

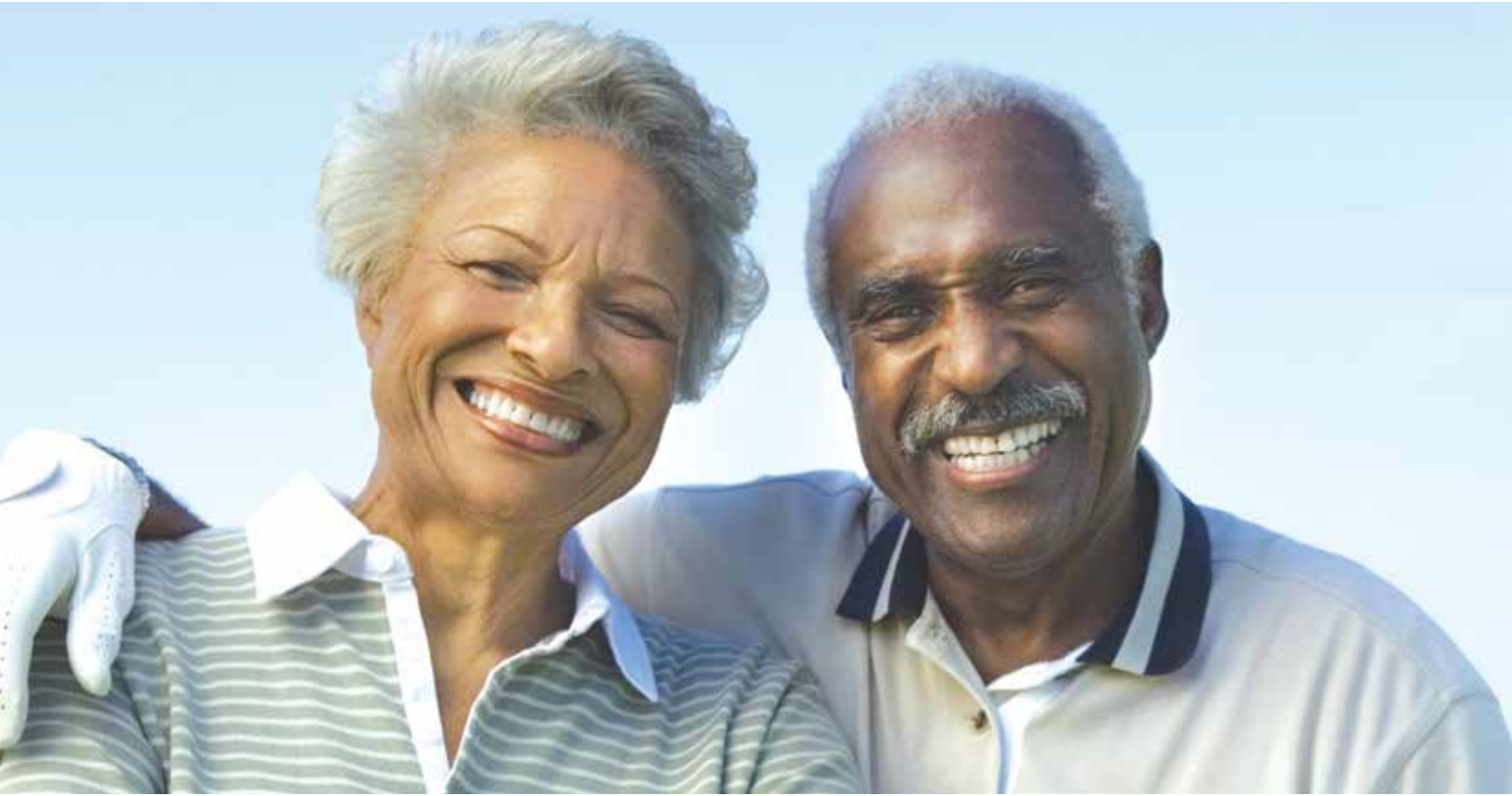


GIPF

Government Institutions
Pension Fund

**REPORT ON THE STATUTORY
ACTUARIAL VALUATION
OF THE
GOVERNMENT INSTITUTIONS PENSION FUND
AS AT
31 March 2015**

HUMANITY
Employee Benefits



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EXECUTIVE SUMMARY

Financial Position

- The financial position of the Fund at the current and the previous valuation date assuming the Trustees accept the recommendations in this report is as follows:

	31-Mar-15 (N\$ 000)	31-Mar-12 (N\$ 000)
Total Liabilities	58 741 718	35 845 664
Active Members	47 296 399	26 763 686
Pensioners	10 619 377	8 809 138
Disability Income Recipients	825 942	272 840
Total Reserve Accounts	23 029 025	12 611 304
Longevity Reserve	6 344 106	3 932 857
Employer Contribution Reserve	12 191 761	5 704 704
Data Reserve	1 182 410	1 239 060
AIDS Reserve	3 310 748	1 734 683
Total Liabilities	81 770 743	48 456 968
Value of Assets	88 562 349	50 178 171
Surplus/(Deficit)	6 791 606	1 721 203
Funding Level	108.31%	103.55%
Contingency Reserves as a Percentage of Liabilities	39.20%	35.20%

- Based on the above results, we certify that the Fund was financially sound as at the valuation date.
- The total employer contribution rate required over the next year to meet the cost of funded benefits accruing is given below:

	Required Contribution Rate		
	31-Mar-15	31-Mar-12 Restated ¹	31-Mar-12
Retirement Benefits	20.96%	21.00%	16.60%
Disability Benefits	1.08%	1.50%	1.50%
Death Benefits	8.42%	8.20%	12.60%
Resignation Benefits	0.59%	0.70%	0.70%
Funeral Benefits	0.10%	0.20%	0.20%
Fund Expenses	1.40%	1.40%	1.40%
Total Required Contribution Rate	32.55%	33.00%	33.00%
Less Member Contribution Rate	7.00%	7.00%	7.00%
Total required Employer(s) Contribution Rate	25.55%	26.00%	26.00%

Membership Summary

4. The active membership of the Fund as at 31 March 2015 and 31 March 2012 was as follows:

Item	31-Mar-15	31-Mar-12
Number of Active Members	106 092	98 304
Salary Weighted Average Age	41 years 8 months	41 years 3 months
Salary Weighted Average Past Service	13 years 1 month	12 years 9 months
Total Annual Salaries (N\$)	13 774 485 508	9 028 467 000
Average Annual Salaries (N\$)	129 835	91 842

1

Please note that the death benefits' required contribution rate as at 31 March 2012 includes the cost of death after retirement benefits whilst that at the current valuation date is in respect of death in service benefits only. The 2012 rates have been restated to include death after retirement costs within the retirement benefits rate.

5. The pensioners' membership (excluding child pensions) under the Fund as at 31 March 2015 and 31 March 2012 was as follows:

Item	31-Mar-15	31-Mar-12
Number of Members	23 136	20 158
Total Annual Pensions (N\$)	721 500 308	495 566 000
Pension Weighted Average Age	62 years 1 month	59 years 3 months
Average Annual Pensions (N\$)	31 185	24 584

6. The disability income membership under the Fund as at 31 March 2015 and 31 March 2012 was as follows:

Item	31-Mar-15	31-Mar-12
Number of Members	721	597
Total Disability Income (N\$)	46 992 064	34 177 000
Income Weighted Average Age	52 years 2 months	51 years 1 month
Average Annual Disability Income (N\$)	65 176	57 248

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

7. The valuation results show a funding level of 108.31% as at the valuation date and we can consequently certify that the Fund is currently in a financially sound condition.
8. A typical guideline is that it is best for a fund of this nature to have a funding level of between 105% and 115% over time. We note that as at the current valuation date, the funding level falls in this ideal range.
9. The valuation revealed liabilities and reserves of N\$81.770 billion whilst the actuarial value of the assets was N\$88.562 billion. The actuarial surplus amounted to N\$6.792 billion as at valuation date.
10. We have examined the assets in relation to the liabilities, and in our opinion, the assets are suitable for the profile of the liabilities.

Recommendations

11. The Trustees should continue to monitor the Employer Contribution Reserve over time to assess its suitability for financing the subsidy and smoothing the required contribution rate(s).
12. The Trustees should consider improving risk management strategies on the Fund and actively monitor the current self-insurance arrangement. Regular claims experience

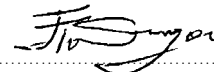
investigations would therefore be necessary as part of future valuations to measure and analyse the exposures due to this arrangement on risk benefits.

13. There were some problems with the data employed for this valuation though we have noted that the quality of the data has improved over the valuation period. The Fund administrators should check the problems highlighted and rectify them before the next valuation. There is still need to set up a data audit team or assign a quality controller whose main role will be to maintain and enforce the requirements of a clean data for all major exercises on an on-going basis. This will enable a more accurate representation of the financial position of the Fund in future.
14. To allow for prudence a Data Reserve continues to be retained in the Fund in respect of erroneous or missing active membership data although at a much lower level than historically the case.
15. The Trustees need to consider paying an additional 8.31% to all exits since the valuation date. This will be reviewed at the next statutory valuation date or earlier if financial conditions change drastically in a way that the Valuator deems such a review appropriate.
16. We certify that the Fund was financially sound as at the valuation date.



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September 2015

INTRODUCTION AND OBJECTIVES

Introduction

17. We have pleasure in presenting the results of the statutory actuarial valuation of the Government Institutions Pension Fund (GIPF or the Fund interchangeably) as at 31 March 2015 (the valuation date). The previous statutory actuarial valuation of the Fund was performed as at 31 March 2012 (the previous valuation date).
18. This report is addressed to the Trustees of the Fund with copies available for the Registrar and representatives of the Sponsoring Employers.
19. The valuation has been carried out in accordance with section 10.8 of the Fund's Rules.
20. For the purpose of this valuation report, "valuation period" represents the period from 1 April 2012 to 31 March 2015.
21. The Fund is governed by its Rules. The liabilities of the Fund towards its Members and annuitants were calculated in accordance with these Rules. A summary of the Fund structure and of specific benefits and conditions applicable to Members is set out in Appendix 1 to this report.

Objectives

22. The main objectives of this valuation are to:
 - a) Assess the financial position of the Fund as at the valuation date;
 - b) Review whether the future contributions are adequate to meet the future accrual of benefits stipulated in the Rules of the Fund;
 - c) Determine whether the nature of the assets of the Fund is suitable to match the nature of the liabilities of the Fund; and
 - d) Comply with legislation.

Professional Guidance

23. This report adheres to the Standards Actuarial Practice Note SAP201 of the Actuarial Society South Africa (ASSA) applicable to statutory valuations being carried out in the Republic of South Africa: The

ASSA practice notes are equally applicable to valuations in Namibia since the Society of Actuaries of Namibia (SAN) is affiliated to ASSA and is yet to come up with its own practice notes.

PARTICULARS OF THE FUND

24. The objective of the Fund is to provide retirement, death and ancillary benefits for the Members and beneficiaries as described in the Rules.
25. The Fund evolved from the Statutory Institutions Pension Fund ("the Old Fund") with effect from 1 October 1989.
26. There are currently about 69 Sponsoring Employers registered under the Fund. The largest proportion of Employees is from Government ministries. These constitute about 93% of the total active membership as at the valuation date.
27. The funded benefits are provided on a defined benefit basis. Under a defined benefit arrangement, the individual's pension is calculated according to a formula. The pension is calculated as 2.4% of Final Salary multiplied by Member's Pensionable Service.
28. All pensions and cost of increases are paid directly by the Fund and are not outsourced.
29. Members on disability income make retirement contributions into the Fund.
30. As at valuation date, the Fund employed over 100 officers and administrators who administer the Fund's operations under the Trustees' guidance. The Trustees manage and control the Fund's affairs according to its Rules.
31. The Employer currently contributes to the Fund at the rate of 16.0% of Pensionable Emoluments. The total Employer contribution rate includes an allowance for the cost of risk benefits and the contributions earmarked for the administration expenses.
32. Each Member contributes to the Fund at the rate of 7.00% of Pensionable Emoluments.

THE INTER-VALUATION PERIOD

Administration

33. The Fund was self-administered over the valuation period.

Contribution Rates

34. The employer's required contribution rate set out at the previous valuation date was 33.0% of Pensionable Emoluments. The employer contributed at a rate of 16.0% of Pensionable Emoluments over the period since the last valuation as noted above.

Investment Return

35. The net return earned on the assets of the Fund over the valuation period as per the Fund's monthly returns provided is some 71.73% (i.e. 19.75% per annum), made up as follows:

Year Ended	Return
31-Mar-13	24.28%
31-Mar-14	18.64%
31-Mar-15	16.46%
Total	71.73%
Average	19.75%

36. We have checked the reasonability of the returns provided by calculating the returns for each financial year over the valuation period on the basis of the information provided in the respective financial statements. On this basis, we found the returns provided to be reasonable.

37. The pension and disability income increases awarded over the valuation period were as shown in the table below.

Date	Pension Increase	Disability Income Increase
1 April 2013	6.5%	-
1 April 2014	7.5%	10.0%
1 April 2015	6.5%	-
Total	21.93%	10.00%
Average per annum	6.83%	3.23%

38. A comparison of the pension increases granted and inflation as measured by the growth in the consumer price index (CPI) for each of the thirteen financial years to 1 April 2015 is shown in Appendix 2 to this report.

Expenses

39. The expenses of running the fund are met from the employer contributions. The expenses incurred in this regard over the valuation period approximate to 1.3% of the payroll. We have maintained an allowance for expenses of 1.4% of payroll per the last valuation.

Rule Amendments

40. We understand that there were no Rule amendments effected over the valuation period.

Interim Valuation

41. An interim valuation of the Fund was carried out as at 30 September 2013 for internal management purposes and decision making. The valuations revealed the following results:

	30-Sep-13 N\$ 000's
Total Liabilities	48 793 068
Active Members	39 027 525
Pensioners	9 568 000
Disability Income Recipients	197 543
Total Reserve Accounts	16 534 495
Longevity Reserve	5 167 051
Employer Contribution Reserve	7 654 890
Data Reserve	980 627
AIDS Reserve	2 731 927
Total Liabilities	65 327 563
Value of Assets	67 832 739
Surplus/(Deficit)	2 505 176
Funding Level	103.83%
Contingency Reserves as a Percentage of Liabilities	33.89%

MEMBERSHIP AND VALUATION DATA

42. The valuation was based on data supplied by the Administrator, GIPF. The following information was provided as at the valuation date:
- membership data;
 - pensioner data;
 - disability income members' data;
 - the assets' summary;
 - the audited financial statements for each of the financial years ended 31 March 2013 and 31 March 2014 and draft financial statements for the year ended 31 March 2015;
 - pension increases granted over the valuation period; and
 - disability income increases granted over the valuation period.
43. We also relied on the Rules relating to the current and future operation of the Fund.
44. Integrity checks were performed on the reasonability and consistency of the data as outlined in Appendix 3 to this report. The data was found to be suitable for the purposes of the valuation.
45. As at the valuation date there were 106 092 active members (inclusive of the 6 438 records on GIMIS system only and 1 850 on the parastatals' payroll).
46. There was a total membership of 3 030 under the parastatals. Of these, only 1 850 were valued. The balance of 1 180 did not have sufficient financially significant data such as dates of birth and were therefore excluded from the valuation.
47. The active membership statistics as at the current valuation date was as follows:

Item	31-Mar-15		
	Females	Males	Total
Number of Active Members	51 763	54 329	106 092
Salary Weighted Average Age	41 years 8 months	41 years 8 months	41 years 8 months
Salary Weighted Average Past Service	13 years 1 months	13 years 1 months	13 years 1 months
Total Annual Salaries (N\$)	6 798 161 045	6 976 324 463	13 774 485 508
Average Annual Salaries (N\$)	131 332	128 409	129 835

48. The active membership statistics as at the previous valuation date was as follows:

Item	31-Mar-12		
	Females	Males	Total
Number of Active Members	47 783	50 521	98 304
Salary Weighted Average Age	41 years 2 months	41 years 7 months	41 years 3 months
Salary Weighted Average Past Service	12 years 11 months	12 years 8 months	12 years 9 months
Total Annual Salaries (N\$)	4 437 559 000	4 590 908 000	9 028 467 000
Average Annual Salaries (N\$)	92 869	90 871	91 842

49. The change in the active membership from 98 304 to 106 092 represents an overall increase of 7.9% in the membership of the Fund.
50. The salary weighted average age for all Members has increased slightly from 41 years and 3 months to 41 years and 8 months.
51. The salary weighted average past service for all Members has increased slightly from 12 years and 9 months to 13 years and 1 month.
52. The total annual salary bill has increased by N\$4.746 billion, from N\$9.029 billion to N\$13.774 billion since the last valuation. This represents a 52.6% increase in the total annual salary bill, which represents a compound rate of growth of 15.1% per annum over the valuation period.
53. The average salary has increased by N\$37 993, from N\$91 842 to N\$129 835 since the last valuation. This represents a 41.4% increase in the average annual salary, which represents a compound rate of growth of 12.2% per annum over the valuation period.



MAIN REPORT

54. The pensioner statistics as at the current valuation date were as follows:

Item	31-Mar-15					
	Females			Males		
	Former Member	Spouses	Children	Former Member	Spouses	Children
Number of Members	6 015	7 059	5 837	8 343	998	5 380
Total Annual Pensions (N\$)	203 349 457	194 956 607	60 679 495	242 175 987	34 026 193	56 226 308
Pension Weighted Average Age	66 years 5 months	54 years 5 months	17 years 4 months	67 years 2 months	57 years 10 months	17 years 1 month
Average Annual Pensions (N\$)	33 807	27 618	10 396	29 027	34 094	10 451

55. The pensioner statistics as at the previous valuation date were as follows:

Item	31-Mar-12					
	Females			Males		
	Former Member	Spouses	Children	Former Member	Spouses	Children
Number of Members	4 953	6 360	6 946	7 931	914	6 498
Total Annual Pensions (N\$)	132 758 000	154 751 000	60 390 000	180 832 000	27 226 000	56 261 000
Pension Weighted Average Age	62 years 9 months	51 years 8 months	14 years 9 months	63 years 10 months	54 years 0 months	14 years 9 months
Average Annual Pensions (N\$)	26 804	24 332	8 694	22 801	29 788	8 658

56. The statistics for members receiving a disability income as at the current valuation date are as follows:

Item	31-Mar-15		
	Females	Males	Total
	Number of Members	290	431
Total Disability Income (N\$)	19 423 111	27 568 952	46 992 064
Income Weighted Average Age	52 years 4 months	52 years 1 month	52 years 2 months
Average Annual Disability Income (N\$)	66 976	63 965	65 176

57. The statistics for members receiving a disability income as at the previous valuation date are as follows:

Item	31-Mar-15		
	Females	Males	Total
	Number of Members	260	337
Total Disability Income (N\$)	14 556 000	19 621 000	34 177 000
Average Annual Disability Income (N\$)	55 985	58 223	57 248

58. There were 208 active members aged at least the Normal Retirement Age of 60 years. 18 of these have ages of at least 67 years.

We suspect these Members could have been allowed to retire in terms of the Public Service Act, 1995 (Act No. 13 of 1995). However, we could not confirm if their employment contracts

were revised to allow them to continue as members of the Fund. These members have been included as active members for the purposes of this valuation.

59. A more detailed membership breakdown is given in Appendix 4 to this report.

ASSETS OF THE FUND

60. The market value of the assets was used for valuation purposes. This value was obtained from the asset statement and the draft financial statements provided as at 31 March 2015.

We consider this method consistent with the method used to establish the value of the Fund's liabilities. The method of

valuing assets is a departure from the historical approach of considering notional allocation of assets of the Fund and is the recommended approach going forward.

61. The value, as at 31 March 2015, of the assets of the Fund on which this valuation was based, is as follows:

	31-Mar-15 (N\$ 000)	31-Mar-12 (N\$ 000)
<u>Market Value of Investments</u>	88 818 779	50 189 346
Property, Plant and equipment	76 174	
<u>Plus Current Assets</u>	482 243	509 375
Kuleni Administrators	-	66
Cash at bank	156 422	328 082
Contributions Receivable	310 344	181 227
Accounts Receivable	15 477	-
<u>Less Current Liabilities</u>	504 189	520 550
Accounts Payable	106 124	70 307
Benefits Payable	398 065	450 243
<u>Less Non-Current Liabilities</u>	310 658	-
Benefits Payable	278 957	-
Unclaimed Benefits	31 701	-
Total Asset Value	88 562 349	50 178 171

62. A summary of the asset split per investment manager is shown in the balance sheet in Appendix 5 to this report. Assets have been taken into account at their market value, with no allowance for any investment fluctuation reserves.

63. The build-up of the assets from the previous statutory valuation date is as follows:

		2013-2015 (N\$'000)
Opening balance as at 1 April 2012		50 178 105
<u>Income</u>		44 027 968
Member Contributions	2 296 313	
Employer Contributions	5 712 330	
Net Investment	35 960 583	
Income Other Income	58 742	
<u>Outgo</u>		5 643 724
Refund on Contributions	1 881	
Administration	417 916	
Lump sum – Death	358 674	
Lump sum – Retirements	1 259 968	
Lump sum – Withdrawals	1 017 224	
Funeral Benefits	22 690	
Pensions Paid	2 565 371	
Closing Balance as at 31 March 2015		88 562 349

64. A detailed breakdown is shown in Appendix 6 to this report.

ASSET/LIABILITY PROFILE

65. The liabilities of the Fund can be separated into two groups based on how they react to inflation. Inflation is here taken to mean either Consumer Price Inflation or inflation-related salary increases.
66. It should be noted that we value the liabilities of the Fund treating pension increases as a liability, although we realise that these are not guaranteed. Pension increases are granted subject to affordability. There is therefore a high likelihood that they will be granted, but there is no guarantee.
67. If we valued the Fund's liabilities with no allowance for pension increases but treated these as purely discretionary, there would be a substantial decrease in Fund liabilities.
68. Liabilities which do not increase with inflation are best backed by assets which have known income payments and maturity values e.g. cash and fixed interest securities.
69. Examples of this guaranteed portion of the Fund's liabilities are:
- The liability in respect of Pensioners to secure the current level of pension with no further increases;
 - The present value of Active Members' accrued service pension with no provision for future salary increases to Date of Retirement and Pension Increases thereafter;
 - The liability in respect of Active Members whose benefits are to be paid in the near future on Retirement, Ill-Health, Death or Withdrawal; and
 - A portion of the Longevity, Data and AIDS Reserves.
70. We have estimated that about 25% of the Fund's liabilities fall in this category.
71. The balance of the Fund's liabilities, that increase with inflation and are not guaranteed, are best matched by growth assets e.g. equities and property. Examples of these liabilities are:
- The liability in respect of Pensioners to secure inflation-related pension increases in future;
 - The liability in respect of Active Members reflecting the long-term provision of salary-related Retirement Benefits;
 - The liability in respect of pension increases of the Active Members' accrued pension rights; and
 - A portion of the Data and AIDS Reserves.
72. The Fund can therefore maximise its long-term return, subject to minimising the risk of not being able to meet its liabilities by investing 20% to 25% of its assets in interest-bearing securities and cash, with the balance of 75% to 80% invested in growth assets.
- We recommend that the Fund keep enough cash assets in the margin of 5% over the medium term as the income currently exceeds the expenditure of the Fund.
73. As at the valuation date, based on market values, the Fund held 22.0% of its assets in interest-bearing securities and 3.2% in cash and other current assets. The remaining 74.8% of assets were held in growth assets (equities and property and other).
74. We are overall satisfied that the Fund's asset mix is a satisfactory match for the Fund's liabilities.
75. A summary of the asset split per asset class as at the valuation date is shown in Appendix 7 to this report.

RESERVE ACCOUNTS

Longevity Reserve

76. The reserve has been kept since, internationally most defined benefit funds and schemes are still experiencing increasing strains caused by increased life expectancy. Pensioners are living significantly longer than expected, based on historic experience and research.

77. It has been experienced internationally that pensioners are living up to an average of 10 years longer and this change has been experienced rapidly, within a time-period of 20 years. We have also observed an increasing rate of new pensions since the year 2000 and at higher average pensions and therefore project an increasing Longevity Reserve going forward.

For this valuation, we have therefore retained the Longevity Reserve so as to allow the Fund to hedge against this risk.

78. Increased life expectancy has been the experience in the developed world; its impact has not yet been fully felt in Sub-Saharan Africa. However, one must expect that medical development and general progress will also lead Africa to reach closer and closer to that experience.

79. Pensioners within the Fund should be seen a select group. Therefore, despite the fact that recent experience has seen

deteriorating life expectations in Southern Africa, Fund pensioners are individuals who have already survived through the possible ravages of youth (notably the impact of HIV/AIDS) and are individuals who typically managed to achieve relatively long-service with their erstwhile employers.

80. Therefore their life expectancy from the time of their retirement should be expected to be superior to that of the general population of Namibia.

81. Surviving spouses just as retired members are also expected to live longer than expected. This due to the introduction of free HIV/AIDS treatment and therapy for most surviving spouse infected by HIV/AIDS in most SADC countries including Namibia.

82. We have performed scenario analyses whereby we estimated the impact of pensioners surviving longer than expected, based on international norms.

83. The increased cost varies for males and females and for different ages, but the range was found to be in the region of 10% to 13%. We decided to use a conservative estimate of 10.8% of all liabilities (which is approximately 57% of retired member's and spousal annuitants' liabilities) for the Longevity Reserve.

Employer Contribution Reserve

84. The Employer(s) have for over 18 years been paying a stable 16% rate towards the Fund. This is relatively high compared to what Employers typically pay towards retirement fund arrangements, the industry norm would be roughly 10%.
85. The Employer Contribution Reserve has been set up, which is expected to be able to fund the difference between the actual contribution rate and the required contribution rate on a best estimate basis. We have recommended a gradual build-up of this reserve to able to cover the value of 10 years' contributions shortfall. For this valuation, we propose a value of N\$12 191 761 000 representing 20.75% of the value of total liabilities (including disabilities). It is essential that Trustees monitor the experience of this reserve over time to measure its adequacy in stabilising and smoothing contribution rates for all stakeholders.

Data Reserve

86. The Data Reserve has historically been set at 5% of the Fund's past service liabilities in respect of active and disabled

members to fund for any possible increase in liabilities resulting from possible data errors and ad hoc admissions to membership of those Eligible employees whose records are neither on the GIMIS system nor part of the valuation data. We have reduced this to 2.5% of active and disabled members liabilities (approximately 2.0% of total liability) since all records on GIMIS and Payroll have been accounted for and there is reduced discrepancy between the two, though we note some 1 180 parastatal members with insufficient data were excluded from valuation per Appendix 3 to this report.

AIDS Reserve

87. An AIDS Reserve is held to act as a buffer against the impact of deteriorating Mortality and Morbidity experience caused by HIV/AIDS. The AIDS Reserve has been set at 7% of the Fund's liability in respect of Active Members (5.64% of total liabilities). This was determined using a statistical model to assess the impact of worsening HIV/AIDS experience in Namibia.

88. The following table summarises the above reserve accounts:

Reserve Account	Current Valuation as at	% of Total Liabilities	Previous Valuation as at	% of Total Liabilities
	31-Mar-15 (N\$' 000)		31-Mar-12 (N\$' 000)	
Longevity Reserve	6 344 106	10.80%	3 932 857	10.97%
Employer Contribution Reserve	12 191 761	20.75%	5 704 704	15.91%
Data Reserve	1 182 410	2.01%	1 239 060	3.46%
AIDS Reserve	3 310 748	5.64%	1 734 683	4.84%
Total	23 029 025	39.20%	12 611 304	35.18%

VALUATION METHOD AND ASSUMPTIONS

89. The method used to place a value on the past service liabilities and the required future contribution rate is known as the projected unit credit method. This method is suitable given the nature of the Fund, being open to new entrants.
90. The projected unit credit method determines the required future contribution rate as the cost of benefits accruing in the year following the valuation date, expressed as a percentage of Pensionable Emoluments as at the valuation date.
91. Under this method the present value of benefits that have accrued to Members in respect of service prior to the valuation date is compared with the value of the Fund's assets. Allowance is made in the valuation of the accrued benefits for estimated future salary increases, investment return, retirements, withdrawals, deaths and disabilities.
92. For pensioners, the past service liability is determined as the present value of expected future pension payments. The Pension increase granted as at 1 April 2012 has been taken into account when determining the liability.
93. The Fund's financial position has been determined using the Projected Unit Credit Method and based on a "best estimate" valuation basis. This funding method was also used at the previous valuation.
94. The same assumptions as those used in the valuation have been used for assessing the contribution rate required for the year following the valuation date.
95. The required future contribution rate will remain relatively stable provided the Membership of the Fund remains stable. This assumes that exits are replaced by new entrants with age and salary profiles that keep the Membership stable.

The projected unit method assumes a steady flow of new entrants to the Fund, which is expected to result in the overall structure with respect to age and gender remaining reasonably stable over time.

It is explicitly assumed that the Fund is a going concern and does not make provision for the Fund to be discontinued. The objective is to aim for a funding level, (the ratio of the value of the Fund's assets to that of the accrued benefits), of at least a 100%.

92. The methodology used in this valuation (except for the asset valuation) is consistent with that used in the previous valuation and consistent with the nature of the Fund.
93. For active Members, the past service liability is determined as the discounted expected present value of retirement, withdrawal, death and disability Benefits that have accrued up to the valuation date based on projected salaries to the date of Retirement or earlier Death or withdrawal or disability.
94. For Members in receipt of disability income benefits, the past service liability is determined as the present value of the future disability income benefits plus discounted expected present value of retirement benefits that have accrued.
96. The important characteristics of a valuation basis are:
- The assumptions take into account the expected long-term experience of the Fund.
 - The assumptions aim to produce a stable estimate of the required future contribution rate of the Fund.
97. Neither the method nor the assumptions used affect the ultimate cost of providing the benefits promised by the Fund. They only affect the timing of how this ultimate cost is met.
98. It should be noted that the relationships between the various financial assumptions are more important than the nominal value of each individual assumption.

Valuation Basis

103. The main financial assumptions are the same as in the previous valuation, they are as follows:

	Assumption	Figure
Pre-Retirement	Inflation	8.0 %
	Investment returns	12.0 %
	Salary Increases	9.5 %
Post-Retirement	Investment returns	12.0 %
	Pension Increases	8.0 %

104. Pension increases are thus expected to equal inflation over the long-term.

VALUATION RESULTS

105. The results of the valuation as at 31 March 2015 are set out below. The funding level is determined by expressing the total value of assets as a percentage of the total accrued liabilities.

	31-Mar-15 N\$ 000's	31-Mar-12 N\$ 000's
Total Liabilities	58 741 718	35 845 664
Active Members	47 296 399	26 763 686
Pensioners	10 619 377	8 809 138
Disability Income Recipients	825 942	272 840
Total Reserve Accounts	23 029 025	12 611 304
Longevity Reserve	6 344 106	3 932 857
Employer Contribution Reserve	12 191 761	5 704 704
Data Reserve	1 182 410	1 239 060
AIDS Reserve	3 310 748	1 734 683
Total Liabilities	81 770 743	48 456 968
Value of Assets	88 562 349	50 178 171
Surplus / (Deficit)	6 791 606	1 721 203
Funding Level	108.31%	103.55%
Contingency Reserves as a Percentage of Liabilities	39.20%	35.20%

106. Based on the above results, we certify that the Fund was financially sound as at the valuation date.

107. We would expect the funding level as at the current valuation date to marginally reduce in light of the data discrepancies noted under the pensions in payment and the disability income members. We however expect that data reserve to be sufficient to cover the impact of these data discrepancies.

108. The total employer contribution rate required over the next year to meet the cost of funded benefits accruing is given below:

	Required Contribution Rate		
	31-Mar-15	31-Mar-12 Restated ²	31-Mar-12
Retirement Benefits	20.96%	21.00%	16.60%
Disability Benefits	1.08%	1.50%	1.50%
Death Benefits	8.42%	8.20%	12.60%
Resignation Benefits	0.59%	0.70%	0.70%
Funeral Benefits	0.10%	0.20%	0.20%
Fund Expenses	1.40%	1.40%	1.40%
Total Required Contribution Rate	32.55%	33.00%	33.00%
Less Member Contribution Rate	7.00%	7.00%	7.00%
Total required Employer(s) Contribution Rate	25.55%	26.00%	26.00%



GIPF

To guard, and to grow.



109. The total required contribution rate has decreased marginally from 26.00% to 25.55%.

110. The Employer(s) are currently contributing at 16.0%. The Employer Contribution Reserve has been set up in order to reserve for this difference or shortfall in funding.

2

Please note that the death benefits rate at 31 March 2012 includes the cost of death after retirement benefits whilst that at the current valuation date is in respect of death in service benefits only. The 2012 rates have been restated to include death after retirement costs within the retirement benefits rate.

SENSITIVITY ANALYSIS OF RESULTS

111. As described in the report, the liabilities were determined using various assumptions. The actual liability faced by the fund in the future will depend on the actual experience for each assumed item. The liabilities in the table below were recalculated to illustrate the impact that changes in the investment return assumption will have on the liabilities:

	31-Mar-15		
	11%	12%	13%
Total Liabilities	68 527 262	58 741 718	51 127 830
Active Members	57 081 943	47 296 399	39 682 511
Pensioners	10 619 377	10 619 377	10 619 377
Disability Income Recipients	825 942	825 942	825 942
Total Reserve Accounts	25 015 490	23 029 025	21 483 406
Longevity Reserve	7 400 944	6 344 106	5 521 806
Employer Contribution Reserve	12 191 761	12 191 761	12 191 761
Data Reserve	1 427 049	1 182 410	992 063
AIDS Reserve	3 995 736	3 310 748	2 777 776
Total Liabilities	93 542 752	81 770 743	72 611 236
Value of Assets	88 562 349	88 562 349	88 562 349
Surplus/(Deficit)	(4 980 403)	6 791 606	15 951 113
Funding Level	94.68%	108.31%	121.97%
Contingency Reserves as a % of Liabilities	36.50%	39.20%	42.02%

112. The variability in the required future contribution rate would be as follows:

	Required Contribution Rate		
	11%	12%	13%
Retirement Benefits	26.32%	20.96%	16.93%
Disability Benefits	1.21%	1.08%	0.96%
Death Benefits	9.12%	8.42%	7.82%
Resignation Benefits	0.65%	0.59%	0.54%
Funeral Benefits	0.10%	0.10%	0.10%
Fund Expenses	1.40%	1.40%	1.40%
Total Required Contribution Rate	38.80%	32.55%	27.75%
Less Member Contribution Rate	7.00%	7.00%	7.00%
Total required Employer(s) Contribution Rate	31.80%	25.55%	20.75%

ANALYSIS OF SURPLUS

113. An analysis of the main items accounting for the change in the financial position of the Fund from 31 March 2012 to 31 March 2015 is set out below:

Item	Surplus/(Deficit)
	(N\$000)
a) Surplus/(Deficit) as at 31 March 2012	1 721 137
b) Interest on surplus/(deficit)	696 937
c) Pension Increases	249 978
d) Contributions	(2 816 833)
e) Salary Increases	(5 982 802)
f) GIMIS & Parastatal Members not valued last valuation	(2 698 863)
g) Investment Income	15 397 910
h) Expenses	231 579
i) Disability Benefits Increases	70 261
j) Miscellaneous Item	(77 698)
Surplus/(Deficit) as at 31 March 2015	6 791 606

114. The above items are explained briefly below:

- This is the value of the surplus revealed as at the 31 March 2012 valuation.
- Interest on the surplus as at the previous valuation date amounted to N\$696 937 000
- Pension increases below the rate assumed at the last valuation resulted in a surplus of some N\$249 978 000 in the Fund.
- The employer contributed at a rate of 16% as opposed to the recommended rate of 26% of Pensionable Emoluments. This resulted in a deficit of N\$2 816 833 000 in the Fund.
- Salary increases above the rate assumed at the last valuation date resulted in a deficit of N\$ 5 982 802 000 in the Fund.
- Members appearing on the GIMIS system only and some parastatals not valued last valuation were valued this valuation. This contributed to a deficit of N\$2 698 863 000 in the Fund.
- The last valuation assumed an investment return of 12% per annum. Returns in excess of this over the valuation period resulted in a surplus of N\$15 397 910 000 in the Fund.
- An expense allowance of 1.4% of Pensionable Emoluments was made as at the last valuation. Actual expenses below this allowance resulted in a surplus of some N\$231 579 000 in the Fund.
- Increases in disability benefits less than assumed at the last valuation resulted in a surplus of some N\$70 261 000 in the Fund
- Miscellaneous items were 1.14% of the surplus revealed as at the current valuation date and were not investigated further.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

115. The valuation results show a funding level of 108.31% as at the valuation date and we can consequently certify that the Fund is currently in a financially sound condition.

116. A typical guideline is that it is best for a fund of this nature to have a funding level of between 105% and 115% over time. We note that as at the current valuation date, the funding level falls in this ideal range.

117. The valuation revealed liabilities and reserves of N\$81.770 billion whilst the actuarial value of the assets was N\$88.562 billion. The actuarial surplus amounted to N\$6.792 billion as at valuation date.

118. We have examined the assets in relation to the liabilities, and in our opinion, the assets are suitable for the profile of the liabilities.

Recommendations

119. The Trustees should continue to monitor the Employer Contribution Reserve over time to assess its suitability for financing the subsidy and smoothing the required contribution rate(s).

120. The Trustees should still consider improving risk management strategies on the Fund and actively monitor the current self-insurance arrangement. Regular claims experience

investigations would therefore be necessary as part of future valuations to measure and analyse the exposures due to this arrangement on risk benefits.

121. There were some problems with the data employed for this valuation though we have noted that the quality of the data has improved over the valuation period. The Fund administrators should check the problems highlighted and rectify them before the next valuation. There is still need to set up a data audit team or assign a quality controller whose main role will be to maintain and enforce the requirements of a clean data for all major exercises on an on-going basis. This will enable a more accurate representation of the financial position of the Fund in future.

122. To allow for prudence a Data Reserve continues to be retained in the Fund in respect of erroneous or missing active membership data although at a much lower level than historically the case.

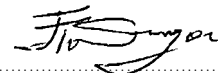
123. The Trustees need to consider paying an additional 8.31% to all exits since the valuation date. This will be reviewed at the next statutory valuation date or earlier if financial conditions change drastically in a way that the Valuator deems such a review appropriate.

124. We certify that the Fund was financially sound as at the valuation date.



Robert Oketch Bsc (Hons) FIA FASSA

In My Capacity as Fund Valuator and
as a Director of Humanity Employee
Benefits Co (Pty) Ltd



J Tarvinga B.Comm (Hons)

In My Capacity as the Fund's Actuarial
Consultant and as an Employee of
Humanity Employee Benefits Co (Pty) Ltd

APPENDIX 1: SUMMARY OF RULES

Definition	Description
Fund	The Government Institutions Pension Fund
Old Fund	The Statutory Institutions Pension Fund introduced under the Statutory Institutions Pensions Act, 1980 (Act No. 3 of 1980).
Member	An eligible employee who has been admitted to membership in terms of Rule 2 as long as he/she remains a Member in terms of these Rules.
Employer	<p>In relation to any Member, the employer in whose Service he/she is, which shall be the Government of the Republic of Namibia and an institution or body established by or under law and which:</p> <ul style="list-style-type: none"> a) was declared to be a statutory institution for the purposes of the Old Fund; or b) has applied to the Trustees for membership and been admitted by the Trustees as an Employer, and which therefore participates in the Fund. <p>Any Employer which withdraws from the Fund shall simultaneously cease to be an Employer for the purposes of the Rules.</p>
Commission	The Public Service Commission established under section 2(1) of the Public Service Commission Act, 1990 (Act No. 2 of 1990).
Normal Retirement Age	The age of 60 years or, in the case of a member of a specific class, or category, the age determined in terms of the Public Service Act, 1995 (Act No. 13 of 1995) in respect of such Member, or approved by the Prime Minister on recommendation of the Commission.
Normal Retirement Date	The last day of the month in which a Member retires.
Pensionable Emoluments	The Member's basic annual salary or wages and any other regular amounts which are regarded as pensionable by the Trustees at the request of the Employer.
Pensionable Service	All uninterrupted service as a member of the Fund, plus the period of Service under the Old Fund which has been transferred to the Fund, and a period during which the Member has worked for an Employer or elsewhere and which is recognised for pension purposes by the Trustees, and in respect of which contributions to the Fund, as determined by the Trustees.

Final Salary	The annualised average of the Member's Pensionable Emoluments during the 12 successive months immediately preceding his/her retirement, or if less than 12, during the number of months completed in his/her term of Pensionable Service.
Benefit	Description
Normal Retirement	A pension equal to 2.4 % of the Member's Final Salary for each year of Pensionable Service.
Early Age Retirement	<p>A Member may, with the agreement of his Employer, retire on the last day of any month during the five-year period ending on his Normal Retirement Date. The benefit payable is as per Normal Retirement, reduced by 0.25% for every complete month by which the Member's Pensionable Service is terminated prior to his/her Normal Retirement Date.</p> <p>Any Member dismissed from service after attaining age 55 receives a similar benefit.</p>

Ill-Health Early Retirement	Subject to satisfactory medical evidence, if a Member becomes totally and permanently incapable of efficiently carrying out his own occupation the Trustees may agree to his retirement at any time prior to his Normal Retirement Date. The benefit payable is as per Normal Retirement.
Early Retirement other than Age or Ill health	<p>Member may subject to Trustees approval be retired due to dismissal to allow reorganisation of employer or to improve efficiency of employer, dismissal in terms of section 24(4)(h) of public service Act of 1995, or after serving at least 10 years, inability or unsuitability for or inability to carry out duties in an efficient manner.</p> <p>The service applied to calculate the pension in respect of the dismissal or reorganisation cases may be increased by the shortest of: One third of pensionable service, or Outstanding period to normal retirement date, or 5 years.</p>
Retirement at expiry of term of office for Members of Commissions and Permanent secretaries	<p>Member is entitled to pension calculated as 2.4% of pensionable salary times service.</p> <p>The service applied to calculate the pension in respect of the dismissal or reorganisation cases is increased by the shortest of: One third of pensionable service, or Outstanding period to normal retirement date, or 5 years. Plus Half the period of service in the appointed office</p>
Leaving Service	<p>If a member who is not qualified to retire and leaves the Service of his own will or as a result of having been dismissed he will become entitled to a benefit equal to A + B, where:</p> <p>Formula for "A" (applicable to service rendered prior to 1 April 1992) is: $[1 + (0,0275 \times T)] \times C \times T \times K + I$, where –</p> <p>C = half the sum of the Member's Pensionable Emoluments on the commencement of his/her Pensionable Service and his/her Pensionable Emoluments on 31 March 1992;</p> <p>T = the period of the Member's Pensionable Service to 31 March 1992, excluding any backdated Pensionable Service in respect of which payment by the Member has not yet been made by the Fund;</p>
	<p>K = the rate all which the Member contributed to the Fund;</p> <p>I = interest on "A" before the inclusion of "I", calculated at a rate of 10% per annum from 1 April 1992 to the date of withdrawal from Service;</p> <p>Formula for "B" (applicable to service rendered on or after 1 April 1992) is:</p>

	<p>$[0,07 \times (1 + 0,05T)] \times C \times T$, where;</p> <p>C = half the sum of the Member's Pensionable Emoluments on 1 April 1992 and his/her Pensionable Emoluments on the date of withdrawal from the Fund, in the case of a Member who became a Member prior to 1 April 1992;</p> <p>or</p> <p>C = half the sum of the Member's Pensionable Emoluments on the commencement of his/her Pensionable Service and his/her Pensionable Emoluments on the date of withdrawal from the Fund, in the case of a Member who became a Member on or after 1 April 1992;</p> <p>T = the period of the Member's Pensionable Service as from 1 April 1992, excluding any backdated Pensionable Service.</p>								
	<p>A member who has served at least 10 years of Pensionable Service may elect to have his/her withdrawal benefit preserved in the Fund or by transferring the benefit to an approved pension fund or retirement annuity fund of his/her choice.</p>								
<p>Death in Service</p>	<p>If a Member dies while in Service before his Normal Retirement Date or while in receipt of a disability benefit, the following benefits are payable:</p> <ul style="list-style-type: none"> a) A lump sum equal to twice the Member's Pensionable Emoluments; plus b) Pension to his/her qualifying spouse equal to 40% of the Member's Pensionable Emoluments immediately before his/her death; plus c) A pension in respect of qualifying children of the Member equal in total to a percentage of the Member's Pensionable Emoluments immediately before his/her death, in accordance with the following table: <table border="1" data-bbox="817 1487 1390 1744"> <thead> <tr> <th data-bbox="817 1487 1091 1615">Number of Qualifying Children</th> <th data-bbox="1091 1487 1390 1615">Percentage of Pensionable Emoluments</th> </tr> </thead> <tbody> <tr> <td data-bbox="817 1615 1091 1664">1</td> <td data-bbox="1091 1615 1390 1664">10%</td> </tr> <tr> <td data-bbox="817 1664 1091 1713">2</td> <td data-bbox="1091 1664 1390 1713">20%</td> </tr> <tr> <td data-bbox="817 1713 1091 1744">3+</td> <td data-bbox="1091 1713 1390 1744">30%</td> </tr> </tbody> </table>	Number of Qualifying Children	Percentage of Pensionable Emoluments	1	10%	2	20%	3+	30%
Number of Qualifying Children	Percentage of Pensionable Emoluments								
1	10%								
2	20%								
3+	30%								
<p>Death After Retirement</p>	<p>On death after retirement within the guarantee period of 60 months, the Member's pension is payable for the balance of the guaranteed period, after which a pension of 50% of the member's post-commutation amount is payable to the eligible spouse.</p>								

Funeral Benefits	On the total and permanent disablement of a Member in service, a lump sum benefit of eight months' Pensionable Earnings, plus half a month's earnings for every completed year of service is payable.
Disability	<p>An income equal to 75% of the Member's Pensionable Emoluments.</p> <p>After the first twenty-four months of disablement, the disability income benefit will be reduced to 50% of Pensionable Emoluments as at the date of becoming disabled.</p>
Commutation	<p>A Member may at any time prior to their Retirement Date opt to commute up to 1/3 of their pension, to be received as a lump sum on retirement.</p> <p>The full Pension Benefit can be commuted for a lump sum if the annual Pension is less than N\$50 000.</p>
Contribution rates:	<p>Members: 7.0% of Pensionable Emoluments</p> <p>Employer: Balance of the cost.</p>

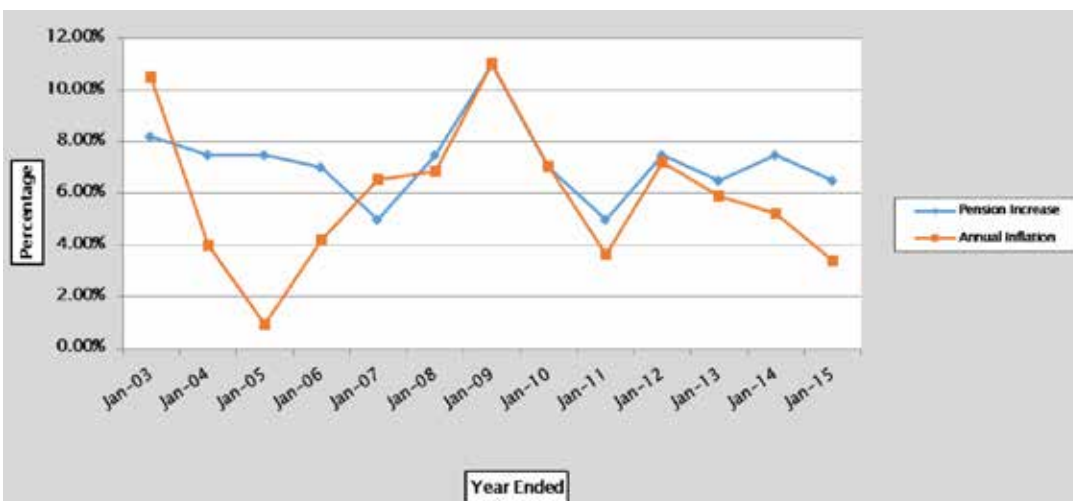
APPENDIX 2: PENSION INCREASES HISTORY

The table below shows the comparison of the pension increases granted and the inflation rate as measured by the growth in the consumer price index (CPI) for each of the thirteen financial years to 1 April 2015:

Year Ended	Pension Increase	Annual Inflation
Apr-03	8.20%	10.50%
Apr-04	7.50%	4.00%
Apr-05	7.50%	0.92%
Apr-06	7.00%	4.20%
Apr-07	5.00%	6.53%
Apr-08	7.50%	6.87%
Apr-09	11.00%	11.02%
Apr-10	7.00%	7.05%
Apr-11	5.00%	3.63%
Apr-12	7.50%	7.22%
Apr-13	6.50%	5.88%
Apr-14	7.50%	5.24%
Apr-15	6.50%	3.40%
Total	146.85%	109.33%
Average	7.20%	5.85%

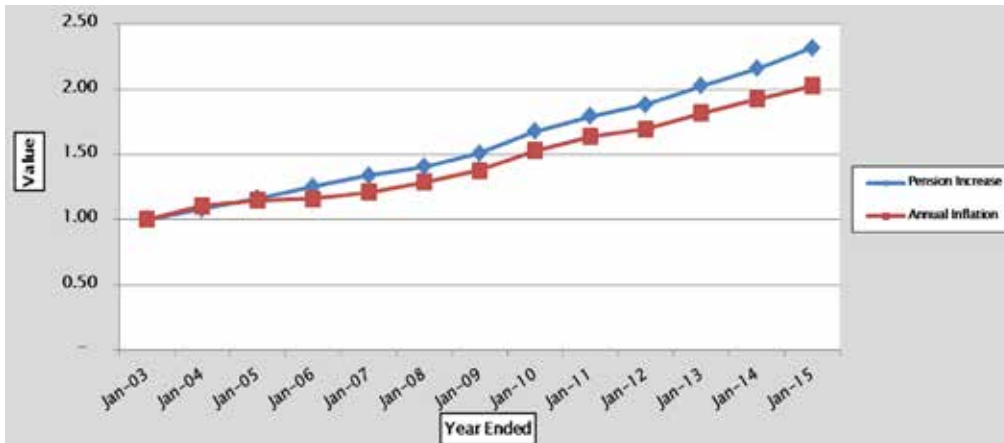
The graphical presentation of the above comparisons is shown below:

Pension Increases and Annual Inflation



The graph below depicts the growth to 1 April 2015 if a Member had a pension of N\$1 annum at 1 April 2003. This is compared a pension of N\$1 increased with (CPI) from 1 April 2003 to 1 April 2015.

Pension Increases and Annual Inflation



APPENDIX 3: DATA CHECKS

In order to validate the data for this valuation, we have performed the following integrity checks:

- We have verified that there are no unusual values such as impossible dates of birth, retirement ages or start dates.
- We have compared the data against the rules of the Fund in respect of contributions received and benefits paid.
- We have independently calculated sample exited individuals' benefits according to the rules of the Fund at exit due to various causes e.g death, withdrawals, retirements and compared them to the gross benefits paid recorded by the Fund's administrators.
- Random spot checks of data of individual members.

We have also calculated the following members' statistics and checked them for reasonability:

- Average age and salary weighted age;
- Average Pensionable Emoluments; and
- Average Pensionable Service.

We calculated similar statistics for pensioners and members receiving a disability income:

- Average age; and
- Average Pension/disability income.

We also carried out a matching exercise, in which we separated those Members who were on both GIMIS and Payroll from those who could not be matched. The administrators have set up their own methods to track unmatched data as a continuous exercise to clean the data.

The matching exercise involved comparing fields on both the GIMIS administration system and Payroll and then extracting records with same details in major fields. The major fields used for the matching exercise were in respect of the Employer Name, National Identity Number, Payroll Number, Names, Date of Birth and Date of Admission.

Of those recorded as actives (including above 60 years but below age 67 years) the Fund's active membership records as at the valuation date on the GIMIS administration system is 104 616. The active membership records on payroll from various Fund Employers totalled 97 804. Of those actives on payroll list, all the Membership records could be matched with records on GIMIS. There were 6 438 records on GIMIS which did not match on payroll. We have also included 1 850 records from parastatals. We have therefore used a total of 106 092 records.

There was a total membership of 3 030 under the parastatals. Of these, only 1 850 were valued. The balance of 1 180 did not have sufficient financially significant data such as dates of birth and were therefore excluded from the valuation.

We understand that the bulk of the GIMIS records not on the payroll system relate to either exits not yet reported to the Fund (mostly deaths and withdrawals) or to those individuals on leave (e.g unpaid leave) for periods up to 36 months.

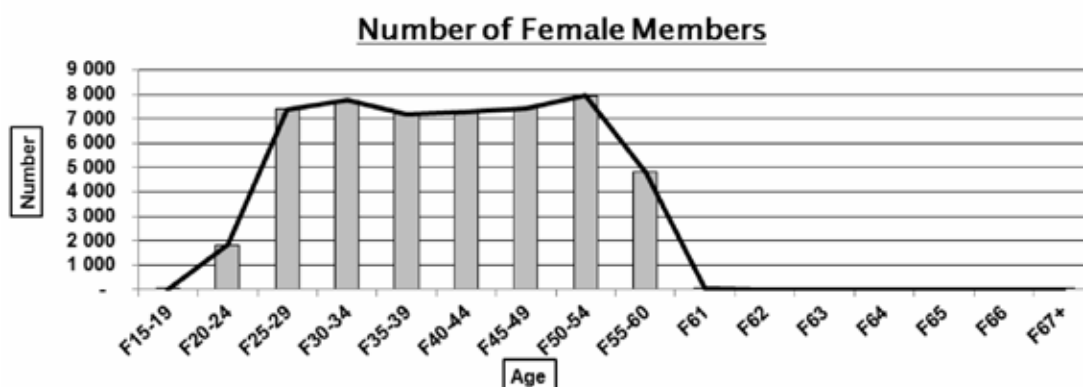
The Fund still has a liability in respect of these individuals and for purposes of this valuation, we have valued these members as active.

APPENDIX 4: MEMBERSHIP DATA

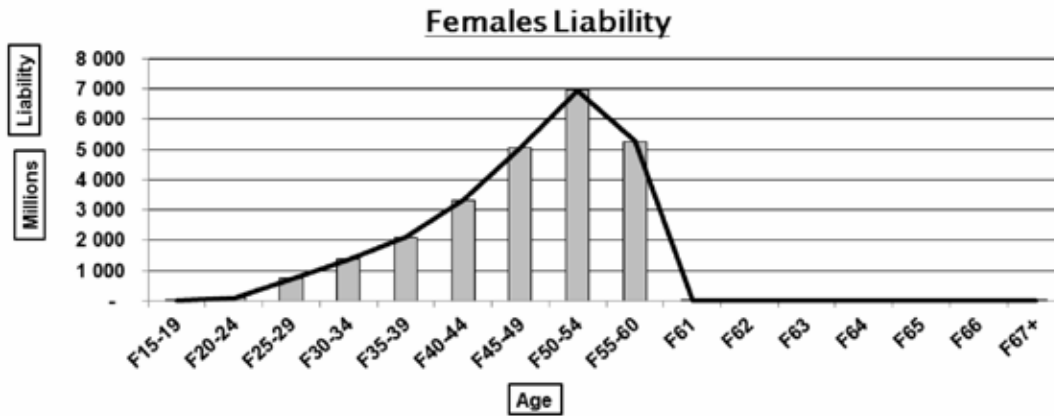
a) A summary of the female membership statistics of the Fund is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	%Breakdown of Total Liabilities
F15-19	22	427 212	19 419	0.00%
F20-24	1 826	102 777 115	56 285	0.41%
F25-29	7 399	751 415 075	101 556	2.97%
F30-34	7 757	1 379 624 798	177 855	5.45%
F35-39	7 193	2 123 466 808	295 213	8.39%
F40-44	7 290	3 368 371 587	462 054	13.31%
F45-49	7 434	5 133 054 498	690 484	20.28%
F50-54	7 949	7 052 499 284	887 218	27.86%
F55-60	4 811	5 343 147 225	1 110 611	21.11%
F61	36	29 497 970	819 388	0.12%
F62	19	12 062 904	634 890	0.05%
F63	10	10 572 725	1 057 273	0.04%
F64	11	2 663 399	242 127	0.01%
F65	1	267 394	267 394	0.00%
F66	3	602 235	200 745	0.00%
F67+	4	3 011 254	752 814	0.01%
Totals	51 765	25 313 461 484	489 007	100.00%

b) The graphical presentation of the female membership profile of the Fund is tabled below:



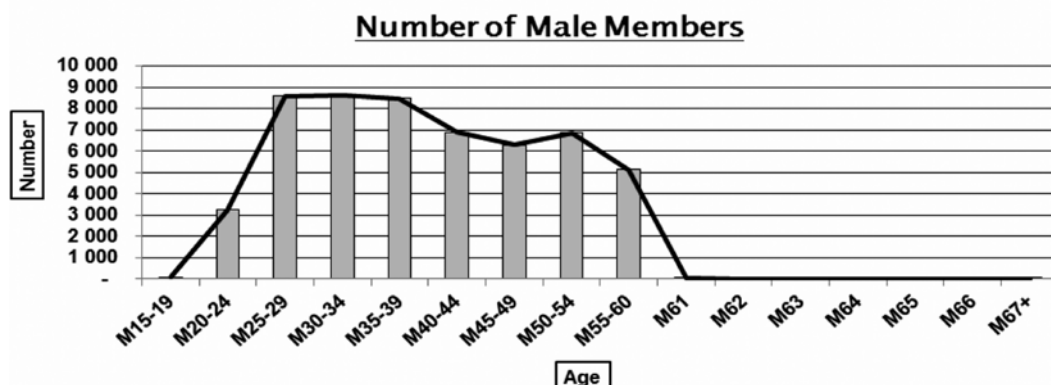
c) The graphical presentation of the females' liability profile of the Fund is tabled below:



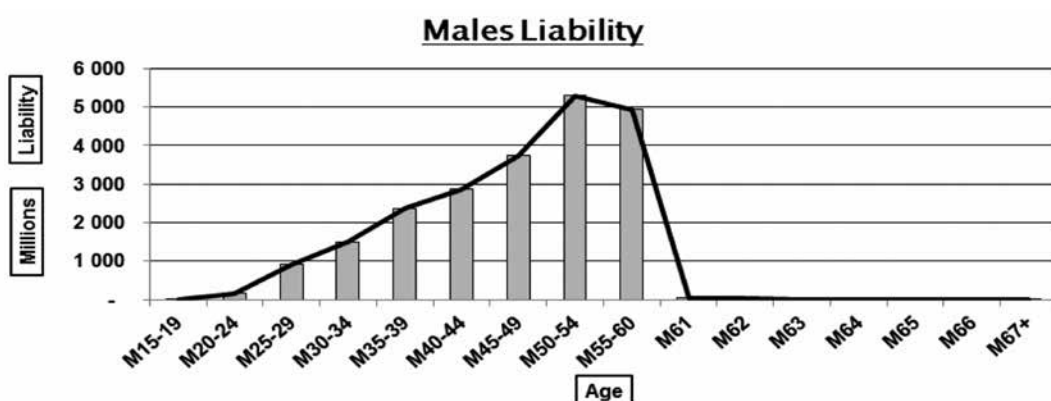
d) A summary of the male membership statistics of the Fund is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	% Breakdown of Total Liabilities
M15-19	93	2 175 431	23 392	0.01%
M20-24	3 241	157 818 261	48 694	0.72%
M25-29	8 579	917 339 409	106 928	4.17%
M30-34	8 632	1 506 904 017	174 572	6.85%
M35-39	8 470	2 382 956 054	281 341	10.84%
M40-44	6 892	2 877 292 271	417 483	13.09%
M45-49	6 283	3 749 382 991	596 750	17.06%
M50-54	6 872	5 320 176 995	774 182	24.20%
M55-60	5 142	4 958 952 473	964 401	22.56%
M61	45	47 655 856	1 059 019	0.22%
M62	19	24 482 699	1 288 563	0.11%
M63	15	13 066 152	871 077	0.06%
M64	17	12 073 883	710 228	0.05%
M65	10	4 096 629	409 663	0.02%
M66	4	1 047 297	261 824	0.00%
M67+	14	7 517 480	536 963	0.03%
Totals	54 328	21 982 937 899+	404 634	100.00%

e) The graphical presentation of the male membership profile of the Fund is tabled below:



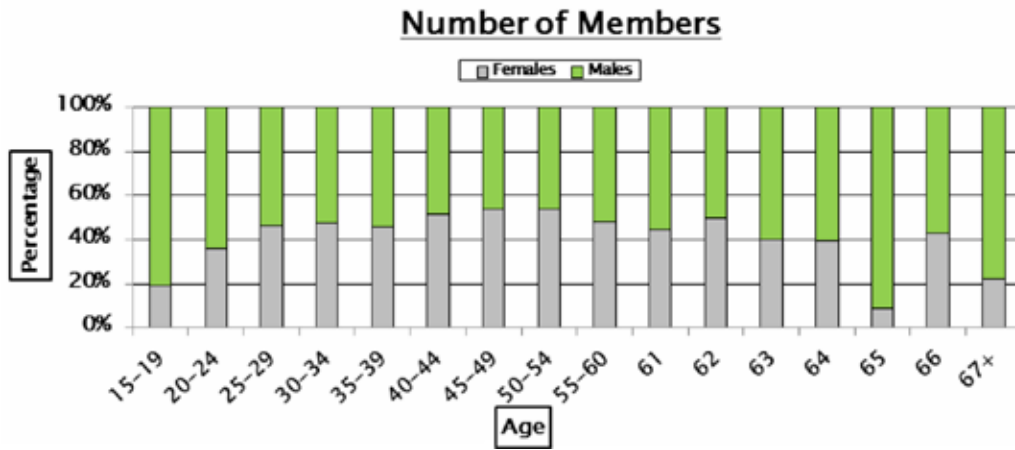
f) The graphical presentation of the male membership liability profile of the Fund is tabled below:



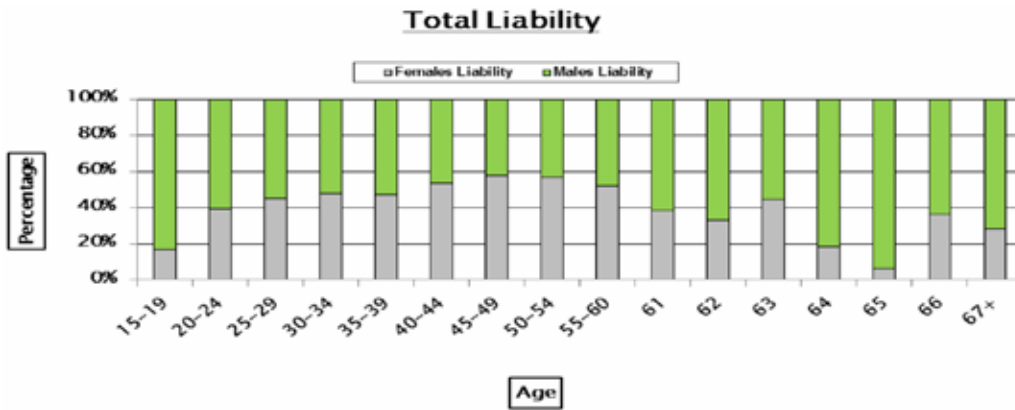
g) A summary of the total active membership statistics of the Fund is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	%Breakdown of Total Liabilities
15-19	115	2 602 644	2 640	0.01%
20-24	5 067	260 595 377	23 513	0.55%
25-29	15 978	1 668 754 484	36 437	3.53%
30-34	16 389	2 886 528 815	49 470	6.10%
35-39	15 663	4 506 422 863	71 188	9.53%
40-44	14 182	6 245 663 858	99 079	13.21%
45-49	13 717	8 882 437 489	126 437	18.78%
50-54	14 821	12 372 676 279	132 182	26.16%
55-60	9 953	10 302 099 698	150 784	21.78%
61	81	77 153 825	162 643	0.16%
62	38	36 545 603	162 644	0.08%
63	25	23 638 878	162 645	0.05%
64	28	14 737 282	162 646	0.03%
65	11	4 364 022	162 647	0.01%
66	7	1 649 532	162 648	0.00%
67+	18	10 528 734	162 649	0.02%
Totals	106 093	47 296 399 383	445 801	100.00%

h) The graphical presentation of the Fund's total membership profile is as follows:



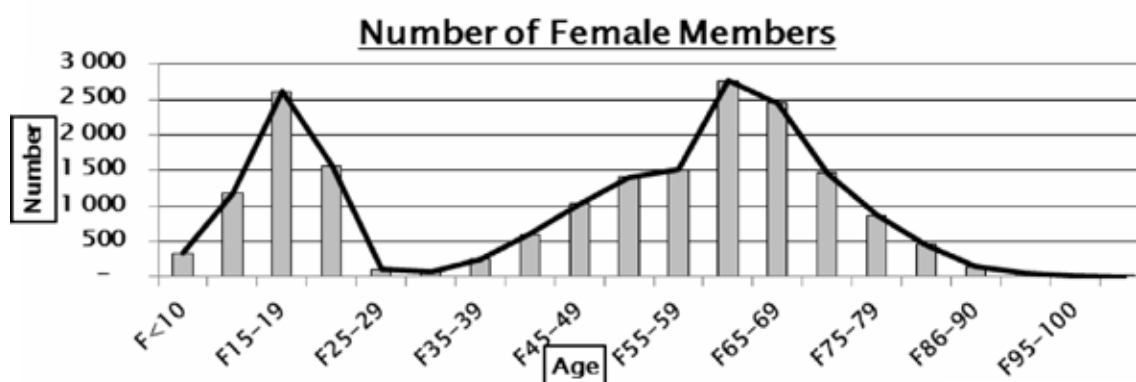
j) The graphical presentation of the Fund's total liability profile is as follows:



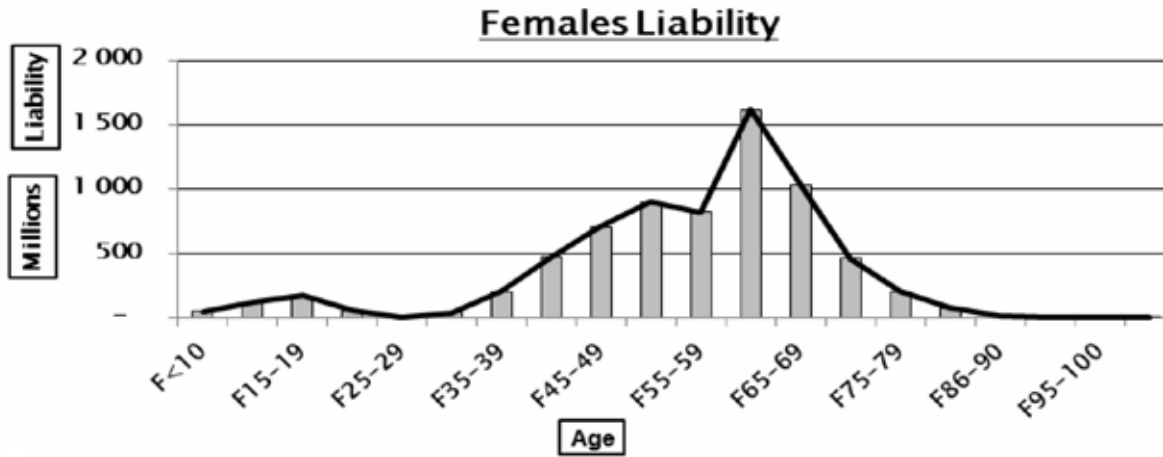
k) A summary of the Fund's female pensioner statistics is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	% Breakdown of Total Liabilities
F<10	340	48 999 844	-	0.70%
F10-14	1 175	115 976 737	98 704	1.67%
F15-19	2 612	171 819 683	65 781	2.47%
F20-24	1 572	57 726 989	36 722	0.83%
F25-29	104	2 576 038	24 770	0.04%
F30-34	80	37 941 574	474 270	0.55%
F35-39	246	202 421 363	822 851	2.91%
F40-44	603	470 787 015	780 741	6.76%
F45-49	1 025	711 036 518	693 694	10.21%
F50-54	1 407	900 320 347	639 887	12.93%
F55-59	1 515	821 453 789	542 214	11.80%
F60-64	2 762	1 618 677 526	586 053	23.25%
F65-69	2 451	1 039 106 818	423 952	14.93%
F70-74	1 468	461 685 271	314 500	6.63%
F75-79	870	203 672 188	234 106	2.93%
F80-85	456	73 674 527	161 567	1.06%
F86-90	142	16 628 487	117 102	0.24%
F91-95	57	5 932 893	104 086	0.09%
F95-100	19	890 875	46 888	0.01%
F101+	7	274 204	39 172	0.00%
Totals	18 911	6 961 602 688	368 125	100%

l) The graphical presentation of the Fund's female pensioners' profile is tabled below:



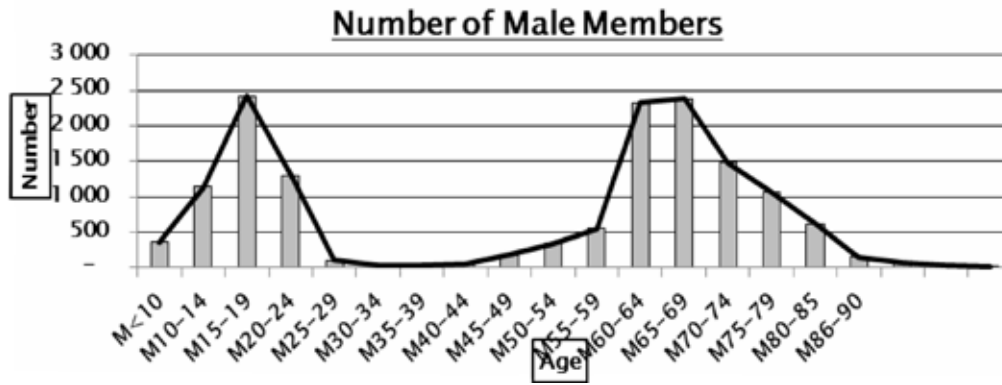
m) The graphical presentation of the Fund's female pensioner liability is tabled below:



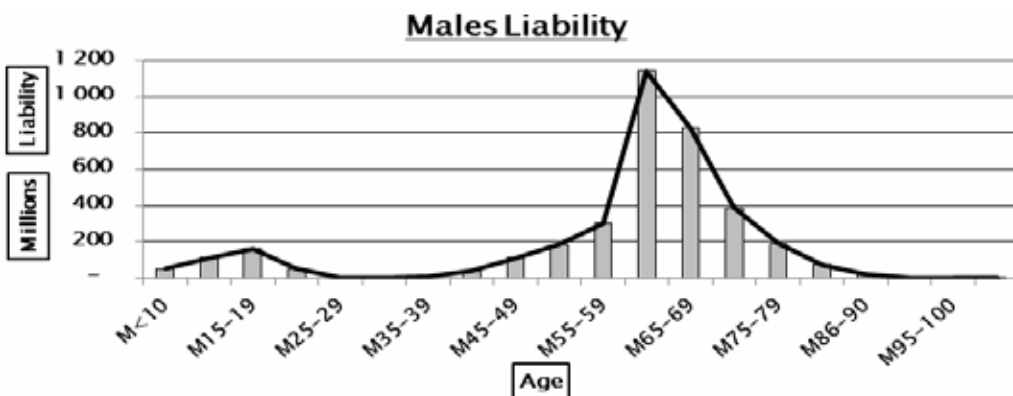
n) A summary of the Fund's male pensioner statistics is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	% Breakdown of Total Liabilities
M<10	363	50 045 072	137 865	1.37%
M10-14	1 140	111 894 024	98 153	3.06%
M15-19	2 424	161 820 899	66 758	4.42%
M20-24	1 306	51 298 768	39 279	1.40%
M25-29	111	245 235	2 209	0.01%
M30-34	36	618 370	17 177	0.02%
M35-39	38	9 484 569	249 594	0.26%
M40-44	64	37 710 231	589 222	1.03%
M45-49	187	109 341 985	584 716	2.99%
M50-54	345	182 108 799	527 852	4.98%
M55-59	551	300 583 510	545 524	8.22%
M60-64	2 329	1 142 716 776	490 647	31.24%
M65-69	2 383	825 797 483	346 537	22.58%
M70-74	1 484	385 903 128	260 043	10.55%
M75-79	1 068	190 633 880	178 496	5.21%
M80-85	620	72 458 128	116 868	1.98%
M86-90	152	19 500 301	128 291	0.53%
M91-95	73	3 718 730	50 942	0.10%
M95-100	28	1 323 650	47 273	0.04%
M101+	19	570 569	30 030	0.02%
Totals	14 721	3 657 774 107	248 473	100%

o) The graphical presentation of the male pensioners' profile of the Fund is tabled below:



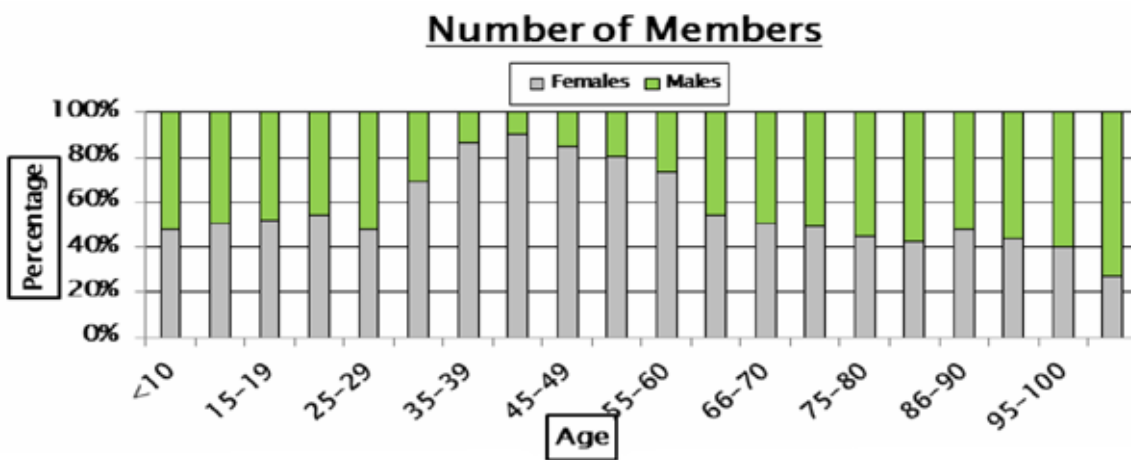
p) The graphical presentation of the male pensioners' liability profile of the Fund is tabled below:



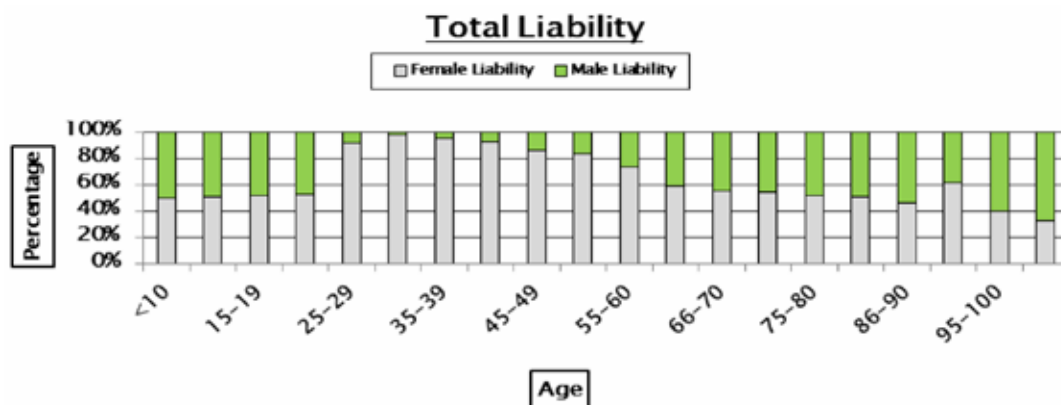
q) A summary of the pensioners of the Fund is tabled below:

Age Band	Number of members	Total Liabilities	Average Liability	% Breakdown of Total Liabilities
<10	703	99 044 916	140 889	0.93%
10-14	2 315	227 870 762	98 432	2.15%
15-19	5 036	333 640 582	66 251	3.14%
20-24	2 878	109 025 758	37 882	1.03%
25-29	215	2 821 272	13 122	0.03%
30-34	116	38 559 945	332 413	0.36%
35-39	284	211 905 932	746 148	2.00%
40-44	667	508 497 247	762 365	4.79%
45-49	1 212	820 378 503	676 880	7.73%
50-54	1 752	1 082 429 145	617 825	10.19%
55-60	2 066	1 122 037 299	543 096	10.57%
61-65	5 091	2 761 394 302	542 407	26.00%
66-70	4 834	1 864 904 301	385 789	17.56%
70-75	2 952	847 588 399	287 123	7.98%
75-80	1 938	394 306 068	203 460	3.71%
80-85	1 076	146 132 655	135 811	1.38%
86-90	294	36 128 789	122 887	0.34%
91-95	130	9 651 623	74 243	0.09%
95-100	47	2 214 525	47 118	0.02%
101+	26	844 773	32 491	0.01%
Totals	33 632	10 619 376 796	315 752	100%

r) The graphical presentation of the pensioners profile of the Fund is tabled below:



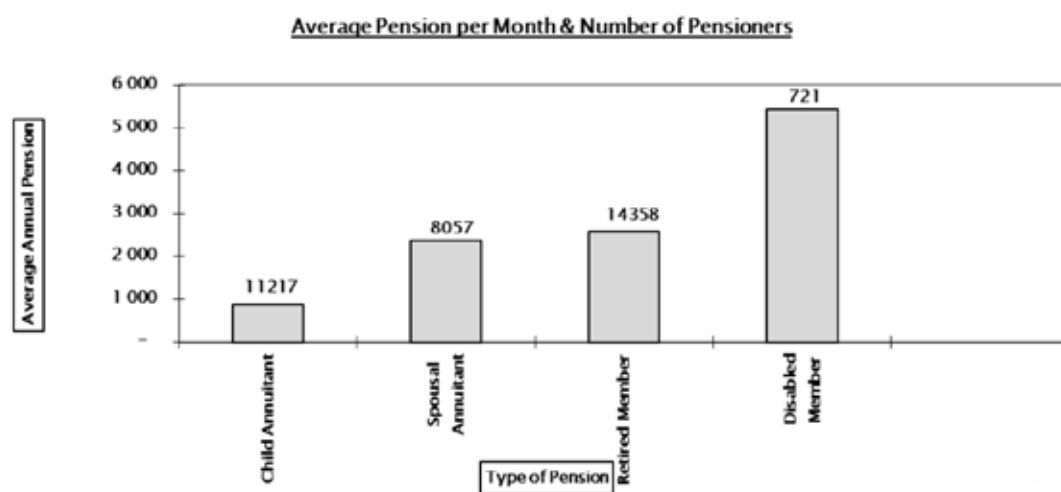
s) The graphical presentation of the pensioners profile of the Fund is tabled below:



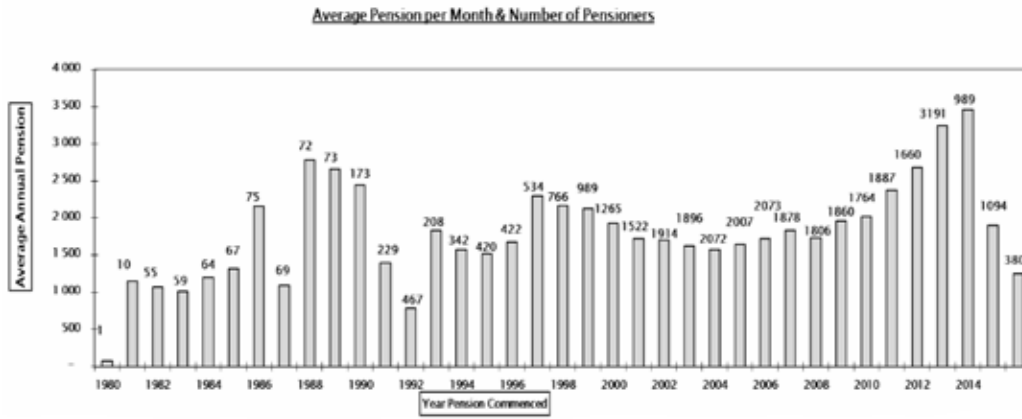
aa) The summary of pensioners and disability income under the Fund by type of pensioner is as follows:

Type	No of pensioners	Total pension per month	Total age	Average pension per month	Average age at valuation date
Child Annuitants	11217	9 742 150	189 592	869	16 years 11 months
Spousal Annuitants	8057	19 081 900	464 684	2 368	57 years 8 months
Retired Members	14358	37 127 120	978 012	2 586	68 years 1 month
Disabled Members	721	3 916 005	37 386	5 431	51 years 10 months
TOTAL	34 353	69 867 176	1 669 674	2 034	48 years 7 months

bb) The graphical presentation of data for pensioners and disability income members under the Fund by type of pensioner is as follows:



c) The summary of pensioners under the Fund by year of commencement is as follows:



APPENDIX 5: BALANCE SHEET

The balance sheet as at 31 March 2015 is shown in the table below:

	31-Mar-15 (N\$)	31-Mar-12 (N\$)
<u>Market Value of Investments</u>	8 877 077 500 0	5 018 934 600 0
Abax Investment	3 351 637 000	1 382 871 000
Absa Capital	11 470 000	-
All Seasons Capital Management	2 185 059 000	1 344 578 000
Allan Gray Namibia	3 853 951 000	2 071 595 000
Blackrock Investment Management	8 733 867 000	-
BFS Nampro Fund Manger (Pty) Ltd	165 461 000	103 177 000
Credit Partners (Pty) Ltd	227 878 000	159 753 000
Element Investment Managers	-	1 241 760 000
Episode Inc	-	121 865 000
First Capital (Pty) Ltd	365 563 000	-
IJG Private Equity (Pty) Ltd	58 059 000	-
Investec Asset Management	12 338 647 000	7 954 969 000
Kongalend Financial Services (Pty) Ltd	79 293 000	25 873 000
Konigstein Capital (Pty) Ltd	128 015 000	-
Marathon Asset Management	-	4 974 148 000
Mazi Capital	817 426 000	1 023 855 000
Momentum Asset Management	3 318 399 000	2 411 613 000
Namibia Asset Management	13 845 207 000	7 679 980 000
Old Mutual Asset Management	9 941 838 000	6 285 901 000
Old Mutual Infrastructure Fund	79 294 000	-
Old Mutual Tunga Fund	212 217 000	-
Preferred Management Services (Pty) Ltd	240 116 000	-
Property Plant & Equipment	76 000	70 799 000
Prudential Portfolio Managers	2 503 247 000	1 773 782 000
Safland Property Services	-	166 058 000
Sanlam Investment Management	8 962 544 000	5 435 880 000
Sim Real Estate Fund	-1 368 000	-
South Suez Capital	1 446 083 000	275 824 000
Sovereign Asset Management	1 952 197 000	997 770 000
Stanlib Asset Management	-	315 147 000
Taquanta Asset Managers	537 212 000	270 323 000
The Frontier Property Trust	241 036 000	-
Transition	539 000	-
Tri-Alpha	1 210 032 000	691 783 000
VISCO Capital	2 279 492 000	-
VPB Namibia (Pty) Ltd	34 720 000	-
Wellington Management Company	9 493 260 000	3 324 191 000
GIPF Direct Investment	158 308 000	85 851 000
<u>Plus Current Assets</u>	4 859 322 000	5 093 375 000
Kuleni Administrators	-	66 000
Cash at bank	156 759 000	328 082 000
Contributions Receivable	314 914 000	181 227 000
Accounts Receivable	14 259 000	-
<u>Less Current Liabilities</u>	4 205 222 000	5 205 500 000
Accounts Payable	105 897 000	70 307 000
Benefits Payable	314 625 000	450 243 000
<u>Less Non- Current Liabilities</u>	2 738 360 000	-
Benefits Payable	242 603 000	-
Unclaimed Benefits	31 233 000	-
Total Asset Value	8 856 234 900 0	5 017 817 100 0

APPENDIX 6: INCOME STATEMENT

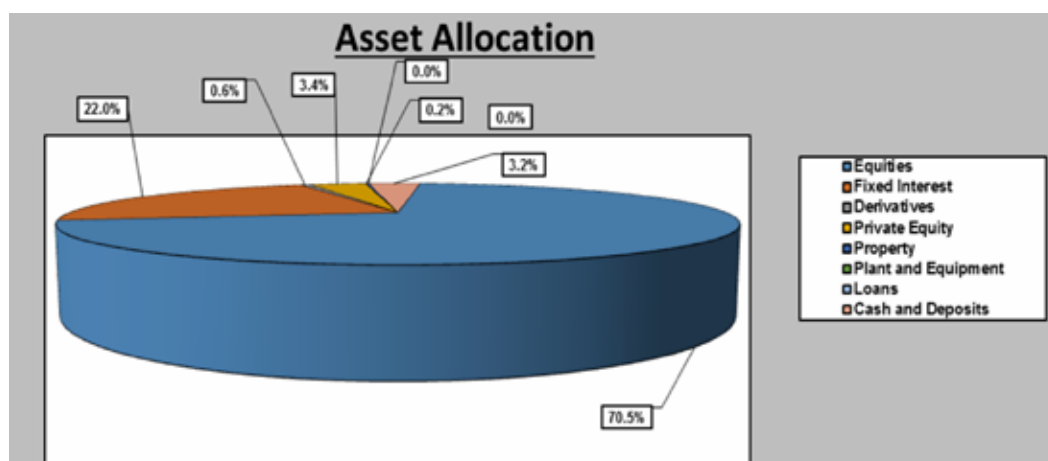
	2013 N\$	2014 N\$	2015 N\$	2013-2015 N\$
Opening balance as at 1 April XXXX-1	50 178 105 000	62 479 898 000	76 430 531 000	50 178 105 000
<u>Income</u>				
Member Contributions	13 964 658 000	15 705 780 000	14 357 530 000	44 027 968 000
Employer Contributions	619 777 000	759 290 000	917 246 000	2 296 313 000
Net Investment Income	1 528 153 000	1 842 234 000	2 341 943 000	5 712 330 000
Other Income	11 787 775 000	13 091 061 000	11 081 747 000	35 960 583 000
	28 953 000	13 195 000	16 594 000	58 742 000
<u>Outgo</u>				
Refund on Contributions	1 662 865 000	1 755 147 000	2 225 712 000	5 643 724 000
Administration	334 000	117 000	1 430 000	1 881 000
Lump sum – Death	120 599 000	139 639 000	157 678 000	417 916 000
Lump sum – Retirements	110 856 000	132 741 000	115 077 000	358 674 000
Lump sum – Withdrawals	336 579 000	322 679 000	600 710 000	1 259 968 000
Funeral Benefits	360 680 000	293 708 000	362 836 000	1 017 224 000
Pensions Paid	4 975 000	8 577 000	9 138 000	22 690 000
	728 842 000	857 686 000	978 843 000	2 565 371 000
Closing Balance as at 31 March XXXX	62 479 898 000	76 430 531 000	88 562 349 000	88 562 349 000
Expenses as a percentage of salary bill	1.36%	1.29%	1.20%	1.27%

APPENDIX 7: ASSET ALLOCATION

The split of the assets held by the Fund as at the valuation date is shown in the table below:

Asset Class	Fair Value of Assets (N\$)	Percentage Holding
Equities	62 632 446 000	70.5%
Fixed Interest	19 526 588 000	22.0%
Derivatives	574 521 000	0.6%
Private Equity	3 048 493 000	3.4%
Property	170 780 000	0.2%
Plant and Equipment	76 000	0.0%
Loans	41 000	0.0%
Cash and Deposits	2 859 272 000	3.2%
Total	88 812 217 000	100.0%

The graphical presentation of the above split is as follows:



APPENDIX 8: VALUATION ASSUMPTIONS

The actuarial assumptions used in determining the liabilities of the Fund are as follows:

Financial Assumptions

The following annual financial assumptions were used:

	Assumptions	Current Valuation 31-Mar-15	Previous Valuation 31-Mar-12
Pre-Retirement	Inflation	8.0 %	8.0 %
	Investment returns	12.0 %	12.0 %
	Salary Increases	9.5 %	9.5 %
Post-Retirement	Investment returns	12.0 %	12.0 %
	Pension Increases	8.0 %	8.0 %

The Pensionable Emoluments increase and investment return assumptions reflect a pre-retirement 'real return' of 2.3% p.a. (i.e. investment return less salary increases). This is the same as the previous valuation, as depicted in table above.

In addition, we have allowed for promotional salary increases (based on the experience of similar funds) as follows:

Age	Males (%)	Females (%)
20	3.7	4.5
25	3.7	4.4
30	3.7	3.1
35	3.7	1.4
40	0.9	0.1
45+	0.0	0.0

This is identical to the allowance made in the previous valuation.

Historically, the Trustees have typically decided annual pension increases by considering inflation levels, but subject to investment return performance and the financial strength of the Fund at the time. We have allowed for pension increases by valuing pensions at an interest rate of 4% p.a. This is same approach as in the Previous Valuation.

This effectively means that all investment returns in excess of 4% p.a. are available to allow for pension increases. This is expected to enable the Trustees (on average) to match pension increases to inflation over the long-term.

We have allowed for expenses at 1.4% of Pensionable Earnings.

DEMOGRAPHIC ASSUMPTIONS

Mortality

The following mortality tables were adopted for this valuation:

In- Service: SA 56 / 62 rated down as follows:

	Males	No rating
Pensioners:	Females	5 years
	PA (90)-1	

Sample rates are shown below at specific ages:

Active Members			Pensioners		
Age	Males (%)	Females (%)	Age	Males (%)	Females (%)
30	0.16	0.15	60	1.48	0.62
35	0.20	0.16	65	2.29	1.07
40	0.29	0.20	70	3.54	1.83
45	0.48	0.29	75	5.43	3.12
50	0.79	0.48	80	8.25	5.26
55	1.25	0.79	85	12.34	8.73
60	1.93	1.25	90	18.06	14.14

These assumptions remain broadly unchanged from those used in the previous valuation.

Withdrawals

The assumed rates of Withdrawal allowed for are shown in the table below; these are the same as in the Previous Valuation.

Age	Males (%)	Females (%)
20	5.0	5.0
25	4.1	4.1
30	3.1	3.1
35	2.2	2.2
40	1.4	1.4
45	0.7	0.7
50	0.0	0.0

Early Retirement and Ill-Health Retirement (Disabilities)

The reduction in pension of 0.25% for each month of Early Retirement ensures that Early Retirement will not have an adverse financial impact on the Fund. Therefore no explicit provision for Early Retirement was deemed to be necessary.

The assumed rates of ill-health retirement are shown in the table below; these are the same as in the Previous Valuation. Disability rates were assumed to be 25% of the ill-health retirement rates applicable at all ages.

Age	Males (%)	Females (%)
30	0.10	0.10
35	0.10	0.10
40	0.10	0.10
45	0.15	0.10
50	0.25	0.15
55	-	-
60	-	-

Family Statistics

Based on similar funds and as per the basis in the previous valuation, it was assumed that 95% of Members are married at retirement and that husbands are 5 years older than their wives

