

Pension increase, inflation and fund growth

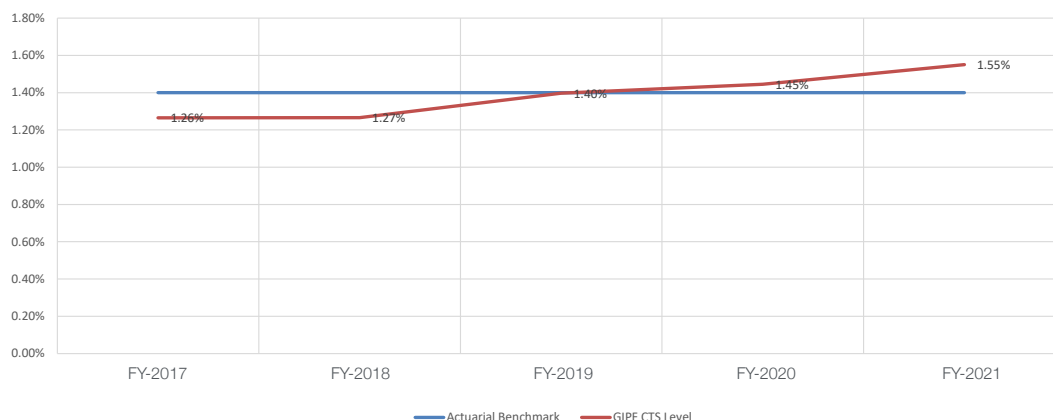


The Fund's reserve posted an average growth rate of 4% during the last five years in relation to average pension increases of 6% and an average annual inflation rate of 4.64% for the last five years.

## Maintaining an optimal cost-to-serve ratio

The Fund expenditures as a percentage of pensionable remuneration of members increased to 1.55% (Mar-2020: 1.45%) during the period under review. The increase in cost to serve are a result of a significant increase in regulatory fees for the period. The Fund adopted a strategy to manage the cost of administration to a ratio of less than 1.50% of pensionable remuneration for the next strategic plan cycle of the Fund. The graph below shows the cost-to-serve trend of the Fund against the actuarial benchmark during the last five years:

CTS ratio vs actuarial benchmark



Management will monitor this ratio on a continuous basis to ensure that the appropriate level of expenditure is maintained each financial year to efficiently administer the Fund. A total of N\$324.5 million (March-2020: N\$285.2 million) was incurred by the Fund as administration fees. The budget for the new financial year commencing 01 April 2021 was approved by the Board on 30 March 2021. Regular, targeted engagements with user departments are conducted to ensure tight budget controls.

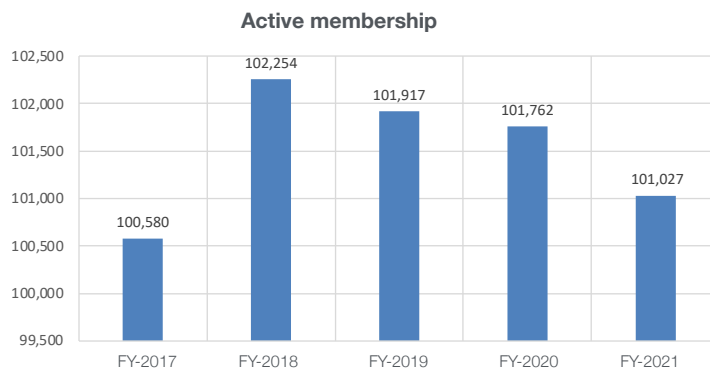
### Active membership trend

We envisage membership of the Fund to remain relatively stable at current levels. Given Government's stance on limiting future public sector employment, and in light of the current economic downturn, we assume that only employee exits (either through retirement, death or resignations) will be replaced within the public sector, with no new employment opportunities being created.

The reduction of contributions from employees over the last two financial years, and the rise in monthly pension benefits to retirees, placed considerable stress on the funding ratio.

A total of 44 participating employers were maintained during the period, with 101,027 (2020: 101,762) active members contributing to the Fund. There was a further decline in active membership of 735 members over and above the decline of 155 members in 2020 and 337 members in 2019, attributed mainly to an increase in lump sum payments on retirement, monthly pension pay-outs, ill-health, and funeral costs. Despite the decrease in active membership, contributions received during the year under review increased from N\$4.4 billion in the previous year to N\$4.5 billion at year end.

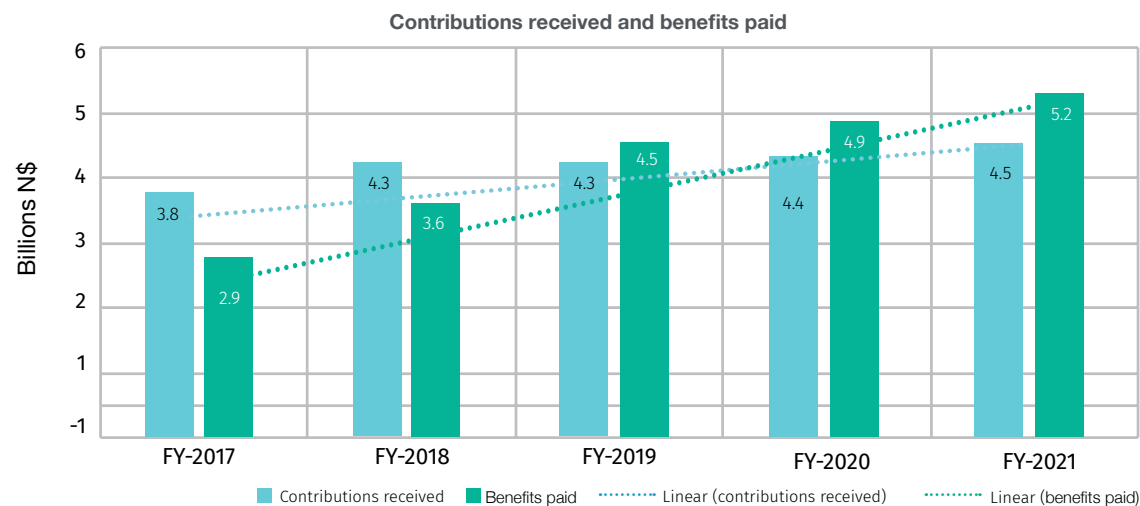
The graph below reflects the active membership trend during the last five years.



## Contributions and benefits disbursements

Contributions increased by N\$103.9 million to N\$4.5 billion during the year, representing a marginal increase of 2% compared to the contributions received of N\$4.4 billion during the previous financial year.

The contributions received and benefits paid for the last five years are shown below:



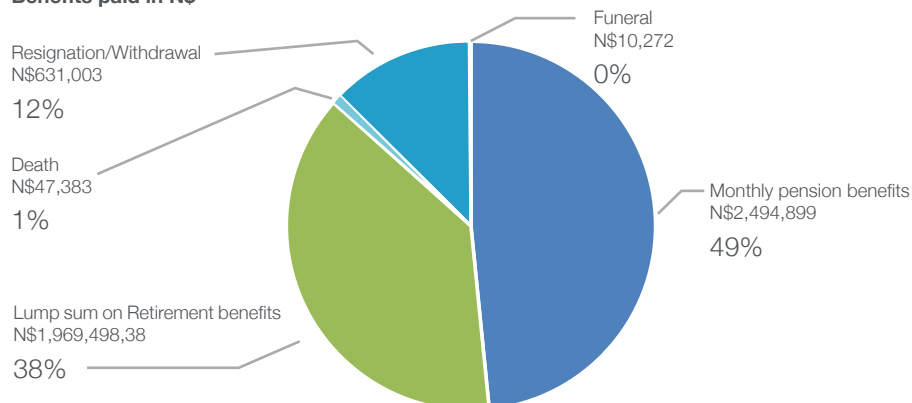
For the last five years, contributions posted an average increase of 5% while benefits payments registered an average increase of 15%.

## Benefits paid

The actual benefits paid during the financial year ending March 2021 increased by 5% (2020: 9%), from N\$4.9 billion last year to over N\$5.2 billion, representing an increase in benefits payment of N\$365.2 million.

Over N\$2.5 billion was paid as monthly pension benefits to the Fund's pensioners and other annuitants, representing a significant cash injection in the local economy through members receiving pension pay-outs.

### Benefits paid in N\$

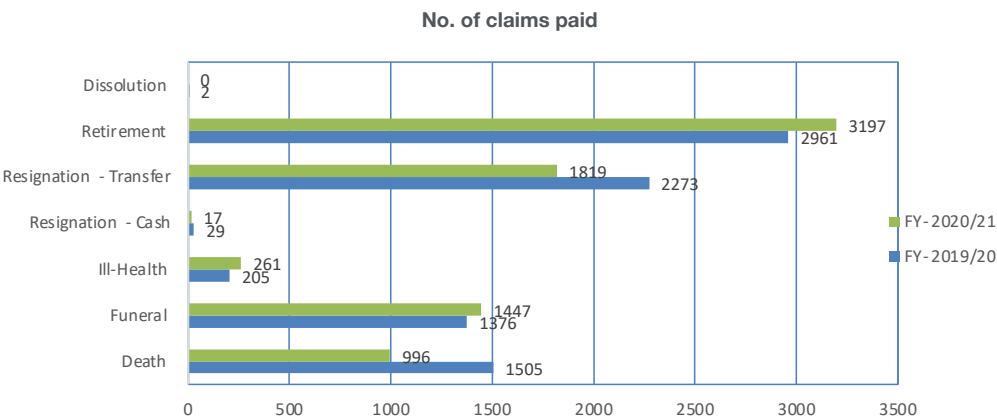


The increase in benefits payments is attributable to the annual inflationary adjustment offered to pensioners, new retired members as well as the new additional annuitants totalling 6,238 (2020: 2,850) that were added during the period. Monthly pension benefits constitute the largest outflow of the Fund, which is an indication of a maturing Fund due to an increasing number of members retiring each year.

Benefit claims

A total of 7,737 (2020: 8,351) benefit claims were paid out, representing a decrease of 614 claims paid than in the previous financial year which saw an increase of 737 claims disbursed.

The graph below reflects the breakdown of claims disbursed for the 2020 and 2021 financial years.



Unique and conducive work environment and facilities

The Fund transferred the administration function from the human resources department to the Finance department during the period.

The administration function during the period prioritised the maintenance of the existing building infrastructure and sourcing of new GIPF regional offices to improve service delivery to our clients.



## Looking ahead to 2022

We will focus on the following in the coming year and beyond:

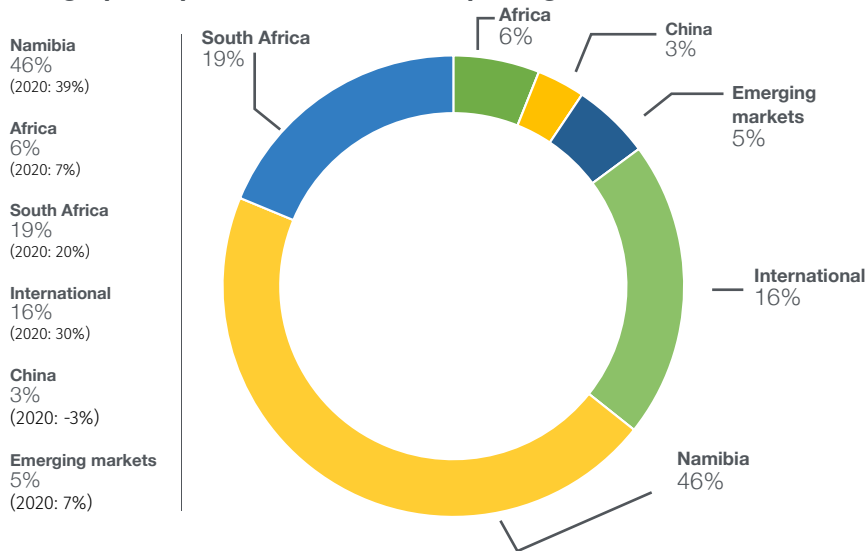
- Review the Finance Policy, as is standard practice every three years, to remain abreast of any changes in the financial sector that may impact the Fund.
- Coordinate the statutory three-year actuarial valuation exercise for the period ending 31 March 2021.
- Finalise the Safety, Health and Environment Policy and Procedures.
- Maintaining optimal risk reserves and reducing the reduction in contributions shortfall of 9.89% by reviewing the risk reserve philosophy and the Employer Contribution Reserve over time to assess its suitability for financing the subsidy and smoothing the required contribution rate(s).
- Monitor the cost-to-serve ratio of 1.50% to ensure that the appropriate level of expenditure is maintained each financial year, thereby ensuring efficient administration of the Fund.
- Establishing an employer web-based portal to enhance operational efficiency and allow online submission of participating employers payroll data.
- Further improving operational efficiency by automating routine finance operations processes.
- Developing and optimising analytical tools for data analysis and reporting.
- Continuing to improve our disbursement processes by expanding our payment distribution platforms to include mobile banking.
- Ensuring budget implementation processes achieve cost savings with 100% planned activity implementation and updating our budget procedure manual.
- Ensuring accurate and timeous contribution collections by maintaining the current actual collection rate of 99.9%.



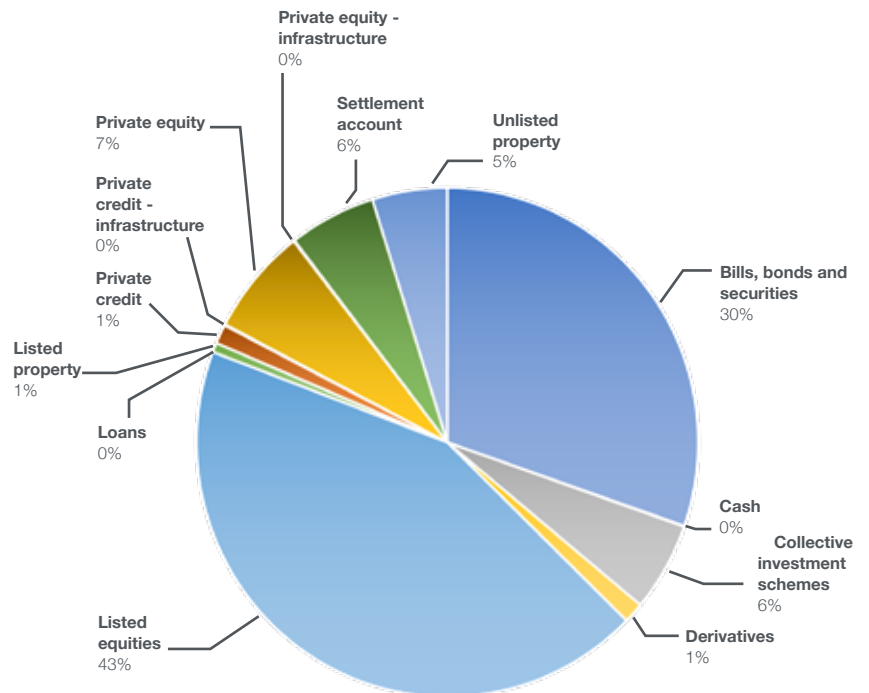
## Our investments

The Fund assets are managed on a basis to ensure that GIPF remains well funded over time, where asset values in the portfolio exceed the value of liabilities. To achieve this, GIPF uses an investment approach that is cognisant of the liabilities, risks and returns being measured over time relative to the liabilities.

### Geographic split of asset allocation per region



### Asset allocation per asset class





## Asset classes and allocation

The split of the total assets held by the Fund for the year ended 31 March 2021 is shown in the table and illustration below:

Asset Class	Fair Value of Assets (N\$'000)	Percentage Holding
Equities	52,400,372	39%
Fixed Income	30,991,970	23%
Derivatives	1,776,449	1%
Private Equity	14,831,686	11%
Collective Investment Schemes	24,196,296	18%
Cash and Deposits	11,245,343	8%
<b>Total</b>	<b>135,442,116</b>	<b>100%</b>

	Local N\$'000	South Africa N\$'000	Foreign N\$'000	Africa N\$'000	Emerging Markets N\$'000	China N\$'000	Total 2021 N\$'000	Total 2020 N\$'000
<b>Investments held for trading</b>								
Equities	18,094,221	20,691,565	2,937,057	1,064,185	5,052,554	4,560,789	52,400,372	42,246,055
*Alternative Investments	4,650,330	1,094,867	2,018,555	7,067,933			14,831,686	14,082,144
Cash and deposits	9,168,768	1,231,242	313,853	58,520			10,772,384	4,170,491
Bills, bonds and securities	29,564,131	1,103,291	324,549				30,991,970	23,072,986
Collective investment schemes	335,174	27,889	21,504,046		2,329,186		24,196,296	25,398,235
<b>Investments held to maturity</b>								
							-	-
<b>Loans</b>								
	-	-	-				-	-
Derivative market instruments	617,344	544	1,158,561				1,776,449	(1,963,505)
<b>Open trades and accruals</b>								
							-	-
Trade sales receivables	-	594,546	22,567				617,113	872,741
Trade purchases payable	(493,542)	(112,752)	(14,316)				(620,610)	166,427
Investment income receivables	389,881	76,302	8,352				474,535	430,238
Sundry debtors	-	3,313	-				3,313	1,343
Sundry creditors	579	(2,649)	2,248	(1,570)			(1,392)	
<b>Total</b>	<b>62,326,887</b>	<b>24,708,158</b>	<b>28,275,473</b>	<b>8,189,069</b>	<b>7,381,740</b>	<b>4,560,789</b>	<b>135,442,116</b>	<b>108,477,154</b>
<b>Effective exposure</b>	<b>46%</b>	<b>18%</b>	<b>21%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>	<b>100%</b>	<b>100%</b>

## Our Investment Strategy and Policy

*The Board recognises that GIPF represents a significant proportion of the savings of the nation and should be invested in a manner that reflects this responsibility. The GIPF Investment Strategy and Policy document provides a framework in which the GIPF's management, Investment Committee and Board can take investment decisions, and is maintained on a "live" basis, with all changes, such as the split of assets incorporated on an ongoing basis. GIPF's cash flow is utilised as the need arises to ensure that the regional split remains in line with the Fund's strategic asset allocation, as amended by the Board from time to time. The Investment Policy and Strategy complies with the provisions of Regulation 13 of the Pension Funds Act, 1956.*

The investment strategy and policy in particular, actively supports Government endeavours to stimulate and grow the domestic economy and provides the framework to ensure that the Fund complies with the regulatory requirement of investing 45% of its assets in Namibia. While recognising the challenges of a small and relatively illiquid Namibian stock market, with the GIPF's investments representing a significant portion of the market, the Fund, as of 31 March 2021, had 46% (2020: 39%) of its assets invested in Namibia.

While the asset managers have complete discretion in the acquisition or disposal of any type of investment, subject to the terms of their mandates, the Trustees expect such decisions to be taken within the overall framework of GIPF's Investment Policy and Strategy. The performance of the asset managers is evaluated relative to the considerations therein.

The intended outputs of the Investment Policy and Strategy are outlined below:

- To outperform the asset allocation benchmark over time as defined in the Investment Policy and Strategy.
- To ensure that investment risk is managed effectively through a balanced and diversified investment approach at Fund level, a prudent allocation of assets to portfolio managers, and careful investment monitoring
- To ensure the longer-term financial viability of the Fund rather than to meet short-term capital protection needs.
- To ensure clear and frequent communication with stakeholders of the overall Fund position
- To achieve the greater Namibianisation of the financial services industry through fund support of industry initiatives towards Namibianisation; making a meaningful contribution to the Namibian economy and the development needs of the community through providing development capital to the non-listed sector in high potential or priority growth areas of the economy; and making use of service providers registered in Namibia whenever possible and appropriate.
- To strengthen the risk management environment of GIPF.
- To match the asset class allocations and weighting per asset class of the pension fund assets with the time profiles of the Fund's

liabilities.

- To ensure that the Fund's assets are distributed geographically and in various diversified asset classes (see graphs).
- The risk tolerance of the Fund is defined as being generally low, and several prudential limits have been defined.

It is expected that the Investment Policy and Strategy will yield an investment return of 6.0% per annum above the Namibian inflation rate over the long-term.

The value at risk of N\$19 billion over a one-year period has been determined on a 90% funding level, meaning that there is a 10% chance that the GIPF's funding level will be worse off by at least N\$19 billion, compared to the expected position.

The GIPF is a major investor in the Namibian economy through its investments in the following categories:

- **Listed:** instruments listed on a formalised stock exchange
- **Unlisted:** alternative investments such as private equity and venture capital
- **Treasury:** fixed investment instruments such as bonds, cash and negotiable certificates of deposit

### Review of the Asset Liability Model and Strategic Asset Allocation

To comply with the requirement as stated in the Investment Policy Statement to the effect that a review of the Asset Liability Model (ALM) is due every 18 months, our investment consultants, Lane Clark Peacock "LCP" (appointed on 22 September 2020) assisted the Investment department to undertake a full ALM review during late 2020. The current ALM was last reviewed during July 2019 with the assistance of RisCura Consulting Pty Ltd.

Following the review, a submission made to the Investment Committee recommending the amendments to the Asset Liability Model and also to approve changes to be made to the Strategic Asset Allocation, in line with the outcomes presented by the Investment Consultant, Lane Clark Peacock "LCP", was approved by the Board on 28 April 2021.

The ALM is an integral component of the strategy formulation for the Fund's investment assets and therefore a thorough process is followed to assess its appropriateness considering the current and future market conditions.

The following key amendments to the ALM include:

- Alignment of our investment strategy in line with regulations taking into account our liquidity requirements
- Improvement of the investment strategy when assessed from a risk/reward perspective, aiming to “optimise” the investment strategy as far as possible in order to generate the required level of investment return, but with the least amount of risk not just from an asset perspective, but also from an overall funding perspective
- Identification of current capital market assumptions and views of market conditions
- Ensuring that the proposed strategic asset allocation will target a sufficient return above that assumed by the Actuary, while minimising risk as far as possible
- Introduction of Value of Risk “VAR” as a risk management tool
- Introduction of new asset classes for consideration e.g., Global Infrastructure
- Decreasing the listed Africa exposure, considering market considerations being experienced in this asset category.

The changes to the strategic asset allocation model (SAA) were supported by the results of the ALM exercise and are designed to:

- Bring the GIPF’s investment strategy in line with regulations
- Consider the GIPF’s liquidity requirements
- Improve the investment strategy when assessed from a risk/reward perspective. Our aim is to “optimise” the investment strategy as far as possible in order to generate the required level of investment return, but with the least amount of risk - not just from an asset perspective, but also from an overall funding perspective
- Reflect the current capital market assumptions and current views of market conditions

## New Strategic Asset Allocation

During the process of reviewing the investment strategy, the Department and the Investment Consultant, LCP, had several discussions with the Actuary to get an understanding of the Fund’s liabilities and the key assumptions that drive the liabilities. The results of the ALM proposal was shared and discussed with the Actuary and the Executive Management team. The review of the investment strategy is critical to ensure that the Fund is applying best practice. Although we review the ALM every 18 months, when performing such a review, we look at whether the investment strategy is applicable to these economic times. The review is therefore of strategic importance to assist with the investment process within GIPF and to ensure that strategies are aligned to meeting our liabilities to our stakeholders.

The revised strategic asset allocation, as predicted, targeted a sufficient return above that assumed by the actuary, while minimising risk as far as possible.

The key outcomes of the ALM flowed through to the strategic asset allocation approved by the Board during the last quarter of the financial year, with the overall benchmark for the GIPF as outlined in the

Investment Policy and Strategy shared in January 2021, to be based on the asset allocations provided in the table on page 88.

- The asset allocation range limits have been provided as guidelines for the extent to which the GIPF’s allocation can deviate from the strategic asset allocation before action can be taken. In addition, the assets will be rebalanced at an aggregate level to ensure that the GIPF remains in compliance with any applicable regulations.
- Rebalancing ranges have not been stated for illiquid assets (i.e., property/infrastructure investments). In practice, given the illiquid nature of these assets and high transaction costs, any rebalancing will be undertaken using a pragmatic, long-term approach.
- The asset allocation is reviewed regularly, typically on a monthly basis. If material deviations from the strategic allocation occur, the Trustees will consider, with their advisers, whether it is appropriate to rebalance the assets, considering factors such as market conditions and anticipated future cashflows.
- Rebalancing will involve performing a disinvestment from the asset class in breach, taking the exposure back within the acceptable tolerance range.
- The Trustees and Investment Committee reserves the right to amend the rebalancing criteria to implement specific views into the GIPF’s investment portfolio.



Region	Asset class	Current allocations	strategic allocation	Approved SAA: 01 April 2021	Tolerance ranges
Re					
<b>NA</b>	Bonds	20.20%	25.00%	21.00%	15%-30%
<b>NA</b>	NA Cash**	0	1%	0	n/a
<b>NA</b>	Dual Equity	10.90%	10%	10.00%	5%-12%
<b>NA</b>	Local	4.40%	6%	6.00%	2%-10%
<b>NA</b>	Property	1.10%	3%	3%	n/a
<b>NA / ZA</b>	Inflation-linked***		5.40%	5.00%	10.00%
<b>Classed as Namibian</b>		42%	50%	50.00%	
<b>ZA</b>	Bonds	1.2%%	0%	0.00%	n/a
<b>ZA</b>	Equities		17%	10%	12.00%
<b>ZA</b>	Property	0.90%	3.00%	0%	n/a
<b>ZA</b>	Cash****	1.70%	0.00%	0%	n/a
<b>Classed as South African</b>		21.00%	13.00%	15%	n/a
<b>International</b>	Equity	18.80%	17.00%	17%	20% - 30%
<b>Emerging Markets</b>	Equity	5.50%	6.00%	4.5%	
<b>China</b>	Equity	3.50%	3.00%	3.5%	
<b>Africa</b>	Equity	6.00%	7.00%	4.0%	2% - 7%
<b>Africa</b>	Property	0.50%	0.00%	0.50%	
<b>Europe</b>	Property	2.70%	4.00%	3.0%	n/a
<b>International</b>	Infrastructure	0%%	0%%	3.0%	1% - 5%
<b>Classified as Non-CMA</b>		<b>37%</b>	<b>37%</b>	<b>35%</b>	
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	

## Asset class performance

The composite (overall) performance of the portfolio was 26.7% compared to the benchmark of 26.1% and shows overperformance of approximately 0.6%. The benchmark represents the earnings which could have been earned had GIPF invested in the assets at the appropriate weights for the year under review. Over the one year period to 31 March 2021 most assets performed well as markets recovered from the significant falls experienced in Q1 2020 as a result of Covid-19. Some of the main contributors to the performance over this period were:

- The SA and international equity portfolios which contributed significantly to the strong performance over this period as equity markets rallied following significant monetary support from governments across the world in response to Covid-19.
- The Namibian and South African bond portfolios (which comprise a significant proportion of the GIPF's assets) which also contributed to the strong performance as bond yields fell over this period.
- Over 2021 a rise in inflation expectations globally anticipation of economies opening up post Covid-19 has meant that the GIPF's equity and inflation-linked bond portfolios have performed well.

The GIPF's SAA has been positioned well to take advantage of these opportunities and has resulted in the funding level improving over this period (i.e., the assets have outperformed the liabilities). This also shows the current exposure level in Namibian assets at 45.13%, demonstrating that the Fund is compliant with regulatory limits requirements in Namibia, while well positioned to deliver excellent returns even in turbulent times such as Covid-19. The table on the next page shows the current strategic asset allocation for the Fund as at 31 March 2021 that helped the Fund attain its overall performance:

## Strategic asset allocation as at 31 March 2021

Africa Equity	7,418,186,243.64	5.50%
Africa Property	620,271,864.75	0.46%
Foreign Equity	24,838,860,168.13	18.42%
NA Bonds	28,527,736,722.61	21.16%
NA Cash	31,203.39	0.00%
NA Dual Equity	14,044,326,627.06	10.42%
NA Primary Equity	7,359,145,452.39	5.46%
NA Property	1,611,793,536.64	1.20%
ZA Bond (Credit Mandates)	1,462,375,391.70	1.08%
ZA Equity	21,719,817,390.21	16.11%
ZA Property	1,181,113,398.32	0.88%
ZA Cash	1,484,518,016.56	1.10%
Foreign Property	3,316,880,850.61	2.46%
Emerging Markets	7,381,740,216.81	5.47%
China Equity	4,560,789,073.24	3.38%
ILB (10 and 15 years)		0.00%
ILB (30 years)	9,301,010,151.95	6.90%
	<b>134,828,596,308.01</b>	<b>100.00%</b>
Namibia Domestic Assets	45.13%	

## Interim actuarial valuation

An actuarial valuation of GIPF is conducted at least once every three years in accordance with Section 10.8 of the Fund's Rules, which govern the liabilities of the Fund towards its active members and annuitants. An interim actuarial valuation was performed for the period from 1 April 2018 to 30 September 2019 by the independent fund valuator and consultant, Subedra Reddy, and actuarial consultant and managing director, Vilho Natangwe Mutileni. It was noted that overall, the Fund's improved data management processes resulted in more credible data for valuation purposes.

In terms of the Fund's current practice, the next statutory valuation, due to be carried out as at 31 March 2021, is currently being performed by Subedra Reddy, and actuarial consultant and managing director, Vilho Natangwe Mutileni, and is due for completion at 22 March 2022.

The previous statutory valuation for the Fund was performed as at 31 March 2018. The Fund Actuary examined the assets in relation to the liabilities and stated the opinion that the balance of assets is suitable for the nature of the liabilities of the Fund. The high cash position was furthermore noted, as the previous valuation was brought down significantly to an appropriate level. The actuarial analysis will assist GIPF to prepare for maturity and to make the right projections, which will lead to having sufficient investments to maintain funding ratios.

The primary objectives of the valuation are to assess the financial position of the Fund at the valuation date; review whether the future contributions are adequate to meet the future accrual of benefits stipulated in the Rules of the Fund; determine whether the nature of the assets of the Fund match the nature of the liabilities of the Fund; recommend the levels of the different contingency reserves held by the Fund; and to analyse and comment on the sources of surplus and deficit since the previous statutory valuation date.

## Our commitment to responsible investment

With a vision to be a leading and model pension fund globally, the GIPF continues to benchmark itself against world's best practices and standards in order to achieve and maintain excellence in all areas of operation. An area which received particular focus during the year was to cement the commitment GIPF made as signatory to the United Nations Principles for Responsible Investing (UN PRI). As a global institutional investor, GIPF acknowledges its fiduciary duty to act in the best long-term interests of its beneficiaries.

Being a UN PRI Signatory has encouraged us to showcase our interest to investing responsibly and putting our strategic values forward. This required reviewing and creating an industry sound Responsible Investment and Ownership Policy, committing to practical and actionable goals with respect to the six principles, establishing ESG standards and Matrix to encourage standardised reporting requirements. The six principles seek to incorporate environmental, social and corporate governance (ESG) factors into all investment decisions as well as standard financial considerations. This is done to improve risk management, generate sustainable and consistent long-term returns, and ensure alignment with the broader objectives of society.

The Responsible Investment and Ownership Policy will facilitate the integration and implementation of ESG considerations into all aspects of the Fund's investment activities, as governed by the GIPF Investment Policy. In this regard the RI Policy will supplement the provisions of the Investment Policy and will also make provision for the Fund's requirements on Proxy Voting Guidelines and Asset Owner Engagement Guidelines. In adopting the UN PRI to guide our unlisted investments, we sought to localise the principles to ensure they are tailored for the developmental priorities facing Namibia.

The six principles the GIPF Board and executive management have

**Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes

**Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices

**Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest

**Principle 4:** We will promote acceptance and implementation of the principles within the investment industry

**Principle 5:** We will work together to enhance our effectiveness in implementing the principles

**Principle 6:** We will each report on our activities and progress towards implementing the principles

The ESG standards will provide the necessary guidance to the Board on matters that are critical to our mission of having sustainable investments. Macro themes will be developed which constitute ESG standards based on the three pillars of ESG which will establish a framework of what GIPF expects from asset managers and investee companies, complemented by the detailed Corporate Governance Principles and Proxy Voting Guidelines, which in turn establish the manner in which these principles are enacted. The GIPF ESG standards will be the basis of a reporting guideline requirement from asset managers and investee companies. These standards matter to the GIPF and have a global approach to ESG requirements.

Several key initiatives in support of these six principles and incorporation of the ESG standards include:

- Formulating and implementing a comprehensive ESG strategy and the programmes pertaining to the management of the ESG function.
- Managing and implementing all the ESG-related projects, and ensuring that the ESG principles are effectively integrated into listed and unlisted investments.
- Maintaining a system to monitor portfolio holdings against relevant standards.
- Implementing an engagement programme to advance improvements in responsible corporate behaviour.
- Encouraging disclosure by companies on material ESG risks to better understand the potential long-term effects on shareholder value. All Fund managers are required, as part of their mandate, to incorporate the ESG standards in their reporting structures to the GIPF according to the ESG index developed.
- Ensuring that GIPF asset managers align their processes to encapsulate the principles we are trying to instil.
- Exercising votes at company meetings.
- Exclusion or divestment.
- Using the ESG management process to measure the current sustainability and performance of investment companies in specific categories, and to minimise the Fund's investment risk by weeding out unsustainable companies.

ESG consciousness has spread throughout many facets of life, and many investment companies are seeking to align with these principles. Globally, the percentage of both retail and institutional investors that apply environmental, social, and corporate governance principles to at least a quarter of their portfolios jumped from 48% in 2017 to 75% in 2019. While directing investments based on an organisation's corporate values has been well established, discussions between investment advisors and their clients about ESG investing have become common place. The way business is conducted suggests a similar growth in a desire for what is characterized as "sustainable" or "responsible investing."

The ESG process is not only a framework that financial institutions and investors should report on; it's everyone's business to protect our planet and its finite resources. Phenomena, such as Covid-19, climate change and the recent geopolitical tensions in South Africa have made us appreciate that we are not masters of our planet, but rather, stewards of our natural capital, human capital, and good business principles. It is imperative that, together, we build a more sustainable future for generations to come.

As an institutional investor, GIPF inspires to position itself to be at the forefront of these efforts. To the end, the Fund will bring other partners on the journey and collaborate in connecting people, resources, and ideas to drive innovative solutions and will continue to make sound and sustainable investments, which act in the best long-term interests of our beneficiaries.

### Proxy Voting Policy

GIPF believes that exercising a vote regarding many of the issues raised at shareholder meetings, may well result in improved corporate governance, and social and environmental impact that the company has, all with positive results on the sustainability and performance of the business. It is in this spirit that all votes be exercised by taking into account the GIPF's Responsible Investment Policy which contains Proxy Voting Guidelines, which sets out the standards of governance that should be observed by investee companies, as well as the rules of engagement between GIPF, as the asset owner, and portfolio companies.

### Portfolio diversification: A Liability Driven Investment (LDI) strategy

As a Defined-Benefit Pension Fund, GIPF provides guaranteed pension benefits to its members as defined by the Rules of the Fund. All benefits of members of GIPF are invested in the same portfolio structure. Benefits payable are linked to members' salaries, period of employment and post retirement, and inflationary increases. Our members receive a retirement income from the day they retire, for the rest of their lives.

GIPF pursues a Liability Driven Investment (LDI) strategy that contributes to a level of confidence that the Fund will be adequately funded to meet its liabilities over the longer term as well as addressing cash flow needs in the more volatile short term. LDI seeks to minimise the volatility in the funding ratio (ratio of assets to liabilities) of the Fund. This would mean that any external investment shock on the asset side is to some extent matched by a similar impact on the liability side, thus rendering the funding ratio relatively immune to the shock.

The LDI strategy aims to identify an appropriate mix between risk-reducing assets and return-seeking assets. The LDI strategy provides clear projections to the Fund's future payments and assists with the

portfolio diversification. Diversification is a risk management tool that mixes a wide variety of investments within a portfolio. A diversified portfolio contains a mix of distinct asset types and investment vehicles and it helps limit exposure to any single asset class or risk source. The Fund employs diversification within the ambit of the regulation. This helps the Fund to navigate through unforeseen market events such as Covid-19 while achieving high long-term risk adjusted returns for the portfolio.

This diversification, together with some flexibility to actively manage and adapt to circumstances, helps offset the market swings - especially those brought about by the outbreak of the Covid-19 pandemic towards the end of the financial year 2020.

There are currently 76 sponsoring employers registered with the Fund. The largest proportion of members are employees of government ministries. They constitute 94% of the total active membership as at the valuation date.

### The management of our investments

The Fund's investments consist of segregated and managed portfolios placed with investment managers (including internally managed fund manager for Fixed Income), as well as direct investments in unlisted Namibian companies, as detailed below. The Investment Managers have full discretion regarding the composition of the assets in the portfolio under their management, within the boundaries allowed by the Pension Funds Act in Namibia and agreed-upon mandates.

The Board of Trustees meet at quarterly intervals to discuss investment policy and to monitor the asset allocation and performance of the investment managers against the investment strategy of the Fund. The Investment Managers are remunerated on agreed fees as stipulated in their respective mandates.



The fair value of the Fund's investments administered by the investment managers at the end of the reporting period is as follows:

Fund Manager	Mandate/industry/sector	31/03/2021	31/03/2020
Abax Investments (Pty) Ltd	South Africa Equity	3,540,052.57	3,574,865.18
Actis Investment Management Limited	Africa Private Equity	70,153.76	82,833.05
All Season Capital Management (Pty) Ltd	Africa Listed Equity	2,553,931.37	1,963,114.65
Alliance Bernstein Limited	International Equity	2,329,186.30	1,768,263.26
Allan Gray Namibia (Pty) Ltd	South Africa Equity	3,929,501.84	4,172,852.08
Ariya Bridge Capital (Pty)	Namibia Private Equity	36,858.85	18,966.24
Ashburton Investments (Pty) Ltd	Namibia Infrastructure Debt	20,000.00	-
Artis IM	South Africa Equity - Incubation Mandate	857,772.11	-
Arysteq Asset Management (Pty) Ltd	South Africa Equity - Incubation Mandate	821,739.52	510,793.27
Baobab Capital (Pty) Ltd	Venture Capital Fund	-	-
BFS Nampro Fund Managers (Pty) Ltd	Procurement Finance	287,963.69	292,114.62
BlackRock Investment Management (UK) Ltd	International Listed Equity	2,015,857.28	79,921.69
Boxwood Asset Management Proprietary Limited	South Africa Equity	32,741.02	9,667.03
Catalyst Capital Management Ltd	European Equity	3,316,665.35	4,235,756.10
Catalyst Investment Managers (Pty)	South Africa Equity	819,026.54	487,735.78
EOS Capital (Pty) Ltd	Private Equity	145,731.65	125,879.67
Euboea Investment Group (Pty) Ltd	South Africa Equity - Incubation Mandate	833,551.20	418,870.18
First Capital Treasury Solutions (Pty) Ltd	Home loans and land servicing	1,372,745.54	1,326,238.81
Future Growth Asset Management (Pty) Ltd	South African Property - Community malls and industrials	582,673.05	556,022.91
RisCura Invest (Pty) Ltd - Orient Opportunity Fund	Chinese Equity	4,560,789.07	3,432,070.88
Hosking Partners LLP	International Listed Equity	5,734,617.18	4,749,548.34
IJG Private Equity (Pty) Ltd	Private Equity and Venture Capital	25,882.92	25,414.19
Ino Harirth Capital (Pty) Ltd	Private Equity and Infrastructure	166,888.90	147,807.84
International Housing Solutions (I.H.S) Fund II SSA Collector	Namibia and Botswana Property	60,458.86	49,646.74
Ninety-One Asset Management (Pty) Ltd	Listed equity, private equity and Bonds in International, South Africa, Africa and Namibian markets as well property in Africa	15,385,986.54	15,399,276.47
Kongalend Financial Services (Pty) Ltd	Micro loan for Renewable energy	32,689.47	36,512.77
Königstein Capital (Pty) Ltd	Property and private equity	576,936.93	413,649.64
Mazi Capital (Pty) Ltd	South African Listed Equity	1,139,778.33	792,532.46
Mergence Namibia (Pty) Ltd	Namibia Private Equity and renewable energy	244,484.50	201,214.65

Fund Manager	Mandate/industry/sector	31/03/2021	31/03/2020
Musa Capital Namibia (Pty) Ltd	Namibia Private Equity	354,950.67	129,488.14
Mumi Investment Managers (Pty) Ltd	South Africa Equity - Incubation Mandate	878,538.33	391,188.74
Namibia Asset Management Ltd	South Africa Listed Equity and Namibia Equity	9,965,957.91	9,943,472.49
Noble Property Fund (Pty) Ltd	South African Unlisted Property	569,268.51	472,513.55
Old Mutual Asset Managers (Pty) Ltds	Dual listed equity, Bonds and Private Equity	10,004,098.51	7,497,292.13
Preferred Management Services (Pty) Ltd	Namibian Unlisted Property	299,617.37	293,263.00
Prudential Portfolio Managers (Pty) Ltd	Tactical Asset Allocation	1,484,518.02	916,940.80
RMB Morgan Stanley (Pty) Ltd	Transition Manager	31.20	679.28
Safland Property Services Namibia	Namibian Unlisted Property	350,022.62	361,384.80
Sanders Capital LLC	International Listed equity	2,708,868.57	3,911,568.83
Sands Capital Management LLC	International Listed equity	2,324,317.29	3,174,581.53
Sands Capital Ventures	International last stage venture capital	109,616.98	151,871.67
Schroder Investment Management Limited	International Listed equity	1,502,197.50	624,777.39
Sanlam Investment Management Namibia (Pty) Ltd	Dual listed equity and property	5,489,931.07	3,151,166.07
South Suez Capital (Pty) Ltd	Private equity fund of funds	3,576,579.50	3,673,416.52
Sovereign Asset Management (Pty) Ltd	South African listed equity	2,696,911.60	1,821,197.40
Tri-Alpha Investment Management (Pty) Ltd	International bonds	6,500,923.30	5,492,339.25
Tulive Private Equity (Pty) Ltd	Private Equity Namibia	73,220.50	-
Visio Capital Management (Pty) Ltd	South African listed equity	2,520,409.52	2,051,163.14
Temo Capital (Pty) Ltd	Private Equity Namibia	82,559.86	84,127.02
GQG Partners LLC	Emerging International Equity	1,534,499.13	1,122,843.39
Mopane Asset Management (Pty) Ltd	South African Listed equity - Incubation	837,353.21	395,608.10
<b>Total investments managed by investment managers</b>		<b>105,359,055.53</b>	<b>90,532,451.76</b>
Direct Investments	Passive Investments	1,785,335.07	2,056,097.43
GIPF Treasury Portfolio	Internal managed portfolio	28,297,724.90	15,888,604.97
<b>Total Investments</b>		<b>135,442,115.51</b>	<b>108,477,154.15</b>

## Our investment performance for the year ended 31 March 2021

The Fund earned a return of 26.7%, against the benchmark of 26.1% for the year ended March 2021. For the year ending March 2020, the return amounted to -9.46% against the benchmark of -9.50%. Since the establishment of GIPF at the end of 1989, overall return performed at 12.90%, against a benchmark of 12.50%.

### Listed investments

At the end of the 2021 financial year, investments made into nine of the ten primary listed counters were valued at approximately N\$4.4 billion (2020: N\$5.4 billion). The investments range from the financial- to the consumer goods sector. GIPF is a major investor in Capricorn Investment Group Ltd where we hold 26% of the issued share capital. Another large shareholding is First National Bank of Namibia, where we hold 15% of the issued share capital. Namibia Breweries Ltd also constitutes a large exposure, with shareholding close to 15%. We furthermore hold a 28% shareholding in Oryx Properties Ltd and 52% shareholding in Alpha Namibia Industries Renewable Energy Power Limited.

Equities with primary listing on NSX:

Company Name	Share Code	Total # of Shares in issue	GIPF % held	Value of GIPF Holdings millions (N\$)
<b>Sector - Banks</b>				
Capricorn Investment Group Limited	CGP	134 348 434	26%	1,780
First National Bank Namibia Holdings Limited	FNB	40,505,094	15%	972
Standard Bank Namibia Limited	SNO	28 883 116	6%	231
<b>Sector - Renewable Energy</b>				
Alpha Namibia Industries Renewable Energy Power Limited "ANIREP"	ANE	8 750 000	52%	78,8
<b>Sector - Beverages</b>				
Namibia Breweries	NBS	29,954,563	15%	928,6
<b>Sector - Real Estate</b>				
Oryx Properties Limited	ORY	24,319,506	28%	291,8
<b>Sector - General Financial</b>				
Letshego Holdings (Namibia) Ltd	LHN	13,367,058	3%	25,3
Namibia Asset Management Limited	NAM	31,945,448	16%	20,1
Stimulus Investments Limited - Pref	SILP	605,698	13%	77,5
<b>Number of listed shares</b>	<b>9</b>			<b>4,405</b>

We had 16 dual-listed or secondary-listed counters, at financial year end, all of which are listed in both Namibia and other jurisdictions. Our exposure to dual-listed counters is approximately N\$13.9 billion (up from N\$7.9 billion last year), spread across different sectors. Dual-listed Namibian assets count towards the requirement to invest at least 45% of assets within Namibia, but only up to 10%.

Some of the largest global companies with business interests in Namibia, such as Anglo American plc and Standard Bank Group Limited, have dual listings in Namibia and either the London Stock Exchange (LSE) or Johannesburg Stock Exchange (JSE). Our interest in these multinationals is small in percentage terms due to the size of these companies. The dual-listed asset class is heavily skewed towards the financial sector and our holdings reflect that as well.

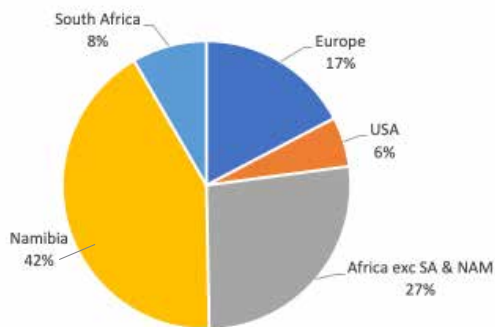
Equities with secondary listing on NSX:

Company Name	Share Code	Total # of Shares in issue	Value of GIPF Holdings millions (N\$)
Anglo American PLC	ANM	3,564,679	2,070
Barloworld Limited	BWL	3,876,083	349,8
FirstRand Limited	FST	28,715,341	1,482
Investec Limited	IVD	11,345,295	490,9
Mediclinic International	MEP	8,846,095	514,4
MMI Holdings Limited	MMT	34,146,314	594,4
Nedbank Group Limited	NBK	10,654,685	1,492
Oceana Group Limited	OCG	1,588,363	104,8
Old Mutual PLC	OMM	101,818,343	1,286
PSG Konsult Nam	KFS	13,938,365	128,2
Sanlam Limited	SLA	25,119,730	1,495
Santam Limited	SNM	819,209	199,7
Shoprite Holdings Limited	SRH	8,863,700	1,393
Standard Bank Group Limited	SNB	10,537,397	1,322
Truworths International Limited	TRW	13,898,509	664,9
Vukile Property FD	VKN	11,732,836	101,4
<b>Total Secondary Exposure</b>			<b>13,688</b>

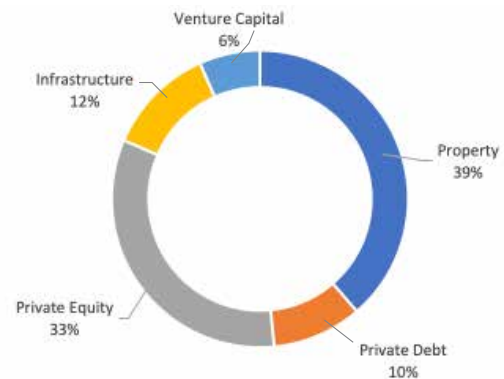
## Alternative investments

The core focus of our alternative investments is to obtain attractive and sustainable returns for our members, while making positive and lasting impacts on the development of the country, society, and/ or the environment. Our investments in property funds, Namibian unlisted investments and to a smaller extent, United States of America venture capital and South African property. Of the total commitment made of N\$21.01 billion (2020: N\$20.77 billion), an amount of N\$12.207 billion is invested outside Namibia (2020: N\$9.1 billion). A total of N\$4.765 billion is invested in unlisted investments (2020: N\$3.9 billion), this excludes N\$1.7 billion held as direct passive investment and an amount of N\$1,089 million is invested in South Africa.

**Alternative Investments: Geographic Allocation  
(as at 31 March 2021)**



**Alternative Investments: Asset Allocation  
(as at 31 March 2021)**



## Unlisted investments

The Fund initially committed N\$3 billion in 2010/2011 to 10 unlisted investment vehicles operating primarily in the property sector and with some exposure to private equity and infrastructure. An additional N\$2 billion was set aside for private equity, debt, venture capital and infrastructure investments in 2016, with a further N\$450 million allocated to land servicing and housing. In 2018, a further N\$3 billion was allocated toward infrastructure debt and equity funds. Additional, in 2019 the Fund committed N\$1.475 billion to South African unlisted property.

The market value of our investments in the local economy amounts to N\$4.765 billion (2020: N\$3.9 billion) through our unlisted investment programme over the last ten years, which is invested into 19 (2020: 19) unlisted Investment Managers and at least 83 (2020: 61) Namibian portfolio companies, with around N\$4.765 billion still to be invested. These unlisted investments provide exposure to various sectors of the Namibian economy including property, venture capital and private equity, private debt, SMEs, renewable energy, infrastructure, and affordable housing. Of the N\$14,179 billion (2020: N\$14.08 billion) invested in the current financial year, N\$311 million (2020: N\$268 million) was received as capital distributions from the respective SPVs established under this programme. An amount of N\$678 million was invested in capital commitments, with an amount of N\$90 million paid for management fees relating to unlisted investments in Namibia.

## Delivering societal value through our investment in unlisted sectors in Namibia

By investing in Namibia, GIPF provides capital in an economy with limited investment from other sources. Ultimately this helps to develop an economy that benefits GIPF contributors (through their investments) and all Namibians.

GIPF places the investment implementation process at the centre of its Development Investment Policy. The Development Investment Policy is guided by Regulation 14 of the Pension Funds Act, 1956, whose focus is on Alternative Investments and the treatment thereof. Adherence to Regulation 13 is also critical and will guide the actions of the Developmental Investment Policy.

The following key objectives are sought to be achieved through the Development Investment Policy:

- Higher, sustainable and inclusive economic growth by attracting investments in a focused and structured manner in areas of high potential.
- Promotion of private sector investment through Public-Private Partnerships and adherence to national policies and economic growth.
- Employment generation and enhanced employability through skills development.
- Continued endeavour to advance the industrial and manufacturing sectors as key drivers of economic growth.
- Generation of entrepreneurial opportunities across all sectors of the economy.
- Sustainable development by adopting social and environment friendly technologies.
- Positive investment returns while making a tangle socio-economic impact.

In the 2021 financial year, Funds invested were N\$979 million compared to N\$373 million in the previous financial year. These funds are part of capital commitments made in the 2016 and 2017 financial year ends, of which the Fund Managers are still eligible to make new investments.

Over the past ten years our cumulative investment of more than N\$4.765 billion (in the areas of property, private equity, debt and infrastructure) has made a material positive contribution to socio-economic development in Namibia. Through these investments we have:

- Facilitated the growth and development of emerging entrepreneurs and SMEs
- Provided funding for infrastructural services in the renewable energy sector
- Invested in affordable housing and land services projects
- Financed the mortgage facility for GIPF members
- Invested in health care facilities
- Invested in manufacturing, transport and logistic facilities
- Supported bulk infrastructure for municipal services- Invested in job-creating import substitution projects in the agricultural sector.

Individually and collectively these investments in the unlisted sector are making a material positive contribution to socio-economic development and environmental stewardship in Namibia, while enhancing the Fund's ability to maintain strong commercial returns.





## GIPF UNLISTED INVESTMENTS

## GROWING OUR NATION'S INFRASTRUCTURE AND NURTURING ECONOMIC DEVELOPMENT

Unlisted Investments are investments made in a company or financial instrument that is not listed on a registered Stock Exchange. These companies do not have their shares traded on a stock exchange and represent our commitment to finding additional avenues to grow the Namibian economy and drive development as per our mandate.

### TYPE OF INVESTMENT PER TOWN

#### Arandis

- Arandis Land Servicing
- Arandis Convenience Centre
- Namibia Gypsum Industries - Ceiling Board Manufacturer

#### Enhana

- Formosa Island Land servicing & Housing Development
- Old Mutual Land Servicing
- Land Servicing
- Residential Properties

#### Grootfontein

- Grootfontein Shopping Centre
- Solar Power Generation

#### Karibib

- Land Servicing
- Residential Properties

#### Katima Mulilo

- Kayuni Investments (Pty) Ltd - Municipal and Bulk Infrastructure

#### Mariental

- Land Servicing and Housing Development

#### Keetmanshoop

- Solar Rooftop Power Generation
- Ongoshi
- Momentous Solar PV Plant
- Krönlein Affordable Housing

#### Omaruru

- 20MW Solar PV

#### Rosh Pinah

- 5MW Solar PV

#### Ohangwena

- Textbook Distribution

#### Okahandja

- Green Crisp Farming
- 5 MW Osona PV Plant (BDI)
- Tura Hills
- Okahandja Zone 2, Extension 6
- Residential Property
- Prolonganda Residential Property
- Osona Residential Property
- River Thorn Village
- Eureka

#### Omuthiya

- Land Servicing
- Residential Development

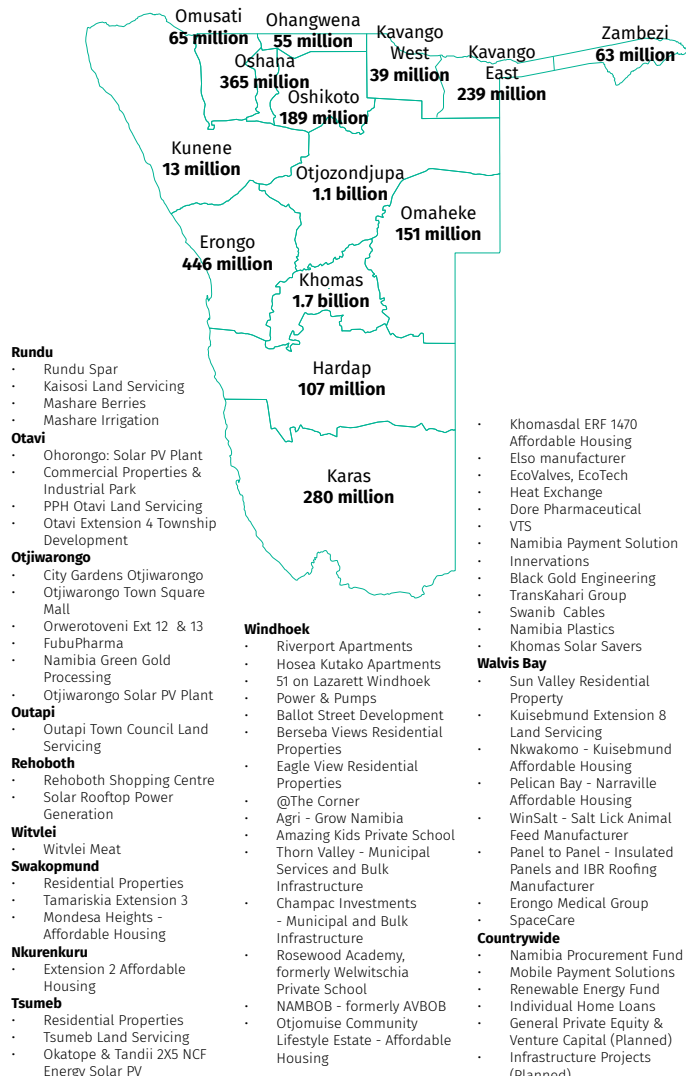
#### Ondangwa

- Gwashambwa Shopping Mall
- Ondangwa Town Council Land Servicing

#### Ongwediva

- Ongwediva MediPark
- Morning Side Village
- Ongwediva

### GIPF TOTAL CAPITAL INVESTMENT PER REGION





#### Delivering societal value through our investment in unlisted sectors

In line with Regulation 13 of the Namibian Pension Funds Act, the GIPF developed an Unlisted Investment Policy that seeks both to mitigate risk by diversifying our investment portfolio, as well as driving broader value creation in the Namibian economy by providing development capital to non-listed sectors with high growth potential. Through our investment in unlisted sectors, funds are channelled into the economy by means of engaging intermediaries (fund managers) with the necessary skills (in areas such as private equity, venture capital, debt and infrastructure financing) to ensure that the Fund's resources are properly and responsibly invested. In the 2020 financial year, the Fund invested N\$373 million compared to N\$535 million the previous financial year. These funds are part of capital commitments made in the 2016 and 2017 financial year ends, of which the Fund Managers are still eligible to make new investments.

Over the past eight years our cumulative investment of more than N\$3.9 billion (in the areas of property, private equity, debt and infrastructure) has made a material positive contribution to socio-economic development in Namibia. Through these investments we have:

- Facilitated the growth and development of emerging entrepreneurs and SMEs.
- Provided funding for infrastructural services in the renewable energy sector.
- Invested in affordable housing and land services projects.
- Financed the mortgage facility for GIPF members.
- Invested in health care facilities.
- Invested in manufacturing, transport and logistic facilities.
- Supported bulk infrastructure for municipal services.
- Invested in job-creating import substitution projects in the agricultural sector.

Individually and collectively these investments in the unlisted sector are making a material positive contribution to socio-economic development and environmental stewardship in Namibia, while enhancing the Fund's ability to maintain strong commercial returns.

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## Treasury

### Bond portfolio

GIPF is a significant investor in Government bonds. As at March 2021, the Fund held 37% (N\$18.7 billion) of the total Government bonds in issue across all maturities. A large portion of these holdings are in treasury, with the internally managed portfolio holdings in excess of 90% of all bond mandates that the GIPF is invested in, targeted at the Namibian Bond Markets.

Despite transient challenges experienced by various government across the world, we believe that bonds remain a good investment in the long run. Given the nature of liabilities, bonds make up an important strategic asset class of our portfolio structure hence the exposure. GIPF believes that the effects of Covid-19 is transitory and that bonds as an asset category, is expected to perform better in the long run with significantly lower across all issuers.

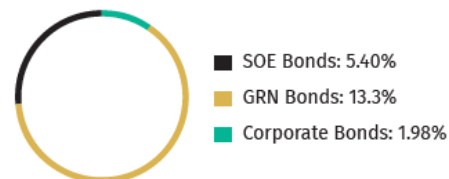
### Treasury bills

Treasury bills constitute a marginal portion of the bonds, bills, and securities held by GIPF as they are of shorter term, and do not ideally match the longer-term investment requirements of the Fund. The Fund, however, was exposed to a tune of 4% of the total T-bills outstanding as at 31 March 2021 in line with the need to enhance the liquidity and smoothen the cash position of the fund through:

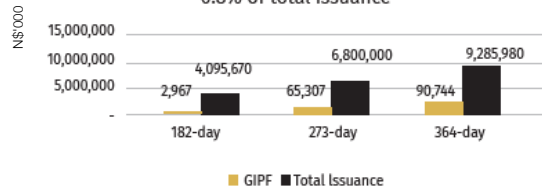
- The benefit or pension payouts
- Portfolio rebalancing – As at 31 March 2021, the Fund had divested in excess of N\$2 billion, these were subsequently reinvested in the target portfolios
- Meet monthly operational expenses

According to the Bank of Namibia economic outlook (August 2020), the Namibian economy is projected to contract by 7.8% in 2020 before recovering to a growth of 2.1% and 2.7% in 2021 and 2022, respectively. The estimated deeper contraction during 2020 is mainly attributed to the outbreak of Covid-19, which has led to travel restrictions across the world and lockdowns in many countries, including Namibia. Looking ahead, the recent advances in the development of effective vaccines do offer some optimism that the health risks could be mitigated in the near future, which would support the recovery in economic activity.

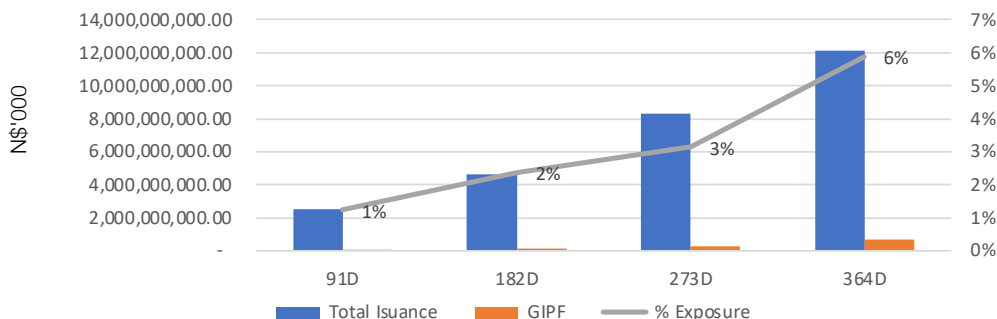
Local Bonds Exposure (% of total assets)



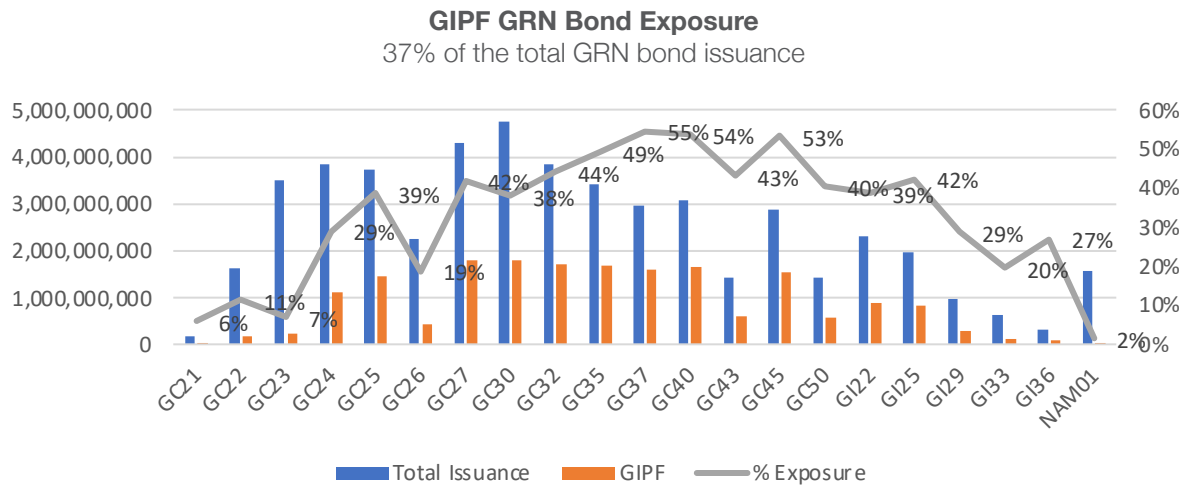
GIPF T-Bills Exposure  
0.8% of total issuance



GIPF T-Bill Exposure  
4% of total issuance



Total issuance



### The GIPF commitment to the Harambee Prosperity Plan (HPP)

GIPF has pledged to deliver on the Harambee Prosperity Plan (HPP) initiatives, particularly as it relates to Pillar Three which deals with Social Progression. Under Pillar 3, Government has a dual responsibility to, on the one hand, care for the neediest citizens and, on the other, to create a conducive environment wherein those with ability can prosper.

The pillar addresses four critical issues, namely:

- Hunger and poverty
- Land servicing, housing and sanitation
- Infant and maternal mortality
- Vocational Education Training (VET)

With reference to land servicing and housing, (including end-user financing - a component added by GIPF), the GIPF as part of its commitment to alleviating these challenges, supports the Government's housing efforts by aiming to take up at least 30% of the deliverable of the Plan. Pillar Three of the Plan puts it forward that there is a requirement to: a) construct 20,000 new houses nationwide; and b) service a minimum of 26,000 new residential plots, countrywide. As at 31 March 2021, the Fund has invested as follows:

1. Land servicing – 5,127 plots
2. Houses constructed – 3,721 units
3. Houses financed – 2,468 loans

The HPP delivery period of four years commenced in April 2016. Our aim is to deliver serviced land and housing by constructing at least 6,000 new houses, nationwide, over the four-year period (with a target to construct 1,500 new houses per year) and to service a minimum of 7,800 new residential plots countrywide (with a target of 1,950 new residential plots per year).

GIPF takes its commitment seriously and has demonstrated the ability to honour its pledge, as evidenced by the investment made over the years leading up to the launch of the HPP. Our commitment and effort, over a period of four years, has positively impacted many Government employees in the areas of land servicing, housing and mortgage financing.



As at 31 March 2021, the Fund had invested in the following unlisted investments:

**Kongalend Renewable Energy Trust Fund** was founded with the purpose of providing renewable energy, as well as credit financing, to small and medium enterprises. As at 31 March 2021, it had provided loans to several SMEs and since inception a total of 17,021 loans.

**The Frontier Property Trust Fund** has a buy-and-hold mandate with the Fund, with a specific focus on investing in the different regions within the borders of Namibia. The investment charter allows the Fund to invest in retail, office, commercial and industrial buildings with the objective of earning investment returns in excess of a pre-determined hurdle rate. The Fund has made investments into various retail and office opportunities in Windhoek, Otjiwarongo, Ondangwa, and Katima Mulilo.

**Desert Stone Fund (DSF)** is a private equity trust that is mandated to invest in early stage venture capital, greenfield projects, development capital, and buyout investments. By financial year-end it had made an investment in a mobile payment solution company and an engineering company.

**Temo Capital (Pty) Ltd (VPB Growth Fund)** is a private equity trust that is mandated to invest in early stage venture capital, greenfield projects, development capital, and buyout investments. By financial year-end it had made an investment in medical service centres in Ongwediva and Tsumeb, and in a Spescare in Swakopmund.

**The Tunga Real Estate Fund (OMIGNAM Tunga)** is a Real Estate Investment Trust (REIT) with the objective of building a dominant Namibia Property Fund. As at 31 March 2021, it had made drawdown for investments in shopping centres in the towns of Arandis, Rehoboth, Keetmanshoop and Grootfontein, Mariental and Rocky Crest Ext. 5 (a residential suburb in Windhoek,) and at Walvisbay (Nkwankomo Housing Development).

**Expanded Infrastructure Fund Trust (OMIGNAM Infrastructure)** targets infrastructural projects such as toll roads, railways and ancillary services, bulk power supply, power distributions, telecommunications, bulk water supply, water and waste-water treatment and reticulation, privatisation, education and health-care. The Fund has provided funding for infrastructural services such as land servicing and solar power plant investments in Namibia.

**First Capital Real Estate Finance Fund (FCREFF)** is a trust engaged in providing mortgage loans to civil servant members and participating employers, as well as loans to municipalities and local authorities. As at 31 March 2021, it had provided loans to several civil servants and local authorities.

**Königstein Capital Investment Property Fund (KCIPF)** is engaged in providing funding for property project development with a focus on housing and land servicing. As at 31 March 2021, it had provided loans and equity investments to various developments across the country, with a major weighting towards Windhoek.

**Königstein Affordable Housing Fund (KAHF)** is engaged in providing funding for development and construction of critically needed quality, affordable housing stock for acquisition by the workforce, such as civil servants throughout the country. As at 31 March 2021, it had provided loans and equity investments to various affordable housing and land servicing developments across the country.

**Preferred Investment Property Fund Trust (PIPF)** is a trust set up to provide funding for the identification and adjudication of property investments opportunities and development projects that generate acceptable long-term returns. The trust has invested in several development projects in residential, warehousing, and office space across the country.

**Neoma Africa Fund III (B), L.P.** is a limited partnership investment representing a commitment of US\$10 million in the General Private Equity Fund based in the Cayman Islands. The fund investment focus is on providing growth capital to portfolio companies in Sub-Saharan Africa. As at 31 March 2021, the fund had invested in two portfolio companies.

**Investec Africa Private Equity Fund 2 L.P.** is a limited partnership investment representing a commitment of US\$30 million in the General Private Equity Vehicle domiciled in Guernsey. The fund investment focus is on transactions including established businesses where the fund can either invest new capital into expanding companies or buy out existing shareholders. The fund invests in African countries which are part of the African Union plus Morocco. As at 31 March 2020, the fund had invested in three portfolio companies.

**South Suez Africa Fund I and II and South Suez Managed Account** is an African private equity fund of funds. The fund strategies are focused on investing in primaries, secondaries and co-investments in the African private equity arena. The fund is a limited partnership and committed US\$107 million to South Suez Africa Fund I, US\$140 million to South Suez Africa Fund II, and US\$21 million to South Suez Africa Fund Managed Account II, LP. As at 31 March 2021, the fund exited twelve investments in Fund I and has made various drawdowns for investments into Fund II as well as the Managed Account II, LP.

**Alleghrow Fund (Pty) Ltd** is a private equity trust mandated to invest in early stage venture capital, greenfield projects, development capital, and buyout investments. It made several investments in the

manufacturing, education, and pharmaceutical sectors in Namibia.

**Namibia Infrastructure Development and Investment Fund (NIDIF)** (Pty) Ltd is a private equity and infrastructure special purpose vehicle set up to provide funding for infrastructure projects in the energy, financial services and land servicing areas. As at 31 March 2021, the Company was evaluating projects for possible investments.

**Namibia Mid-Cap Fund Trust** is an unlisted SPV structured as a Bewind Trust. The fund seeks to invest in medium-sized established and growing companies that have a proven management team and business located in Namibia. As at 31 March 2021, the Fund invested various portfolio companies, namely: Swanib Cables, TransKalahari Group, Amazing Kids Private School, Green Crisp Farming and Agri-Grow.

**Baobab Growth Fund** is an unlisted SPV structured as a Company. The fund is the GIPF's only venture capital fund targeting start-up businesses. The fund invested in 8 portfolio companies in sectors such as pharmaceuticals, payments and technology, manufacturing, and value addition.

**Spitz Capital (Pty) Ltd** is an unlisted SPV structured as a Bewind Trust. The fund seeks to invest in established and start-up businesses with a good growth potential and a unique value proposition. As at 31 March 2021, the fund invested into Namibia Plastics (Pty) Ltd, Mashare Berries (Pty) Ltd and Mashare Irrigation (Pty) Ltd.

**The Namibian Procurement Trust (NamPro I & II)** is engaged in providing short-term working capital facilities and medium-term asset backed financing (finance and operating leases) to small and medium enterprises (SMEs) that have been awarded tenders and supply and/or service contracts by reputable large businesses, government departments, parastatals, and local authorities. The Trusts revolve monies received from loans repaid into new facilities and have over the years, supported 490 SMEs for Nampro Fund 1 and 39 Companies for Nampro Fund II.

**Mergence Namibia Infrastructure Fund (MNIF)** is a trust set up to provide funding for infrastructure projects in the energy, financial services, and land servicing sectors. As at 31 March 2021, the trust was busy evaluating projects in the renewable energy space for potential investments.

**Ino Harrih Namibia Infrastructure Fund (NIF II)** is an infrastructure trust set up to provide equity funding for infrastructure projects in Namibia. As at 31 March 2021, the trust was evaluating projects for possible investments.



**Ino Harrih Namibia Infrastructure Fund (NIF)** is a private equity and infrastructure trust set up to provide funding for infrastructure projects in the energy, financial services, land servicing, etc. As at 31 March 2021, the trust had invested in evaluating projects in the renewable energy industry.

**Ariya Bridge Trust Fund (ABFT)** is engaged in private equity, quasi-equity and mezzanine instruments for financing developments, the expansion of projects and businesses involved in energy, ICT infrastructure and municipal services for bulk infrastructure. As at 31 March 2021, the trust invested in evaluating projects in the renewable energy industry.

**International Housing Solutions Collector Fund** is a limited partnership domiciled in Namibia. The Fund seeks to be an off-taker for properties to rent and to offer affordable properties for sale in housing developments. As at 31 March 2020, the Fund invested in 228-unit Forrest Hill development in Gaborone, Botswana and the 240 unit Okahandja Bridge Park.

**Noble Spectatus Property Fund (Pty) Ltd** is structured as a company issuing linked debentures. The fund develops and acquires convenience and platteland shopping centres within the Western Cape, South Africa, as investment for capital gains and income growth. As at 31 March 2021, the Fund invested N\$3.1 billion in the following malls: Cedar Mill Mall; Crowthorne; The Pavillion; Woodmill Lane; Bela Mall; The Sanctuary; Waterstone Village and Dainfern Square.

**Hangala Prescient Infrastructure Manager (Pty) Ltd** is an infrastructure special purpose vehicle set up to provide debt funding for infrastructure projects in Namibia. As at 31 March 2021, the company was evaluating projects for possible investments.

**Ashburton Investments (Pty) Ltd** is an infrastructure special purpose vehicle set up to provide debt funding for infrastructure projects in Namibia. As at 31 March 2021, the company was evaluating projects for possible investments.

**Tulive Private Equity (Pty) Ltd** is an infrastructure special purpose vehicle set up to provide debt funding for infrastructure projects in Namibia. As at 31 March 2021, the company had made investments in the solar renewable energy space and was also evaluating projects for possible investments.

**Growthpoint Investec Africa Properties Ltd** is a real estate asset fund that invests in a portfolio of income generating commercial real estate assets, diversified across geographies and sectors in Africa, apart from South Africa. An amount of US\$40 million was committed with a drawdown for investments made as at 31 March 2021.

**Sands Capital Private Growth Fund II, L.P.** is a partnership with the primary objective of seeking long-term capital appreciation through privately negotiated equity and equity related investments principally in the technology, life sciences, and consumer industries. An amount of US\$5.7 million has been committed with a drawdown for investments made as at 31 March 2021.

**Future Growth Community Property Fund** is engaged in the investment of fixed properties such as community and regional shopping malls, residentials, warehouses, etc, and operates principally in South Africa. An amount of R975 million was committed with investments made in several assets to date worth N\$582 million.

**Catalyst Core Plus European Property Fund** targets investments in office, retail, hotel and logistics property in strategic key market locations in Europe. The fund has committed EUR210 million as at 31 March 2021.

**All Seasons Ventures Partners LP (ASVP)** is a Limited Partnership, to which the Fund subscribed by committing US\$79 million and signed a Deed of Adherence in March 2019. This Partnership is Cayman Island domiciled, managed by All Seasons Capital Management Limited, which is licenced by the FSC in Mauritius and holds a Category 1 FAIS License with the FSCA in South Africa. They primarily invest in the USA, China and a small allocation in Europe, with focus in a diversified portfolio of Venture Capital in Consumer and Biotechnology. The drawn down capital as at 31 March 2021 was US\$56 million.

**Boxwood Property Investment Fund** is a Limited Partnership, seeking an attractive risk-return profile relative to listed funds, achieved by direct investment into industrial property primarily in the Gauteng province, South Africa, with office development focused in the Cape Town CBD as redevelopment property.

The following unlisted investment funds did not make any investment drawdowns as at 31 March 2021, but commitments of approximately N\$1.5 billion exist towards:

- Hangala Prescient Debt Infrastructure Fund
- Ino Harrih Namibia Infrastructure Fund ("NIF" II)
- Namibia Infrastructure Development and Investment Fund (NID-IF)(Pty) Ltd.



### Looking ahead to 2022

We will focus on the following in the coming year and beyond:

- Continue to identify mandates that have a positive impact on the economy and GIPF returns, such as agribusiness, venture capital funds and manufacturing, and increase the economies of scale in these areas through encouraging capacity development, training, and capital deployment.
- Strengthen the commitment we have made as signatory to the UN PRI through monitoring the implementation of broad-based ESG metrics at fund manager level, special purpose vehicle and portfolio company level.
- Continuously evaluate unlisted managers to eliminate portfolio risks, enhance performance and measure impact.
- Improve our responsible investment rating by enforcing and developing responsible investment and constantly benchmarking this to the investment policy.
- Adopt good corporate governance through the Nominee Policy.
- Implement the “value at risk” portfolio risk management concept and track actual experience relative to the projected 1 in 10 surplus/deficit.
- Implement a work plan in compliance with the GIPF Responsible Investing reporting requirements.
- Continue, in conjunction with the Marketing and Stakeholder Engagement Department, to engage key stakeholders on promoting domestic investment opportunities, thereby increasing the local asset base.
- Continue to optimise our investment administration and accounting processes.
- Continued skills enhancement aligned to investment strategic objectives.



## Case Studies

### Case study 1

**The Orient China Opportunities Fund (The “OOCF”)** delivered a performance in NAD of 32.7% over the year relative to a benchmark return of 22%. Since GIPF invested in the OOCF the fund has returned 109% in NAD substantially more than any other asset class that the Pension Fund invests in, making a material contribution to the growth in the total assets of the GIPF.

#### Significant Diversification benefits

In addition to delivering strong returns, the OOCF also provides significant diversification benefits from its other investments. The Chinese economy is of significant size and home to the world's largest population. It also operates very differently to all other economies, whether they are developed markets or emerging markets. As a result, the performance of Chinese equities can behave independently to all other equity markets.

The Covid-19 pandemic during 2020/2021 has demonstrated how important the allocation to China is for the GIPF. While the pandemic originally broke out in China, the country dealt with the spread of the virus quickly; they had fewer lockdowns and their economy was less affected than other countries globally. The performance of shares reflected this – Chinese equities fell far less when stock markets were collapsing globally in March 2020 and recovered far more strongly than elsewhere.

The OOCF is invested across 10 specialist investment managers that are all highly experienced professionals based in China and Hong Kong. The diversification across these specialists ensures that the OOCF is highly diversified with many stocks spread across multiple sectors. This diversification has helped the fund to outperform its benchmark consistently in all types of markets.

In summary, investment into Chinese equities gives the pension fund access to the largest and one of the fastest growing stock markets in the world together with diversification benefits.

### Case study 2

#### Impossible Foods

The mission of the company is to produce affordable and sustainable meat, fish and dairy from plants to make the global food system truly sustainable by eliminating the need to make food from animals.

Animal meat production uses 27% of the world's land, and is responsible for around 15% of global greenhouse gas emissions and consumes 25% of the world's freshwater. By using a small fraction of the land, water and energy, people can keep eating the foods they enjoy, without eroding the planet's resources.

In 2016, they launched their first product, the Impossible™ Burger and since then they have added sausage, fish, pork and dairy products (all made from plants).

Apart from ESG aspects, the market for meat made from plants is growing rapidly. Consumers of all ages are actively seeking sustainable products because they care about their health and the environment.

Plant-based protein is becoming more popular on menus and shelves around the world and restaurants are offering a plant-based meat menu items at a staggering rate because they have been proven to increase sales, traffic and demand. And to top it all off, animal-based meat sales are on the decline.



### Case study 3

#### Capsule Pharmacy

This company operates a digital pharmacy platform built to facilitate the delivery of prescription medication. The company's platform accepts prescriptions from the doctor as well as allows patients to switch a refill from their old pharmacy to the platform, enabling users to get their medication delivered (free of charge) on the same day in a two-hour window. The mission of Capsule Pharmacy is to build a pharmacy system that works for everyone instead of the traditional pharmacy system that does not ideally serve consumers, doctors, insurers, and drug manufacturers.

The US retail pharmacy market is a staggering \$350 billion market, and yet only 1% of sales exist online. The pharmacy market has the

potential to shift to 20-30% online over the next 5-10 years, representing a \$2-3B opportunity in New York City alone and \$70-100B in the US. With its first-mover advantage, Capsule is well positioned to take a meaningful piece of the market shift. The user-friendly infrastructure built by Capsule is impressive, and given the success of Capsule in the New York area, All Seasons is comfortable that the pharmacy will be able to achieve the rollout of their services across major areas of the US over the next few years.

### Promoting sustainable development through investing in high impact projects

Our flagship projects continue to create shared value through socio-economic impact - Aligning capital investment with sustainable business practices

#### Ongwediva Medipark Private Hospital

Our members are our core business, and it is pleasing to know that our investments create shared value through our socio-economic impact projects that are not only profitable, but enhances the standard of living for our members. A typical example of such investment is the Ongwediva Medipark private hospital, inaugurated on 23 May 2017 by Former President Hifikepunye Pohamba. The Ongwediva Medipark private hospital has since become the epitome of health care in Ongwediva and surrounding areas. With GIPF's investment of N\$31.6 million and the Fund Manager TEMO Capital (Pty) Limited's investment, Medipark has since performed ground-breaking medical procedures.

Medipark is the first hospital in northern Namibia to have successfully performed a kidney transplant and has to date performed more than ten medical procedures. On 29 March 2021, the first kidney recipient, Bernard Maswahu, a GIPF member, celebrated his fifth-year anniversary since his pioneering medical procedure.



#### Osona Village Housing project

Another flagship project we are extremely proud of is the Osona Village Housing project inaugurated by His Excellency Dr Hage Geingob on 9 September 2016, and followed by a more recent visit by His Excellency on 12 March 2021. The Osona Village is a housing initiative funded by GIPF under the unlisted investment portfolio, through Preferred Management Services, aimed at providing affordable housing to civil servants and those looking for safe, spacious, and quality homes. By the end of January 2021, 315 houses were under construction, 1,015 houses were completed, and 1,041 transfers were registered at the Deeds Office – a clear testimony of GIPF's commitment to add sustainable long-term value to the living conditions of our people.

#### Namibia Gypsum Industries

The GIPF is proud of its investment into Namibian Gypsum Industries. Located in the town dubbed as the "Uranium Capital of the World", Arandis in the Erongo Region, the project falls within GIPF's Unlisted Investment Portfolio, through the investment fund manager, Boabab Capital. Established in 2018, Namibian Gypsum Industries' factory, alone occupies approximately 6 000 squares of land and has closed a void in the industry by adding value to raw gypsum, by manufacturing dry walls and ceiling boards.

**The environmental impact:** Currently, all ceiling boards used in Namibia have been imported, but that will soon change. Besides the Namibian Gypsum Industries Factory supplying their products locally, the biggest gypsum market is in South Africa, where the factory plans to export their products. The factory also plans to export to the rest of Southern Africa. The Gypsum used in Namibian on the boards is natural unlike other imported boards which contain chemicals.

#### Panel to Panel Insulated Panel Manufacturers (Pty) Ltd

EOS Capital Ltd made an investments through the SPV, Allegrow Fund (Pty) Ltd through into Panel To Panel Insulated Panel Manufacturers (Proprietary) Limited, located in the Erongo Region, is a Namibian manufacturer of prefabricated panels, roof sheets and all necessary extras that are needed to construct prefabricated buildings and refrigeration units. The company commenced operations in 2005.

**The social impact:** Largest panel supplier in Namibia. Approximately 50% market share for prefabricated panel manufacturing

**The economic impact:** Supporting government's industrialisation agenda and deriving tax incentives

**The social impact:** Albertina Mukwati, a qualified artisan in control and instruments has been elected as the team leader for the factory, has expressed her excitement and gratitude to leading a team consisting of mainly women. She further shared how she is currently building her home and looks forward to utilising the fruits of her work, rather than using imported ceiling boards.

**The economic impact:** Once operational, the Namibian Gypsum Industries Factory plans to employ 120 individuals with the focus on women empowerment. "GIPF prides itself in ensuring that our investments do not only yield profits for the benefits of our members, but also contribute towards enhancing the livelihoods of the communities of our members and their loved ones", said David Nuyoma, GIPF CEO and Principal Officer.

**The environmental impact:** Reduced overall amount of energy used through management and by the use of biofuel diesel for the foam plant

To date the GIPF has employed a total capital investment amounting to N\$376 million into various projects in the Erongo Region. These projects include housing developments and land servicing, manufacturing, animal feed production, and fish canning and processing.

### Namibia Plastics

A company that imports and distributes industrial plastic and packaging materials for FMCG – a wholly owned subsidiary of the listed Windhold Group and market leader in Southern Africa. Namibia Plastics is currently a distributor of plastics, packaging and related material. The business plan is to use the newly injected capital to grow the company into a manufacturer of the same products. Manufacturing falls in Spitz Capital's mandate and scope to which the GIPF has committed N\$300 million and about N\$90 million is dedicated toward Namibia Plastic Ltd.

**The social impact:** On a social level, by creating new jobs, the company is helping relieve a big social problem of unemployment for Namibia. The shareholder is also in the process of setting up an employee's trust which would further benefit employees.

**The economic impact:** Job creation and goods export contribution  
**The environmental impact:** The company complies to environmental requirements where applicable and per international approved standards is required in a EU approved standards.







## Excellent Service

(Social capital and relationship capital)

(Intellectual capital)

*GIPF strives to deliver positive and professional interactions with our members and stakeholders in a manner that is right, fast and humane. In striving to be a leading and model pension fund globally, we are guided by our core values of teamwork, service excellence and integrity, focussing on delivering excellent service to our members and stakeholders in a manner that is right, fast and humane, and continuously enhancing operational efficiency through advanced technology and streamlined business processes.*

Excellent service and innovation has always been a focus for GIPF, and the Covid-19 pandemic made that focus urgent, more critical. We moved quickly to help our members, employees, employers, and communities adapt to the pandemic. Engagement with our members and stakeholders was bolstered and operational efficiency further enhanced amidst the challenges presented by the Covid-19 pandemic.

The combined drive, synergy and passion by the Marketing and Stakeholder Engagement Department, the Operations Department, and the Information Systems Department, to provide outstanding service to our members and stakeholders, has resulted in exceptional performance across most of the strategic objectives and initiatives this year.

The Business Process Improvement (BPI) project initiated during the 2019 financial year has enabled the maximum possible value to be extracted through enhanced operational efficiency. The average turnaround times to pay out member benefits was not unduly hampered by Covid-19, with most strategic targets set for the year exceeded. The average turnaround time for retirement benefits reduced from 30 days to 13 days, resignation benefits from 30 days to 14 days, and death benefit pay-outs reduced from 12 months to 6 months. The turnaround time for funeral benefit pay-outs remained at 12 hours. The average waiting and service time reduced from less than 33 mins to less than 26.6 mins (waiting time) and from less than 8.6 mins to less than 6.51 mins (service time). Overall systems availability during the year was excellent, with no downtime recorded due to any security incidents.

Substantial resources were allocated to the key strategic objectives and initiatives described under this strategic theme. Most of our targets under this strategic theme were achieved, apart from the challenges presented by the Covid-19 pandemic on hosting planned engagement sessions with our members, our participating employers and the media. Member outreach programme execution was exceeded with an intensive campaign undertaken to educate and inform our members of various pension fund related matters concerning them.



Our strategic objectives	Accountability
<b>S.11:</b> Improve data integrity <b>S.12:</b> Ensure stellar member care <b>S.13:</b> Maximise operational efficiency	GM: Operations
<b>S.17:</b> Enhance enterprise infrastructure and architecture management <b>S.18:</b> Drive digital transformation and innovation <b>S.19:</b> Enhance information systems and cyber-security resilience <b>S.20:</b> Enhance information systems continuous improvement and optimisation programme	GM: Information Systems

### The impact of our efforts

- Improved data integrity by reducing complex unclaimed benefits, outstanding admissions and unverified annuitants
- Adoption of virtual office concept
- Maintenance of good turn-around times in benefits payment
- Client satisfaction (QMS) rating of 80%
- Improved delivery of digital transformation solutions
- Reduction of unclaimed benefits and turnaround times for pay-out of member benefits
- Well mobilised workforce under the new "work from home" dispensation
- Optimization of ICT reliance in service delivery
- New annuity structure has been fully implemented and is fully functional
- Successfully submitted 11,800 records on ITAS system despite various system challenges
- Embedded a culture of service excellence
- Digital tools rolled out enabled employees to work from home and facilitated continued stakeholder engagement

### Key enablers

- Mature and refined processes aligned with best practices
- Execution of breakthrough strategies
- Automation and digital transformation
- Adoption and embedding of latest systems
- Quality of member data

### Key challenges

- Lack of sufficient member related information to determine the value of the pension that should be transferred to the Master of the High Court
- Claims cannot be paid over to the Master of the High Court in the event of annuitants having outstanding tax returns
- Inefficient systems and manual processes at government offices hampers the process of verifying annuitants
- Inaccuracy of member details prevents the efficient processing of claims and poses a risk to the sustainability of the Fund
- Rapid adoption of new technology methods by users
- Adoption of authentication technology by users

### The impact of Covid-19

The Covid-19 restrictions have had a material impact on our ability to interact face-to-face with our members and the way we operate. To reduce the spread of the Covid-19 pandemic, we encouraged our members to utilise our online platforms such as the GIPF member portal, our regional call centre lines and regional email addresses, to access our services.

The pandemic, however, provided us with an opportunity to accelerate several strategic initiatives and finding innovative solutions to continue providing uninterrupted service and maintaining high levels of customer service our members and stakeholders are accustomed to.

#### Our response

Digital offerings to enhance the customer experience that were already in development, were accelerated and rolled out during the year, enabling us to meet the needs of our members' remotely.

We introduced alternative direct digital channels such as email and social media platforms to pay funeral claims with strong traction in the fourth quarter of the financial year. Several servicing platforms were introduced via the GIPF portal to assist customers with accessing their member data and submitting claims.

We enabled our employees to work remotely through the provision of data and network access, and we ensured the safety of our members, employees and all other stakeholders by adopting an integrated Covid-19 approach and complying with all safety guidelines.

As the Covid-19 pandemic continues, the Fund has now established strong mechanisms to ensure that our operation remains intact and services to members are sustained. The pandemic has given us more learnings that will enrich our strategies going forward. Needless to mention, the future is virtual and our survival as a Fund depends on how we optimise technology and other modern approaches. We are grateful to our employees for having to adapt to the new normal and did everything possible to ensure that our productivity is not adversely impacted by the pandemic.

## Ensuring stellar member care, maximising operational efficiency, and improving data integrity

*Maximising operational efficiency and improving service delivery to our members and stakeholders will always remain key drivers for GIPF's continued success.*

*The Fund continued to deliver on its pledge to deliver exceptional service at all times in line with its core values of service excellence, integrity, and teamwork.*

### Our performance for 2021

The period under review was marked by many strategic and operational readjustments due to the Covid-19 pandemic, which tested the ability of the Fund to embrace digital transformation and innovation. The Operations department was, however, able to adapt to the new realities introduced by the "work from home" concept and reaped the benefits made by the Fund's adoption of virtual operations.

Strategic objectives requiring cross-border collaborations were unfortunately hampered by Covid-19 restrictions, among which included the planned product intelligence exercise to access modern pension administrations available in the market.

The Fund needs to review its pension administration system and align it with its strategic vision to be a leading and model pension fund globally. This project remains at the centre of our operational strategy going forward and is being pursued jointly with the Information Systems Department.

The member outreach programme, implemented together with the Marketing and Stakeholder Engagement department, was adapted to limit face-to-face engagements with the Fund membership. Several innovative solutions, such as the "roving office concept" and the utilisation of advanced technology and social media platforms, were introduced and strengthened (as described under this strategic theme). Excellent service was, therefore, not unduly compromised and we were able to continue delivering on our core values of service excellence, integrity, and teamwork.

Another measure of note was the suspension of the annuitants' biometric verification requirement to limit the number of walk-in clients. This requirement was substituted by other measures such as daily data analysis to unenrolled annuitants that have passed on. Data from funeral claims are compared with the payroll as proof of existence for annuitants. In doing so, the risk of payments to deceased annuitants is being controlled and managed.



A summary of the key strategic initiatives undertaken during the year is provided in the following pages.

### **Ensuring stellar member care**

Ensuring stellar member care is an ongoing process. Building on the strategic initiatives undertaken last year, several strategic initiatives in support of our Member Service Charter were implemented during the review period.

The capacity building programmes for all client services consultants continued throughout the year, and our members were empowered through several complementary initiatives undertaken as part of the member outreach programme.

A client satisfaction rating, utilising the Quality Management System (QMS), is being used to assess the quality of services rendered, with a rating of 80% achieved against the same target (80%).

### **Decentralisation of our services to the regional offices**

The department achieved its operational decentralisation aspiration as regional offices are now processing benefits in their respective offices and, as a result, services have been brought closer to the people. Moreover, the high volumes of claims at head office have been reduced quite significantly and have brought equity in the distribution of workload. Our workforce are at the forefront of providing excellent service, and continue to receive the necessary support to propel the institution towards achieving its long-term objectives.

### **Establishment of satellite offices**

Our commitment to service excellence in all facets of our operations remains core to our purpose, and reaching out to our members is key to this. During the year, we pursued our plans for setting up additional satellite offices at Opuwo, Grootfontein and Nkurenkuru. Phase 1 has commenced with agents appointed and undergoing training at regional offices to enable them to serve our members in these areas pending the official launch of the satellite offices in the next financial year.

Although the Fund's strategy to increase organisational footprint will be retained, we continue to be mindful of the need to manage our cost of service. The Fund's growth in this area will be guided by the concentration of membership in a given geographic area, as well as the movement of the employer decentralisation process. Less populated areas with fewer accessibilities to services will be taken care of by the member outreach programmes.

### **Roving office concept**

In an attempt to give impetus to our service value stream, a roving office concept was launched to reach out to employers and provide solutions to many operational challenges hampering service delivery. GIPF personnel set up temporary desks at various ministries and provided all the necessary services required by members. These include the training of personnel officers, attending to queries, data collection, and general member communication activities. This approach facilitates problem-solving around issues that may hamper the provision of services. The employer has shown great interest in this initiative and we are extremely satisfied that several operational challenges have been effectively addressed through the initiation and implementation of this concept.

### **Improved data integrity**

Data integrity is of strategic importance to the global pension fund industry and GIPF is aware requirement. In our constant pursuit to improve data integrity, several initiatives involving our key stakeholders were undertaken by the Operations Department, in conjunction with the Marketing and Stakeholder Engagement Department, aimed at addressing discrepancies within our data. Significant progress was made during the year to ensure that this liability was reduced to sustainable levels.

The data integrity level increased significantly during the year, resulting in a review of contingency reserves. Historically, our data reserve was placed at 5% of the Fund's liabilities. The last valuation placed data reserves at 2.5% of liabilities. This reduction in data reserves, combined with the reduction in overall material risk (as described under the top ten risks) is a significant achievement given the challenges associated with this phenomenon. Ensuring the completeness of data remains essential and requires that such data be accurate, accessible, perpetual, and up-to-date at all times.

While unclaimed benefits have significantly reduced through concerted and ongoing efforts on our part, the amount of unclaimed benefits liabilities (all claims except death benefits that have remained unclaimed for five years or longer after date of exit) within our books remain a concern. The main reasons for members not claiming their benefits seem to be a general lack of awareness, cumbersome manual processes, and a failure by members to provide the Fund with their updated contact details. Ongoing challenges regarding death benefit claims also persist, mainly due to a lack of national documents, disputes over guardianships and traditional marriages, and lack of bank or postal accounts, amongst others. Our regulator, NAMFISA, has been consulted on these and other matters relating to data integrity, and several directives have been issued in this regard.

## Maximising operational efficiencies - Review of operational workflows

Operational efficiency and streamlining GIPF's business processes will remain central to providing our members with excellent service delivery. The implementation of the Business Improvement Process (BPI) project last year has produced tangible results in providing excellent service delivery within the core operations of the Fund. To ensure that maximum value is extracted from the BPI project in the short, medium, and long-term, periodic reviews are necessary for quality assurance purposes.

In this regard, we have instituted an Operational Plan to review and establish all matters causing inefficiencies within our operational value stream. These matters include technology, data, and people aspects. The department holds specific meetings to review the progress made in addressing these impediments. The team is very excited to be part of this exercise and unleash innovation potential. Through this intervention, the department has been empowered to maximise operational efficiency and ultimately ensure sustained service excellence.

The implementation of the operational plan has resulted in notable improvements throughout the value chain of our operations. Specifically, these improvements are as follows:

- Our annuitants' verification solution has been reviewed and the Fund has undertaken investment in a new biometric enrolment and verification solution where members will be able to use multiple verification platforms. The biometric verification solution is expected to bring a new dimension to our service provision landscape. As opposed to a traditional verification that requires annuitants to travel to the Fund's offices to provide proof of their existence, the new solution will have functionalities making it more convenient for members to verify themselves in the comfort of their own homes using internet-based platforms. The project was pursued jointly by the Operations and the Information Systems Departments last year, with all preparatory work and requirements identified. Roll-out of the solution commenced during the year under review, with full operationalisation of the solution expected during the next financial year.
- A reduction of 33% in unclaimed benefits (classified as per the Fund Rule 9.6 as being outstanding for more than five years) for the year, from 409 to 273 at the end of the financial year.
- Unverified annuitants were further reduced through an ongoing and aggressive member education campaign rolled out in conjunction with the Marketing and Stakeholder Engagement Department.
- The time period for funeral claims to be processed and paid out was further reduced from 12 hours to seven hours.
- The time period for retirement benefits to be processed and paid out to members was reduced from 30 days to an average of 13 days, providing members with peace of mind by eliminating the income gap.
- Resignation benefits processed and paid out was reduced from 30 days to an average of 14 days.
- Significant improvement is also noted in the delay of payments of death benefits, which improved from an average of 12 months to 6 months. This is as a result of improvements in member forms and guidelines surrounding the claiming process for these benefits. Claimants of death benefits are now provided with clear procedures on the claiming process as well as a list of requirements when funeral benefits claims are submitted.
- Other systems related achievements relate to the integration of the data entry and workflow management systems, which have resulted in improved management of work output and turnaround times.
- Several other key initiatives taken during the year include:
- Various business requirements have been addressed and continuous improvements have been made in streamlining and automating processes through the Workflow Automation Project, resulting in improved management of work output and turnaround times.
- A Process Performance Reports Project was initiated to provide a platform to manage and monitor process performance.
- A new annuity structure implemented in July 2020 has enhanced operational efficiency in serving our members. The new structure has facilitated the process of monthly reconciliations and verifies the accuracy of payments, reasons for non-payments, changes in membership statuses, and the identification of new members.
- With the increase in Covid-19 cases and deaths, the GIPF continuously strengthens efforts towards making the Fund safer for our members and their loved ones. Being aware that Covid-19 thrives in social gatherings, the Fund has made its services accessible via online platforms such as email on [info@gipf.com](mailto:info@gipf.com), na, the member portal on [www.gipf.com.na](http://www.gipf.com.na), and telephonically via all regional contact lines.
- Funeral claim submission procedures were amended allowing completed funeral claims to be submitted by claimants electronically via email. These claims are acknowledged and processed in the shortest possible time, thereby eliminating the need for personal visits to the GIPF offices.

## Looking ahead to 2022

We will focus on the following during the coming year and beyond:

- Invite experienced service and/or solution providers to participate in an invitation to submit a proposal for the delivery and implementation of an Integrated Pension Administration System.
- Implementation of a new modern and safe biometric enrolment and verification solution that utilises multiple identification mechanisms
- Enhance and improve financial reporting to the regulator (NAMFISA), improve general ledger account reconciliation, and enhance management reporting processes.
- Establish an employer web-based portal to enhance operational efficiency and allow online submission of participating employers payroll data.
- Further enhance the tracing of members through the employers' HR officers and the media in collaboration with the Marketing and Stakeholder Engagement Department.
- Expand the roving office concept, thereby further enhancing efficiency within our service value stream.
- Further improve operational efficiency by automating routine finance operations processes.
- Develop and optimise analytical tools for data analysis and reporting.
- Continuing to improve our disbursement processes by expanding our payment distribution platforms to include mobile banking.
- Ensure budget implementation processes achieve cost savings with 100% planned activity implementation and update our budget procedure manual.
- Ensure accurate and timeous contribution collections by maintaining the current actual collection rate of 99.9%.



## Enterprise information systems

*The digital transformation of the pension industry is driven by the mindset and acceptance of IT services as critical tools and enablers to unlock digital transformation within business units. Digital transformation evolves around the usage of technology to radically improve performance and service delivery to members and stakeholders. The goal is to provide opportunities for members to access services anywhere.*

### Our performance for 2021

The GIPF Information Systems strategic plan supports the delivery of excellent services and identifies five key goals aimed at encouraging innovation and technological self-reliance through:

- Information systems governance enhancement
- Infrastructure and architecture management
- Digital transformation and innovation
- Information systems continuous improvement
- High-performance information systems workforce

Several strategic initiatives in support of these five strategic goals as set out in the following pages were successfully implemented during the year.

### Maintaining business continuity and service delivery

The year under review was both challenging and extremely rewarding in many respects. Our information systems infrastructure remained resilient and has played a key role in maintaining business continuity and service delivery to our members and stakeholders.

Covid-19 accelerated the adoption of digital technologies and innovative thinking and shifted the direction and pace of digital transformation and innovation thanks to unparalleled improvements in digital workspace technology. All generations within the workforce were exposed to unprecedented digital technologies and transformation and had to adapt quickly to remote working and/or studying as part of the new norm.

Virtual technology solutions have enhanced communication and inclusivity via virtual engagements, resulting in cost savings due to restricted travelling and other related costs. A first-ever virtual team-building workshop with regional offices was successfully facilitated this year.

We are also pleased to note that our members are utilising the GIPF member portal more frequently where previously there was some hesitancy to do so.

Several opportunities emerged as a result of the dependence on technology and new ways of working in order to ensure business continuity. Our culture and work ethic of providing an excellent service to our members and other key stakeholders was a critical success factor in successfully deploying the necessary information technology solutions.

Our stance on continuous innovation and transformation was responsive to rapid adaptation and enabled (end-users) employees to work remotely. Member benefits were, as is customary, paid promptly and on time – an achievement we are justly proud of considering the fact that the lockdown commenced on 20 March 2020, shortly before our new financial year commenced on 1 April 2020.

We have enabled optimal information security and have continued to implement the organisational Information Security Management system (ISMS) programme. Our response effectively addresses material risks relevant to information systems.

*Proactive planning and strengthening of infrastructure and architecture management has ensured business continuity throughout the entire value chain of our operations.*

The successful completion of the GIPF IT infrastructure project has enabled a smooth transition to the new digital age, with benefits such as fast internet and network connectivity, secured and controlled local and remote working environments, on-line collaboration, video conferencing platforms, and advanced infrastructure promoting excellence, innovation and development.

Another impactful initiative, was the successful implementation of, the GIPF Service Oriented Architecture (SOA) enabling interoperability and sharing of uniform data across the GIPF systems, including legacy systems. The successful implementation of the GIPF SOA has assisted GIPF to deploy newer, more robust solutions, such as the Document Management System, Enterprise Software Solution, GIPF Member Portal, SMS and E-mail solutions, and the Integrated Bank Payment and Reconciliation System - which are all contributing to improved member experiences. The SOA has allowed GIPF to invest in technology projects such as the GIPF Biometric Systems Development, GIPF mobile application, and other disposable technology solutions.



## Information systems governance practices

In line with best information systems governance practices, GIPF Board has recognised COBIT 5 as the overarching business and management framework for governance and management of enterprise information technology. This framework incorporates people, processes, and technology, which reflects the central role of information systems in creating shared value for the GIPF and its members. The implementation of the COBIT 5 governance structure has furthermore allowed GIPF to identify and implement a skilful workforce that is able to accelerate the development of IT skills and knowledge across the Fund and to execute and support the development of corporate strategic goals towards digital transformation and excellent customer service.

## Enhancing enterprise infrastructure and architecture management

We continued to enhance enterprise infrastructure and architecture management during the year by deploying and maintaining robust IS infrastructure, solutions and services required for high availability. Constant monitoring and resolution of systems issues affecting availability was ensured, and MTC's Spectra devices deployed to regions for connectivity redundancy. Technology standards and architecture services (including remote work enablement) were continuously improved to ensure that the needs of our members, internal clients, and other stakeholders were readily met.

Infrastructure and services consolidation were implemented including online and video-conferencing capabilities, for online cloud integration, enabling staff to work remotely during the Covid-19 pandemic within a short period of time. Cloud-based training was provided and the necessary resources made available to all end-users. High bandwidth and high availability network connectivity (Peplink bandwidth bonding) was deployed at all GIPF offices, improving connectivity and productivity at significantly reduced costs.

## Drive digital transformation innovation

We continued to drive digitalisation and innovative processes and solutions to transform and improve GIPF operations through:

- Conducting GAP and scoping of system needs to improve business operations.
- Development and implementation of a secure banking solution with online payment and reconciliation capabilities.
- Conducted Microsoft Teams and collaboration training as well as IT360 service desk user refresher training to enhance online teamwork and collaboration.
- Enhanced connectivity to ensure real-time inclusion of regional staff, accelerating collaboration and digital transformation.
- Developed the requirements to revamp, strengthen, and ex-

tend member services capabilities to the business website and member portal.

- Ensure effective implementation and maintenance of systems support and change management processes
- An enhanced DMS, integrating several previously siloed sub-systems, was successfully rolled out during the year under review. Robust hardware and enhanced network connectivity infrastructure was successfully deployed across the various GIPF offices, leading to improved connectivity and efficiencies as well as higher systems' availability and business continuity. The DMS drastically improved operational efficiency by reducing manual processes and associated costs. Phase 2 will be embarked upon in the coming year to further streamline workflow processes and reporting capabilities.
- A change management process was implemented during the year to ensure that negative impacts arising from systems changes are minimised and, if necessary, effectively managed.
- Optimisation and improvement of current processes, specifically to address any gaps in the BPI Plan, by enhancing the functionalities of the Fund's administrations system (GIMIS).

## Enhanced information systems and cyber-security resilience

The Covid-19 pandemic has increased the risk of cyber-related crimes internationally and as businesses accelerate their digital transformation towards working remotely as the "new normal", there is greater exposure to cyber risk. Ensuring effective and robust information systems security infrastructure and solutions required for optimal information security is a core focus of the GIPF, with no major disruptive cyber-security incidents experienced during the year.

The initiatives taken during the year included:

- Implementation of an organisational Information Security Management system (ISMS) programme to mitigate any potential cyber security risks posed; and
- Implementation of a targeted IS security awareness plan in conjunction with the Marketing and Stakeholder department to enhance cyber security resilience within GIPF and to educate members and interested parties on how to protect themselves against cyber-related crimes. Further details on these specific risks are provided in our principal risks report.





### Enhance information systems continuous improvement and optimisation programme

Several initiatives aimed at enhanced information systems and optimisation of our programmes are currently in progress, among which include:

- Scoping and acquiring an Integrated Pension Administration System to drive improved systems integration.
- Ensuring successful development and implementation of the GIMIS Phase 2 and 3 initiatives according to plan
- Ensuring the effective implementation of systems changes and configuration management processes for enhanced efficiency.
- Ensuring effective deployment of database and application patches.
- Completing the review and documentation of the Biometric solution requirements for the intended acquisition of a member's Biometric Enrolment and Verification Solution. The new Biometric Verification system provides enhanced safety features. The project is expected to be completed and the new system implemented by end March 2022.
- Driving acquisition of Integrated Pension Administration System enhancements that will ensure seamless data connectivity, increase data accuracy, improve internal workflows and strengthen real-time visibility, automate manual processing, and ultimately boost employee productivity.
- Tracking and documenting effective implementation of systems changes and configuration management processes in line with approved policy.

### Looking ahead to 2022

*Digital efficiencies cannot be achieved without a strong organisational commitment and focus towards becoming "digital by default".*

The GIPF acknowledges that the journey to digital transformation requires increased technical capabilities, expansion of technology services, and management of information to enhance our technological presence. It also means aiding and augmenting decision-making processes and delivering these services in a manner that protects the privacy and security of every member and stakeholder of the Fund. In the coming year we will review the Information Systems Strategic Plan to ensure that it is fully responsive to the GIPF 2018 - 2023 Strategic Plan, with several ongoing and new strategic initiatives planned, among which include:

- A benchmarking exercise to compare other integrated pension fund administration systems being used by pension funds regionally.

- Implementing various systems upgrades for enhanced operational features.
- Investigating a human resources performance management systems that interlinks with the GIMIS system.
- Together with the Operations department, investigating the feasibility of an Integrated Pension Fund Administration system with the capacity of allowing employers to interface with the GIPF portal; this will enhance data integrity and improve the verification of member data.
- Together with the Human Resource department, investigating an in-house human resource recruitment system that complements the Ministry of Labour's e-recruitment system (NIEIS).
- Extending phase 3 of the ESS project to phase 4, whereby additional operational features on the software will be included after determining the requirements for the business.
- Continuous and further decentralisation of processing of member benefit functions through enhanced system capabilities at regional branch level.
- Supporting member outreach programmes initiated by the Operations Department and the Marketing and Stakeholders' Engagement Department by continuously improving and merging technology connectivity and accessibility by members.
- Implementing the organisational Information Security Management System (ISMS) programme as part of the overall enterprise security initiative.
- Deploying and maintaining robust IS infrastructure, solutions and services required for excellent service, and ensure full enterprise-wide network infrastructure.
- Continuing to drive innovative processes and implement effective workflow solutions to transform GIPF operations and member services.
- Continuing to drive and coordinate benchmarking, planning and implementation of the Oracle E-business cloud solution (including training and e-recruitment).
- Research latest developments in technology, such as artificial intelligence and robotics, carefully managed through regular systems and solutions upgrades with more effort put into cloud-based systems versus on-premises systems.
- Ensuring regular IS governance reporting to governance and executive structures and compliance with corporate governance processes.
- Continuing to ensure adequate redundancy and disaster recovery (DRP/IS continuity) capabilities.





# Nurturing our relationships and protecting value for our members

*As a defined-benefit pension fund, we have made a promise to guard and grow the Fund and to create and protect value for our members, the broader economy, and society. Our ability to do so is dependent on our relationships, our activities, and the contributions we make to our stakeholders, providing for their needs and meeting their expectations.*

Our strategic objectives	Accountability
<p>S.11: Enhance brand resonance through proactive communications of the Fund's investment strategy to an 80% positive sentiment</p> <p>S.15: Enhance member outreach and retention</p> <p>S.16: Enhance stakeholder engagement with high influence and high-power stakeholders</p>	<p>GM: Marketing and Stakeholders' Engagement</p>

### The impact of our efforts

- Proactive stakeholder engagement/reputation management (125% member outreach programme execution, 100% execution of stakeholder engagement strategy, 100% execution of investment campaign activities, and 100% member retention programme execution)
- Above-average ratings on external stakeholder satisfaction (97%), participating employer retention (97.6%), member satisfaction (91%), and internal stakeholder satisfaction (90%)
- Drafted and finalised the 2020 Integrated Annual Report

Key enablers	Key challenges
<ul style="list-style-type: none"> <li>Service excellence culture</li> <li>Proactive stakeholder engagement/reputation management (member retention)</li> <li>Innovation culture/changed mindsets</li> </ul>	<ul style="list-style-type: none"> <li>Positive resonance in the mainstream media remains challenged by public scepticism</li> <li>Traditional member outreach methods challenged by Covid-19</li> </ul>

Our commitment to implementing an integrated approach to engaging stakeholders is evidenced through our integrated stakeholder management strategy, which is supplemented by stakeholder engagement, marketing, and member outreach and retention plans that are developed in consultation with the relevant business units.

The strategy seeks to build and maintain positive relationships with our stakeholders by understanding their concerns and expectations and addressing their priority interests, as demonstrated.



The 2018 – 2023 GIPF Strategic Plan has put deliberate emphasis on how the Fund interacts with its stakeholders under the Excellent Service strategic theme. The Marketing and Stakeholders' Engagement Department has, to this end, continued to focus on several activities focused on meeting the strategic objectives of enhancing brand resonance through proactive communications of the Fund's investment strategy, enhancing member outreach and retention, and enhancing stakeholder engagement, as detailed in the following pages.

As part of a global family, the GIPF has joined hands with national institutions in combating the Covid-19 pandemic affecting societies worldwide. While the GIPF obtained the status of a critical services provider in terms of the Covid-19 regulations, the Fund took a principal decision to scale its client-facing activities down. This required innovative ways of communicating, utilising modern forms of technology and social media platforms. While presenting some challenges, modern technology did add value in assisting the Marketing and Stakeholders Engagement department to reach out to its members, and to maintain regular communication with its employees.

### Enhancing our brand resonance through proactive communication of the Fund's investment strategy

An awareness campaign regarding the Fund's investment strategy was launched in September 2020, profiling high impact domestic investments made by the Fund across Namibia. Included among these were the Mashare Blueberries Project, the Osona Village Housing Project, and the Ongwediva Medipark Hospital.

A range of communications methods was used to profile these flagship projects, with positive sentiment expressed by the public regarding the socio-economic value created in Namibia through such substantial investments.

### Reaching out to and retaining our members

While the GIPF has been actively embracing innovation and technology, it has nonetheless proven difficult to conduct online sessions with some of the participating employers due to a lack of IT equipment and unreliable connectivity on their side. The Fund therefore augmented these challenges by utilising the media to reach its members and stakeholders through targeted member education campaigns.

- A media campaign aimed at informing, educating, and sensitising its members surrounding the benefits and rules of the Fund commenced in June 2020 and ran until the end of July 2020.
- The department supported Operations by initiating an information campaign during June 2020 aimed at creating awareness on the subject of un-enrolled annuitants.
- A campaign highlighting the GIPF's financial injection into the Namibian economy ran later in the year, as described.
- Before the travelling restrictions posed by Covid-19 were imposed, several member retention visits were made to participating employers throughout the country, including the Omaheke, Otjozondjupa, Khomas, Kunene and Erongo Regional Councils, the Ministry of International Relations, Ministry of Youth and Sport, Ministry of Education (NIED), and the National Planning Commission.
- A roadshow was conducted in the Karas region and surrounding

area in addition to these retention visits. All other planned roadshows, however, were cancelled due to travel restrictions imposed by Covid-19.

*More than N\$6.6 million was spent during the year on member retention and outreach programmes.*

### Member outreach programme

The Marketing and Stakeholders' Engagement Department, along with the Operations Department, continued to work closely in ensuring that members and participating employers received the information they needed and that they understood what was expected from them to facilitate the benefit claiming process. Strong emphasis continued to be placed on the importance of data integrity and the sustainability thereof, as this directly impacts on service delivery levels.

To reassure members that their funds were safely invested, presentations on the investment performance of the Fund were included in the presentation to members.

- A total of six visits were undertaken to participating employers before travelling restrictions were imposed by Covid-19.
- A virtual meeting was held with public relations and human resource practitioners from participating employers. Significant levels of support were solicited from these stakeholders. The main purpose of these forums was to highlight the challenges faced by the Fund in streamlining the processing of claims and to seek additional support in educating members about their roles and responsibilities.
- The member outreach programme is actively supported by our regional offices, with officials serving as ambassadors of excellent customer care in the regions.
- The first "pension on wheels" mobile office truck was used extensively to reach out to members over the years. More recently, a second mobile office truck was acquired and customised to navigate harsh road conditions the first truck could not easily do. The trucks will greatly assist the regional client service consultants to handle all benefits enquiries pertaining to claims, rules, and procedures, and to reach out to members in even more remote areas instead of them having to travel long hours to access GIPF services. The first member education roadshows are being planned in the Kavango-West and Otjozondjupa regions soon.
- A member education media-campaign, focusing on unclaimed benefits, ran for the month of May 2020. This campaign appealed to all former GIPF members who have left employment due to retirement, resignation, ill-health, disability, or retrenchment, but who are yet to claim or receive their pension benefits from GIPF, to contact the HR offices of their former employers and to complete the requisite claim forms.

*Our membership base in all regions, towns and villages of Namibia currently stands at 146,525, of which 101,027 are active members and 45,497 are annuitants.*

Through our member outreach programme, our members and participating employers have been made aware of the Rules of the Fund and how they are applied, their rights and responsibilities, and the benefits they are entitled to, amongst others.

### Enhanced stakeholders' engagement

We continued to engage with our stakeholders while respecting and adhering to the regulations imposed by the Government regarding the Covid-19 pandemic.

- Our highest priority was the need to assist our employees in continually providing our members and stakeholders with the excellent service they are accustomed to. The lines of internal communication were critically important to providing external customer service and, in this respect, virtual team building sessions were held with regional staff who, otherwise, could not always attend meetings and events due to their remote locations. Employees were provided with guidelines for working from home during Covid-19 and an IT360 information refresher training was provided. All new policies were shared through Teams workshops and briefing sessions held by the CEO to update employees on the operations of the Fund.
- In recognising the increased risk of cyber-security due to the proliferation of technology usage, a cyber-security awareness campaign was launched during August 2020 to protect our employees, members, and the public against this potential threat.
- A meeting was held with the Governors of Otjozondjupa, Erongo, Kunene, and Omahake region during August 2020 as part of the Fund's outreach programme to share the immense contributions by the Fund under its unlisted investments portfolio. The GIPF has, over the years, deployed substantial capital in the regions through its alternative investments arm.
- Areas of mutual collaboration and support were discussed with several other key stakeholders, such as the Namibia Savings and Investment Association (NaSIA) and the Government Institutions Pensions Association of Namibia (GIPAN), to facilitate information sharing on topical issues in the pension fund industry which are of interest to our members.
- Visits were made to the Gobabis and Otjiwarongo regional offices to determine the internal communication needs of staff at these offices.
- Targeted engagements with unions leaders were held during the year to encourage an open-door relationship between the Fund and the unions. The engagement platform provided an opportunity for the Fund to share its plans for the year and to address concerns raised. These engagements were invaluable in continually understanding the needs and concerns of our industry stakeholders and

to provide innovative, forward-looking, and high-quality services.

### Ensuring best practices in stakeholder management

We continued to embrace best practices in our integrated reporting, with a review of our 2020 Integrated Annual Report conducted by an external consultant. As a UN PRI signatory, we will extend our integrated reporting to produce a detailed Sustainability Report aligned with the GRI's Sustainability Reporting Standards and the UN PRI's six principles that seeks to incorporate ESG factors into investment decisions to improve risk management, generate sustainable and long-term returns, and ensure alignment with the broader objectives of society.

### The GIPF Brand

The GIPF strives to be a leading and model pension fund globally, which guarantees to pay pension benefits, whilst focused on driving the growth of the fund, and contributing to the country's economic growth. In its quest to achieve this, the Fund has a strong leadership and management, follows sound corporate governance principles, has a responsible investment strategy, sound integrated internal systems and a professional and knowledgeable staff complement. The stakeholders of the Fund are central to its success. Accordingly, the GIPF has an engagement strategy that provides a detailed mapping of its stakeholders and their communication needs.

A stakeholder perception survey conducted during the year revealed that there is still a need to share relevant information on the vision, mission, and values of the Fund internally and externally, as well as to educate stakeholders on information that aims to build staff morale and loyalty. In response to the need expressed, a Brand Guardianship programme will be embarked upon where selected Brand Guardians will be empowered with the responsibility of promoting the visibility of the GIPF brand and encourage internal and external stakeholders to take an active interest in the activities of the Fund through a range of communications methods available.



## Engaging with the media

One of the relationships that are key to the Fund is the relationship it has with the media. While several planned activities were executed during the year to strengthen our relationship with the media, others had to be postponed due to Covid-19 regulations.

- One of the notable engagements was a media investment workshop attended by media practitioners, aimed at increasing the body of knowledge in the media fraternity regarding the investment ecosystem. flow of money in Namibia, the role of custody banks, the role of asset managers, methodologies surrounding selling and purchasing on the Namibia Stock Exchange, and responsible investing reporting.
- The Fund, through the implementation of the strategic initiatives, reassured its members of its mission to safeguard and grow the Fund for their benefit. It iterated that despite uncertainties in the market and prevailing economic recession, the Fund's finances remain sound, with assets sufficiently meeting its liabilities.

There has therefore been a deliberate effort to increase engagement on the Fund's social media platforms as part of our drive to ensure that the sentiments and tonality of those sources remain positive.

## Issues Management

The management and speedy resolution of issues impacting the quality of our relationships with our key stakeholders is key to building and maintaining trust and transparency.

To this effect, we have strengthened our issues management processes and are in the process of analysing key issues that have emanated from several surveys conducted during the year. This would include an ethics culture survey, the organisational culture survey, the Deloitte Best Company to Work for survey, and the stakeholder engagement survey. We are furthermore currently engaged in consultation with the Risk department to identify the level of risk and measures to be taken to mitigate potential risks.

## Looking ahead to 2022

We will continue to focus on meeting our strategic objectives with the aim of providing excellent service to our stakeholders through the implementation of ongoing and new strategic initiatives.

- With the expected change in Covid-19 regulations on public gatherings, we will regenerate our activities and realign them accordingly to reach out to as many stakeholders as possible and in the most innovative manner. The member outreach programme is an ongoing and continuous commitment that we have made, and has no time restrictions or limitations.
- We will roll out a rotational one-year Brand Guardian programme to further grow the GIPF brand and to increase the effectiveness of its internal and external communication activities. The programme will first be rolled out internally, with the second roll-out for external brand guardians planned as a second phase.
- We are aware of the vastness of our country and the distances that members need to travel to access the Fund's services and will continue to expand our footprint systematically and sustainably.
- We will build on the investment awareness and education campaign launched during the year and will continue to actively support the investment strategy of the Fund and its operations by promoting the social impact and benefits of investments and the social safety net provided by the Fund.
- We will continue to improve our integrated reporting by extending our reporting to include the production of a Sustainability Report focusing on our alignment with the GRI principles and ESG matters with regards to our responsible investing strategy and development policy.
- We will rejuvenate our member outreach programme after the relaxing of Covid-19 restrictions by hosting more regional consultative meetings to inform our members on the GIPF's strategic initiatives, developments, and processes, and will deliberate on challenges that they may encounter.
- We will continue to empower our Brand Ambassadors in telling the GIPF story about how it honours its stewardship over our members' funds and why they should be rest assured that their funds are in good hands.
- We will continue to strengthen relations with the media by fully executing our media management strategy and plan.



# Outcomes-based governance, risk and compliance (Intellectual capital)

## Governance activities for the year

A summary of the strategic initiatives undertaken under the specific strategic objectives relating to the strategic theme: Outcome-based governance, risk and compliance is provided on the following pages. This section should be read in conjunction with the detailed report on Governance and the report on Our Principal Risks

 [SEE PAGES](#)  
46 - 54

 [SEE PAGES](#)  
37 - 43

Our strategic objectives	Accountability
S.21: Ensure continuous enhancement of the internal control environment S.22: Enhance governance culture S.23: Embed a positive risk culture in GIPF	Acting Chief Audit Executive Governance and Ethics Manager: Risk
S.24: Enhance management of compliance and legal risks S.25: Ensure that GIPF rules and policies comply with regulations requirements	Chief Legal and Compliance Officer

### The impact of our efforts

- Strong organisational emphasis on the GIPF Ethics project and Audit
- Several key policies reviewed and approved by the Board of Trustees
- Achieved a Board resolution rate of 95.7%
- Enhanced governance efficiency through technology enabled solutions
- Produced an exceptional 2019/2020 Integrated Annual Report
- Strengthened legal risk management
- Strengthened compliance risk management

### Key enablers

- Visible support and participation from senior and middle management team
- Continuous skills development of risk champions
- Designed risk management framework and processes across the Fund
- Monitoring of implementation of the Enterprise Risk Management policies and procedures
- Risk culture that is embedded throughout the organisation, enabling a positive risk attitude and openness, and commitment to share relevant information on internal control weaknesses, risks and incidences
- Accessibility of relevant quality and timely information

### Key challenges

- Insufficient domestic investment opportunities make it challenging to meet regulatory investment targets and causes non-compliance
- Market volatility leads to investments exceeding regulatory limits and causes non-compliance
- Government's abrupt amendment of laws such as Administration of Estates Amendment Act 22 of 2018 without implementation readiness assessment causes non-compliance
- Cashflow challenges on the employers causes employers not to pay over contributions to GIPF on time
- Risk incident reporting – which is sometimes delayed or not reported
- Increased activities of implementing risk management processes, placing strain on internal capacity
- An increased need for value-added risk advisory services, while having limited capacity
- Timely reporting and availability of business information

## Enhancing our internal control environment

The Fund continued to strengthen its internal control environment during the year, with a significant reduction in logged audit issues, by 76% in 2021 as compared to 67% during 2020. This reduction was mainly attributed to diligent follow-up work conducted by the Internal Audit Department and the management efforts to address the identified risks.

### Audit areas reviewed

The audit areas reviewed by Internal Audit Department during the reporting period include the following:

- Cash clearing account
- Compliance Audit: Investments
- Pension contributions
- Assessment of cyber security
- Fleet management
- Job grading and regrading process
- Management of operational expenditures
- Resignation benefits
- Training and development
- Walkthrough assessment on the effects of Covid19 pandemic of the operations of GIPF
- Assurance on the governance maturity level assessment

## Enhancing our governance culture

The Board and Executive Committee have set out to inculcate a culture of good corporate governance through ethical and effective leadership. This, they do by setting the tone at the top and walking the talk through responsible leadership.

In this manner, the top leadership ensures that all employees enhance sound governance through their own exemplary actions. The impact of good corporate governance lies in fostering positive behaviour, improved top-level decision-making and an assured internal control environment.

### Performance for the year

- Finalised the review of the Corporate Governance Framework and incorporation of several policies
- Finalised the enterprise-wide governance maturity rating (of 4.18%)
- Board performance assessment for 2020/2021 conducted
- Board training conducted in line with the training plan
- Implemented digital platforms for enhancing governance efficiency
- Institutionalised the ethics management plan and strategy

## Embedding a positive risk culture

Embedding a positive risk culture is firmly entrenched within GIPF as a strategic outcome.

The Board, through the Audit and Risk Committee, has continued to protect existing value and create new value through the efficient management of risk and recognition of opportunity.

The assessment of risks, reporting on the implementation of remedial actions, and maintaining of the risk profile, is an ongoing exercise. A self-assessment maturity review was conducted and validated by the Internal Audit Department at a risk maturity level of 2 against a target level of 3 by 2023.

Several activities undertaken during the year to further reinforce and embed a positive risk culture within the GIPF, included:

- A consultative workshop was held with management to help identify fraud risk mitigation measures.
- A fraud risk awareness workshop for employees was conducted between 22 – 24 February 2021 to introduce the concepts of fraud, its identification, and the need for deterrence measures. Feedback was provided to Exco on potential fraud hotspots, the sharing of fraud management best practices, and a gap analysis for implementation of fraud management. Data analytics tools for fraud detection will be considered in the coming year.
- The Fraud Risk Management policy approved in April 2018 is (as required every three years) under review. The draft revised policy will be presented at the next Audit Committee meeting, and to the Board for final approval mid-2021.
- Risk champions and Management have received a refresher training on basic risk management practices to enable them to better understand the Fund's risk management approach.
- Drafted risk tolerance and key risk indicator information to monitor risk taking against the approved risk appetite across our strategic themes and strategic objectives.
- Confirmed the most significant risks, requiring both active management and monitoring, through the annual risk assessment process.
- Coordinated the resolution of the top risks through monitoring of a cure rate of which 89% (2020: 75%) was achieved against an expected target of 100%. The cure rate measures the implementation of mitigation actions for the most significant risks facing GIPF on a strategic and operational level.
- The Enterprise Risk Management policy was revised with alignment to the Namibian ISO 31000 Risk management standard, and approved by the Board in December 2020.
- Facilitated an impact assessment of the Covid--19 pandemic on the Fund, with identified risks and opportunities considered for mitigation or exploration. Introduced a pandemic response management plan to cater for the business continuity and
- An improvement plan was defined following the June 2019 disaster recovery exercise, with a follow up disaster recovery test completed after the implementation of improvements actions, confirming that critical systems can be restored below two hours.



## Performance for the year

Several activities were undertaken during the year under review to manage our compliance and legal risks and ensure that GIPF rules and policies comply with regulations requirements:

### Managing compliance and legal risks

- Compliance awareness sessions were held, with eight policies and seven pieces of legislation workshopped with employees.
- Turnaround times for legal services were improved from 85% in the previous year, to 92% by the end of the financial year.
- Turnaround time for legal opinions rendered was improved from 80% in the previous year, to 91% by the end of the financial year.
- Monitoring tools have been established for compliance monitoring of rules and policies. The results of the compliance monitoring activity for the quarter ended 31 December 2020 indicate that the fund is compliant with most laws. In cases of non-compliance, recommendations by management were noted by the Legal, Governance, and Compliance Committee, with the recommendation presented to the Board that management takes reasonable steps to comply with regulatory requirements, limits, and deadlines, and timeously implements remedial actions.
- An off-site inspection of the GIPF's Annual Financial Statements was conducted by NAMFISA for the financial year ended 31 March 2019.

### Ensuring compliance with regulations requirements

- A review of the Funds regulatory and policy framework was conducted and proposals for improvement identified, with recommendations approved by the Board.
- The rule amendment proposals have also been compiled and considered by the Board.
- Policy amendment proposals were compiled and proposals for improvement submitted to the Board, resulting in nine new policies being adopted and six existing policies being amended.
- A funding policy proposal has been compiled, recommended to the LGGC, and approved by the Board on 29 March 2021.

### Looking ahead to 2022

In the coming financial year, we will commit ourselves to safeguarding our members' interests and diligently focus on realising the strategic objectives and initiatives reported on in support of practising outcome-based governance, risk, and compliance.

- Building an ethical values-driven organisational culture is a journey which our leadership will diligently pursue in 2020 through its Ethics Management Programme. An Ethics Management Strategy and Ethics Management Plan (EMP) will be formalised in the coming months. Ethics awareness will further be strengthened with additional training across various levels and divisions. Ethics training and induction programmes will be mandatory for all employees and awareness will be created regarding ethics management

and advisory functions within the organisation. Ethics risks, as identified, will be incorporated into the organisation's risk register and subjected to mitigating interventions.

- A Fit and Proper Person Policy will be developed.
- A Governance Maturity Audit will also be conducted.
- Continue with swift implementation of the annual risk-based audit coverage plan within acceptable timelines to ensure optimal recency rate.
- Develop the annual combined assurance plan and report such to the ARC.
- Robust information systems security infrastructure and solutions will be deployed and maintained and an organisational Information Security Management System (ISMS) programme will be developed and implemented.
- Continue monitoring and reporting on the most significant strategic and operational risks for the Fund to ensure that effective mitigation takes place and that progress and challenges are reported upon.
- Workshop Risk Appetite and Tolerance measures for the Fund to ensure that risk appetite is considered during decision-making and that risk-taking remains within set tolerances.
- Review the Business Continuity Management Policy and Business Continuity Plan to ensure that business continuity responses are effective to various scenarios.
- Review the Fraud, Theft and Corruption Management policy to align with best practice and internal organisational changes.
- Facilitate a fraud risk assessment to confirm the inherent fraud risk areas and to verify that measures to deter fraud are appropriate for ensuring a zero tolerance level.
- Review regulatory and policy frameworks to identify areas of improvement through policy intervention and revision of its Rules. This will also incorporate the provisions of the FIM Bill.
- The Fund will continue to place more effort on strengthening its compliance culture by embedding compliance management in its daily operations. This should result in an improved compliance maturity level.
- Implement the revised Legal Risk Policy and the Compliance Risk Policy.
- Measure and strengthen the effectiveness of legal risk management and compliance risk management.
- Investee companies' relations will be strengthened during the coming year through a review of the Nominee Directors Policy and Unlisted Investments Master Contract to incorporate best industry practices.
- The various FIM standards will be workshopped. A gap analysis will be conducted to identify areas of improvement in the Fund's policies, systems, and areas of operations.
- We anticipate that the FIM Bill will be signed and published to allow the Fund to finalise the amendment of its rules.

Our commitment to outcome-based governance signals our intent to reach new maturity levels in the areas of risk, governance, and compliance, with the aim of ensuring a risk maturity score of 3 and a compliance maturity level of 3 by 2023.



# Employer of choice

## (Human capital)

GIPF takes pride in fostering an ideal working environment for skilled, engaged professionals.

The Human Resources Department, as the principal driver of the Employer of Choice strategic theme, has continued to create the best possible environment for its human capital throughout the year by building on several initiatives to support the strategic objectives described in the following pages.

We believe that an engaged, motivated, and skilled workforce, that has a deep sense of belonging to purpose, vision and values, meaningfully contributes towards delivering value to our members and all other stakeholders.

Our strategic objectives	Accountability
S.26: Ensure effective talent acquisition and retention S.27: Inspirational leadership and management S.28: Strategy driven training and development S.29: Drive occupational health, wellness and safety S.30: Build the GIPF organisational culture S.31: Ensure sustainability of HR related costs	Acting GM: Human Resources

### The impact of our efforts

- Successfully launched and completed the inaugural GIPF Global Leadership Programme, with 21 leaders and 100% attendance rate
- Developed and implemented urgent Covid-19 guidelines and wellness support and counselling to staff
- Implemented critical skills programme, prioritising key and critical skill sets required to achieve Fund strategy

### Key enablers

- Investing in Human capital through skills development and capacity building
- A renewed focus on employee wellness and wellbeing
- Creating transformational leaders

### Key challenges

- Covid-19 posed wide ranging challenges on the Fund's human capital in terms of strategic and operational momentum, HR policy relevance, staff wellbeing and morale
- Absence of compatible and co-ordinated recruitment process methodologies and to optimise acquisition of positions and skills

## Creating value through our human capital

To remain focused on building a high performing workforce through a compelling Employee Value Proposition, and to fully embrace the strategic pillar “Employer of Choice”, has required us to reinforce our vision and our values, the cornerstone of our culture. Our workforce has had to rapidly shift towards delivering services with greater speed, innovation and agility under a difficult external environment.

Overall, the Human Resources department has responded to its call as a key strategic partner and enabler of the overall Fund strategy. This was primarily achieved by swiftly implementing the critical skills programme that is linked to strategy. The programme has direct strategic significance in that it develops a clear skills pipeline that puts the Fund in a position to deliver on its strategy. The development and approval of a clear set of guidelines that define the parameters of the programme was a notable achievement for the year. Secondly, the first cohort of leaders completed the GIPF Global Leadership Programme, a tailor-made leadership programme facilitated by the Gordons Institute of Business School (GIBS) that dealt with real, Fund-specific strategic challenges as core topics.

## Our workforce

There was no change in the staff complement of 246 for the 2020 and 2021 financial years, as eight positions that became vacant due to resignations were subsequently filled during the year under review. There were three fewer resignations and retirements this year as compared to the previous year, with five employees having resigned.

The number of permanent employees by department for the period ending 31 March 2021 is illustrated in the table below:

Department	Total permanent staff	Vacancies	Total staff	Total % of permanent staff
Operations	153	15	168	62.20
Finance	26	3	29	10.57
Human Resources	9	3	12	3.66
Information Systems	22	1	23	8.94
Internal Audit	7	1	8	2.85
Investments	10	8	18	4.07
Marketing and Stakeholders Engagement	7	1	8	2.85
Office of the CEO	12	0	12	4.88
<b>Total</b>	<b>246</b>	<b>32</b>	<b>278</b>	<b>100%</b>

## Organisational vs individual performance 2020/2021

The Fund adopts a strategy-linked Performance Management system that aligns individual performance to over Fund strategy. The Funds strategic plan is annualized by means of an annual Corporate Scorecard that is cascaded into Departmental Scorecards that ordinarily serve as the Performance contracts for Executives. To ensure that strategy is organically incorporated into every area of the Fund, the departmental scorecards that depict strategy aligned actions are further placed into Individual performance agreements that are mandatory for all staff:

	Executive Management	Middle management	Specialist skilled supervisors	Skilled	Semi-skilled
<b>Individual Performance Average Score</b>	3.37	3.33	3.61	3.47	3.54
<b>Corporate Score</b>	3.37				

The conclusion derived at after analysing the overall performance data and the Strategic Scorecard Performance Review, is that the Performance Validation process was concluded objectively, fairly and consistently seeing that the individual employees' performance review outcome is 3.56, while the Strategic Corporate Scorecard (CEO Performance) is 3.37.

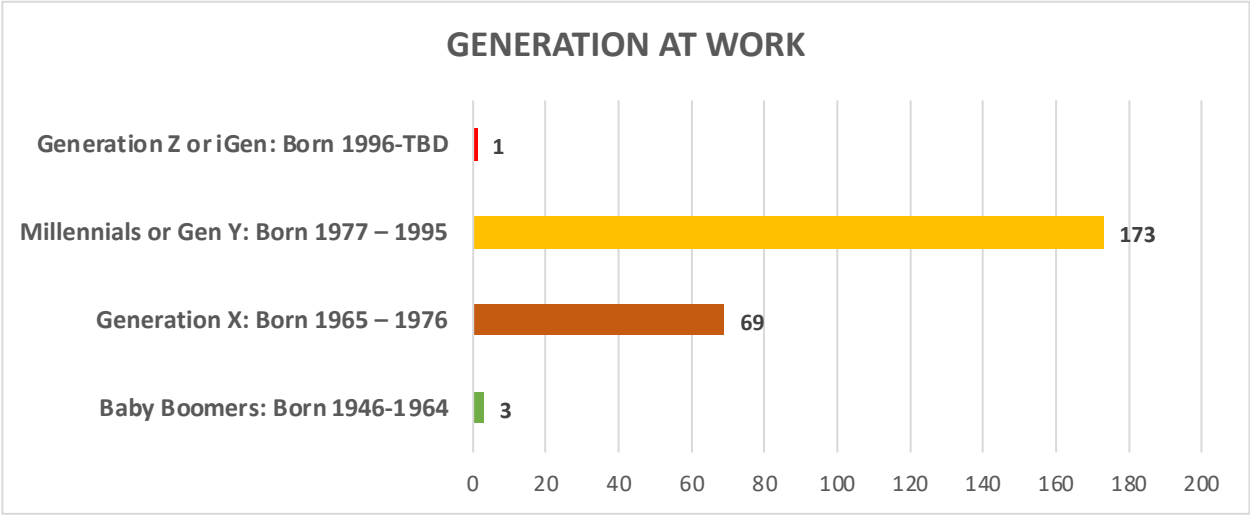
There is therefore a very good correlation between the Individual Employees' Performance Review Outcome [3.56] and the Strategic Corporate Scorecard Outcome of [3.37] and thus the Organisational Performance for the period 2020/21 was ratified and validated by the Board of Trustees during the year.

## Workforce Profile

Job Category	Racially disadvantaged		Racially advantaged		Persons with disabilities		Non-Namibians	
	Men	Women	Men	Women	Men	Women	Men	Women
Executive management	7	0	0	0	0	0	0	0
Middle management	16	10	0	0	1	0	0	0
<b>Specialist skilled supervisors</b>	56	68	0	2	2	0	0	0
<b>Skilled</b>	17	48	0	0	1	0	0	0
Semi-skilled	9	13	0	0	0	0	0	0
<b>Total permanent</b>	105	139	0	2	4	0	0	0
Fixed terms/temporary	2	2	0	0	0	0	0	0
<b>TOTAL</b>	<b>107</b>	<b>141</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>

Generational Groups in GIPF

GIPF’s workforce is comprised of four generational groups, namely the “Baby Boomers” (born 1946 – 1964); “Generation X” (born 1965 – 1976); “Millennials” or “Generation Y” (born 1977 – 1995), and “Generation Z” or “iGeneration” (born 1996 – current) This generational group classification assists the Fund in planning appropriate training, coaching and development, and preparing for retirement. Since various generational classifications respond to certain workplace dynamics differently, the Fund is able to better suit organisational initiatives in particular ways in order to best appeal to its dynamic workforce.



Union engagements

The Namibia Financial Institutions Union (NAFINU) is the official bargaining agent recognised by the Fund. Employer and union relations continue to grow from strength to strength, with regular consultative sessions on matters of mutual interest. The employees are represented by Workplace Union Representatives that are empowered, trained and recognised to represent staff interest to management and the Board.

Diversity and inclusion

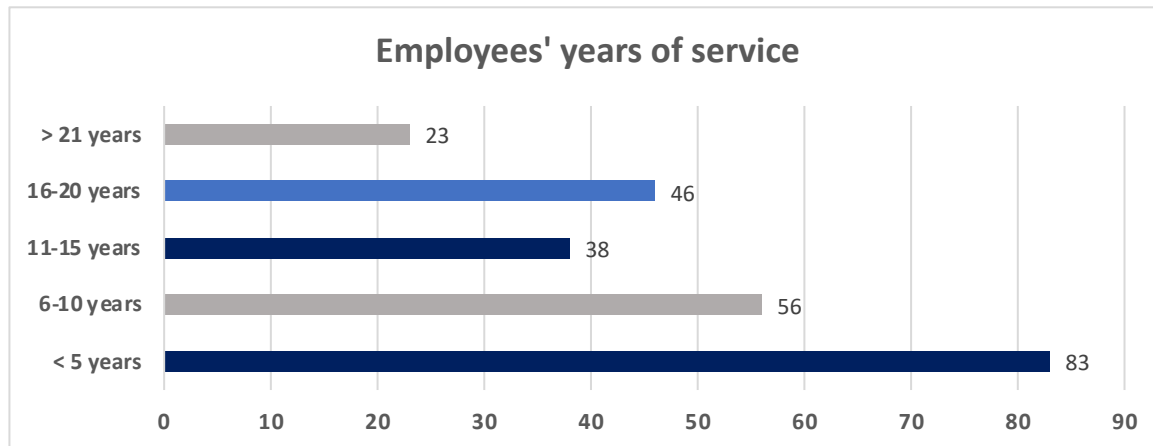
GIPF is committed to fostering an inclusive culture that respects and embraces the diversity of its employees. We aim to attract, develop, and retain the most capable employees, irrespective of their cultural religious, gender backgrounds/differences, physical abilities, beliefs, and experiences.

Women are well represented in terms of gender representation across the organisation, with the total percentage being 58.5% of the total workforce. However, as illustrated in the charts below, the representation of women at managerial level remains an area of constant attention, despite four additional females being appointed during the year.

Our diversity efforts will be particularly focused on advancing women in order to raise the proportion of female managers by the end of the strategic planning cycle.

Employees’ years of service

The majority of employees (163) have been in the service of the GIPF for more than six years’, clearly reflecting the foundation we have laid of being an employer of choice, with strong corporate values and ethics forming part of our culture and strategic intent. The employees’ years of service is depicted below:



### Long-term service awards

GIPF values the contributions made by all employees and considers it important to recognise, reward and celebrate the commitment of those who have worked for GIPF for five or more years.

This year, 30 employees received long-term service awards, compared to 48 employees in the previous year, with an amount of N\$276,000 (2020: N\$651,778) dedicated to this purpose.

Several initiatives in support of the strategic objective of creating the best possible environment for our human capital, as described in following pages, were implemented during the year under review.

### How we performed against our strategic objectives

The belief of Human Resources as a key enabler of the Funds strategic objectives is entrenched in the HR department strategic objectives that are linked to the overall Fund strategy. These strategic objectives are listed and purposed as follows:

### Inspirational Leadership and Management

The Global Leadership Development Programme facilitated by the University of Pretoria's Gordon Institute of Business Science (GIBS) was successfully executed during the review period, with 21 participants attending the training. Five virtual training sessions were completed, with 100% attendance. The course content included: shaping culture; ethical leadership; an introduction to systems thinking; new ways of working (agile); and ethical leadership.

Participants indicated that the training was of immense value to their professional and personal development and scored the overall training experience on a level of four out of the highest possible score of five.

The Human Resources department proposed that leadership positions on levels 3 and 4 be included in the next batch of programme participants in the next financial year. This will enable cross-functional level learning and collective solving of challenges facing the Fund, with leaders having the same systemic thinking across the various levels of the organisational structure.

### Strategy driven training and development

The current challenges of the Covid-19 pandemic have also impacted training and development practices. Training embraced the innovative approach of conducting training virtually, which resulted in a significant reduction in the cost of training compared to the previous year.

The table below illustrates these financial implications, comparing those of the prior year to the period under review:

DEPARTMENT	AMOUNT SPENT	
	FY 2019/2020	FY 2020/2021
<b>Training Budget</b>	<b>5,578,659.97</b>	<b>4,909,863.00</b>
Operations	3,760,833.57	282,499.00
Office of the CEO	109,459.13	110,978.92
Internal Audit	213,359.33	42,631.00
Investments	113,764.60	7,999.00
HR	423,637.64	96,630.00
IS	272,776.05	-
Marketing	213,010.86	55,133.76
Finance	70,533.79	62,220.00
Leadership Development for Women	-	138,591.95
Global Leadership Dev. Program	-	725,716.20
GIPF On-line Team Building	-	231,300.00
Initiating and Chairing Disciplinary Hearings	-	69,000.00
Critical Skills	436,687.51	-
<b>Total</b>	<b>5,614,062.48</b>	<b>1,822,699.83</b>



### **Covid-19 responsive training and development initiatives: Post lockdown emotional intelligence training**

A need was identified to provide our employees with emotional intelligence training to assist them with the necessary skills for coping with the impact of Covid-19 on their wellbeing.

The training programme, which will commence in the 2021/2022 financial year, is expected to enhance performance and the challenges of working from home.

### **Basic pension fund training**

A training programme for all employees who have not received training in pension fund administration is being designed in-house and will be facilitated by our subject matter experts, to ensure that every employee understands the core business of the Fund.

### **On-line customer service excellence training**

Maintaining our high standard of customer service excellence relies on continuous training interventions and to this effect, on-line training for all employees appointed from October 2019 was conducted in December 2020.

### **Leadership Development for Women Summit**

Unfortunately, women in leadership positions rarely have the opportunity to come together and share their leadership experiences in a learning environment that has direct relevance and personal impact. GIPF therefore took full advantage of the opportunity presented for our women in leadership to attend the Leadership Development for Women Summit held in Windhoek from 2 – 4 March 2021. The summit was aimed at highlighting and amplifying the influence of women leaders in the workplace, and beyond, in times of crisis through peer-to-peer learning.

### **Drive occupational health, wellness and safety**

GIPF believes wellness is more than the absence of disease; it is the optimal health of body, mind, and soul. The primary goal of GIPF's wellness programme is to inform, empower, and provide employees with the skills to take ownership of their wellbeing.

The intended benefits of the Employee Wellness Programme are to enhance morale, reduce stress and burnout among employees, reduce absenteeism and disengagement, lower health care costs, increase productivity, and add to the health and longevity of each employee.

A tangible commitment was made to the Employee Wellness Programme with an amount of N\$2.7 million provided for the financial

year ending 2021, compared to an amount of N\$2.0 million budgeted for during the previous financial year.

Of the N\$2.7 million funds provided, substantial funds were allocated to the Covid-19 programme that included the acquisition of health-related items such as masks, sanitizers, disinfectants and testing for employees.

The Fund continues to encourage all employees to observe the Covid-19 protocols and to adhere to the preference to work from home on a rotational basis.

### **Our response to Covid-19**

The year under review has presented unique challenges surrounding the provision of HR support to employees. Following the announcement by the World Health Organization (WHO) on 11 March 2019 about the global Covid-19 pandemic, employees were sent home with significant uncertainty as to when they would be returning to office. GIPF responded quickly to this situation to ensure that the delivery of essential services continued while adhering to the health and safety protocols put in place to manage the pandemic.

Key HR employees were included in the Fund's Emergency Task Team, while payroll and our information management staff were prioritised to ensure that we could support the critical services that all of our employees rely on. More importantly, the Fund ensure critical staff were retained to provide key services to our esteemed members across the country.

With the Covid-19 pandemic extending into the next financial year, we foresee a number of regular business processes and timelines being shifted and, with that, several policies will need to be reviewed and adjusted to fit the "new normal". Moreover, the concept of psychosocial support is emerging as a central function of a strategic Human Resources department and the GIPF HR team intends to evolve accordingly.

### **Build the GIPF organisational culture**

The Fund acknowledges that the organisational culture is the number one enabler to contribute to overall strategy execution. Therefore, the Fund has adopted the Hofstede Insights Culture methodology as a basis to assess current culture and determine the optimal culture. The corporate culture activities, with focus on cost management, leave management, discipline/ethical conduct, and leadership development, continue to receive major attention as awareness is created on the importance of remedying performance culture deficiencies.

An optimal culture programme was developed and presented to management and authorised for implementation.

The culture findings and activities initiated to address shortcomings are described in the table below:

Culture finding	Initiatives
Cost consciousness to be improved	Continuous monitoring of costs and budget implementation is conducted with cost savings encouraged as a mandatory feature and included in the performance agreements of the executive management and middle management
Leave to be managed	A leave liability reduction project was introduced to ensure effective absence management controls
Discipline and ethical conduct to be strengthened	Virtual awareness sessions were conducted on the approved Code of Ethics and Conduct policy, as well as the Industrial Relations Policy and Procedures regarding discipline and ethical conduct.
Heterogenous culture	Staff are, through a wide range of communications methods, continuously kept abreast of organisational-wide matters and matters in the external environment of interest and that may impact their wellbeing.
Leadership style not well defined	A Global Leadership Development Programme continues to be implemented with the Gordons Institute of South Africa (GIBS) as reported on under the "Inspirational Leadership and Management" strategic objective
Short-term work orientation	The culture findings and activities initiated to address shortcomings are described in the table below:
The culture findings and activities initiated to address shortcomings are described in the table below:	Quarterly CEO virtual staff briefings on progress of strategy implementation were held to share the GIPF's middle and long-term strategic focus

## Ensure sustainability of HR related costs

### Remuneration and benefits

Recruitment and retention of top talent are crucial elements in the delivery of excellent service. The Fund has, however, realised the importance of balancing the recruitment cost with the Funds income ratio, particularly in the current economic environment. The HR department has prioritised the education and advising of line departments on the wage bill expense compared to the organisational operating expenses. The tagline, “Doing more with Less”, should be resonated throughout the organisation.

The graphs below illustrate the current wage bill as a percentage of the total operational cost compared to the prior year.

### Cost of employment as a % of operational expenses



The table below compares the salary and benefits of employees for the period ending March 2020 and 2021:

Salaries and benefits	2020 (millions : N\$)	2021 (millions : N\$)
Total salaries	91 868 204	98 547 899
Total benefits	84 896 370	89 564 619
Total wage bill	176 764 574	188 112 518

The increase in employment costs in 2020 was a result of vacant positions filled, annual salary increases effected in April, and increased benefits in medical aid, housing, and transport.

Total leave liability increased from N\$20 million last year to N\$26 million as at 31 March 2021, mostly attributed to organisation-wide annual salary increments, the introduction of the “work from home” initiative as a response to Covid-19, and the accumulation of leave days.

To address the situation, HR has initiated an ongoing awareness programme on the importance and benefits to the overall health and wellbeing of employees in taking sufficient and consecutive annual leave days.

### HR metrics and workforce analysis

The GIPF workforce is fit for purpose, to execute the strategic plan and to attain the vision of becoming a leading and model Pension Fund globally. The HR metrics and workforce analysis are essential to enable the appropriate human resources decisions and plan human resources needs correctly. This involves identifying the current and anticipated future supply of labour and skills, identifying GIPF current and future needs in terms of delivery, skills, and competencies (demand analysis), and determining the gaps between the current and future supply and demands.

### Looking ahead to 2022

The role of Human Capital has evolved over time, particularly with Covid-19 and the fundamental changes it has brought to the world of work. As a result, the GIPF HR department seeks to evolve accordingly and remain relevant to the vibrant workforce that is the GIPF staff. This will be achieved by maintaining a focus on the key strategic actions that have a direct impact of the Funds strategy such as the global leadership programme, the building of the optimal organisational culture and the attentive approach to our workforce in the form of psycho-social support and broader organisational wellness initiatives. In the addition to these priorities, the GIPF as an employer will seek to adapt and strengthen its policy environment to respond to emerging working trends such as flexible and remote work, work life balance and other progressive HR concepts. Lastly, going forward, the HR department will seek to augment its talent management efforts by approving and implementing a Talent Management policy and approach that will deal with succession planning for critical roles. Ultimately, the HR department will seek to remain abreast and ahead of the fundamental shifts in the external and internal environment and remain agile enough to respond to these strategic responses for the benefit of the Fund, its staff and its esteemed members.

## NOTES



## CORPORATE INFORMATION

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[www.gipf.com.na](http://www.gipf.com.na)



### Feedback

We value feedback from our stakeholders and would appreciate your views both on our disclosure and our performance by contacting:

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