



GIPF

Government Institutions
Pension Fund

2023

INTEGRATED ANNUAL REPORT





GIPF

Government Institutions
Pension Fund

SUSTAINING PROSPERITY FOR OUR BENEFICIARIES

In the vast and serene landscape of the Namib Desert, an unassuming marvel quietly endures the test of time. The *Welwitschia mirabilis*, a living symbol of resilience and longevity, inspires the development of the Namibia Government Institutions Pension Fund (GIPF) 2023 Integrated Annual Report.

Just like this remarkable plant adapts and thrives amidst the desert's challenges, GIPF remains steadfast, providing unwavering financial support and stability for its beneficiaries' long-term needs.

As we present the 2023 Integrated Annual Report and reflect on the past five years of our 2018 – 2023 Strategic Plan, GIPF mirrors this remarkable plant and its ability to adapt, thrive and steadily growing in an ever-changing and challenging environment, remaining resilient, and conserving precious resources.

A profound connection emerges between conservation and preservation. As the *Welwitschia*'s unique botanical heritage is safeguarded, the GIPF meticulously manages its investments, ensuring the financial well-being of its members and beneficiaries to ensure their benefits remain secure and flourish.

GIPF is the largest defined benefits pension fund and single biggest investor in the Namibian economy, with assets over the five-year strategy period growing from N\$117.5 billion in 2019 to N\$151.0 billion, while the solvency ratio increased from 113.9% to 115.5% as at 31 March 2023. The Fund constitutes more than 89% of the GDP in Namibia, creating shared value and improving the quality of life of our members who are our prime beneficiaries, and through our investment, is a stalwart, bringing about significant social change and enabled economic development for the collective good of our people and our country, in a sustainable manner.

With a shared commitment to sustainability, GIPF's dedication to environmental, social, and governance (ESG) principles resonates deeply. Just as the *Welwitschia* adapts to harsh environments, GIPF takes thoughtful steps to contribute positively to society while ensuring long-term prosperity.

The Namibia Coat of Arms gracefully complements our chosen theme, symbolising the nation's core values. The Coat of Arms weaves a story of unity and strength and is told through the *Welwitschia* which forms the base of the Coat of Arms, symbolising endurance, and the fish eagle soaring, representing the country's water resources, and the two oryx embodying pride and bravery.

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 on pages 30 and 31.

*As we embrace the essence of endurance and prosperity, we promise to craft a secure and thriving future for our beneficiaries across Namibia. Inspired by the *Welwitschia*'s unwavering spirit, let us move forward together, embracing steady growth and sustainable practices, towards a future filled with promise and possibilities.*

The *welwitschia* (*Welwitschia mirabilis*) is a remarkable plant native to the Namib Desert, Namibia, first discovered by botanist Friedrich Welwitsch in 1859. It's adapted to arid environments, surviving through a deep taproot and absorbing moisture from coastal fogs. Named after its discoverer, it thrives in harsh, low rainfall, and windy conditions. Efforts for translocating and conserving *welwitschia* outside its habitat are ongoing, driven by its vulnerability and extraordinary characteristics, including a lifespan exceeding a thousand years, making it a focal point of scientific interest and conservation.

While the *welwitschia* is well-adapted to the harsh desert environment and doesn't provide sustenance in the traditional sense, its presence contributes to the ecological balance of the Namib Desert, supporting a diverse array of flora and fauna in its unique ecosystem.



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Corporate information (back cover)







ICONS USED THROUGHOUT THIS REPORT

OUR STRATEGIC THEMES








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

OUR CAPITALS

The resources and relationships on which we depend can be described as different forms of "capital stock" – the assets we need to protect and enhance to achieve our strategic objectives.

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

OUR KEY STAKEHOLDERS

-  Employees and unions
-  Fund members
-  Government offices, ministries, and agencies
-  Regulator/Supervisory Authority
-  Suppliers
-  Media
-  Society

Other icons

-  This icon directs the reader to pages with more information





INTRODUCTION

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





ABOUT OUR INTEGRATED ANNUAL REPORT

Reporting scope and boundary

GIPF has consistently upheld the core principles of good governance, accountability and transparency for over 33 years. This commitment to transparency was evident in our inaugural integrated annual report in 2018, followed by subsequent reports in 2019, 2020, 2021 and 2022. As we proudly present our sixth integrated annual report for 2023, we continue our tradition of reviewing GIPF's strategy direction, business model, risks and opportunities, and operational and governance performance.

This report seeks to provide a concise, material and candid evaluation of our performance for the year ended 31 March 2023, while also outlining our strategic roadmap to achieve strong financial performance and realise our vision.

In our assessment of the risks, opportunities and outcomes that materially impact value creation, we have expanded our focus beyond the financial reporting boundaries. This broader perspective allows us to address the material interests of our stakeholders and consider the significant risks, opportunities and impacts associated with our activities across the short-term (less than 12 months), medium-term (one to four years), and long-term (beyond four years) horizons.

Reporting framework

Integrated reporting enhances the manner in which we conceptualise, strategise and communicate our business model, providing a coherent and succinct account of how all of our resources contribute to value creation. Our reporting process aligns with the principles and standards outlined in the International Financial Reporting Standards (IFRS), the Integrated Reporting Framework established by the Value Reporting Foundation, the Namibian Code of Corporate Governance (NamCode), and the 2016 Report on Corporate Governance for South Africa (King IV).

Materiality

This report discloses information regarding matters that can potentially impact our long-term value creation significantly. Identifying and prioritising material aspects for inclusion in this report involved a comprehensive review of several aspects, including GIPF's business model, our interaction with the capitals, the operating environment, and the expressed interests of our key stakeholders as expressed during our ongoing business engagements. This report systematically presents the material information by delving into who we are and how we create value, highlighting those issues with substantial implications for value. It outlines our strategy and performance in ensuring sustainable, long-term value creation. Supplementary information relevant to other purposes is available on our website.

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.

”

Integrated thinking

Integrated thinking is intrinsic to how we manage our business, internal strategy development and reporting practices. We have developed our strategy around 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, guiding the content and structure of this report.

Forward-looking statements

This report includes forward-looking statements regarding GIPF's future performance and prospects. While these statements reflect our assessments and expectations at the time of preparing this report, it is important to acknowledge that several emerging risks, uncertainties and other significant factors could lead to actual results that differ materially from our initial expectations. These factors may have adverse effects on our business and financial performance.

Board responsibility statement

As members of the Fund's Board of Trustees, we acknowledge our responsibility for upholding the integrity of this report. We have reviewed the report and believe that it addresses those matters that significantly impact the Fund's ability to create value over the short, medium, and long-term. We believe this report presents a balanced account of the Fund's performance for the reporting period and accurately reflects our strategic commitments for the upcoming year.

The Board has granted approval for the distribution of the GIPF Annual Financial Statements effective from 28 September 2023 and has endorsed the GIPF Integrated Annual Report based on the recommendation of the Audit and Risk Committee.

We encourage our stakeholders to peruse this report and provide feedback on our disclosure, our performance and strategic roadmap for delivering value.

A digital copy of the report is available at www.gipf.com.na

Nillian Mulemi

Chairperson of Board of Trustees



28 September 2023





OUR BUSINESS

The 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 01 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.



GIPF, operating in all 14 regions of Namibia, manages and disburses pension benefits to government employees and related institutions. The Fund's core business activities include pension management, investments, risk management, financial reporting, member services, and promoting ethical and transparent governance. The overarching objective is to ensure that members receive their entitled benefits upon retirement while strategically managing investments to support these future obligations.

Delivering societal value: Our alignment and contribution to the 2030 UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) represent a universal call to action and provide the most comprehensive definition of sustainable value. They establish a clear long-term agenda aimed at eradicating poverty, protecting the planet and ensuring that all people enjoy peace and prosperity by 2030.

GIPF's culture is rooted in principles of nurturing, sharing, and caring for the wellbeing of its members, society and the enduring prosperity of our nation. We are committed to fulfilling our part in achieving these SDGs in collaboration with the government, communities and other businesses.

We strive to be a leading global pension fund that creates sustainable and shared value for its members, making a positive impact on the socio-economic development of Namibia and its people for a prosperous future.

”



Over the years, GIPF, working with its Fund and Asset Managers, has allocated significant resources to sustainable development investments that deliver tangible positive social and environmental impacts. These investments have been instrumental in advancing various Sustainable Development Goals (SDGs) related to food production, renewable energy, healthcare, housing, education, and skills development. Responsible investment and corporate sustainability are inherently in harmony with the SDGs.

GIPF is committed to leveraging all available Environmental, Social, and Governance (ESG) tools to substantiate its commitment to the SDGs. This approach includes targeted investments, such as a thematic-based strategy aligned with the SDGs, connecting impact themes with the SDGs.

Pending a formal review process, we have initially identified five SDGs, as depicted on the right, where we believe we can have the most meaningful impact.





THE NEED: World hunger is on the rise, affecting nearly 10% of people globally. According to the UN's Hunger Report, one in nine people in the world today (829 million) are undernourished. According to Namibia's Multidimensional Poverty report of 2021, more than 43.3% of Namibia's population live in multidimensional poverty, with the largest concentration in rural areas.

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. This has contributed an additional 95.75MW to Namibia's generation capacity.



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: To build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

OUR CONTRIBUTION: We have committed more than N\$9.6 billion of our assets under management towards developmental investments in logistics infrastructure, health and healthcare services, housing, small and medium enterprises (SMEs), education and skills development, agriculture, information and communication information technology.



THE NEED: 95% of urban expansion in the next decade will take place in the developing world. The urban population in the total population of Namibia grew from 42.64% in 2011 to 53.01% in 2021.

OUR CONTRIBUTION: Our housing investments have provided over 6,919 affordable homes in Namibia. In addition, we invested in land servicing of 5,761 plots. The total value of our investment in houses constructed and land servicing throughout Namibia amounts to more than N\$843 million.



THE NEED: Global energy-related emissions of carbon dioxide (CO₂) rose 60% between 1990 and 2013 and by 6% in 2021 to 36.3 billion tonnes.

OUR CONTRIBUTION: The total amount of N\$2.7 billion we have committed to renewable energy projects help to provide clean energy and reduce carbon dioxide from the environment every year.

Investing in the Namibian economy



GIPF continues to actively support national development priorities and programmes channelling its investments and resources into key areas in the Namibian economy such as social infrastructure, and regional development. GIPF plays a crucial role in advancing the country's economic growth, poverty reduction, social development, and regional balance, contributing to the overall development and well-being of the Namibian people. It is furthermore an enabler of good governance principles embodying high ethical principles and standards throughout the organisation.

OUR CONTRIBUTION TO NATIONAL DEVELOPMENT PRIORITIES

Social safety net in benefits Over N\$20 billion paid between 2018 to 2023 in the form of benefits payments contributing to the social safety net

Housing Over 6,919 houses built, land servicing of 5,671 plots and end user financing in line with national affordable housing objectives

Energy Over N\$2.7 billion committed to renewable energy projects

Infrastructure Over N\$3.7 billion committed to infrastructure development in Namibia

Agriculture Over N\$510 million committed to the agricultural value chain



GIPF

Government Institutions
Pension Fund

Continuing to acknowledge the privilege of actively participating in the advancement of our nation, and as a conscientious Fund, we will endeavour to align, whenever feasible, with the broader national development goals in a manner that fosters mutual benefits for both the Fund and its members.



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

- Adequate financial resources and prioritisation
 - Effective asset and liability management
 - Practicing responsible investing
 - Highly skilled staff and the ability to adapt to all key responsibilities within the dynamic business environment
 - Global Government stimulus packages
 - Continuity management strategy deployed
 - Integrated systems that allow the automation of routine processes
 - Inflation linked bonds
 - Dual listed stocks
 - Favourable emerging markets
- Strong Fund growth, from N\$147.2 billion in the previous year to N\$151.0 billion
 - Alignment of the current asset allocation to the strategic asset allocation
 - Development of a Responsible Investment and Active Ownership Policy for approval
 - Compliance with the regulatory requirement from the regulator (NAMFISA) for the approval of the annual financial statements within six months of the financial year ending 31 March 2023
 - Efficient payment processes were maintained
 - Achieved a 100% contribution collection rate
 - Net investment income of N\$6.5 billion
 - The Investment Policy was approved by the Board in June 2022
 - Implementation of the Asset Liability Model and Strategic Asset Allocation
 - Continued to develop strategies to deploy 45% of assets locally (50% - as at 31 March 2023; 2022: 53%)



Excellent service

- Improved quality of member data
 - Mature and refined processes aligned with best practices
 - Execution of advanced technological solutions
 - Systems connectivity and access
 - Ease of access and use of collaboration tools
 - A service excellence culture and enhanced innovation culture
 - An integrated marketing and stakeholder communication strategy and plan
 - Project collaboration (interdepartmental)
- Improved data integrity
 - Completion of the of the Biometric annuity enrolment and verification system
 - Improved delivery and adoption of digital transformation solutions
 - Reduction of unclaimed benefits and turnaround times for pay-out of member benefits
 - Near real-time benefit payments
 - Improved external stakeholder satisfaction levels
 - Enhanced confidentiality, integrity and availability of information systems
 - Information systems availability of 97%
 - Maintained 99.9% contributions collection rate
 - Maintained systems' availability - no downtime due to any security incidents
 - Strongly embedded culture of service excellence
 - Strong culture of service excellence
 - Marked reduction in unverified annuities
 - Over 90% execution of member outreach programme
 - Member retention 100%
 - To increase our footprint by opening a new satellite office in Mariental, Hardap Region soon
 - The construction of a N\$38.2 million office complex in Ondangwa, Oshana Region commenced in September 2022



STRATEGIC THEME

KEY ENABLERS FOR ACHIEVING OUR GLOBAL VISION

KEY MILESTONES DURING THE YEAR



Outcomes-based governance, risk and compliance

- Participation in global surveys
- Benchmarking against world-class companies
- Strong ethical and organisational culture aligned with organisational core values
- Compliance with corporate governance framework and execution of work plan
- Review of existing policies and the development of new ones, essential for promoting good corporate governance
- Enablement through risk champions skills development
- A supportive risk management framework and efficient processes across the Fund
- A risk culture that is embedded across the Fund
- Accessibility of relevant information related to risk factors
- Strong cyber-security and data protection
- The institutionalisation of the ethics management plan and strategy
- Developed a Board Performance Evaluation Policy, approved by the Board in December 2022
- Implemented the practice of a Board resolution implementation matrix
- Fully compliant with the corporate governance framework, execution of Board work plan, and ongoing implementation of the ethics management plan and strategy
- Several key policies reviewed and approved by the Board
- An approved Audit Charter providing the authority required by the Internal Audit team to access the information required
- Sufficient resources required to enable effective internal control measures and value-addition to the business processes
- Strengthened legal risk management
- Strengthened compliance risk management
- Strengthened internal control environment
- Enhanced governance efficiency through technology enabled solutions



Employer of choice

- Transformational leadership
- Human capital aligned with corporate strategy
- Improved human capital skills and capacity
- Focus on employee wellness
- Successful implementation of the Global Leadership Development Programme
- Review of the current organisational structure
- Implementation of the critical skills programme
- Developed and implemented several employee health and wellness programmes



WHO WE ARE

The GIPF is a defined and self-administered statutory pension fund that provides guaranteed pension and other related benefits to 97,512 civil servants, and employees of participating employers in Namibia, established by Acts of Parliament such as public enterprises. It is the largest pension fund in Namibia, with a Fund asset value of N\$151.0 billion as of 31 March 2023.

GIPF was established by the Namibian Government in 1989, and has for almost 34 years provided civil servants and employees of participating employers in Namibia, such as public enterprises, with the assurance of income security for old age retirement, in the event of death or occupational disability, early retirement, and ill-health.

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 (referred to as "the Old Fund") with effect from 1 October 1989, and is believed to be the first government pension fund worldwide to successfully complete a privatisation process. It also stands as one of the few fully funded pension funds in Africa with sufficient funds to cover its liabilities.

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, regardless of stock market performance, employee lifespan after retirement, or a member's disability preventing them from working. These benefits are clearly defined in Fund's Rules. Most benefits are calculated based on the final average salary and the number of years of service an employee of the Government or member institution has contributed to the Fund.

The Fund receives contributions and invests them to meet the liability related to the pension benefits listed below. In 2023, GIPF had a total of 97,512 active members and 40,197 annuitants.

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

SOURCES OF FUNDING

Presently, the Fund has around 44 participating employers. Notably, the majority of active members, comprising approximately 94%, are employed in Government offices, ministries, and agencies as of the end of the financial year.

Both employees and employers jointly fund pension benefits. Members contribute 7% of their monthly pensionable salary (emoluments), while employers contribute 16%. These combined contributions are the financial foundation for delivering the benefits outlined in the Fund's Rules.

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 operates under the governance of a Board of Trustees appointed by the Government of the Republic of Namibia and employee trade unions: the Namibian National Teachers' Union (NANTU) and the Namibian Public Workers' Union (NAPWU). The Board has instituted various committees, including the Audit and Risk Committee, Investment Committee, Benefits and Administration Committee, Legal, Governance and Compliance Committee, and the Remuneration and Human Resources Committee, to address different facets of the Fund.

In carrying out its fiduciary responsibilities, the Board rigorously assesses, guides, and oversees Fund-related matters to ensure the achievement of objectives in providing professional and efficient services to members. The Board also relies on a capable executive management team to administer the Fund's operations under its guidance. The management team ensures adherence to the Fund's Rules while managing and controlling its day-to-day affairs.

Membership and Statistics (as of 2023):

- Total of 97,512 active members
- 40,197 annuitants
- Majority of active members (94%) employed in Government offices, ministries, and agencies

Sources of Funding:

- Joint funding by employees (7% of monthly pensionable salary) and employers (16%)
- Combined contributions form the financial foundation for delivering benefits

Regulation and Oversight:

- Regulated by Namibia Financial Institutions Supervisory Authority (NAMFISA)
- Governed by the Pension Funds Act and the NAMFISA Act
- Routine inspections by NAMFISA for risk management and regulatory compliance

Governance Structure:

- Governed by a Board of Trustees appointed by the Namibian Government and trade unions
- Committees include Audit and Risk Committee, Investment Committee, Benefits and Administration Committee, Legal, Governance and Compliance Committee, and Remuneration and Human Resources Committee
- Rigorous assessment by the Board to ensure professional and efficient services to members

Management Structure:

- Executive management team administers the Fund's operations under the guidance of the Board
- Adherence to the Fund's Rules while managing day-to-day affairs

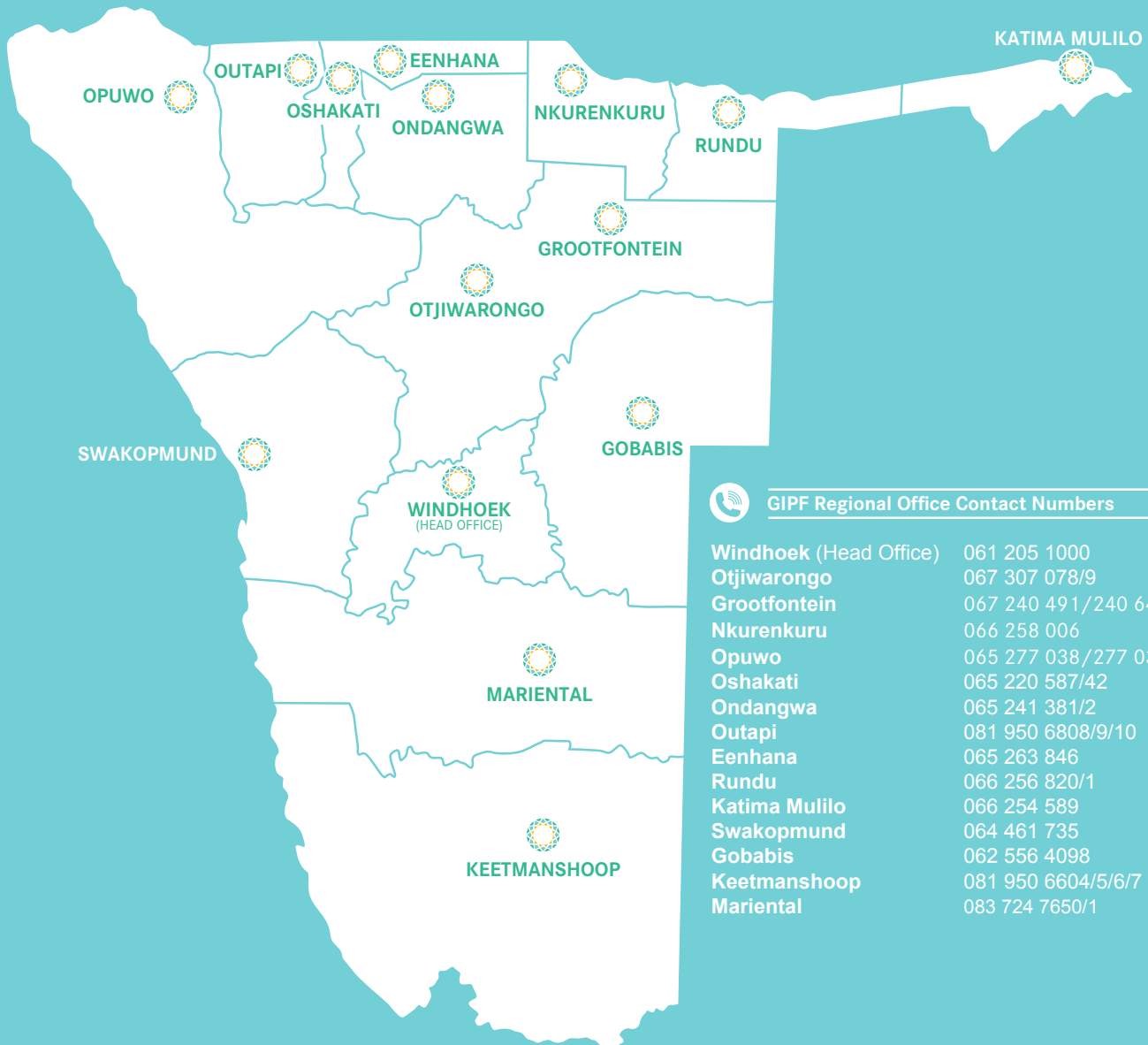


WHERE WE OPERATE

GIPF Regional and satellite offices

GIPF presently operates 11 regional offices and four satellite offices across 14 regions, strategically located in Windhoek, Rundu, Katima Mulilo, Outapi, Eenhana, Oshakati, Ondangwa, Otjiwarongo, Swakopmund, Gobabis, Keetmanshoop, and 4 satellite offices at Grootfontein, Nkurenkuru, Opuwo, and Mariental. The latest addition, the Mariental satellite office, aligns with our systematic and sustainable decentralisation plan to meet our members' specific needs in identified areas.

These regional and satellite offices are connected to our Government Institutions Member Information System (GIMIS), ensuring coordinated member information exchange while safeguarding privacy. All offices are staffed by highly professional team members proficient in local languages.



GIPF Regional Office Contact Numbers

Windhoek (Head Office)	061 205 1000
Otjiwarongo	067 307 078/9
Grootfontein	067 240 491/240 641
Nkurenkuru	066 258 006
Opuwo	065 277 038/277 039
Oshakati	065 220 587/42
Ondangwa	065 241 381/2
Outapi	081 950 6808/9/10
Eenhana	065 263 846
Rundu	066 256 820/1
Katima Mulilo	066 254 589
Swakopmund	064 461 735
Gobabis	062 556 4098
Keetmanshoop	081 950 6604/5/6/7
Mariental	083 724 7650/1



www.gipf.com.na

OUR STRATEGY

Our 2018 - 2023 Strategic Plan is structured around four distinct strategic themes and thirty-four 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
 ST 01. Sustainability The sustainability of the Fund is of paramount importance to ensure longevity and create lasting socio-economic impact.	S.1: Capacitate the Investment department S.2: Strengthen investment processes S.3: Practice responsible investing S.4: Ensure effective asset and liability management S.5: Ensure compliance management	GM: Investments
 Financial capital  Social and relationship capital  Manufactured capital  Natural capital	S.6: Maintain optimal cost-to-serve ratio of member pensionable remuneration S.7: Enhance financial reporting of the Fund S.8: Prudent financial management S.9: Unique and conducive work environment and facilities	GM: Finance
 SEE PAGES 71 - 102	S.10: Improve data integrity	GM: Operations
 ST 02. Excellent service GIPF strives to deliver positive and professional interactions with our members and stakeholders in a manner that is right, fast and humane.	S.11: Ensure stellar member care S.12: Maximise operational efficiency S.13: Enhance member outreach and retention S.14: Enhance stakeholder management strategy S.15: Enhance enterprise infrastructure and architecture management S.16: Drive digital transformation and innovation S.17: Drive information systems security and cyber-security resilience programme	GM: Operations and GM: Marketing and Stakeholders' Engagement GM: Operations GM: Marketing and Stakeholders' Engagement GM: Information Systems
 Social and relationship capital  Intellectual capital	S.18: Ensure continuous enhancement of the internal control environment S.19: Strengthen corporate governance S.20: Enhance ethical leadership S.21: Embed a positive risk culture in GIPF S.22: Enhance enterprise infrastructure and architecture management S.23: Improve fraud risk management practices and business continuity preparedness S.24: Coordinate business continuity management S.25: Enhance management of compliance and legal risks 2.26 Implement FIM Act and standards	Acting Chief Audit Executive GM: Operations Governance and Ethics Manager: Risk Chief Legal and Compliance Officer
 SEE PAGES 103 - 114		
 ST 03. Outcomes-based governance, risk and compliance GIPF will institutionalise a governance driven culture that strives to achieve the true and intended outcomes of good governance principles and practices.	S.27: Improve talent management S.28: Enhance inspirational leadership and management S.29: Ensure strategy driven training and development S.30: Ensure strategy linked talent acquisition S.31: Ensure employee wellness S.32: Improve organisational efficiencies S.33: Inculcate performance driven culture	Acting GM: Human Resources
 Intellectual capital		
 SEE PAGES 1135- 120		
 ST 04. Employer of choice GIPF takes pride in fostering an ideal working environment for skilled, engaged professionals.		
 Human capital		
 SEE PAGES 121 - 126		



FIVE-YEAR OVERVIEW (2019 – 2023)

Integrated reporting has facilitated a comprehensive approach to shaping the Fund's strategy and plans. This has empowered the Fund to make well-informed decisions, effectively manage critical risks, bolster stakeholder trust, and enhance future performance.

The GIPF's 2018 - 2023 Strategic Plan has for the last five years been the primary blueprint guiding decision-making. It has been instrumental in aiding the Fund in judiciously allocating its valuable resources to areas that will have a positive and far-reaching impact on the well-being of our members, their families, and the broader Namibian community.

STRATEGIC THEME	2019	2020	2021	2022	2023
Sustainability (N\$'000)					
Total fund growth/assets (billion)	117.5	108.5	135.4	147.0	151.0
Fund solvency ratio (%)	100.7	100.5	110.0	113.9	115.5
Cost-to-serve ratio (%)	1.4	1.5	1.55	1.63	1.78
Benefits/contribution ratio (%)	104	113	116	123	148
Active member contributions received (billion)	4.3	4.4	4.5	4.5	4.7
Benefits paid out to members (billion)	4.5	4.9	5.2	5.5	6.9
Total number of annuitants	40,666	39,504	45,497	46,931	40,197
Net Investment income/(loss) (billion)	7.3	Unrealised investment loss (7.7)	27.9	13.0	6.5
Unlisted investments commitment (billion) - Namibia	5.6	7.4	9.17	9.2	9.6
Excellent Service					
Number of active members	101,917	101,762	101,027	98,623	97,512
Number of regional and satellite offices countrywide	12	12	12	15	15
ICT-related costs (% of total operating costs)	6	7	13	14	13
Member education (% of total operating costs)	11	3	2	2	2
Outcomes-based governance, risk and compliance					
Trustees expenses (% of total operating costs)	1	1	0.8	1	1
Employer of choice					
Salaries and benefits (million)	180.4	198.4	207.6	219.0	238.9
Number of permanent employees	245	246	246	252	257
Staff turnover (%)	1.24	1.64	3.2	0.04	2
Amount invested in training and development (million)	5.7	5.6	1.8	4.0	4.5



97,512
Active members
(2023)



N\$151.0
Total fund growth/
assets (billion)
(2023)



257
Number of permanent
employees
(2023)



15
Number of regional
and satellite offices
countrywide
(2023)



OVERVIEW OF OUR 2023 PERFORMANCE: HOW WE PROVIDED VALUE

Fund asset value

N\$151.0
billion

- (N\$110.709.2 billion investments managed by investment managers)
- (N\$1.9 billion direct investments)
- (N\$38.5 billion GIPF Treasury Portfolio)

The Fund's investment return has increased with 7.7% to N\$6.5 billion, compared to an increase of 10.8% (N\$11.6 billion) in the prior year. The increase is attributed mainly to favourable investment returns during the period under review.

Financial year	Investment performance (%)	Net investment income (amount in N\$ billions)
2019	5.9%	7.3
2020	-5.9%	(7.7)
2021	26.6%	27.9
2022	10.8%	13.0
2023	7.7%	6.5

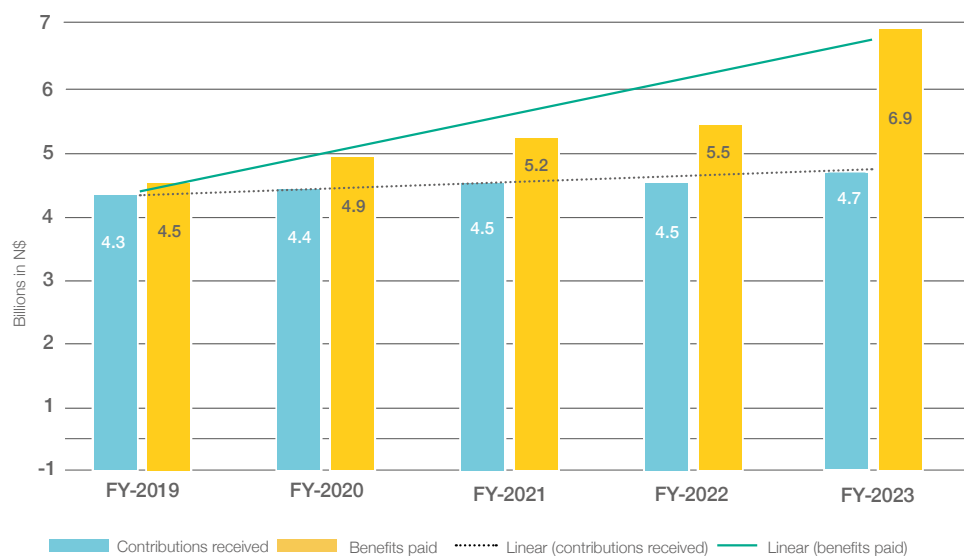
Five-year historical growth trend (from 2019 – 2023)

FY-2019	117.52 billion
FY-2020	108.48 billion
FY-2021	135.44 billion
FY-2022	147.04 billion
FY-2023	151.00 billion

Contributions received
N\$4.7 billion
 (up 3.2%, compared to an increase of 1.2% in the prior year)

Benefits paid
N\$6.9 billion
 (up 25% from an increase of 7.5% in the prior year)

Contributions received and benefits paid



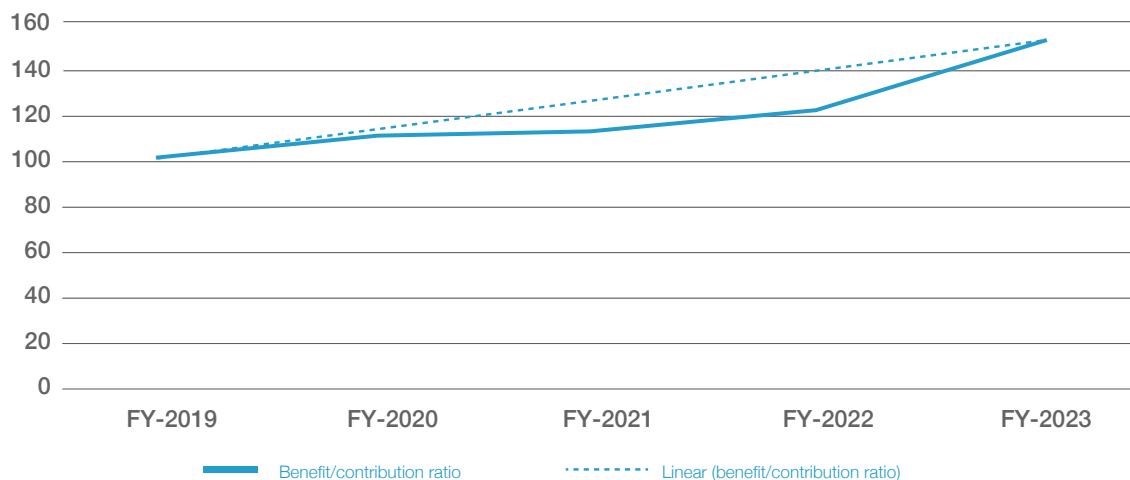
The Fund received a total of N\$4.7 billion in contributions, while N\$6.9 billion was disbursed in benefits to active annuitants.



Benefit / contribution ratio

Increased to 148%

The Fund's benefit/contribution ratio increased to 148% by the end of the financial year (from 123% in the past year), representing a growth rate in this ratio of about 4%, whereas the cost-to-serve ratio stands at 1.78% (from 1.63% in the past year). This means that for every one Namibia Dollar contribution received, approximately N\$1.48 of benefits are paid out.



Active membership count

(from 2019 – 2023)

97,512

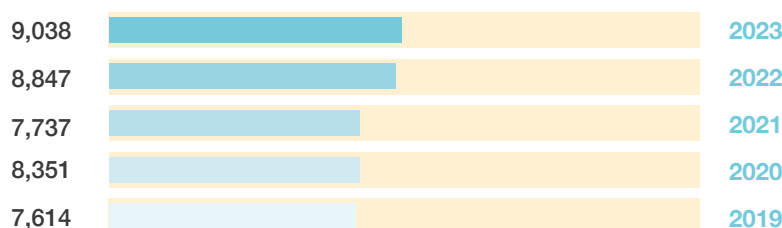
The Fund's active membership decreased from 98,623 to 97,512 by March 2023, representing a decrease of approximately 3.48% when compared to a decrease in membership of 2.38% during the corresponding period of the 2022 financial year.

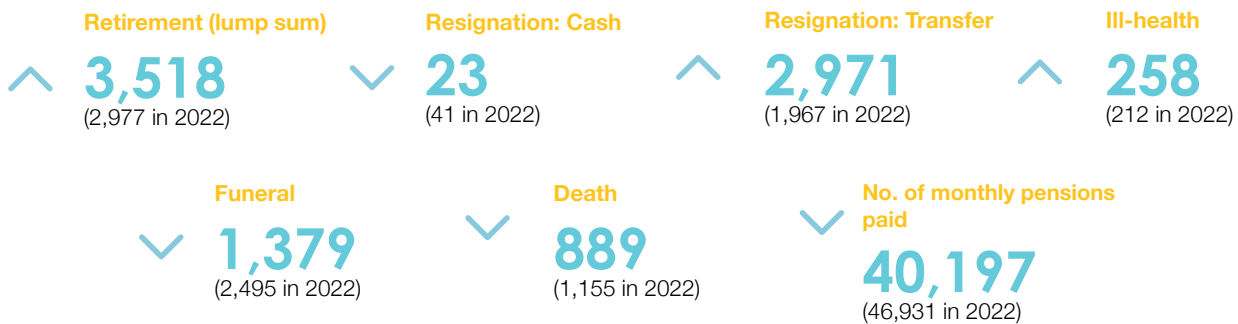


Pensioners receiving regular payments decreased by 6,734 representing a decrease of 11.65% when compared to an increase of 3.2% from 45,497 to 46,931 during the 2022 financial year. The main reason for the decline in pensioners was due to some pensioners failing to verify on the new biometric system during the period. However, these pensioners managed to verify after the year-end.

A total number of 9,038 benefit claims (N\$1.37 billion more than in 2022: N\$386.4 million) were paid in the current financial year, 191 more than the previous financial year's claims of 8,847. This was mainly as a result of a 12% increase in monthly pension pay-outs (2022: 4% increase), an increase of 31.6% on lump sum on retirement, an increase of 55.7% on death benefits, and an increase of 86.7% on resignation benefits. Death benefit payouts were reduced by (55.7%) and funeral benefit payouts by 49.7%.

No. of benefit claims (from 2019 – 2023)





Value provided to our members

The Fund provides the following valued benefits to its members:

Normal retirement: The normal retirement age is 60. Upon retirement, the member will receive a lump sum of one-third (1/3) of the total pension, tax-free. In addition, he/she will receive a monthly pension payable for life (taxable if more than N\$50,000 per annum). The retirement benefit payable is based on the following formula: 2.4% X final average salary of the employee's X the years of service.

Early-age retirement: Should a member wish to go on early retirement, he/she must seek approval from the employer. The member must be above 55 years to go on early retirement. The formula used is the same as for the normal retirement benefit. However, the pension amount is reduced by 0.25% for every completed month that the member retired early and is payable as a lump sum and monthly pension for life.

Resignation/dismissal: When a member resigns or is dismissed from service, he/she has the following options:

1. Cash withdrawal (benefit is taxable)
2. Transfer benefit to an approved Fund (tax-free), such as a:
 - Pension / Provident Fund
 - Retirement Annuity Fund
 - Preservation Fund
3. Deferred Pension (Preserve the benefit with GIPF) on condition that the member has an uninterrupted service of a minimum of ten years.

Members who transfer their resignation benefits to any approved fund of their choice will be paid his/her accrued benefits based on age, final salary, and service period.

Retrenchment benefit: If employers decide to retrench their employees when they reduce the size of their workforce due to financial constraints or to promote efficiency, retrenched members are entitled to a service bonus that is paid by the employer. The benefits are calculated in the same manner as normal retirement benefits, plus the shortest of the following:

- 1/3 of the service period of the employee.
- the difference between the retrenchment date and the normal retirement date, or a period of five years.
- Payable is a lump sum and monthly pension for life.

Disability benefit: Members who become totally and permanently disabled because of a disease or illness, to the extent that such member can no longer pursue his/her own or a similar occupation, will receive a disability income benefit equal to 75% of the member's final salary. The member will remain a full member of the Fund and qualify for all benefits under the Fund Rules. The member and employer however are still required to contribute to the Pension Fund.

Ill-health retirement: A member who is in ill-health of a protracted nature caused through no fault of his/her own, may retire early and proof of the member's ill-health by the Medical Board is required. A member medically boarded on ill-health will receive a lump sum of one-third (1/3) of the total pension (tax-free). In addition, he/she will receive a monthly pension payable for life (taxable if more than N\$50,000 per annum).

Death before retirement benefits: Should a member die before retirement, the GIPF will pay out a tax-free lump sum equal to two times the final annual salary of the deceased employee. The qualifying spouse (if any) will, in addition to the lumpsum, receive a monthly pension that is equal to 40% of the member's annual salary for life. Qualifying children of a married member will receive a monthly income of up to a maximum of 30% of the member's annual salary. If a member was single but had children, they would receive up to a maximum of 60% of the member's annual salary. Qualifying children include unmarried biological as well as legally adopted children, under the age of 18 years, who were substantially dependent on the member at the time of his or her death. This age can also be extended up to the age of 25 years if the children can prove that they are still schooling.

The GIPF rules recognise certain relationships as marital unions. These include unions according to customary law, unions recognised as marriages under any religion, cohabitation, and dependence by virtue of finance or other maintenance. Customary unions require a certificate, or an affidavit issued by a recognised Traditional Authority.

Death after retirement benefits: The GIPF guarantees pension benefits for up to five years or 60 months after retirement age. Should a pensioner die within the first five years after retirement (also referred to as the guarantee period), the remaining pension will be distributed to the member's dependents according to section 37(c) of the Pension Funds Act, No. 24 of 1956. In addition, a monthly pension will be paid to the qualifying spouse. If a pensioner dies after the guarantee period, 50% of his or her monthly pension will be paid to the qualifying spouse for life.

Funeral benefits:

GIPF provides a funeral benefit payable per funeral at no additional cost as follows:



Active and retired members **N\$8,000.00**



Qualifying spouse of an active member **N\$ 8,000.00**



Qualifying children (1 – 18 years) **N\$3,000.00**



Qualifying children (below one year) **N\$1,000.00**

Payable within 24 – 48 hours.



JOINT LEADERSHIP REVIEW

The 2023 Integrated Annual Report underscores the parallels between GIPF and the Welwitschia plant, highlighting adaptability and growth in challenging environments. Over the past five years, GIPF has mirrored the resilience of the Welwitschia, steadily growing and conserving resources amid an ever-changing landscape.

Adaptability and sustainable growth in a dynamic macroeconomic landscape

In my second year of serving as Chairperson of the Board, it gives me great pleasure to present this year's Joint Leadership Review.

Given the constantly evolving and unpredictable macroeconomic conditions within which the GIPF operates, and the varied outcomes observed in pension funds, as indicated by the decline in total assets under management industry-wide, historical records demonstrate the resilience of adeptly managed pension funds like the GIPF amid economic transformations. It is within this context that the GIPF successfully navigated the review period, achieving tangible success.

GIPF's commitment to sustainable growth is embedded in our proactive approach to risk management, which is particularly critical in the dynamic macroeconomic environment. Guided by the Enterprise Risk Management Framework (ERMF) and overseen by the Board through the Audit and Risk Committee, our comprehensive risk governance encompasses risk strategy, policies, procedures, risk appetite, and tolerance.

Annually, the Board approves our risk appetite and tolerance, balancing risk and reward considering the broader macroeconomic conditions. We recognise the influence of the global economic environment, shaped by geopolitical and economic events, on our asset growth targets. In response, GIPF adopts a dynamic strategy that includes diversified investments, strategic asset allocation adjustments, and robust risk management measures to navigate fluctuations in investment returns and market volatility.

Regulatory changes, particularly the implementation of FIMA, introduce challenges to our funding requirements, investment strategies, and benefit structures, resulting in increased operational costs. GIPF proactively addresses compliance challenges, engages members, and manages governance issues associated with the evolving regulatory landscape.

Our commitment to sustainability is aligned with the macroeconomic context. We actively monitor Fund Manager compliance with internal policies, particularly in Environmental, Social, and Governance (ESG) performance, reflecting the increasing stakeholder expectations in this area.

The impact of the macroeconomic environment extends to employment trends, influencing contribution levels for benefits payments. GIPF actively monitors the contributions to benefits payments ratio, maintains reserves, and implements mitigating measures to ensure sustainability amid changing employment dynamics.

In addressing the growing threat of cybersecurity and cybercrime, we recognise the macroeconomic implications on public confidence, funds, and reputation. GIPF prioritises cybersecurity with regular updates to security measures, awareness training, and comprehensive insurance measures to safeguard assets and information.

Our investment in digital innovation and transformation also aligns with the macroeconomic imperative. We strengthen core business areas by addressing risks associated with non-integrated administration systems stemming from outdated technology and lack of integration in legacy systems and processes, ensuring integrity and efficiency in administration systems.

The increasing average life expectancy of Namibian citizens and Fund members introduces a macroeconomic risk of higher pension payments, impacting overall Fund longevity. GIPF strategically addresses this risk through accurate assessments, sensitivity analysis, and a commitment to providing lifetime benefits to members and annuitants.

In essence, GIPF's proactive risk management measures are finely tuned to the dynamic macroeconomic landscape, allowing us to navigate challenges, maintain resilience, and deliver sustained value for members in the short, medium, and long term.

GIPF's commitment to sustainable growth is embedded in our proactive approach to risk management, guided by the Enterprise Risk Management Framework (ERMF). Our comprehensive risk governance encompasses risk strategy, policies, procedures, risk appetite, and tolerance.

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Changes to the Board

During the year under review, there were few changes in the membership of the Board. On 01 January 1, 2023, Faniel Kisting, who had been serving as a Trustee on the Board since October 2017, was re-appointed by the Government of the Republic of Namibia for an additional three-year term starting on 01 January 2023. The Board appointed him to the position of Deputy Chairperson. We warmly welcome Faniel Kisting to this new position and look forward to benefiting from his continued contributions and leadership on the Board as a Trustee and Chairperson of the Audit and Risk Committee.

I would like to express heartfelt appreciation, on behalf of the Board, to Heinrich Iita for his outstanding contributions as a Trustee, as his term has concluded during the year under review.

The present Board possesses a well-rounded blend of skills, experience, and diverse perspectives essential for fulfilling our fiduciary duties and ensuring effective oversight in developing and implementing GIPF's strategic direction.

In recognition of David Nuyoma's concluding year as Chief Executive and Principal Officer at GIPF after a decade of service, the Board would like to extend our sincere appreciation. David, thank you for your steadfast, loyal, and unwavering leadership throughout these ten years. We wish you every success in your future pursuits.

Ethical leadership from the top

Rooted in shared value principles, GIPF is committed to responsible and clear practices, striving for long-term success benefiting its members and Namibia as a whole through rigid application of the core principles of good governance, accountability, and transparency over its 33-year history. The emphasis on transparency is evident in the consistent publication of integrated annual reports since 2018.

GIPF's execution of ethical leadership is demonstrated through its commitment to transparency, stakeholder consideration, reporting framework alignment (including the International Financial Reporting Standards (IFRS), the Integrated Reporting Framework, Namibian Code of Corporate Governance (NamCode), and King IV), materiality focus, integrated

thinking, acknowledgment of forward-looking statements, Board responsibility, and stakeholder engagement, all of which underscore GIPF's ethical leadership by prioritising transparency, acknowledging uncertainties, and ensuring that a responsible Board oversees the report's integrity.

In the retrospective analysis of our 2018–2023 Strategic Plan, GIPF has exemplified resilience, steadfastly providing unwavering financial support for the enduring needs of beneficiaries. Much like the Welwitschia plant in its adaptive growth, GIPF has navigated an ever-changing landscape, conserving resources and embodying endurance and prosperity.



Reflecting on the past five years

Over the five-year strategic planning cycle (2019 – 2023), GIPF has consistently driven efforts to deliver socio-economic impact and shared value through rigorous commitment to the four strategic pillars – Sustainability, Excellent Service, Outcomes-based Governance, and Employer of Choice. These themes, underpinned by strategic objectives and key initiatives, laid a robust and sustainable foundation upon which the recently launched 2023 – 2026 Strategic Plan, inaugurated on 1 April 2023, can firmly stand.

As the largest defined benefits pension fund and a pivotal investor in Namibia's economy, GIPF has experienced remarkable growth, witnessing assets climb from N\$117.5 billion in 2019 to N\$151.8 billion by 31 March 2023. This represents over 89% of Namibia's GDP, fostering shared value and enhancing the quality of life for our members and beneficiaries. Through strategic investments, GIPF has played a pivotal role in driving social change and sustainable economic development for the collective well-being of the nation.

With N\$110.7 billion managed by investment managers, N\$1.9 billion in direct investments, and N\$38.5 billion in the Treasury Portfolio, GIPF's solvency ratio increased substantially from 100.7% in 2019 to 115.5% as of March 31, 2023, reflecting shared value creation and an improved quality of life for members.

Sustainability emerged as the core message underlying the performance of our four strategic themes from 2019 to 2023, demonstrated through solid and sustainable performance confirmed by periodic actuarial valuations. Financial stability

remains a top priority, aligning with our commitment to ensuring members' peace of mind and long-term financial security.

The high-performance culture embraced by GIPF has yielded consistently high corporate scores throughout the strategic plan cycle, reflecting our commitment to strategic execution. Building on lessons learned, our overview of the past five years showcases our dedication to transparency and stability.

Our track record of statutory actuarial valuations reinforces our commitment to maintaining a fully funded and robust financial position, crucial for fulfilling our promise to provide long-term financial security. The recent interim actuarial valuation as of September 30, 2022, affirms the Fund's strength and its ability to meet obligations.

Results from the valuation indicate a funding level increase to 115.51% as of September 30, 2022, surpassing the 113.9% reported on March 31, 2021. Aligned with our internal policy guideline targeting a funding level of 105% - 115% over time, the increase is attributed to a three-year average investment return of 7.7%, totalling N\$6.5 billion.

The Board acknowledges the Actuary's recommendations, recognising the Fund's ample assets. Remaining vigilant in investment monitoring as the Fund matures, the Board eagerly anticipates the next statutory actuarial valuation on March 31, 2024, continuing our commitment to transparency and stability.

Sustainability emerges as the core message underlying the performance of our four strategic themes from 2019 to 2023, demonstrated through solid and sustainable performance confirmed by periodic actuarial valuations.



Reflecting on the year under review

In February of 2023, during the concluding year of the five-year GIPF Strategic Plan, the Fund conducted an annual strategy retreat workshop during which the Board of Trustees, together with management, engaged in a series of thoughtful deliberations centred around addressing challenges and seizing opportunities. These discussions have shaped the direction of the upcoming three years through the development of the 2023-2026 Strategic Plan.

The corporate scorecard has guided organisational activities, resulting in a strategy execution rate of 93.1% for the period 1 April – 31 March 2023. Out of 145 tracked initiatives, 6 demonstrated superior performance, 46 exceed targets, 83 were completed per schedule, and 10 required improvements. This reflects our commitment to strategic excellence and positions us for continued success in the years ahead.

The Board made significant decisions during the year under review to enhance the Fund's operations and member experience. Key highlights include the development of a member-centric strategic plan for 2023-2026, a 5.46% annual

increase in member benefits, and issuing an unqualified audit by external auditors. The award of an innovative end-user financing tender, the launch of a whistle blower platform, and the revision of strategic asset allocation demonstrate our commitment to addressing member needs, fostering transparency, and maintaining an ethical culture.

Additionally, the successful negotiation of wage agreements and timely budget completion underscore the Fund's dedication to a stable industrial relations environment and financial prudence.

In summary, these decisions collectively reflect our responsiveness to member needs, credible disclosure, a commitment to ethical practices, and strong oversight by the Board over the Fund's strategic direction.

Following is a concise overview of the performance across our four pivotal strategic themes.



Sustainability - Financial Performance and Market Dynamics: Navigating Challenges, Delivering Strong Returns

Our commitment to sustainability aligns with ESG principles, mirroring the adaptive spirit of the Welwitschia. The symbolism of the Namibia Coat of Arms reinforces unity and strength, drawing parallels with the endurance of the Welwitschia, the fish eagle's representation of water resources, and the oryx embodying pride and bravery.

GIPF exhibits robust financial performance, strengthening its financial position to N\$151.8 billion in the 2022/2023 fiscal year, a 2.6% increase from the previous year. Accumulated funds and reserves rose by N\$3.9 billion, primarily driven by consistent investment returns.

Rigorous reviews of future contributions, asset-liability matching, and contingency reserves ensure the Fund's ability to meet long-term obligations.

GIPF emphasises enhanced financial reporting, meeting regulatory obligations, and securing an unqualified audit opinion. The Board's approval of the 2022/2023 financial statements on 28 September 2023 reflects the Fund's commitment to prudent financial management. The collection of N\$4.7 billion from contributing employers, a 3.2% increase from the previous year, attests to the Fund's financial strength.

The Fund, being in the maturity stage, signifies not just stability but also the responsibility of managing assets for the benefit of our members. As we consistently outperform, our primary focus remains on providing peace of mind for our members today and in the future. We eagerly anticipate the next statutory actuarial valuation scheduled for 31 March 2024, guiding our strategic financial decisions and reinforcing our commitment to long-term sustainability.

Investment Strategy and Portfolio Overview

The Board recognises and values the Fund's pivotal role in overseeing a significant portion of the nation's savings. This underscores the critical responsibility of maintaining prudent and strategic investment practices to safeguard and enhance the value of these savings.

The GIPF Investment Strategy and Policy (ISP) document is at the heart of our approach, a foundational framework that serves as a guiding beacon for decision-making processes undertaken by the GIPF's management, Investment Committee, and Board. This comprehensive document undergoes continuous refinement and updates to align with dynamic market conditions, regulatory changes, and emerging investment trends.

One noteworthy facet of this ongoing refinement is the periodic adjustment of the asset split within the investment portfolio. This adaptive approach ensures that our investment strategies remain responsive to evolving economic landscapes and continue to align with the Fund's overarching goals and risk tolerance. The ISP document, as a living and dynamic guide, reflects our commitment to staying at the forefront of industry best practices and optimising our investment approach for the benefit of our members.



Overview of the Performance of the Fund

The Fund remained resilient amidst economic challenges, addressing issues like achieving returns of 5% above CPI and managing an aging member base. GIPF's asset performance, influenced by global and domestic factors, experienced volatility from April 2022 to March 2023.

In April 2022, GIPF faced a -0.5% return due to global stock market declines driven by the Ukraine war and Chinese lockdowns. Subsequent months saw fluctuations: positive returns in May (0.7%) and a downturn in June (-3.7%) amid inflation and recession concerns. Recovery began in August 2022, with improved sentiment and interest rate expectations. September to November 2022 brought turbulence with negative returns in September (-2.5%) and a substantial positive return in November (4.5%). Early 2023 showed positivity (4-5%) due to improved sentiment and a weaker Namibia dollar. March 2023, however, recorded a slight negative return of -0.5% amid mixed global market performance and N\$ appreciation.

Cumulatively, the portfolio's 12-month performance to March 2023 was 7.7%, exceeding the benchmark return of 5.4% by 2.3%. The five-year performance was 8.5% against the benchmark of 9.0%. GIPF consistently outperformed the CPI + 5% target at various intervals, showcasing a robust financial standing. The year ending March 2022 saw a return of 10.8% against a benchmark of 9.8%.

Our diverse investment portfolio, totalling N\$151.8 billion as at 31 of March 2023, spans equities, fixed income, derivatives, private equity, collective investment schemes, cash, and deposits. Geographically, of the total strategic asset allocation for the year, 50% was invested in the Namibian market (2022: 53%), 15% in South Africa (2022: 17%), 3% in Africa (2022: 4%), 5% in China (2022: 5%), 24% internationally (2022: 19%) and 3% in emerging markets (2022: 2%).

At the end of the 2023 financial year, the Fund invested in eleven primary listed counters valued at approximately N\$6.9 billion. These investments span across the financial, renewable energy, real estate, telecommunications, and consumer goods sectors, contributing to our commitment to diversified growth.

At the end of the financial year, we held 15 dual-listed or secondary-listed counters, all listed in both Namibia and other jurisdictions. Our exposure to dual-listed counters stands at approximately N\$11.7 billion, representing a reduction of approximately N\$6.0 billion from the N\$17.7 billion exposure recorded last year). This exposure is diversified across various sectors.

It is important to note that while dual-listed Namibian assets contribute to meeting the requirement of investing at least 45% of assets within Namibia, they are capped at 10% of the total portfolio.

The private markets, categorised as alternative investments, encompass unlisted investments in tangible assets, businesses, and infrastructure. With a total investment of N\$18.5 billion in the current year, we prioritise socio-economic impact while achieving commensurate risk-adjusted returns.



In the alternative investments portfolio, N\$12.6 billion is invested outside Namibia. At the same time, N\$5.9 billion is invested in Namibian unlisted investments—our commitment of N\$23.8 billion underlines our dedication to a diversified and impactful investment strategy.

The Fund's strategic approach, prudent risk management, and diversified investments position us for continued success and socio-economic contribution. As we progress, our commitment to long-term sustainability remains unwavering.

While committed to supporting local markets, the domestic landscape's limited investment products lead us to invest primarily in Namibian government bonds. The market's shallow nature shapes the Fund's exposure to domestic bonds.

As at 31 March 2023, the Treasury directly manages Funds totalling N\$20.7 billion, distributed across fixed income and equities. The fixed income portfolio, divided into money market (N\$4.9 billion) and Bond (N\$14.4 billion) tranches, balances income generation and liquidity. The money market portfolio serves as a liquidity reserve for operational needs and additional investments, while the Bond portfolio focuses on long-term investments in various securities.

Strategic equities managed internally with a buy-and-hold strategy represent 7% of internally managed funds, amounting to N\$1.4 billion. Additionally, the Fund administers swapped portfolios valued at N\$17.7 billion, involving the exchange of Rand-denominated portfolios for Namibia dollar-denominated corporate paper with a local entity.





Excellent Service

GIPF's dedication to excellent service is evident in its achievements, ongoing initiatives, and commitment to continuous improvement. The Fund's customer-centric approach, innovative solutions, and nationwide reach reinforce its position as a leader in service excellence within the pension fund industry.

GIPF has made remarkable strides in delivering excellent service, as evidenced by exceeding targets and achieving a 100% client satisfaction index. The Fund's commitment to efficient member care is evident in reduced benefits payment turnaround times, with funeral claims processed near real-time, retirement claims in nine days, and death benefits in within seven months.

Our active membership decreased from 98,623 to 97,512 by end March 2023. Member contributions increased by 3.7% from N\$4.5 billion to N\$4.7 billion, while benefits paid out to members increased substantially, from N\$4.4 billion to N\$6.9 billion, indicative of a maturing Fund.

Ensuring data integrity is a strategic priority for GIPF. Efforts to improve data quality have resulted in substantial progress, with a reduction in unclaimed benefits and improved reconciliation between systems. Despite challenges, the Fund has successfully enrolled 2,737 members previously not admitted, reflecting a commitment to accurate and complete data.

As part of our focus on member-centricity and providing excellent service to our members and beneficiaries we have over the past five years expanded our footprint throughout all 14 regions of Namibia. During the year, construction of an office complex in Ondangwa in the Oshana Region commenced, with the opening of new satellite office in Mariental planned for May 2023.

The roving office concept has proven successful in addressing operational challenges and enhancing service delivery. The commitment to member outreach is evident through 236 engagements, surpassing the target of 173, with over 10,000 participants. The Fund's integrated contact centre, scheduled for implementation in February 2024, is designed to offer a unified experience across multiple channels, emphasising a customer-centric approach.

The Business Process Improvement (BPI) project, initiated in 2019, has consistently improved service delivery. Operational efficiency initiatives include the review of the support services operational framework and upskilling employees for the Financial Institutions and Markets Act (FIMA). The Fund's investment in a Biometric enrolment and verification solution enhances data integrity and operational efficiency.



Outcomes-based Governance

GIPF's steadfast commitment to outcome-based governance is demonstrated through its holistic approach to internal control, ethical leadership, fostering a positive risk culture, and effective compliance management. The Fund's proactive initiatives underscore its unwavering dedication to safeguarding members' interests and attaining excellence in governance, risk management, and compliance.

In alignment with NamCode and King IV, ethical leadership takes precedence and is championed through the established Ethics Office.

Various initiatives to fortify the internal control environment included the approval of 16 audits and an external assessment to ensure adherence to international standards. The Board actively manages the strategic outcome of embedding a positive risk culture through initiatives like an Enterprise Risk Management maturity review, implementing a "Know your Risk Champions" campaign, and comprehensive fraud risk assessments.

GIPF remains committed to aligning Fund Rules with the FIM Act, reviewing the Combined Assurance Policy, and developing a robust annual combined assurance plan. The overarching commitment is to attain new maturity levels in risk, governance, and compliance over the next three-year strategic plan cycle.

Employer of Choice

GIPF's commitment to being an "Employer of Choice" is demonstrated through its strategic focus on talent development, fostering a positive culture, and ensuring alignment with the new 2023 – 2026 strategic plan for organisational success. The correlation between individual performance (3.64) and the corporate scorecard (3.47) for the year under review is indicative of very good alignment between individual and overall organisational performance.

Our permanent staff has grown in tandem with the overall expansion of the Fund and our continued strategic focus on providing excellent service to our members and beneficiaries. From 245 employees five years ago, we now have 257 employees by the end of the current financial year. Emphasising our dedication to staff development, we invested N\$4.5 million in training during the year under review, reflecting a strategic commitment to continuous improvement and ensuring our employees are well-equipped for their roles.

The Global Leadership Development Programme, conducted by the Gordon Institute of Business Science, has advanced successfully over the past year and is set to continue in the upcoming year. The programme's comprehensive 360-degree leadership approach is now seamlessly incorporated into our recently approved scorecard, playing an integral role in the continual enhancement of our Strategic Management and Performance Management policies.

Leading the way forward

For over three decades, GIPF has nurtured an organisation committed to surpassing market averages in terms of returns. Our strategy entails thorough exploration of both global and domestic terrain in order to identify the most promising investment opportunities. We construct a meticulously diversified portfolio spanning various asset classes. Our dedication to providing a continuously consistent benefit for our members compels us to challenge established norms, propelling the Fund toward ever growing improvement and a relentless pursuit of excellence.

GIPF's relevance as a pension fund is intricately tied to its capacity to create long-term value through responsible practices. In the spirit of endurance and prosperity, we pledge to craft a secure and thriving future for beneficiaries across Namibia, inspired by the Welwitschia's unwavering spirit.

It is in this spirit that the Board of Trustees will, with enthusiasm and determination, lead the way forward with executive management and commencing with the execution of the GIPF Strategic Plan 2023-2026, due to commence 1 April 2023.

Appreciation

The high-performance culture embraced by GIPF, from the Board to management and every member of the staff, has consistently translated into outstanding corporate scores throughout the strategic plan cycle. This reflects a collective commitment to strategic execution and a shared vision of sustainability. The Board, with its invaluable leadership, has played a crucial role in steering GIPF towards its goals. The management team, through excellence and integrity, has ensured that the Fund operates at the highest standards. The entirety of GIPF's staff, with dedication and professionalism, works tirelessly to serve the interests of over 97,512 active members, embodying the ethos of an Employer of Choice.

As we celebrate our achievements, it is evident that GIPF's success is a result of the collaborative efforts of the Board, management, and staff. Together, they have not only upheld the core principles of good governance, accountability, and transparency but have also made a profound impact on the lives of GIPF members and the nation as a whole. The dedication and resilience exhibited by each stakeholder have been instrumental in shaping GIPF's legacy of excellence and service to the Namibian community.

Nillian Mulemi
Chairperson of the
Board of Trustees

David Nuyoma
Chief Executive Officer/
Principal Officer





Farewell Message from the Chief Executive Officer and Principal Officer **David Nuyoma**

As I prepare to bid farewell in 2023 after serving as the Chief Executive Officer and Principal Officer of GIPF, my heart swells with gratitude and admiration for the incredible journey we've shared during my tenure on the executive committee.

Reflecting on the past decade, I am pleased to have been instrumental in shaping the course of the Fund and paving the way for astounding growth from an asset base of N\$58 billion at the end of December 2012 which grew to N\$62 billion as at December 2013 after I joined the Fund in January 2013. Today, we stand at an impressive N\$151.8 billion asset base. Beyond sheer size, the Fund has evolved comprehensively, embracing a highly diversified investment portfolio and expanding its footprint with 11 regional and four satellite offices across the 14 regions of the country.

While customary to reflect in one's final year, my focus remains on actively collaborating with my esteemed executive management team. Together, we strived to ensure a seamless transition for my successor and to sustain the momentum propelling the Fund's ongoing growth.

To the Board of Trustees—past and present—I express heartfelt gratitude for your immense talent, unwavering commitment, and dedication to GIPF. I commend our outstanding executive management team and our highly skilled, devoted employees. Each day, their tireless efforts ensure that our members and their beneficiaries have a secure foundation for retirement. Working alongside such a talented and dedicated team has been a true honour and joy.

As I step away, I am grateful to count myself among the many who have contributed to this remarkable institution. The impact we've made together is a testament to the collective dedication and excellence that define GIPF.

As the largest defined benefits pension fund and a pivotal investor in Namibia's economy, GIPF's remarkable growth stands as a testament to its impactful role.



OUR BUSINESS MODEL:

How we create value

Member contributions received

N\$4.7 billion

(up 3.2%)

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



EMPLOYER

16%

of each member's pensionable salary

44

participating employers



EMPLOYEE

7%

of his/her pensionable salary

68

professional service providers

97,512

active members (down from 98,623 last year)

40,197

active monthly pensioners

Investing in people



Human Capital

- Human Capital: 257 permanent employees (2022: 252)
- Low staff turnover of 2% (2022: 0.04%)
- N\$4.5 million was invested in training (2022: N\$4.0 million) to
- 68 service providers
- 44 participating employers



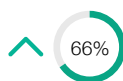
Intellectual Capital

- Effective internal management systems
- Robust information systems (IS)
- Enhanced efficiencies
- Strong GIPF brand

Total operational expenditure

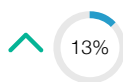
N\$359,792 million

(2022: N\$336,351 million)



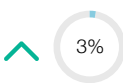
N\$238,900 million

Employment costs paid in salaries and benefits (2022: N\$219,009 million) (employee salaries, benefits and bonuses)



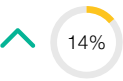
N\$47,807 million

ICT-related costs (2022: N\$45.9 million) such as data communication charges, computer maintenance and renewal of licences



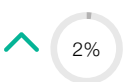
N\$9,843 million

Professional fees (2022: \$5.8 million) for investment consulting, business improvement project and other services



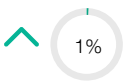
N\$51,024 million

Office expenses (2022: N\$54.9 million) rental, S&T for member education activities, advertising and investment site visits



N\$8,461 million

Member education (2022: N\$7.4 million) various member engagement, marketing and education and awareness initiatives



N\$3,757 million

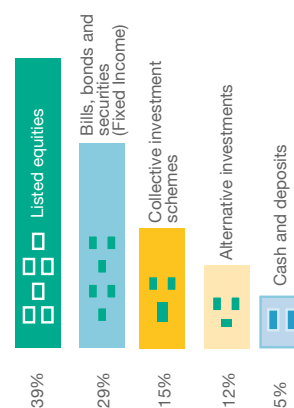
Trustees expenses (2022: N\$3.3 million)

The Fund

N\$151.0 billion

in assets (2022: N\$147.0 billion) (increased by 3%)

	2019	2020	2021	2022	2023
Fund Assets	6%	-7%	25%	9%	3%



Top five risks

- Not achieving the required return as per actuarial assumptions
- Non-compliance to future legislation: regulatory requirements (FIMA)
- Increasing benefit coverage ratio
- Fraud incidences remaining undetected
- Poor organisational culture or low staff morale



Net investment income reinvested

N\$6.5 billion

2022: N\$13.0 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 paid

N\$6.9 billion

paid out in benefits to members (2022: N\$5.5 billion) (up 25%)

2023: 6.9

2022: 5.5

2021: 5.2

2020: 4.9

2019: 4.5

Our products and services

45%

N\$3.1 billion
Monthly pension
(2022: 50%)

31%

N\$2.1 billion
Lump sum on retirement
(2022: 29%)

0.1%

N\$9.3 million
Funeral benefits
(2022: 0.3%)

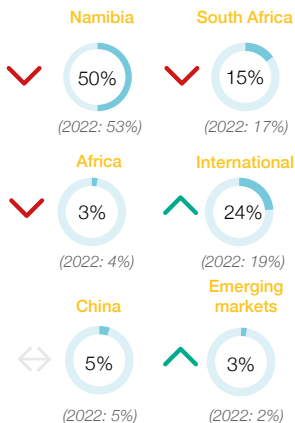
22%

N\$1.5 billion
Resignation benefits
(2022: 15%)

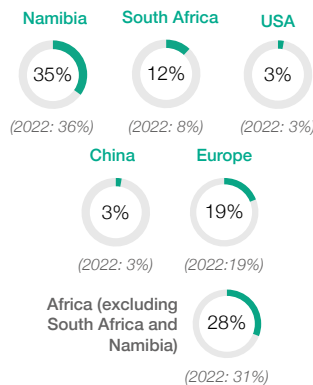
2%

N\$137 million
Death benefits
(2022: 6%)

Total asset allocation per region



Total alternative investment asset allocation per region



Investing in the Namibian economy

Total amount committed to unlisted investments in Namibia:

N\$9.6 billion

(2022: N\$9.2 billion)



Social capital

Infrastructure social (debt) commitment N\$300 million (2022: N\$300 million)
Affordable housing commitment N\$1.58 billion (2022: N\$1.38 billion)
Health facility commitment N\$60 million (2022: N\$60 million)
Educational services commitment N\$81 million (2022: N\$60 million)
Transport and logistic commitment N\$120 million (2022: N\$90 million)
Private equity commitment N\$2.1 billion (2022: N\$2 billion)
Private debt - procurement financing N\$410 million (2022: N\$410 million)
Mortgage financing commitment N\$1.8 billion (2022: N\$1.5 billion)



Natural capital

Renewable energy N\$2.7 billion (2022: N\$2.7 billion)
Agricultural value chain N\$510 million (2022: N\$510 million)



Manufactured capital

11 regional offices and four satellite offices countrywide

Investment types

Listed:

Instruments listed on the formalised stock exchange

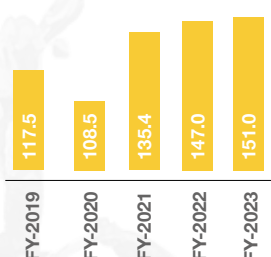
Unlisted:

Alternative instruments such as private equity and venture capital

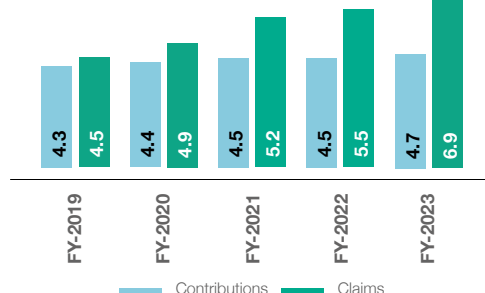
Treasury:

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

Fund growth (N\$ billion)



Contributions vs claims (N\$ billion)



115.5%

Fund solvency (2022: 113.9%)

148%

Benefits / contributions ratio (2022: 123%)

1.78%

Cost-to-serve ratio (2022: 1.63%)



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 depend.

Funding available for our operations

Capitals	Necessary inputs	How we sustain value	Outcomes
Financial capital	<ul style="list-style-type: none"> Member and participating employer contributions Net Investment income 	<ul style="list-style-type: none"> Actively manage cost-to-serve ratio Asset and liability modelling Implementation of the strategic asset allocation Adherence and compliance to the Investment Policy and Strategy Implementation of the Development Policy Integration of sustainability aspects into the management of our business and our role in the socio-economic development of the country 	<ul style="list-style-type: none"> ✓ Safeguarding and growing the Fund's assets ✓ N\$4.7 billion contributions received ✓ Return on investment of 7.7% ✓ N\$6.9 billion benefits paid to members ✓ Reaffirmed capital market assumptions through a comprehensive rerun of the asset and liability model exercise ✓ Developed and implemented an internal portfolio risk management process ✓ Financially sound organisation ✓ Positive and tangible contribution to the growth in GDP of the country ✓ Tangible impact on the socio-economic development of the country through housing, food security, employment creation, health and hygiene, renewable energy

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"> Cooperation, knowledge-sharing Active dialogue with our stakeholders to promote our members' interests Constructive engagement with key stakeholders Positive relationships with members 	<ul style="list-style-type: none"> Engaged with several strategic stakeholders, members and the public through targeted programmes Provision of expert advice, such as on member benefits, retirement planning. 	<ul style="list-style-type: none"> ✓ Maintained positive relations with strategic stakeholders and other stakeholder groups ✓ Maintained GIPF's reputation and corporate image ✓ Public trust and confidence ✓ Brand loyalty ✓ Excellent service provided to members ✓ Improved efficiency of benefits payments ✓ Reduced unclaimed benefits ✓ Affordable housing commitment N\$1.58 billion ✓ Health facility commitment N\$60 million ✓ Educational Services Commitment N\$81 million ✓ Infrastructure social (debt) commitment N\$300 million ✓ Transport and logistics commitment N\$120 million ✓ Private equity commitment N\$2.1 billion ✓ Private debt – procurement financing N\$410 million ✓ Mortgage finance commitment N\$1.8 billion



People, culture, intellectual capability and governance

Capitals	Necessary inputs	How we sustain value	Outcomes
Human and intellectual capital	<ul style="list-style-type: none"> 257 motivated and engaged employees Skilled and diverse leadership team Ethical culture that enables the attainment of strategic goals Corporate values embedded in the organisation Robust governance systems and practices 	<ul style="list-style-type: none"> Responsive employee value proposition Emphasis placed on a culture of wellness Ongoing customised leadership development programmes Outcomes-based governance, risk and compliance prioritised as a key strategic pillar 	<ul style="list-style-type: none"> ✓ Maintained employee motivation, skills, diversity and talent through: N\$4.5 million invested in training ✓ Consistently low staff turnover ✓ Skilled workforce ✓ Good corporate governance and ethical leadership ✓ Ensured readiness with the anticipated FIM Act and procedures ✓ Launched the Whistle Blower platform to internal and external stakeholders ✓ Regulatory compliance ✓ Risk appetite and the four lines of defence model adopted ✓ Implemented and operationalised the members biometric enrolment and verification solution ✓ Developed a three-year (2023 – 2026) Strategic Plan ✓ Completed global leadership programme for employees ✓ Implemented strategy-linked critical skills plan

Assets needed for our operations

Capitals	Necessary inputs	How we sustain value	Outcomes
Manufactured capital	<ul style="list-style-type: none"> Expand the regional footprint (from the existing 11 regional offices and four satellite offices) Robust Information Systems infrastructure 	<ul style="list-style-type: none"> To provide the necessary infrastructure to serve our members (bring our services closer to our members) 	<ul style="list-style-type: none"> ✓ Optimal and convenient client service ✓ Streamlined business processes ✓ Innovative solutions ✓ An additional satellite office set up in Mariental, Hardap Region ✓ Groundbreaking of the Ondangwa regional office

Natural resources

Capitals	Necessary inputs	How we sustain value	Outcomes
Natural capital	<ul style="list-style-type: none"> Development of a Responsible Investment and Active Ownership Policy incorporating the core investment beliefs of the GIPF, the ESG standards and matrix, and factors these in the mandate of Fund Managers 	<ul style="list-style-type: none"> Compliance and monitoring of relevant policies and procedures ESG performance by Fund Managers 	<ul style="list-style-type: none"> ✓ Responsible investing ✓ Proxy Voting ✓ UNPRI rating/signatory ✓ ESG compliance ✓ Renewable energy N\$2.7 billion ✓ Agricultural value chain N\$510 million



OUR EXTERNAL ENVIRONMENT: MATERIAL TRENDS IMPACTING VALUE

Our ability to create value by reinvesting in the capitals upon which the Fund and its members depend is influenced by various factors in our external environment, both negatively and positively.

This year, we identified and prioritised the following five issues that materially impact our business model and GIPF's ability to create value this year. A considered review of these and other key trends was undertaken as part of our annual strategic review breakaway session in February 2022. Such reviews provide assurance that our 2018–2023 Strategic Plan and outlook are best positioned to seize the opportunities and mitigate the risks associated with each of these issues.

Introduction to the macroeconomic environment

Last year's report highlighted that the GIPF's liability-driven investment strategy has shaped a well-diversified Strategic Asset Allocation. The Fund's assets are strategically placed in various global economies, making the overall global economic climate a pivotal factor in determining the Fund's performance.

The performance of the Fund is significantly influenced by the prevailing global economic outlook, primarily shaped by geopolitical uncertainty. This uncertainty tends to diminish economic growth prospects while intensifying inflationary pressures. The ongoing Russia-Ukraine conflict has been a key driver of heightened market volatility, contributing to increased inflation rates, the implementation of tighter monetary policies, and escalating fears of an impending recession.

This global scenario has triggered a widespread sell-off in global equity markets. Furthermore, the changes in policy stance by several central banks have the potential to exacerbate market volatility. Ongoing geopolitical uncertainties further compound these challenges, with the potential for additional disruptions to production and trade. In the context of the pension fund industry, these developments underscore the need for a proactive and adaptive approach to investment strategies to ensure the sustainability of future returns.

Summary of pension reforms and agendas

The 2022/2023 period unfolded against a backdrop of global economic volatility, marked by heightened uncertainty, inflation, and increased interest rates. This environment prompted major pension funds to reassess their asset allocations strategically and tactically. The aim was to effectively respond to the emerging macroeconomic landscape, introducing new systemic risks that demanded innovative management methodologies.

Governments played a heightened role during this period, instituting oversight through legislative revisions governing pension funds. While these reforms aimed to benefit members, they also placed additional responsibilities on pension funds through compliance. Moreover, governments increasingly sought alignment of pension fund activities with developmental agendas, focusing on sectors like energy, land, housing, healthcare, agribusiness, and venture capital.

In the ever-changing landscape, pension funds require robust governance practices to ensure long-term stability. These practices enabled proactive risk management amid managing a complex array of stakeholders. Additionally, pension funds embraced advancements such as Artificial Intelligence, automation, digital transformation, and innovation to develop financial solutions and models. This facilitated accurate reporting through data analytics, enhancing knowledge-sharing efficiency.

The need for governance extended to IT governance, particularly to manage risks associated with extensive financial and member-based data. Consequently, cybersecurity and data integrity escalated to strategic risks, necessitating constant mitigation and monitoring.

In light of these dynamics, the period yielded mixed outcomes for pension funds, evident in the reduction of total assets under management across the pension and retirement fund industry. However, historical resilience has shown that well-managed pension funds are designed to withstand macro or micro shifts in the landscape. Against this backdrop, the GIPF navigated its 2022/2023 strategic year with measurable success.



GIPF's standing as a global player

As part of the GIPF's annual strategic review in February 2023, a customary evaluation was conducted to assess the Fund's performance relative to global, regional, and domestic competitors. This assessment relies on two reputable benchmarks: the OECD Pensions at a Glance report and the Mercer CFA Global Pension Index. These reports provide a framework for comparing and ranking key dimensions of leading pension funds worldwide, using predetermined criteria.

Utilising this systematic approach, the Fund can thoroughly evaluate how its strategy and operations not only align with but also exceed globally recognised standards. In the recent assessment, the Fund pinpointed specific areas where it outperforms global standards:

Fund Criteria	Global Standard	The GIPF
Net replacement ratio	62%	72%
% of Fund credit annuitised	60 – 80%	66%
Pension contributions rate	15.4%	23%
Solvency ratio	98%	115.5%
Assets in relation to GDP	54%	71.3%
Voluntary contributions	11%	None
Regulation approval required	Yes	Yes
Reporting and standards prescribed	Yes	Yes
Risk, Investment and Conflicts Policy	Yes	Yes
Fund, member and trustee protection	Yes	Yes
Independent complaints tribunal	Yes	Yes

How we define our priority issues

Identifying material factors that influence the Fund's capacity to create and sustain medium to long-term value for itself, members, and Namibian society requires a comprehensive assessment. This involves a thorough analysis of the macroeconomic landscape, specifically related to the pension fund industry, along with an examination of the local political, economic, social, technological, environmental, and legal environment. Additionally, the Fund's risk register serves as a critical internal resource, playing a strategic role in both assessing and mitigating risks while upholding robust internal controls.

This strategic approach involves integrating priority areas and material risks into the corporate scorecard for the fiscal year. The resulting strategic objectives serve as the foundation for both corporate and departmental scorecard activities. This annual strategic scorecard serves as a direct and proactive response to address priority issues and material risks that could potentially impact the Fund's ability to create value.

Our priority issues

The seven most material matters in the macroeconomic environment that significantly impact a defined-benefit pension fund's guaranteed benefits and future sustainability are:

Priority	Implications	Our response
Geopolitical and economic events	The Fund has investments in all major economies domestically, regionally, and globally. Consequently, the performance of the global economy significantly impacts the Fund's ability to achieve its asset growth targets.	We manage these factors by adopting a dynamic approach, including diversified investments, proactive adjustments to the strategic asset allocation model when required, and effective risk management strategies.
Interest rates and inflation		
Fluctuations in investment returns and market volatility		
	Lower interest rates increase pension liabilities, while inflation erodes the actual value of benefits and remains the biggest actuarial and investment risk to the Fund.	The strategic asset allocation of the Fund remains responsive to the global economic and financial markets, demonstrating tactical agility and efficiency. It adapts to changing conditions, proactively seizes opportunities, and optimises resource allocation to ensure flexibility and sustainable performance.
	Fluctuations in investment returns and market volatility influence the fund's ability to cover liabilities and maintain stable funding levels.	



Priority	Implications	Our response
Regulatory changes (FIMA Implementation)	<p>Changes in pension regulations impact funding requirements, investment strategies, and benefit structures.</p> <p>The implementation of FIMA will impact the Fund on many fronts and will increase costs (operational, systems, workload increase, compliance, member engagement and governance).</p>	The Fund has assessed the impacts and has prepared for operational changes.
Participating employer employment trends	The employment trends of the participating employers play a central role in the sustainability of the Fund. The extent to which the Fund is admitting members through public sector employment determines the level of contributions received for benefits payment purposes.	GIPF actively tracks the contributions/benefits payment ratio and has put in place a number of mitigating responses to ensure sustainability. The Fund has created and maintained reserves to cater for this factor.
Cybersecurity and cybercrime	Information and security breaches can lead to the loss of public confidence, funds, and reputation. There is a risk of unintended disclosure or access to confidential information due to inadequate information security awareness or mechanisms.	GIPF values the opportunity to safeguard entrusted assets and information by continuously updating its firewalls and end point security. Additionally, The Fund utilises this opportunity to conduct ongoing security awareness training and acquire comprehensive cyber security insurance.
Non-integrated administration systems	There is a risk of poor performance and non-availability of IT systems. This risk is mainly due to business evolution and availability of newer technology outpacing existing and outdated technology. The fact that some systems are not integrated leads to risks in the integrity of core business processes.	GIPF has invigorated its investment into digital innovation and transformation to acquire, develop and implement solutions that strengthen the key business areas of the Fund.
Rising stakeholder expectations, especially in ESG performance	Stakeholder expectations are gaining prominence, prompting businesses to actively involve themselves with stakeholders, particularly in terms of ESG (Environmental, Social, and Governance) performance. The COVID-19 pandemic has expedited this demand, mirroring a worldwide focus on sustainable ESG practices. Investment managers are now anticipated to weigh the ESG impact in conjunction with risk and return, propelled by the quest for sustainable returns and the creation of long-term value.	<p>Monitoring of compliance by Fund Managers to the Fund's requirements set out in its internal policies.</p> <p>GIPF encourages sustainable and environmentally responsible practices among its Fund Managers, aligning with its own sustainability goals.</p>
Longevity risk	Increasing life expectancy can lead to higher pension payments, requiring effective risk mitigation strategies.	Defined benefit pension funds face heightened longevity risk when assumptions are inaccurate. Thus, as a strategic imperative, the Fund ensures the conduct of accurate assessments and easily accessible sensitivity analysis. This approach is essential in fulfilling the commitment and obligation to provide lifetime benefits to its members and annuitants.



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 actively engage with a diverse range of stakeholders, including our Fund members, employees, public officials, the regulator (NAMFISA), business partners, the media, our suppliers and the general public. At GIPF, our primary focus is on securing the future well-being of our members and contributing to the greater good of our society, the environment, and our planet.

We deeply understand the needs and expectations of our members, which include the assurance of receiving the benefits promised in the Fund's rules, the receipt of a pension on retirement which reflects their past service contributions, consistent pension growth exceeding the Consumer Price Index (CPI), and the provision of support for their dependants in the event of untimely death, ill-health, or disability.

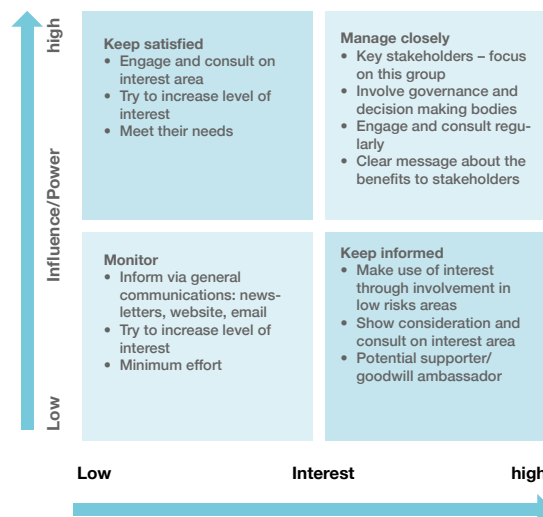
Our integrated corporate communications and marketing strategy is intricately linked to GIPF's overarching strategic objectives. Its core purpose is to provide an excellent service by fostering positive and professional interactions with our members and stakeholders, characterised by timeliness and compassion.

This strategy is further reinforced by annual plans for stakeholder engagement, marketing initiatives, and member outreach and retention, which are collaboratively developed in consultation with the relevant business units.

Identifying our key stakeholders

We utilise a stakeholder analysis matrix guide illustrated on the right to map, categorise, and prioritise our stakeholders. This analysis serves as the cornerstone of our stakeholder engagement strategy, guiding our future initiatives. By proficiently categorising and understanding the significance of each stakeholder group, we can streamline and enhance the effectiveness of our engagement endeavours.

Stakeholder Matrix Guide



Engaging our key stakeholders

The table below details the contributions made by each key stakeholder group to value creation, the methods through which we engage with them, and the most material interests for each group. It is important to acknowledge the diversity within each stakeholder group, as individual stakeholders may have varying interests. The priority interests listed below serve as general indicators of each group's key priorities, based on our ongoing interactions with them.

Furthermore, we carefully review the associated impacts on the capitals to identify optimal trade-offs. This process ensures that the Fund can collectively pursue its shared goals in a sustainable and balanced manner.

Material relationships	Means of engagement	Priority interests	Impact on capitals
Fund members (active members, pensioners and all annuitants) Use our services – the rationale for the Fund's existence	<ul style="list-style-type: none"> Member education sessions Member engagement at GIPF offices Trade fairs and exhibitions GIPF website, social media and through marketing and promotional materials Media (mainstream and social) Consultative regional meetings Targeted meetings Pre- and post-engagement Member outreach road shows 	<ul style="list-style-type: none"> Fast, efficient and timely service Reliable payment of benefits To care for dependants in the event of early death or ill health or disability of the member Accurate and timely information Well governed Fund Address complaints timeously Fund performance and investment philosophy 	<ul style="list-style-type: none"> Financial capital Social and relationship capital














Our response: The Fund continues to meet members' expectations by investing prudently, ensuring transparency, providing accessible services, promoting sustainable practices, offering financial security in retirement, complying with laws and regulations, educating members, and maintaining efficient administration. These efforts aim to secure members' financial well-being and build trust.



Material relationships	Means of engagement	Priority interests	Impact on capitals
Employees and unions Their interests, skills, experience, productivity and client engagement are essential to delivering on our purpose	<ul style="list-style-type: none"> CEO briefings Intranet Policy workshops GIPF website and social media platforms Management / employee meetings Social events Wellness sessions Consultation meetings Management and union negotiations Trade union members engagement sessions 	<ul style="list-style-type: none"> Job satisfaction and a conducive work environment Clear career paths with opportunities for personal development and skills training Competitive remuneration and benefits Clear processes on bargaining and consultation procedures with unions for the members Employee wellness, housing, health and safety Recognition and rewards Accurate and timely release of strategic information Secured conditions of employment in line with recognition agreement 	 Human capital  Social and relationship capital  Intellectual capital
			
Our response: Maintaining competitive compensation, investing in skills training and development initiatives, succession planning, strengthening ethical conduct, supporting health and wellness initiatives, maintained healthy relationships with the union, compliance with labour laws, and ensuring we have formal policies and operating procedures in place to ensure ethical conduct in dealing with all stakeholders.			
Government offices, ministries and agencies Our key clients, as employers of the Fund members Imposes statutory measures	<ul style="list-style-type: none"> Direct personal engagement with key government representatives Participation in consultations and public forums Submissions and engagement on draft regulations and bills GIPF website and social media platforms Integrated and other statutory reports 	<ul style="list-style-type: none"> Effective delivery of the Fund's services Regulatory compliance and timely tax and social security payments Contribution to the Namibian economy and broader developmental objectives Strong governance and data integrity Timely submission of reports and prompt response to queries 	 Financial capital  Social and relationship capital  Human capital
			
Our response: Contributes to the government's national goals by promoting economic development through responsible investments, sustainability practices, and efficient resource management. It also enhances financial security for retirees, engages with stakeholders, supports social and economic impact, and upholds governance standards. These actions align with the government's objectives for national progress and well-being.			
Regulator/Supervisory Authority (NAMFISA) Imposes and monitors regulatory measures	<ul style="list-style-type: none"> Direct personal engagement with key NAMFISA representatives Participation in pension fund industry consultations and public forums Submission of regulatory reports and returns Submission and engagement on draft regulations and bills GIPF website and social media Annual reports 	<ul style="list-style-type: none"> Continuous engagement on the Fund's services Strong governance and data integrity Regulatory compliance Timely submission of reports and prompt response to queries 	 Financial capital  Social and relationship capital
			
Our response: Strict regulatory compliance, transparent reporting, robust governance and risk management, cooperative audits, financial stability, effective communication, staff training, and collaborative engagement. These efforts ensure GIPF operates in accordance with NAMFISA's regulatory standards and oversight.			



Material relationships	Means of engagement	Priority interests	Impact on capitals
Suppliers (service providers) Reliable and cost-effective provision of goods and services needed to deliver our services 	<ul style="list-style-type: none"> Direct supplier engagement through clear procurement processes Adherence to our ethical conduct and ethos 	<ul style="list-style-type: none"> Open tender processes Efficient and transparent contracting processes Well-defined service level agreements Timely payment for services and goods offered 	 Financial capital  Social and relationship capital  Human capital
Our response: Conducts fair and transparent procurement processes, ensuring timely payments, maintaining clear communication, emphasising quality standards, building long-term partnerships, promoting sustainability, offering feedback for improvement, and expecting ethical conduct. These practices foster positive supplier relationships and mutual growth.			
Media 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"> Interviews with CEO and key executives Telephone and email engagement Media releases Media engagements Timeous media responses Thought leadership articles Proactively driving the Fund and brand narrative 	<ul style="list-style-type: none"> Being informed of key activities and offerings Clear, accurate and timely information on the Fund's activities and performance Evidence of investment in the economy Responsible corporate citizenship 	 Financial capital  Social and relationship capital  Human capital  Natural capital
Our response: Prioritises transparency, providing access to information, issuing press releases, engaging in direct communication, handling media queries efficiently and participating in industry events. These practices support accurate and responsible reporting by the media.			
Society and key interest groups (e.g., RFIN, GIPAN) Key to informing GIPF's reputation 	<ul style="list-style-type: none"> GIPF website and social media Newspapers and radio, advertorials Media releases and media events Trade fairs and exhibitions Stakeholder engagement events 	<ul style="list-style-type: none"> Clear, accurate and timely information on the Fund's activities and performance Evidence of investment in the economy Responsible corporate citizenship Evidence of investment in the economy 	 Social and relationship capital
Our response: Conducts ongoing educational programmes to promote sustainable investments, actively engage with society and key interest groups through community initiatives, and utilises targeted communication channels to share information. These efforts aim to enhance understanding, foster responsible investments, and promote transparency and collaboration with stakeholders.			

More information on our approach to engaging our stakeholders, developing trust, and maintaining social and relationship capital, is reviewed under our strategic theme, Excellent Service on pages 103 - 114



OUR MATERIAL RISKS

Our commitment to the GIPF's strategic objective of 'Embedding a Positive Risk Culture' seamlessly aligns with our dedication to implementing best-practice governance principles and methodologies. This commitment safeguards the preservation of our assets and ensures the consistent delivery of value to our members. GIPF's approach to risk management defines risk appetite as the nature and extent of risk that the Fund is willing to accept in pursuing its strategy. Conversely, risk tolerance signifies the strategic capacity of the Fund to accommodate or absorb risk and is the accepted variation in outcomes related to specific performance measures.

Enterprise risk management and process



ISO 31000:2018

The GIPF has adopted an enterprise-wide approach to risk management, encompassing all identified material risks within a structured and systematic process. Risk management oversight is vested in the Board, specifically through the Audit and Risk Committee, which governs risk through GIPF's Enterprise Risk Management Framework (ERMF). This framework includes the risk strategy, policies, procedures, risk appetite, and tolerance.

The GIPF's Risk Division is responsible for coordinating the enterprise risk management function, business continuity and fraud risk management. Our comprehensive risk assessment and management process entails identifying, assessing, mitigating, monitoring and reporting enterprise risks, business continuity, and fraud risks.

The risk management process effectively identifies, assesses, quantifies, and mitigates risks, offering reasonable assurance that our value-creation strategy and strategic objectives are achieved. Striking a balance between leveraging opportunities and managing associated risks without compromising the interests of our stakeholders paramount to sound risk management. This approach ensures consistently delivering sustained value to our stakeholders in the short, medium, and long term.

Risk appetite and tolerance statement

Clearly articulating risk appetite and tolerance and balancing the risk and reward for sustainable, long-term results are top priorities for the Board of Trustees, who are required to approve the risk appetite and tolerance (at least annually) after recommendation by the Audit and Risk Committee, reviews the risk appetite dashboard tabled quarterly, and discloses matters such as risk appetite, tolerance and the risk management process in the annual integrated report.

Risk appetite and tolerance measures are a key component of our enterprise risk management framework and strategy. They align with our overall strategy and organisational objectives, taking into account stakeholder expectations and other strategic aspects of our business.

To monitor risk-taking within the boundaries of the approved risk appetite across our strategic themes and strategic objectives, we have established defined risk tolerances and key risk indicators. These tolerance measures represent permissible variances around the target key performance measures, while the key risk indicators measure the trends in the underlying factors contributing to the most significant risks.



Business continuity management and business impact analysis

The Business Continuity Management response is a crucial element in minimising the impacts of substantial disruptions to the Fund's most critical functions. This strategic approach enables us to prioritise and allocate resources effectively, whether they are financial, human, related to the work environment, or systems-related.

We were, during the year under review, actively engaged in planning and executing activities related to business continuity. This includes ongoing training to ensure that our employees are well-prepared for various scenarios and disruptions. Additionally, the Unit consistently reviews and refines the Business Continuity Plan to adapt to evolving circumstances and emerging risks. By doing so, we strengthen our resilience and our ability to deliver uninterrupted service to all our stakeholders, even during unforeseen events.

Fraud management

Managing fraud risk is a crucial aspect of preventing fraud. Fraud deterrence measures encompass a range of actions, including conducting fraud risk assessments, establishing a policy framework, reinforcing internal controls, raising awareness about fraud risks, implementing monitoring mechanisms, setting up a fraud reporting hotline, referring suspected cases for investigation and potential prosecution, and fostering a culture of zero tolerance.

GIPF is actively in the process of integrating these measures to deter fraud. The Fund has already conducted a fraud risk assessment, identifying several fraud risks along with corresponding mitigating strategies. The Risk Division monitors and reports on the progress of these measures to the Board of Trustees through the Audit and Risk Committee.


Additionally, the division is actively enhancing its capabilities by utilising data analytics and artificial intelligence tools for fraud detection. Furthermore, training opportunities are being pursued through the Association of Certified Fraud Examiners to further strengthen our expertise in this domain.

The top ten risks impacting value

The following table highlights the ten most significant residual risks that the Fund has identified as having a material impact on the Fund's ability to create value. For each of these risks, we provide a brief overview of our existing mitigation controls and the planned activities to mitigate the risk.

The top ten risks (see page 39 - 42), as categorised within the four strategic themes, are presented at the quarterly meetings of the Fund's Executive Committee. Subsequently, they are presented to the quarterly Audit and Risk Committee and ultimately to the Board of Trustees.

A comprehensive account of the strategic initiatives carried out during the year under review can be found in the section titled "Outcomes-based Governance, Risk and Compliance strategic theme" on page 115 - 120.

Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
Sustainability 	1. Not achieving the required return as per actuarial assumptions	<ul style="list-style-type: none"> Risks are minimised by employing a liability-driven asset model and investing through an approved Strategic Asset Allocation (SAA) The investment team and investment committee undertake regular reporting and monitoring of investments Performance monitoring is undertaken by an external asset consultant, and investments are outsourced through investment mandates to carefully selected Asset Managers 	<ul style="list-style-type: none"> Financial impact: negative cash outflow, frequent liquidation of investment assets Not meeting long-term member obligations 	<ul style="list-style-type: none"> Enhance risk and compliance management and performance monitoring through a well capacitated Investment Support Services division
	<i>There is a potential risk of earning lower returns due to possible inappropriate investment strategies, market, geopolitical and economic factors, poor governance, lack of monitoring in investee companies, and/or delayed implementation of the investment strategy.</i>			

Opportunity: Improved financial stability, meeting long-term obligations, and minimising negative financial impacts. Providing our active monthly pensioners and annuitants with annual increases that match and/or exceed the Namibian Consumer Price Index (NCPI) To further contribute to the sustainable socio-economic development of the country.



Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
Outcomes-based governance, risk and compliance 	2. Non-compliance risk to future legislation: regulatory compliance	<ul style="list-style-type: none"> - Compliance policy addresses risks for reporting every quarter - Regulatory report to NAMFISA is performed every quarter - Quarterly monitoring and reporting of non-compliance issues and correction thereof - Awareness to the Board of Trustees and staff on developing issues 	<ul style="list-style-type: none"> - Financial and operational impact: non-compliance may result in fines and penalties from the Regulator 	<ul style="list-style-type: none"> - Draft Fund Rules in alignment with new FIM Bill requirements - Monitoring and managing non-compliance to regulatory requirements
	Opportunity: Improve process efficiencies during the realignment to meet regulatory requirements.			
Sustainability 	3. Increasing benefit coverage ratio	<ul style="list-style-type: none"> - 18 months of actuarial reviews to confirm funding levels - Maintaining adequate contingency reserves - Maintain contribution collection processes within the requirements of the Fund rules 	<ul style="list-style-type: none"> - Financial impact: negative cash outflow, frequent liquidation of investment assets/returns - Long-term sustainability - not meeting the long-term obligations - Reduced funding level might lead to scrutiny from the regulator (compliance risk) 	<ul style="list-style-type: none"> - Implementing recommendations emanating from a sustainability analysis - Monitoring of policy decisions taken by the Government, as Participating Employer and Sponsor
	Opportunity: Implementing recommendations from a sustainability analysis and closely monitoring government policy decisions as Participating Employer and Sponsor could help mitigate the risk of decreasing pension contribution revenues.			
Outcomes-based governance, risk and compliance 	4. Fraud incidences remaining undetected	<ul style="list-style-type: none"> - Ethics awareness and education - Ethics Helpdesk reporting platform - Coordinating fraud awareness - Fraud hotline and whistle blower platform 	<ul style="list-style-type: none"> - Occurrence of fraud and unethical conduct - Reputational damage 	<ul style="list-style-type: none"> - Implement recommendations from the Fraud Risk Assessment on the Fund - Ongoing fraud and ethics awareness - Analysing and monitoring reports of unethical or fraudulent activities, allowing for early detection and prevention of potential issues
	Opportunity: Fostering a well-defined and embedded organisational ethical culture and preventing avoidable ethical lapses and reputational damage.			



Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
Employer of choice 	5. Poor organisational culture or low staff morale <i>The absence of a well-defined and embedded organisational and ethical culture could result in avoidable ethical/culture lapses and negative media exposure.</i>	<ul style="list-style-type: none"> - Ethics awareness and education - Company-wide policies - Board oversight and Board level ethics champions appointed - Recommendations from culture survey conducted 	<ul style="list-style-type: none"> - Strategic goals not met - Occurrence of avoidable ethical lapses - Reputational damage 	<ul style="list-style-type: none"> - Implementing initiatives to establish the desired organisational culture
	Opportunity: To be an employer of choice by attracting and retaining top talent and promoting a reputation for ethical and inclusive practices.			
Excellent service 	6. Inability to effectively respond to significant disruptions <i>There is a risk that the Fund may not be able to respond effectively and promptly 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.</i>	<ul style="list-style-type: none"> - The Business Continuity Plan and Information Systems Readiness Plan is in place - Service Levels Agreements have been concluded with key service providers - This will be implemented in addition to the creation of business continuity awareness - BCM coordination will be strengthened across the Fund by implementing identified improvement actions 	<ul style="list-style-type: none"> - Delayed services to members due to prolonged disruptions - Negative stakeholder perception - Additional cost implications 	<ul style="list-style-type: none"> - BCM exercise plan to be implemented to prepare for disruptive incidents
	Opportunity: To maintain our position as a resilient and responsive organisation that can ensure uninterrupted services to members, enhance stakeholder confidence, and maintain business operations even during disruptive incidents.			
Employer of choice 	7. Risk of an inefficient organisational structure <i>Risk of adaptation to changes in the external and internal operating environment.</i>	<ul style="list-style-type: none"> - Developed organisational structure 	<ul style="list-style-type: none"> - Reputational damage - High cost to serve ratio 	<ul style="list-style-type: none"> - Perform an efficiency study on the organisational structure
	Opportunity: Enhanced reputation of the Fund, reduced costs, and becoming more resilient and adaptable to changes in the external and internal operating environment.			
Sustainability 	8. Manager selection and manager performance risk <i>Poor selection of Fund Managers can result in suboptimal investment decisions and lower investment returns for the Fund.</i>	<ul style="list-style-type: none"> - Third-party selection through Investment Specialist service providers 	<ul style="list-style-type: none"> - Reputational damage - Negative stakeholder perception 	<ul style="list-style-type: none"> - Performance reporting and monitoring - Develop and implement a Code of Conduct for Fund Managers
	Opportunity: Enhanced reputation, positive stakeholder perception, and improved investment decisions with higher returns for the Fund.			



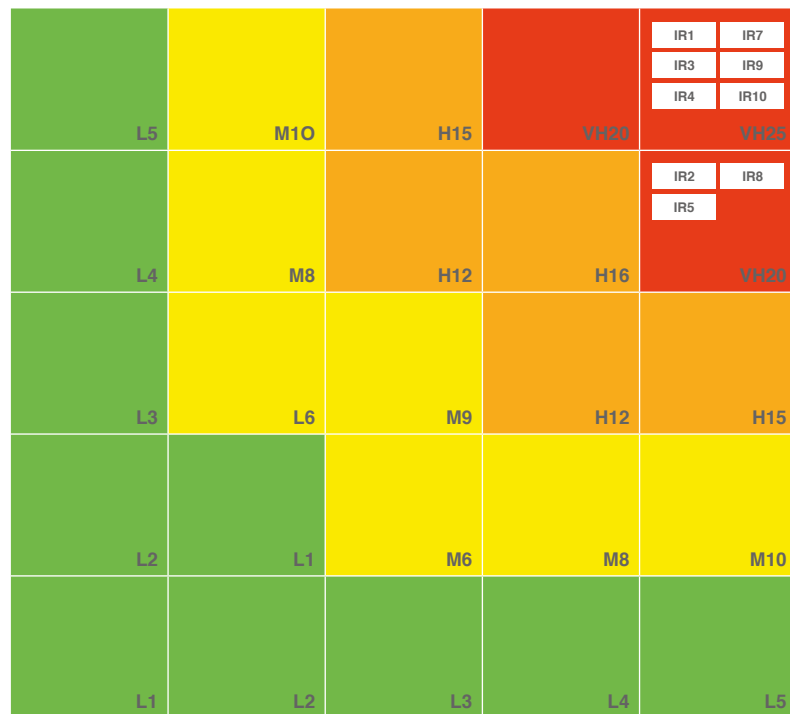
Strategic theme	Material risk	Existing mitigation controls	Impacting value	Outlook: Mitigation strategies
<div>Excellent service</div> 	9. Poor member data integrity (unclaimed benefits and outstanding admissions) <i>Inaccurate or incomplete member information can contribute to incorrect benefit payments 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 participating employers; and insufficient systems integration and understaffing at certain participating employers.</i>	<ul style="list-style-type: none"> - Ongoing data verification measures in place including visits to HR Offices - Continuing efforts to trace unenrolled beneficiaries - Built-in control systems, including internal verification and auditing processes - Member education and stakeholder engagement - Capacity building 	<ul style="list-style-type: none"> - Incorrect (overpayments / double-payments) and delayed benefit payments could occur due to inaccurate or incomplete member information 	<ul style="list-style-type: none"> - Targeted member education sessions - Employer-targeted approach to obtain commitment - Reduce unclaimed benefits
	Opportunity: Enhance data quality with enrolment in the new biometric verification system.			
<div>Excellent service</div> 	10. Inadequate information and cyber security <i>There is a risk of unintended disclosure of confidential information due to insufficient information security awareness or mechanisms.</i> <i>Information and security breaches may result in loss of public confidence and a good reputation.</i>	<ul style="list-style-type: none"> - Firewalls - Endpoint security - E-Mail Management Solution - Backups, restore points - Regular patching of software - Continuous cyber security awareness initiatives - Artificial intelligence for Cyber Security Solution - Cyber Response Plan 	<ul style="list-style-type: none"> - Financial impact in case of ransomware infections - Consultancy fees for cyber security expertise to clean up and restore affected devices - Operational disruption / business continuity - Reputation due to unauthorised disclosure of information - Compliance risk - POPIA act (data stored in SA) 	<ul style="list-style-type: none"> - Explore cyber insurance
	Opportunity: Consider latest technology options to enhance data/ information security posture.			



Inherent Risk – heat map for 2023

GIPF's inherent risk map shown below sets out the top ten principal risks identified through our risk management process.

■ Low ■ Medium
■ High ■ Very high



Residual Risk – heat map for 2023

The heatmap shown below depicts the residual risk after considering mitigating risk factors.

■ Low ■ Medium
■ High ■ Very high



Risk No	Top Risk	Inherent Risk	Residual Risk	Risk Classification	Key Performance Indicators (KPI)	Key Risk Indicators (KRIs)
R1	Not achieving the required return as per actuarial assumptions	25	12.5	High	Ten-year performance against benchmark and inflation	Value at Risk (VaR) measure
R2	Non-compliance to future legislation: regulatory requirements (FIMA)	20	10	Medium	Progress against operationalisation plan	No of compliance areas with challenges
R3	Increasing benefit coverage ratio	25	10	Medium	Funding level	Benefits paid versus contribution ratio
R4	Fraud incidences remaining undetected	25	12.5	High	Suspected cases acted upon within timelines	Fraud risks identified and whistle blower reports
R5	Poor organisational culture or low staff morale	20	10	Medium	Organisational culture measurement	Performance of culture initiatives against target
R6	Inability to effectively respond to significant disruptions	25	7.5	Medium	Response measures within target recovery time objectives	Disruptive incidents and quality of exercises
R7	Risk of an inefficient organisational structure	16	8	Medium	Number of staff complement versus optimal structure (bench strength %)	Organisational workforce forecast vs strategic plan
R8	Manager selection and manager performance risk	20	8	Medium	Manager Performance rating	Tracking error and monitoring of incidents
R9	Poor member data integrity (unclaimed benefits and outstanding admissions)	25	7.5	Medium	Admitted members ratio: <ul style="list-style-type: none"> Member data completeness index 	Progress to reduce: <ul style="list-style-type: none"> Unclaimed benefits Outstanding admissions
R10	Inadequate information and cyber security	25	10	Medium	Cyber security maturity Cyber security awareness	Staff participation in cyber security awareness and monitoring of incidents





GIPF HOUSE





OUR GOVERNANCE

The GIPF Board of Trustees delivers value by positively contributing to the achievement of the following specific governance outcomes: ethical leadership, legitimacy, effective control, and good performance.



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 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.

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The Fund's adherence to six fundamental governance standards and principles as outlined in the corporate governance framework are: fairness, accountability, responsibility, transparency, competency, and integrity. It prioritises safeguarding the interests of members and stakeholders while adhering to industry regulations and best practices. These governance standards and principles, as delineated in the Corporate Governance Code for Namibia (NamCode) and King IV, are firmly embedded in GIPF's Corporate Governance Framework.

Board of Trustees

The strategic leadership of the GIPF is entrusted to the Board of Trustees, with strong support from the executive management committee. The Board comprises of nine trustees, all appointed under section 10(1) of the Rules of the Fund. Six trustees are appointed by the Government and the remaining three are nominated by organised labour, with one from the Namibian National Teachers' Union (NANTU) and two from the Namibian Public Workers' Union (NAPWU). The trustees serve a three-year term, renewable at the discretion of the appointing authority.

The Trustees operate within a unitary structure that encourages active involvement of all members in the decision-making processes related to strategy, human capital, benefits distribution, organisational performance, investments, business ethics, stakeholder communication, governance, risk, and compliance.

Changes to the Board

The Board of Trustees elected Mr. Faniel Kisting as Deputy Chairperson for the period 1 January 2023 to 31 December 2023.

Board diversity

To bolster the existing expertise on the substantive Board, independent specialists in investments, human capital, information technology, and law have been appointed by the Board. This diverse composition of the Board is integral to achieving our strategic objectives. GIPF strongly believes that diversity within the Boardroom fosters varied perspectives and guards against groupthink. Such diversity enhances the quality of decision-making.

Board performance evaluation

The GIPF Board underwent a board performance evaluation for the financial year 2022/2023. The Board evaluation was facilitated by an external service provider, Ms Sophia Amos-Chimunda of EBL Consulting. The evaluation assessed the performance of the following role-players as part of the Board performance process:

- I. the whole Board
- II. Individual Board Members
- III. the Board Committees
- IV. the Chairperson of the Board
- V. the Principal Officer
- VI. the Company Secretary

The methodology used was primarily quantitative, with limited qualitative elements. The facilitator made use of questionnaires, interviews and document analyses to collect data. The Board performed exceptionally well, especially in the following areas:

- board composition and structures
- oversight over strategy
- good Board dynamics and behaviours
- oversight over risk and internal controls
- stakeholder relations governance

However, there were areas for improvement, including:

- board remuneration
- succession planning
- integrity assessments
- board-management communication
- board process optimisation

The Board, subsequent to adopting the evaluation report, has approved the improvement plan, in terms of which identified gaps would be reviewed. The improvement plan is currently being implemented.

The Board is of the view that the evaluation will contribute to improving the performance of the Fund.



Enhancing the capacity of the Board

GIPF firmly believes that adding value emphasises continuous learning. In terms of Board Training Guidelines, the Board Charter makes it mandatory for newly appointed Board members to undergo formal induction. This induction aims to improve their understanding of GIPF's strategy, business environment, operational markets, and significant risks affecting value creation in the short, medium, and long term.

During the period under review, the Board received training in succession planning, risk appetite and tolerance levels, Investments exit and ESG training. The Board of Trustees also undertook a benchmarking visit to the Government Employees Pension Fund (GEPF) and Eskom Pension and Provident Fund (EPPF) in South Africa and underwent training on corporate strategy.

Trustees' Duties

The Board of Trustees is responsible to its members for setting the Fund's direction and growth parameters which involves defining clear strategic objectives and policies. Furthermore, they monitor the executive management committee's progress in achieving these objectives. The Board convenes regularly to deliberate on matters of strategic importance, review, and approve policies and other issues that can significantly impact GIPF's operations.

The Trustees are entrusted with several key duties, including:

- Managing, controlling and administering the Fund
- Ensuring the implementation of robust internal control systems to mitigate significant risks
- Establishing a risk management framework and periodically reviewing it
- Providing strategic direction and setting policy direction for the Fund
- Receiving regular management reports to monitor operational compliance
- Proposing amendments to the Rules of the Fund
- Defining the investment policy, including investment guidelines and performance benchmarks aligned with the policy framework
- Cultivating and managing relationships with key stakeholders

Board Committees

The Board's capacity to enhance value within governance processes is facilitated by the efforts of the various standing Board committees. These committees serve as a forum for in-depth discussions concerning matters falling under their respective mandates and for developing recommendations to be reviewed and endorsed by the Board of Trustees.

Audit and Risk Committee

Members:

Chairperson: Faniel Kisting

Petrus Nevonga
Penda Ithindi
Heinrich Mihe Gaomab II
Martha Dama

Mandate:

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 concerns 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
- Exercise oversight over Information Technology (IT) governance

Investment Committee

Members:

Chairperson: Penda Ithindi

Petrus Nevonga
Nillian Mulemi
Faniel Kisting
Evans Maswahu
Rodger Walters

Mandate:

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 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 (BAC)

Members:

Chairperson: Evans Maswahu

Heinrich Mihe Gaomab II
Roswitha Gomachas
Maria Dax
Nillian Mulemi

Mandate:

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

- The administration of the Fund
- Guidelines and processes on the 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, Ethics and Compliance Committee

Members:

Chairperson: Roswitha Gomachas

Maria Dax
Dr Fabiam George
Advocate Adolph Denk (specialist independent member)
Heinrich Mihe Gaomab II

Mandate:

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

Members:

Chairperson: Maria Dax

Dr Fabiam George
Petrus Nevonga
Collin Katjitae

Mandate:

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, talent management, affirmative action, performance management and other human capital issues



Executive Management Committee

The Executive Management Committee comprises department and strategic division heads and is chaired by the Chief Executive Officer/Principal Officer. Its mandate is to execute the organisational strategy and implement the decisions of the Board of Trustees. The committee is responsible for ensuring the effective management of the Fund's daily operations and convenes twice a month to review operational performance and other pertinent matters in accordance with the delegation of authority to the CEO and the management team.

Company Secretary

The Board is served by a Company Secretary, Escher Luanda. The role of the Company Secretary is to provide secretarial and governance advisory support to the Board, both collectively and individually. The Company Secretary is further responsible for providing training and other associated capacity building to the Board in order to ensure that they discharge their responsibilities efficiently.

Board and Committee meeting attendance for the year

Trustee	Meetings attended					
	Board	ARC	BAC	IC	LGECC	RHRC
Nillian Mulemi	10	-	9	7	-	-
Maria Dax	9	-	10	-	3	6
Roswitha Gomachas	10	-	9	-	4	-
Penda Ithindi	10	5	-	7	-	-
Faniel Kisting	8	5	-	5	-	-
Dr Fabiam George	10	-	-	-	4	7
Evans Maswahu	9	-	10	7	-	-
Petrus Nevonga	9	5	-	7	-	7
Heinrich Mihe Gaomab II	9	5	7	-	4	-
Collin Katjitae (Independent Specialist Member)	2	-	-	-	-	6
Adolf Denk (Independent Specialist Member)	1	-	-	-	3	-
Martha Dama (Independent Specialist Member)	2	5	-	-	-	-
Rodger Walters (Independent Specialist Member)	-	-	-	5	-	-
Total meetings held	10	5	10	7	4	7



Key decisions taken by the Board

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

- Development of a Member-centric Strategic Plan for 2023 - 2026
- Implementation of a 5.46% annual increase in member benefits
- Issuance of an unqualified audit by the external auditors
- Award of innovative end-user financing tender to address GIPF members' needs, including debt consolidation options
- Launch of whistleblower platform
- Revision of strategic asset allocation
- Timely completion of the budget
- Successful negotiation and conclusion of wage negotiations
- Finalisation of the pension-backed home loan scheme

The overall impact of the decisions has been:

- ✓ Responsiveness to member needs
- ✓ Credible disclosure and transparency on the part of the Fund
- ✓ Commitment to a strong ethical culture
- ✓ Maintenance of a stable industrial relations environment
- ✓ Establishment of strong oversight over strategy by the Board

Policies approved by the Board

The Board approved the following policies during the year under review:

- Revised Nominee Board and Committee Members Policy
- Revised Procurement Policy
- Revised Business Continuity Management Policy
- Revised Compliance Policy
- Revised Investment Policy
- Revised Responsible Investment and Active Ownership Policy
- Revised Whistle Blower Policy

Conflicts of interest management

GIPF has implemented a Conflict of Interest Management Policy applicable to Board members, employees, and service providers. Conflicts are declared annually and before each meeting. The Fund's approach to conflict management is to prevent them when possible, and if unavoidable, manage them appropriately.



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

The Fund has a strong compliance culture facilitated by a robust compliance framework aligned with the Generally Accepted Compliance Practices of the Compliance Institute of Southern Africa.

The compliance framework comprises a Compliance Risk Policy, a compliance programme and a compliance plan. Regular awareness-raising sessions are conducted throughout the organisation to foster a culture of legal compliance and ensure adequate awareness of regulatory requirements. Quarterly regulatory compliance monitoring and reporting are carried out in accordance 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.

For quality assurance regarding the compliance framework, the Fund's compliance framework and practices are continuously assessed to determine the extent to which compliance has been integrated into the Fund's business operations. This process enables the Fund to introspect and continuously improve the compliance framework and practices.

Legal challenges

The Fund consistently and effectively managed its legal risks, resulting in no significant legal challenges. However, as previously reported, the Fund, along with numerous other investors who held investments in Steinhoff International, participated in a class action lawsuit against Steinhoff International in the Netherlands and South Africa. We are pleased to report that this matter has now been resolved.

Ensuring compliance with regulations and requirements

Due to its size, the Fund continues to face 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 over 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. As expected, the Fund has yet to succeed in maintaining its investments in some classes of assets within the regulatory prudential limits due to the aforementioned factors. Due to cashflow challenges, smaller employers participating in the Fund continued to experience challenges relating to the payment of monthly contributions to the Fund in respect of their members.

To mitigate some compliance challenges, the Fund continues to apply for exemption from regulatory authorities while taking remedial actions. However, not all exemptions are favourably considered by NAMFISA. Accordingly, the Fund was fined an of N\$2,000.00 for the late submission of the Statutory Actuarial Valuation.

Legislative environment

The legislative environment under which the Fund operates remained stable as there were no major legislations that had a direct effect on the operations of the Fund promulgated during the year. As expected, Parliament has reversed the effects of the Administration of the Estates Amendment Act (Act 22 of 2018); therefore, pension funds are no longer required to pay monies due to children under the age of 21 years to the Guardian Fund at the Master of the High Court.

The Financial Institutions and Markets Act (FIMA), promulgated on 01 October 2021, remains inactive as it is yet to be brought into force by the Minister of Finance and Public Enterprises. In the meantime, a committee has been established by the Minister of Finance and Public Enterprises, to conduct consultations and advise him on the regulations and certain provisions of FIMA. Once in force, FIMA will, amongst others, enhance the manner in which retirement funds are governed and protect the members of the retirement funds. NAMFISA has continued to publish draft prudential standards for comments by the industry.



INTERNAL CONTROLS AND COMBINED ASSURANCE MODEL

The Board of Trustees bears the overall responsibility for the Fund's internal controls system and is accountable for reviewing its effectiveness. GIPF's internal controls system is designed to manage risks within the Fund, primarily those identified and prioritised as having material impact on the Fund's ability to realise its strategic objectives. The Board is extremely conscious of the importance of the Fund's internal controls system and prioritises monitoring its effectiveness and development in line with best practices.

GIPF's Internal Audit Department continues to add value and improve the Fund's operations by providing objective and relevant assurance to management and the Board through the Audit and Risk Committee, on the effectiveness of governance, risk management and control processes in line with the requirements of the Corporate Governance Code for Namibia (NamCode).

To maintain the independence of the Internal Audit Department, the Chief Audit Executive reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer/Principal Officer.

The Internal Audit Department helps enhance and improve the internal control systems by identifying control weaknesses for corrective actions. Internal Audit independently monitors the implementation of the agreed corrective actions and reports the status to the Audit and Risk Committee. All control weaknesses identified by internal and external auditors are reported to the Audit and Risk Committee and tracked for resolution. The tracking reports form part of the quarterly reports presented to the Audit and Risk Committee by the Internal Audit Department. Management is committed to resolving the outstanding findings to strengthen the control environment.

The Internal Audit Department effectively executed its responsibilities during the year under review in line with the Internal Audit Charter approved by the Audit and Risk Committee. In accordance with the Institute of Internal Auditors Standards (IIA Standards), the Chief Audit Executive established the risk-based Internal Audit Coverage Plan for the 2023/2024 financial year, which determines the priorities of the Internal Audit Department, consistent with the Fund's objectives. The Audit and Risk Committee have approved the Audit Plan.

Informing the Internal Audit Annual Plan are the significant risks identified and/or extracted from the Fund's risk register and the inputs by the Senior Management and Audit and Risk Committee members. Emerging risks and ad-hoc audits are considered throughout the year as and when necessary. Internal Audit reports quarterly on progress against the approved Internal Audit Annual Plan.

The quarterly reports for the 2022/2023 financial year disclosed a possible fraud incident pertaining to annuity payments. Since the Fund has a zero-tolerance philosophy towards unlawful conduct or any form of dishonesty, fraud, theft or corruption, two employees were suspended and are still suspended pending the investigation's finalisation. The Fund has launched an internal investigation into the incident conducted by the Internal Audit department, and the case is at the final stage of a disciplinary hearing. This could indicate a breakdown in the control environment that could impact the effectiveness of the GIPF's governance, risk management, and control processes. The incident was also reported and a case was opened with the Namibian Police. The Investigation Unit of the Namibian Police is busy investigating the case.

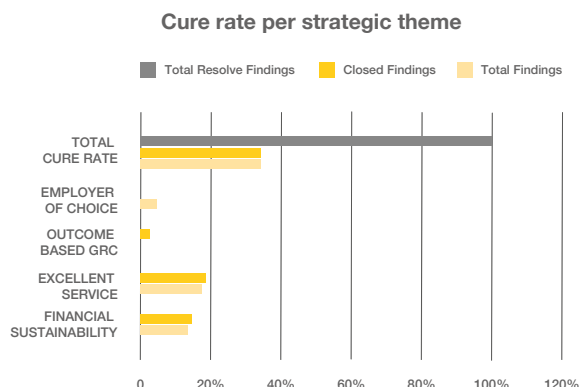
Combined assurance model

GIPF has adopted the principles of the Combined Assurance process. Combined Assurance provides holistic assurance to the Board on the effectiveness of risk management and internal controls systems by coordinating assurance activities from various assurance providers. The combined assurance programme will reduce duplications in audit coverage and identify and close assurance gaps. The Combined Assurance Policy and Procedures have been reviewed and are pending Board and Executive Committee approval respectively. This will facilitate the development of the annual Combined Assurance Plan (CAP) for the Fund. The annual CAP will be based on the annual risk assessment performed by the Risk Management division.

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 Fund continued to strengthen its internal control environment during the year, with a significant reduction in audit issues logged. 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.

The cure rate is a quantified yardstick used to assess the resolution of identified audit findings and risks, which were due during the reporting period. The corporate cure rate of 100% was achieved for the year compared to 71% cure rate achieved in the 2021/2022 financial year.



IF SOMETHING'S WRONG,
DO THE RIGHT THING

REPORT

UNETHICAL CONDUCT
Guard Your Fund

Blow the whistle on:

- Illegal and unethical conduct
- Abuse of Fund assets
- Bribery and corruption
- Theft and fraud

Simply log onto the GIPF Ethics Helpdesk

www.gipf.ethicshelpdesk.com



GIPF

Government Institutions
Pension Fund

To guard, and to grow.



OUR LEADERSHIP TEAM - WHO GOVERNS US BOARD OF TRUSTEES



1. Nillian Mulemi (49)

Chief Executive Officer:
Petroleum Training and
Education Fund (PETROFUND)

Position on the Board: Board Chairperson
(01 January 2022 – to-date)
Committee Assignment: Investment Committee
(Member)
Qualifications: MSc. Finance; B.Acc; B.Juris;
National Diploma: Cost Accounting
Appointed: 14 May 2018 by the Government of
the Republic of Namibia
Reappointed: 15 May 2021
Work experience: 30 years
Other roles: Kuleni Financial Services (Pty) Ltd
(Director)
Value added to the Board: Law, finance,
leadership

2. Faniel Kisting (59)

Consultant

Position on the Board: Deputy Chairperson (01
January 2023 – to date)
Appointed: 20 October 2017 by the Government
of the Republic of Namibia
Reappointed: 21 January 2021
Committee Assignment: Audit and Risk
Committee (Chairperson); Investment Committee
(Member)
Qualifications: MBA; CA (Nam) (SA), RAA (Nam);
B.Com, B.Compt
Work experience: 38 years
Other roles: NamibRe (Chairperson); 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

3. Maria Dax (70)

Strategic Communications Consultant

Position on the Board: Trustee
Appointed: 20 August 2014 by the Government
of the Republic of Namibia
Reappointed: 21 August 2023
Committee Assignment: Remuneration and
Human Resources Committee (Chairperson);
Legal, Governance and Compliance Committee
(Member); Benefits and Administration Committee
(Member)
Qualifications: MBA; BA; PRISA Accreditation in
Public Relations (APR)
Work experience: 44 years
Other roles: Standard Bank Namibia Board (Non-
executive Director); Standard Bank Group (Non-
executive Director); Dax Strategic Communications
CC (Director); Kuti Oil CC (Director and 50%
shareholder)
Previous roles: NamibRe (Non-executive
Chairperson); PRISA – Namibian Chapter
(Chairperson); Tucsin (Trustee)
Value added to the Board: Stakeholder
engagement, Public relations, communication and
benefits administration

4. Penda Ithindi (53)

Deputy Executive Director, Ministry of
Agriculture, Water and Land Reform

Position on the Board: Trustee
Appointed: 21 August 2020 by the Government
of the Republic of Namibia
Reappointed: 21 August 2023
Committee Assignment: Investment Committee
(Chairperson); Audit and Risk Committee (Member)
Qualifications: Executive Management (Harvard
University); M.Sc. Financial Economics; B.A
Mathematics, Economics
Work experience: 29 years
Other roles: None
Previous roles: Road Fund Administration
(Chairperson); Namibia Competition Commission
(Chairperson); Namibia Stock Exchange (Member)
Value added to the Board: Economics, capital
markets/investments, public sector leadership and
governance

5. Roswitha Gomachas (41)

Deputy Chief: Legal Advice, Office of the
Attorney General

Position on the Board: Trustee
Appointed: 18 July 2016 by the Government of
the Republic of Namibia
Reappointed: 18 July 2022
Committee Assignment: Legal, Governance,
Ethics and Compliance Committee (Chairperson);
Benefits and Administration Committee (Member)
Qualifications: LL.M (Cum laude), LL.B, B.Juris
Work experience: 18 years
Other roles: Oryx Properties (Director)
Value added to the Board: Legal advisory,
governance and compliance

6. Evans Maswahu (58)

Director: Finance, Human Resources,
Administration and Information Technology

Position on the Board: Trustee
Appointed: 21 July 2020 by the Namibia Public
Workers' Union (NAPWU)
Reappointed: 21 July 2023
Committee Assignment: Benefits and
Administration Committee (Chairperson);
Investment Committee (Member)
Qualifications: MBA, Postgraduate Diploma:
Management Studies, B.Com (Law); BBA (Hons),
National Diploma: Personnel Management,
National Certificate: Public Administration
Work experience: 33 years
Other roles: NAPWU (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 *Continued*

INTRODUCTION

OUR BUSINESS

OUR GOVERNANCE

OUR PERFORMANCE
AGAINST STRATEGY

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7. Heinrich Mihe Gaomab II (53)

Chief Executive Officer: Namibia Industrial Development Agency (NIDA)

Position on the Board: Trustee

Appointed: 01 January 2022 by the Government of the Republic of Namibia

Committee Assignment: Benefits and Administration Committee (Member); Audit and Risk Committee (Member); Legal, Governance, Ethics and Compliance Committee (Member)

Qualifications: MSc (Quantitative Development Economics); B.Com (Hons); Postgraduate Diploma: Investment and Portfolio Management; Diploma: Project Management; Diploma: Senior Management

Work experience: 31 years

Other roles: Capricorn Group (Non-executive Director); Communications Regulatory Authority of Namibia (CRAN) (Chairperson)

Previous roles: FISHCOR (Chairperson); Namibia Economic Society (President)

Value added to the Board: Economics, development finance, capital markets, public sector leadership and governance

8. Dr Fabiam George (48)

Head: Trainees Support, Namibia Training Authority (NTA)

Position on the Board: Trustee

Appointed: 01 April 2021 by the Namibia National Teachers' Union (NANTU)

Committee Assignment: Legal, Governance, Ethics and Compliance Committee (Member); Remuneration and Human Resources Committee (Member)

Qualifications: PhD in Management; PhD: Education; MBA (General); Postgraduate Certificate: Management Studies; Bachelor's Degree: Business Administration; Basic Education Teacher's Diploma

Work experience: 22 years

Other roles: Ongwediva Town Council, Local Authority (Councillor)

Previous roles: Namibia Sports Commission (Commissioner)

Value added to the Board: Industrial relations, public sector training, public sector leadership

9. Petrus Nevonga (54)

General Secretary: Namibia Public Workers Union (NAPWU)

Position on the Board: Trustee

Appointed: 01 July 2021 by the Namibia Public Worker's Union (NAPWU)

Committee Assignment: Remuneration and Human Resources Committee (Member); Audit and Risk Committee (Member); Investment Committee (Member)

Qualifications: MBA (Entrepreneurship); Postgraduate Diploma: Business Administration; B-Tech: Business Administration; National Diploma: Human Resources

Work experience: 30 years

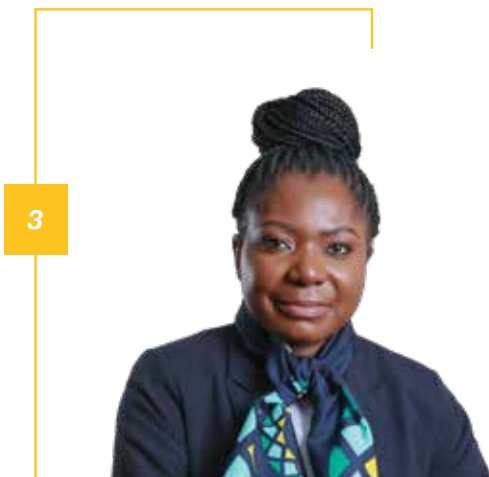
Other roles: NAPWU (General Secretary); Nam-Mic Financial Holdings (Director); Effort Investment Holdings (Director); NIPAM (Council Member)

Previous roles: First National Bank (Director); FNB Holdings (Director); Namibia Grape Company (Director)

Value added to the Board: Human resources, industrial relations, benefits administration, investments



CO-OPTED EXTERNAL SPECIALISTS



1. Collin Katjita (51)

Group Executive: Human Capital, Momentum Metropolitan Namibia

Committee Assignment: Independent Specialist 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: 19 years

2. Adv. Adolf Denk (50)

Practising Advocate

Committee Assignment: Independent Specialist member of the Remuneration and Human Resources Committee

Appointed: September 2018 by the GIPF Board of Trustees

Qualifications: M.Com (Forensic Accounting); LLB; BA (Law)

Work experience: 26 years

Other roles: Namclear (Pty) Ltd. (Chairperson); Namibia Training Fund Council (Member)

3. Martha Dama (52)

Deputy Director: Business Systems – Bank of Namibia

Committee Assignment: Independent Specialist 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 Business School

Other roles: Inthus Fishing Company (Pty) Limited (Chairperson); Management Committee Member – ELCIN Hosianna Synagogue

4. Rodger Walters (58)

Chief Financial Officer: Association for Savings and Investment South Africa (ASISA)

Committee Assignment: Independent Specialist Member of the Investment Committee

Appointed: September 2018 by the GIPF Board of Trustees

Qualifications: B.Com (Hons); CFA

Work experience: 36 years

Other roles: ASISA Foundation (Trustee); ASISA Academy Ltd. (Director); ASISA Enterprise and Supply Development (Pty) Ltd. (Director), ASISA Supply Development Trust (Trustee); ASISA Enterprise Development Trust (Trustee); RECM Foundation (Trustee)



OUR LEADERSHIP TEAM - WHO LEADS US

EXECUTIVE MANAGEMENT COMMITTEE (EXCO)

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1. David Nuyoma (60)**Chief Executive Officer/Principal Officer**

Qualifications: MA (Development Economics and Industrial Development); BA (Hons) Development Studies

Work experience: 30 years

Value added to Exco: Strategic business leadership

2. Daniel Ndara (53)**General Manager: Finance and Administration**

Qualifications: MPhil (Development Finance), MTech Business Administration, BTech Business Administration, National Diploma in Commerce. Postgraduate Certificates: Senior Management Development Programme and Leadership Development Programme. Professional Certification: Certified Financial Officer (SA)

Work experience: 21 years

Value added to Exco: Financial management, procurement management, and budgeting management

3. Edwin Tjiramba (54)**General Manager: Marketing and Stakeholders' Engagement**

Qualifications: LLB, BJuris; MA (Corporate Communications); BA (Communications - with specialisation in Public Relations)

Work experience: 26 years

Value added to Exco: Corporate communications, health communications, stakeholder engagement, social impact assessment, legal training

4. Onno Amutenya (55)**General Manager: Information Systems**

Qualifications: MSc (Financial Economics); BSc Computer Science; Postgraduate Certificate in Leadership Development Programme. Professional Certification: Certified in the Governance of Enterprise IT (CGEIT), Certified COBIT 5 Assessor, Certified COBIT 5 Implementation

Work experience: 28 years

Value added to Exco: Information systems/technology management and governance. Digital transformation and innovation expertise and guidance.

5. Conville Britz (51)**General Manager: Investments**

Qualifications: Chartered Accountant (South Africa) (Namibia), B.Com, B.Compt (Hons), Postgraduate Diploma in Auditing

Work experience: 29 years

Value added to Exco: Investments, auditing, accounting, risk and compliance

6. Elvis Nashilongo (52)**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: Strategic Public Relations Management

Work experience: 24 years

Value added to Exco: Strategic business management



OUR LEADERSHIP TEAM - WHO LEADS US

EXECUTIVE MANAGEMENT COMMITTEE (EXCO) Continued

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7. Escher Luanda (51)**Company Secretary and Head: Ethics**

Qualifications: LLB, BJuris; Postgraduate Diploma: Compliance Management; MBL Professional certification: Admitted Legal Practitioner; Certified Ethics Officer; Integrated Reporting Practitioner

Work experience: 25 years

Value added to Exco: Legal advisory, legal research and reform, ethics management, company secretariat and governance, strategy development

8. Lamek Tangeni Lamek (48)**Acting Chief Audit Executive**

Qualifications: Master's in Business Administration (MBA); BTech Accounting and Finance; Postgraduate Degree: Internal Auditing; Postgraduate National Certificate: Forensic Auditing; National Diploma: Cost Accounting

Work experience: 26 years

Value added to Exco: Expertise: Provide assurance, consulting and forensic services on the adequacy and effectiveness of governance, risk management and controls processes.

9. Melki-zedek Uupindi (44)**Chief Legal and Compliance Officer**

Qualifications: Master in Pension, Banking and Financial Law; LLB, BJuris, Harvard Law School's Corporate Counsel Programme; Global Executive Leadership Programme, Business Risk Management Programme, Advanced Private Equity Funds (Foundation, Advanced, Accounting and Administration) Programme. Professional certification: Admitted Legal Practitioner of the High Court; Certified Business Continuity Manager Programme

Work experience: 18 years

Value added to Exco: Pension fund governance and management; investment and financial law; compliance and risk management

10. Michael Beukes (48)**Manager: Risk**

Qualifications: BCom (Financial Management, Certificate in International Risk Management)

Work experience: 29 years

Value added to Exco: Enterprise risk management, business continuity management, project management

11. Desmond Nikanor (37)**Acting General Manager: Human Resources
Manager: Strategy, Research and Projects**

Qualifications: MScs (International Business - with Merit); BSocSc Organisational Psychology; Professional Certification: Certified Balanced Scorecard Professional, Certified Organisational Culture Practitioner; Certified Director of Companies

Work experience: 14 years

Value added to Exco: Business strategy development and strategy execution, high performance organisational culture setting, strategic projects portfolio management, business performance and improvement





OUR PERFORMANCE AGAINST STRATEGY

(year ended 31 March 2023)



OUR PERFORMANCE AGAINST STRATEGY (YEAR ENDED 31 MARCH 2023)

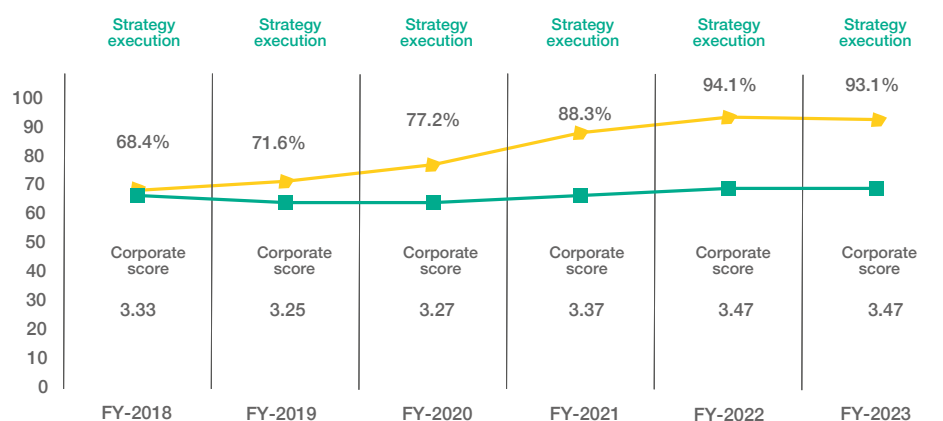
The GIPF Strategic Plan (2018 – 2023) guides our mission to position the Fund as a global leader in pension excellence. In the past year, we actively translated these ambitions into actions, focusing on creating sustainable value, safeguarding and expanding the Fund for our members' benefit, and contributing to Namibia's socio-economic development.

Reflecting on the past five years

Over the past five years, our four strategic themes namely, (i) sustainability, (ii) excellent service, (iii) outcomes-based governance, risk, and compliance, and (iv) employer of choice – have consistently driven our collective commitment to delivering socio-economic impact and shared value. These themes are reinforced by numerous strategic objectives and key initiatives, laying a robust foundation for the recently launched 2023 – 2026 Strategic Plan, to be officially inaugurated on 1 April 2023.

The high-performance culture embraced by GIPF has consistently reflected in high corporate scores throughout the five-year strategic plan cycle (2018 – 2023), as illustrated below. Significant progress has been made in building on the lessons learned over the past five years, with some of the highlights and challenges described below.

The illustration below shows our five-year corporate performance score vs strategy execution.



SUMMARY OF HIGHLIGHTS AND CHALLENGES OF THE PAST FIVE YEARS

Rooted in the principle of shared value, our commitment is evident in our responsible, transparent approach. Throughout the five-year strategic plan cycle, we have recognised that achieving long-term success requires implementing our plan in a way that benefits GIPF, our members, and Namibia, fostering shared value. This commitment extends beyond financial considerations, reflecting our responsibility to society and the planet far beyond 2023.

Some of the highlights and challenges over the past five years are illustrated below:

Year	Highlights	Challenges
2019	<ul style="list-style-type: none"> Implementation of Bloomberg AIM, hosting internally managed portfolios electronically 	<ul style="list-style-type: none"> Over reliance on investment consultants Strategic need for annuitant verification data
2020	<ul style="list-style-type: none"> A GIPF unlisted investment, Mashare Irrigation, wins <i>Producer of the Year</i> award from the Namibia Agronomic Board for wheat and maize Entered into an agreement with the renowned GIBS to provide a customised leadership development programme The GIPF Global Leadership Programme 	<ul style="list-style-type: none"> Negative benefits contribution ratio of 116 Reconciliation in the investment accounting data flagged
2021	<ul style="list-style-type: none"> Onboarding new investment consultants, bfinance, in line with our new global vision Drafted the Funded Policy and GIPF Reserves Policy 	<ul style="list-style-type: none"> COVID-19 Threat of recession Global inflation
2022	<ul style="list-style-type: none"> Strong fund growth of 19.8% in a year (exceeding the benchmark) due to a 92% implementation of the strategic asset allocation Increased strengthening of the cyber-security 	<ul style="list-style-type: none"> Traditional member outreach methodologies challenged by COVID-19 Lengthy recruitment turnaround times
2023	<ul style="list-style-type: none"> 40,197 annuitants enrolled to date Successfully launched the online Ethics Helpdesk with inhouse expertise 	<ul style="list-style-type: none"> Turbulent regulatory environment pertaining to FIM Act Geopolitics, inflation, recession, Russia-Ukraine War

Reflecting on the year under review

In the concluding year of our five-year Strategic Plan (2018 - 2023), the Fund adhered to its customary practice by conducting an annual strategy retreat workshop in February 2023. During this session, the Board of Trustees and Management engaged in thoughtful deliberations on the strategy's execution, addressing challenges and seizing opportunities. The outcome of these discussions has charted the course for the Fund in the upcoming three years through the development of the 2023 – 2026 Strategic Plan.

The corporate scorecard dictated and directed the organisational and departmental initiatives for the period 1 April – 31 March 2023. Over this period, the Fund recorded a strategy execution rate of 93.1% on all strategic objectives and initiatives (from 94.1% in the previous year) against a strategy execution target rate of 80%. Meaning that out of 145 strategic initiatives that the Fund tracks, measures and monitors, six of these initiatives resulted in superior performance, 46 initiatives exceeded target, 83 initiatives were completed as per target and ten initiatives required improvement.

The Strategic Plan is reinforced by a strategy-based performance management system designed to monitor and evaluate strategy implementation continuously. This system directly links high-level strategic themes and individual tasks, cascading strategic objectives and targets from departmental to individual levels through performance agreements.

Following this, departmental operational performance review sessions, chaired by the CEO, were conducted, resulting in an impressive overall corporate score of 3.47 for the fifth year of strategy implementation. To provide context, this signifies the successful achievement of all collectively set targets.

The Human Resources and Remuneration Committee recognised the consistent application of the cascading principle – from the strategic corporate scorecard to individual departments. It commended the objectivity, fairness, and consistency in the organisational performance review process.



Looking ahead to 2023/2024

As a global player, it is imperative for GIPF to conduct a comprehensive assessment of its environment to inform the emerging issues that will shape its forthcoming strategic plan. The Fund undertook an extensive internal and external analysis to research and comprehend the current conditions that will serve as the foundation for the 2023 – 2026 Strategic Plan. This assessment was structured to explore forces, trends, opportunities, and threats in both the external and internal environment. Similar attention was given to an inward examination of the Fund's current state, taking stock of related areas that may either enhance or hinder its ability to respond effectively to the strategic issues forming the basis of the strategic plan. Several key issues emanating from this detailed analysis have informed the narrative earlier in this report on "Our external environment and the material trends impacting value" since they were as relevant as at 31 March 2023, as they would be going into the new three-year strategic plan cycle.

Charting the Future: GIPF's Visionary Innovation Programme and Framework

The GIPF Innovation Programme emerged as a key recommendation during the February 2022 Strategy Retreat, gaining approval from the Board of Trustees. With a vision to be a global pension fund leader, the GIPF recognises the importance of an agile approach to innovation in the ever-evolving environment. The subsequent crafting and approval of the GIPF Innovation Framework in March 2023 solidified this commitment.

The Innovation Framework serves as a guide, facilitating the integration of innovation into the Fund's operations. The programme aims to create an innovation-friendly environment, aligning staff ideas with strategic objectives and the Fund's vision. It encourages integrating new ideas into existing systems, providing equal opportunities for all staff to innovate and recognises innovative efforts.

Innovation within the Fund encompasses the entire process, from idea generation to research, viability assessment, implementation, and rewarding operationalised ideas, contributing value to members and the Fund. The continuous development and improvement principle focuses on delivering value from the member's perspective.

The Innovation Framework will be workshopped with all staff members, introducing the framework and narrative to raise awareness. Exciting initiatives are planned for implementation in the next financial year, with a commitment to recognising and rewarding innovative ideas according to the GIPF innovation award guidelines.

By fostering an enabling environment, the Fund aims to unleash the creative talent of its staff, creating a sustainable ecosystem for critical thinking and conceptual understanding.


”



SUSTAINABILITY

 (Financial capital)  (Social and relationship capital)

 (Manufactured capital)  (Natural capital)

Our strategic objectives	Accountability
Capacitate the Investment department Strengthen investment processes Practice responsible investing Ensure effective asset and liability management Ensure compliance management	GM: Investments
Maintain an optimal cost-to-serve ratio of member pensionable remuneration Enhance financial reporting of the Fund Prudent financial management Ensure governance, risk, and compliance Unique and conducive work environment and facilities	GM: Finance and Administration
Improve data integrity (discussed under the strategic theme Excellent Service on page 103 	GM: Operations

Comparing progress of our five-year targets

Sustainability	2018 Target	2022/2023 Actual
Funding level	105% - 115%	115.51%
Fund growth	5.36% (CPI + 3%)	7.4%
Cost to serve	1.40%	1.78%
Contribution collections	95%	100%
Contribution shortfall	9.89%	2.11%

Resilient financial performance sustained throughout the year

The Fund maintained its growth trajectory during the period under review despite the economic challenges prevailing locally and internationally. The financial position of the Fund remains strong, with its assets fully covering its liabilities.



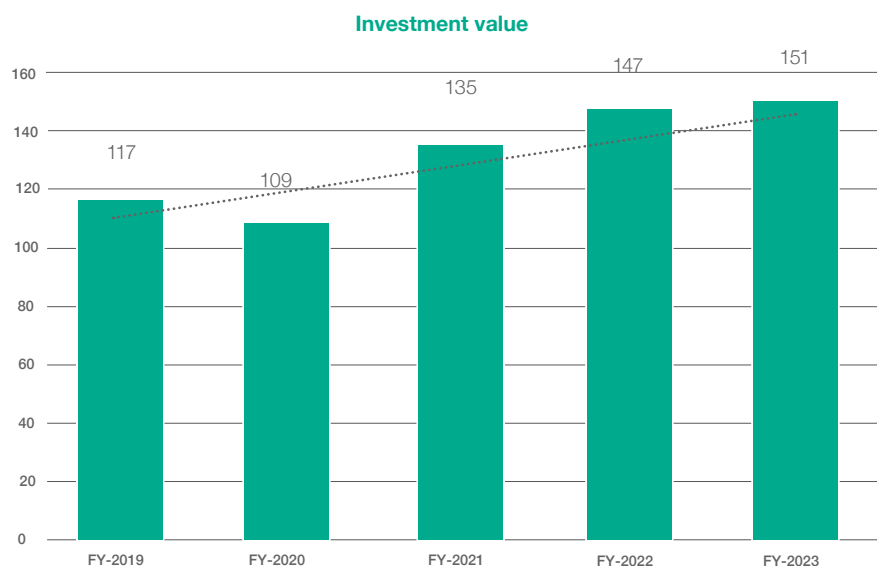
Overview of our financial performance for the 2022/2023 financial year

The Fund's financial position has strengthened, increasing from N\$147.9 billion in the preceding financial year to N\$151.8 billion for the period ending 31 March 2023. This represents an increase of 2.6% in the total fund value and asset base.

Accumulated funds and reserves increased by N\$3.9 billion, progressing from N\$147.2 billion in the preceding year to

N\$151.1 billion. This increase primarily stems from consistent investment returns during the reporting period. The graphical representation of the Fund's value and trajectory over the last five years is provided below.

The Fund received an unqualified audit opinion on its annual financial statements for the period ending 31 March 2023.



Enhanced financial reporting of the Fund

The target of achieving timely and accurate reconciliation, submission of reports, and compliance with obligations by the regulator (NAMFISA), including the submission of annual financial statements within six months after the financial year-end, was successfully met by the Fund. The Board approved the annual financial statements for 2022/2023 on 28 September 2023.

Routine data reconciliation is conducted as a standard procedure, ensuring the identification and timely resolution of all variances.

Prudent financial management

The 2019/2020 business process improvement initiative enhanced financial management, yielding lasting positive effects. Improved processes, rigorous collection and reporting, and ongoing engagement with participating employers led to an above-average, consistently strong performance in the upper quartile of the target range of 95% - 100% since project implementation.

A total of N\$4.7 billion was collected from contributing employers, surpassing the N\$4.5 billion collected in the previous year, indicating a growth of 3.2%. The contribution collection rate reached 99.9%, exceeding the budgeted estimate by 2.7%.

The Fund's tender and procurement administration was further improved, with a workshop conducted across the Fund in August 2022 to familiarise employees with the Procurement Policy and Procedures approved by the Board in April 2022.

The Finance Department, in conjunction with the Information Systems Department is currently exploring the implementation of an e-procurement application system to automate business processes. If adopted, this system will streamline and enhance both internal and external procurement processes.



Maintaining Fund solvency

Safeguarding the financial stability of our Fund is essential to upholding our promise of providing our members with peace of mind and financial security today, as well as into the future. Our consistent track record of conducting statutory actuarial valuations over the years assures our members that the Fund remains fully funded and maintains a strong financial position, allowing us to meet our obligations to them without fail.

Following the previous statutory actuarial valuation of the Fund performed as of 31 March 2021, and in accordance with section 10.8 of the Fund's rules, an interim actuarial valuation was carried out as at 30 September 2022 (for the inter-valuation period from 1 April 2021 to 30 September 2022).

The Fund's assets versus liabilities relationship was examined as part of the statutory valuation conducted, with certification provided by the Actuary proving that the Fund remains fully funded and in a sound financial position to honour its long-term liabilities. The next statutory actuarial valuation will be performed by the 31 March 2024.

The objectives of the valuation were to:

- assess the ongoing financial position of the Fund as of 30 September 2022
- review whether future contributions are adequate to meet future accrual of benefits stipulated in the Rules of the Fund
- determine whether the nature of the Fund's assets is suitable to match the nature of liabilities of the Fund
- recommend the levels of different contingency reserves held by the Fund
- analyse and comment on the sources of surplus and deficit since the previous valuation date
- assess the financial position of the Fund using long-term best estimates of assumptions

The valuation result indicates that the funding level increased to 115.51% as of 30 September 2022, from a funding level of 113.9% reported for the period ending 31 March 2021. The internal funding policy guideline targets a funding level (after contingency reserves) of 105% - 115% over time.

Statutory actuarial valuations and inter-valuations conducted from 2018 – 2022 and the Fund's financial year end solvency rates

Actuarial valuation date	Fund solvency %	Financial years ended 31 March
30 March 2018	100.7%	31 March 2019
30 September 2019	100.5%	31 March 2020
30 March 2021	113.9%	31 March 2021
30 September 2022	115.5%	31 March 2022
(Next actuarial valuation due 31 March 2024)		31 March 2023

The increase was mainly attributed to the investment return during the three-year period that averaged a return of 7.7% (N\$6.5 billion), from an investment return in the preceding year of N\$13.0 billion.

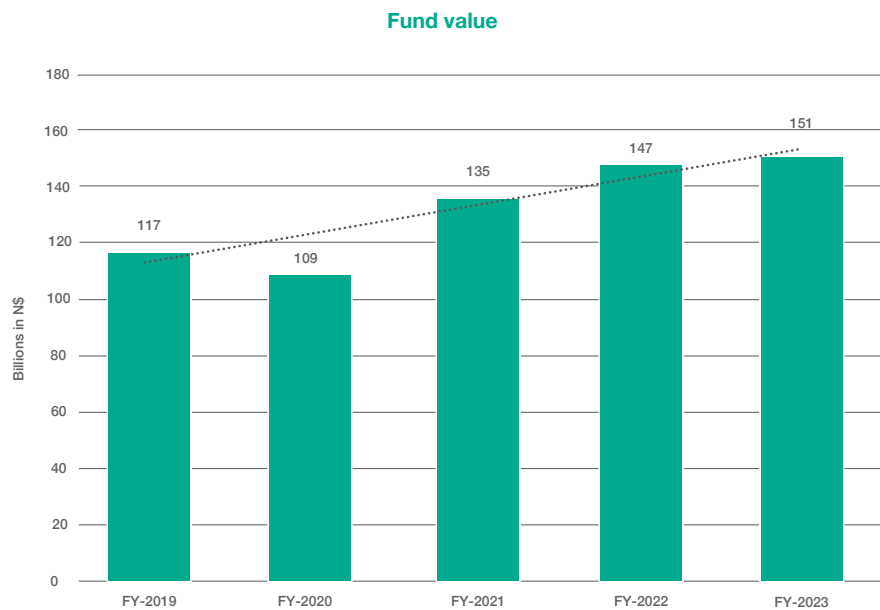
The Board acknowledges and takes into consideration the recommendations presented by the Actuary. Recognising the Fund's ample assets to cover its liabilities, it acknowledges the maturing stage and the need for vigilant investment monitoring. The Board is duly attentive to the recommendations made in this regard.

The table below shows the breakdown of the accumulated funds per reserve category as of 31 March 2023:

Fund reserves	2023 (N\$'000)	2022 (N\$'000)
Member liabilities		
Active members	64,002,136	64,002,136
Pensioners	32,395,029	32,395,029
Disabled members	426,731	426,731
Provision for unclaimed benefits	736,254	736,254
Risk reserves		
Mortality	2,240,075	2,240,075
Data	1,600,053	1,600,053
Longevity	9,756,015	9,756,015
Employer contribution	7,803,600	7,803,600
Surplus	32,124,899	28,200,140
Accumulated funds	151,084,792	147,160,033



The graph below depicts the Fund value trend during the last five years. The Fund value increased by 3% to over N\$151 billion during the period ending 31 March 2023.



The key movements in the statement of changes in net assets and funds as of 31 March 2023 is depicted below:

Sustainability	2023	% Change	2022
ASSETS			
Non-current assets	151,175,476	2.7%	147,195,922
Property, plant and equipment	168,231	11.3%	151,139
Investments	151,007,245	2.7%	147,044,783
Current assets	625,282	(10.1%)	695,319
Accounts receivable	43,890	8.7%	40,396
Contributions receivable	5,721	(22.9%)	7,425
Cash at bank	575,671	(11.1%)	647,498
Total assets	151,800,758	2.6%	147,891,241
FUNDS AND LIABILITIES			
Funds			
Accumulated funds	151,084,792	2.7%	147,160,033
Total funds	151,084,792	2.7%	147,160,033
Non-current liabilities			
Benefits payable			
Current liabilities	715,966	(2.1%)	731,208
Benefits payable	619,685	(1.8%)	630,889
Accounts payable	95,115	(3.1%)	98,112
Bank rejections	1,166	(47.1%)	2,207
TOTAL FUNDS AND LIABILITIES	151,800,758	2.6%	147,891,241

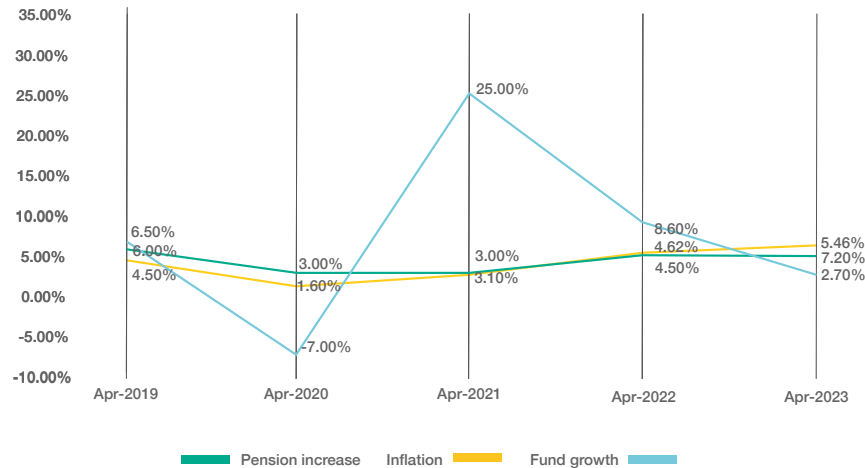
There was a significant increase in plant, property and equipment during the year due to the construction of Outapi and Ondangwa regional offices and the acquisition of the Biometric system.



Pension increases vs annual inflation

GIPF has, since 2008, consistently increased pension benefits to its members in line with inflation to ensure a consistent standard of living. Pension payments grew by 4.62% as of 1 April 2022. The Fund's reserve posted an average growth rate of 8.82% during the last five years in relation to average pension increases of 4.66% and an average annual inflation rate of 3.94% for the last five years.

Pension increase, Inflation and Fund Growth

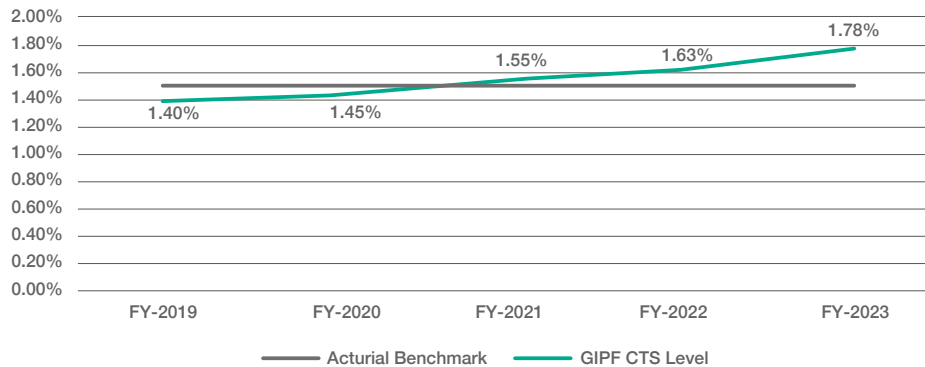


Maintaining an optimal cost-to-serve ratio

The Fund expenditures, as a percentage of pensionable remuneration of members, increased to 1.78% (March-2022: 1.63%) during the period under review.

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



The Fund's administration fees totalled N\$359.8 million (compared to N\$336.4 million in March 2022) representing an increase of 6.97%, translating into the cost to serve of 1.78% of the pensionable remuneration of the members.

Management will continuously monitor the cost-to-serve ratio to maintain appropriate expenditure levels for efficient Fund administration. The Fund has adopted a strategy to reduce the cost of administration to less than 1.50% of pensionable remuneration for the upcoming strategic plan cycle (2023 – 2026). Stringent budget controls will be implemented through regular and focused interactions with departments to ensure effective cost control and efficient use of financial resources.

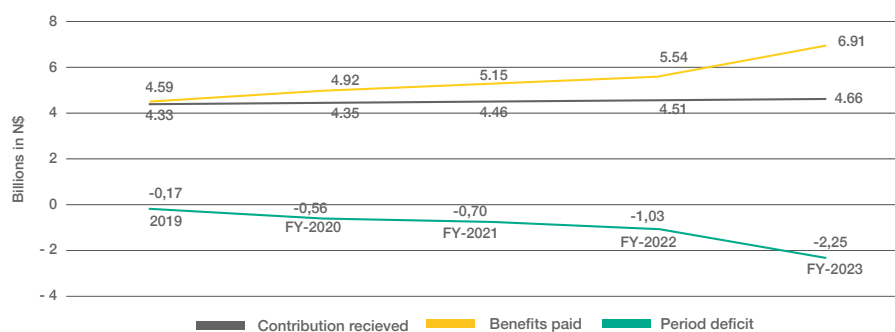


Active membership trend

We envisage membership of the Fund to remain relatively stable at current levels. This expectation is based on the positive signs of economic recovery from the downturn experienced over the past few years and the Government's stance on limiting public sector employment. We assume that within the public sector, only employee exits - either through retirement, death, or resignation - will be replaced, and there will be limited creation of new employment opportunities.

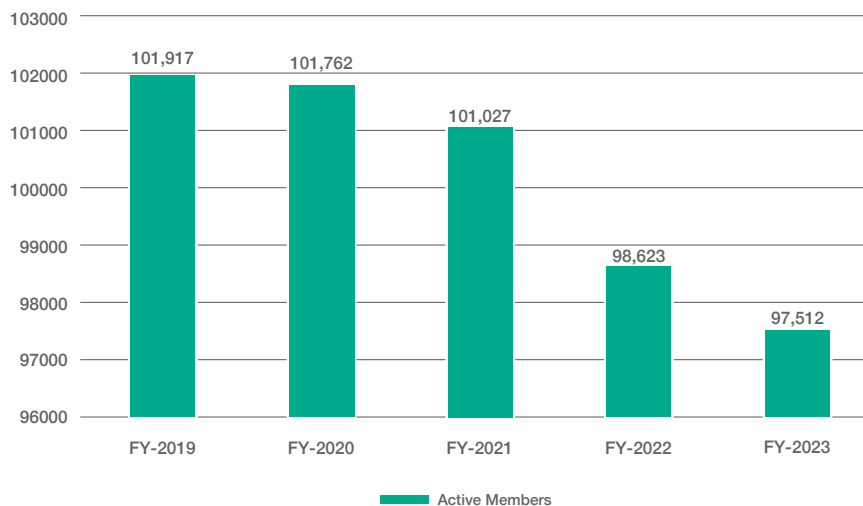
Employee contributions received over the last five years (2019 – 2023) totalled N\$22.4 billion, while benefit payments during the same period amounted to N\$27.0 billion. This indicates a 20% higher pay-out in benefits compared to employee contributions received, exerting significant pressure on the benefit/contribution ratio. The ratio increased from 123% to 148% as of 31 March 2023.

Contributions, benefits paid and period deficit before investment income



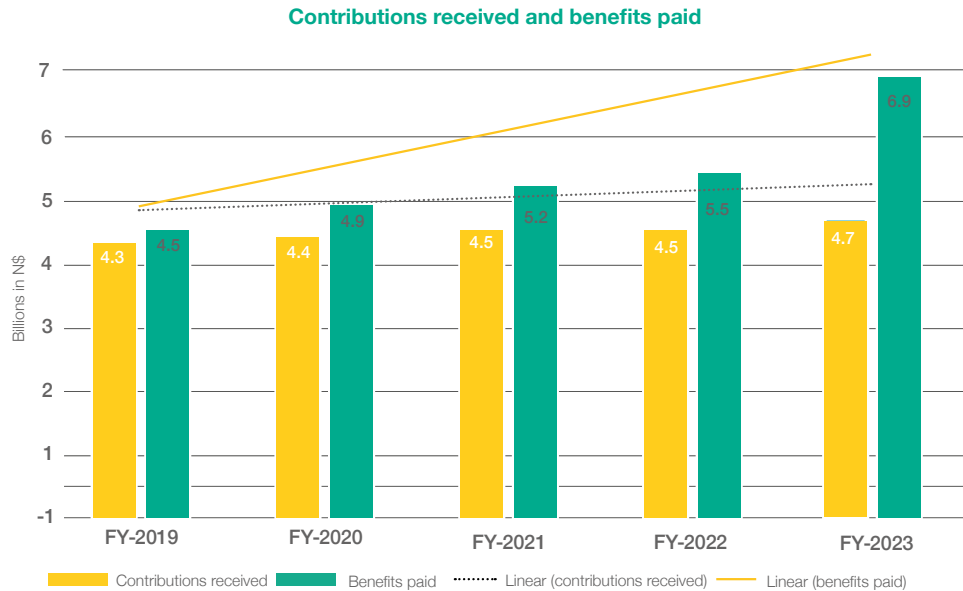
A total of 44 participating employers were maintained during the period, with 97,512 active members. Active membership during the year decreased from 98,623 to 97,512 indicative of a systematic decline in members over the past four years: a decrease of 1,111 members in 2023, 2,404 in 2022, 735 members in 2021, and 155 members in 2020. The graph below illustrates the active membership trend over the last five years.

Active Membership

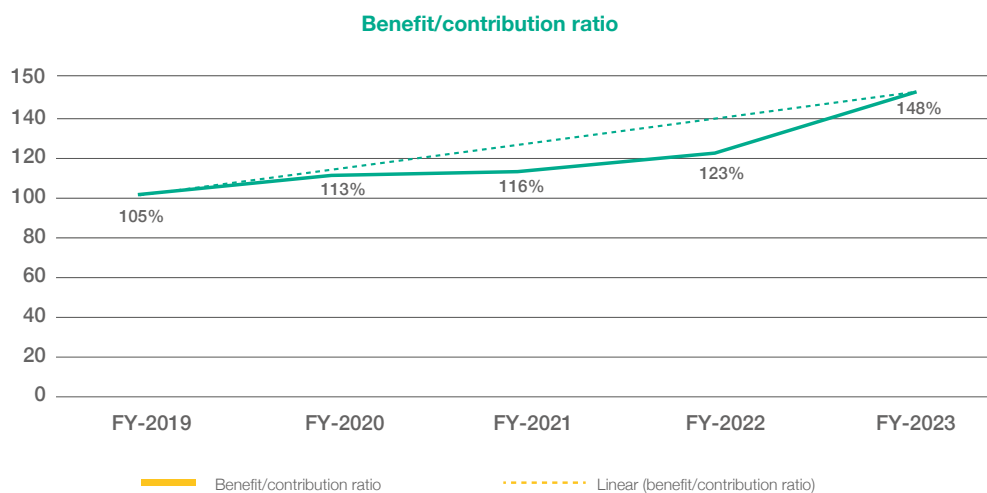


Contributions and benefits disbursements

Contributions increased by N\$146.4 million to reach N\$4.7 billion during the period under review, reflecting a growth rate of 3.2%. This marks a notable improvement compared to the marginal growth of 1.2% (N\$53.8 million) in contributions received in the previous financial year. The following table illustrates contributions received and benefits paid over the last five years.



The Fund's benefits/contribution ratio (as depicted in the graph below) reflects an increase of 25% to 148% (2022: 123%). The Fund noted a significant spike in this key ratio. Despite the positive growth in membership by 460 during the year, contributing to a rise in contributions received of N\$146.4 million, there was a significant increase in benefits paid to members. The benefits paid surged from N\$5.5 billion in the previous year to reach N\$6.9 billion as of 31 March 2023. Management will continue to monitor this trend and is cognisant of the Fund's maturity, as more members are expected to retire during the coming years. The growth in benefits payments is anticipated to increase while pensionable remuneration of members is expected to decline, resulting in further increases in the benefits/contribution ratio. The Fund will continue to collect all contributions that are due and ensure that defaulting employers are continuously reminded to comply with the Fund Rules.

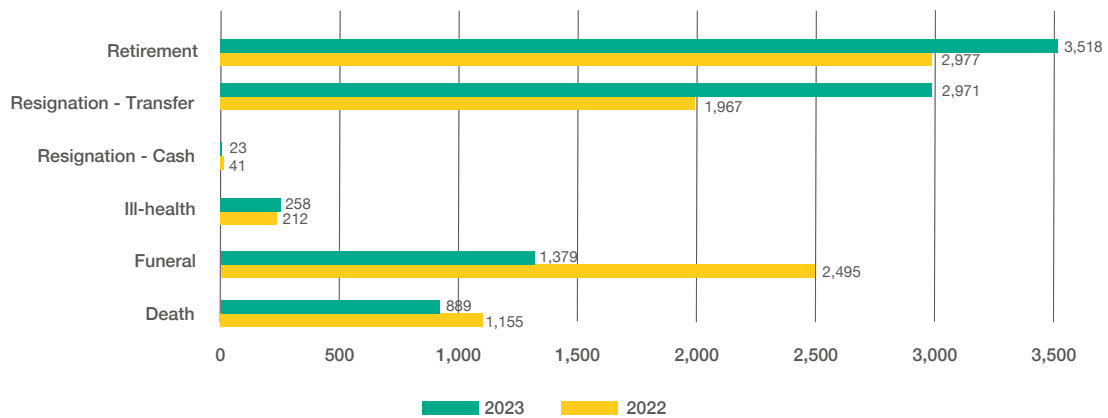


For the last five years, contributions posted an average increase of 2% while benefits payments registered an average increase of 14%.

The increase in benefits payments is attributable to the annual inflationary adjustment of 4.62% offered to pensioners for the 2022/2023 financial year, newly retired members, and newly onboarded annuitants totalling 9,560 (2022: 3,531) added during the period. Over N\$3.1 billion was paid as pension benefits to the Fund's pensioners and other annuitants, constituting 45% of the outflow of the Fund, which is an indication of a maturing Fund due to an increasing number of members retiring each year.

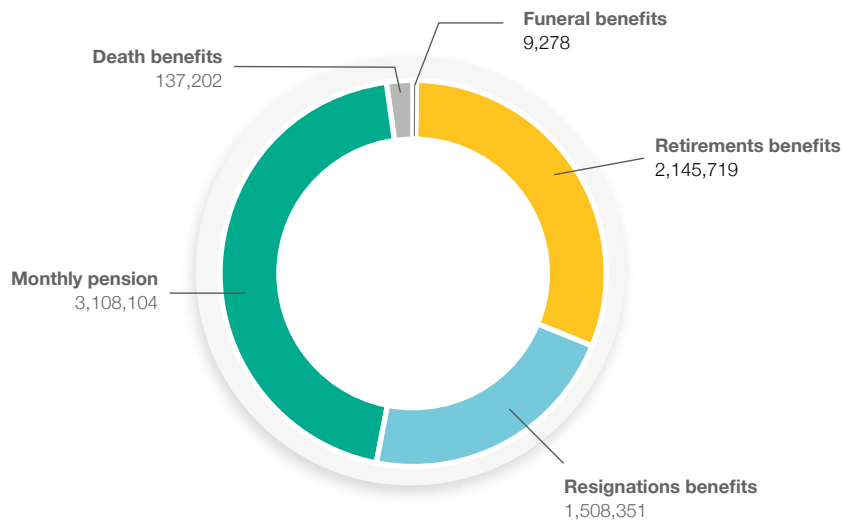
A total of 9,038 benefit claims were paid out, representing an increase of 191 claims paid compared to 8,847 disbursed in the previous financial year. A breakdown of the benefit claims paid out is illustrated below.

No. of claims paid - 2023



The graph below reflects the breakdown of funds disbursed for the claims recorded during the financial year 2022/23.

Period benefits paid N\$ '000



Unique and conducive work environment and facilities

- We underscore the importance of maintaining a positive and vibrant workplace for our employees. Likewise, ensuring a positive customer experience for our members and clients is integral to delivering exceptional service. Given that a distinctive and supportive work environment, coupled with well-equipped facilities, directly influences employee performance and the provision of outstanding customer service, the Fund continues to allocate sufficient resources to uphold this strategic objective. The renovation of premises acquired for a new regional office in Outapi, Omusati Region commenced in November 2022 and is well underway. Completion of the project is anticipated in the third quarter of 2023.
- Simultaneously, Phase 1 of the construction for our new regional office in central Ondangwa, Oshana Region, commenced in June 2022, showing considerable progress. The projected timeline indicates completion in the second quarter of 2024.
- Looking ahead, the Fund will continue to search for a strategic location in Windhoek to develop a new head office designed to offer a modern and expansive office space for both employees and clients.



Key challenges

1. Increasing benefits over contributions ratio
2. Availability of local listings complying with Domestic Asset Requirements
3. Global rise in interest rate by central banks
4. Chinese market regulatory tightening on certain sectors such as property speculation, anti-monopoly (e.g., in electric vehicles and, renewable and battery storage), gaming and education



How these will be resolved

1. The Fund must maintain adequate listed assets to settle benefits payments due.



Looking ahead to 2023/2024

We will focus on the following in the coming year:

- Continue to implement the Finance Policy and monitor the cost-to-serve-ratio to ensure that the appropriate level of expenditure is maintained each financial year, thereby ensuring efficient administration of the Fund.
- Review the Finance procedure manuals to align them to the revised finance policy and improve the internal control environment of the Fund. These reviews are considered standard practice to remain abreast with any changes in the financial sector that may impact the Fund.
- Provide regular updates on the implementation of actuarial recommendations during the new 2023 – 2026 Strategic Plan.
- Commence with the coordination of the statutory actuarial valuation exercise for the period ending March 2024.
- Commence with Phase 2 of the development of the Ondangwa regional office with additional office space available to be offered for rental to retail outlet(s) on the ground floor as well as offices for rental on the top two levels.
- Continue to implement the Safety, Health and Environment Policy and Procedures.
- Further improve operational efficiency by automating routine finance operations processes.
- Develop and optimise analytical tools for data analysis and reporting.
- Continue to improve our disbursement processes by expanding our payment distribution platforms to include online payments
- Ensure budget implementation processes achieve cost savings with 100% planned activities and implementation of the new flexible budgeting processes.
- Ensure accurate and timeous contribution collections by maintaining the current actual collection rate of 99.9%.



OUR INVESTMENTS

The Fund assets are managed 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 risks and returns being measured over time relative to the liabilities.

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

The following report explains our investments, how we manage them, the performance of our investments and the value created through our commitment to responsible investment practices.

Structuring our investment capacity to align with the strategy

Investments are better informed and controlled when pension funds possess and retain a skilled in-house staff with experience and expertise. Furthermore, with the growth of in-house knowledge and expertise, pension funds like GIPF, can actively participate in their investments.

External investment consultants work collaboratively with the Fund's investment staff, providing value-added services and research that complement and enhance the Fund's in-house skill sets, infrastructure, and best practices.

The Fund engaged the investment services of London based Lane Clark and Peacock (LCP) for asset liability management, strategic asset allocation and portfolio construction, and the services of bfinance for the selection of Fund Managers.

Manager selection

GIPF is aware of the risk of poor selection of Fund Managers, and has identified this among the top ten risks of the Fund. To mitigate this risk, bfinance conducts manager research and selection services across all asset categories, such as equities, fixed income, and alternatives investments and has assisted the Fund with fee review and negotiations.

The Asset Managers have complete discretion in acquiring or disposing of any investment type, provided it aligns with their mandates. However, the Board of Trustees need to constantly ensure that these decisions conform to GIPF's investment strategy and policies. The performance of Asset Managers is evaluated on the principles outlined in these policies.

bfinance successfully completed and implemented two manager searches in the current financial year to fulfil the global listed infrastructure and tactical asset allocation (TAA) mandate. Currently, the Fund is actively engaged in searches within the Namibian and South African property markets. The manager selection process is intricately woven into the investment policy statement and will soon be implemented with mandates to be signed between the Fund and the Fund Managers.

Our investment strategy and policies

The Board acknowledges the pivotal role of GIPF in overseeing a substantial portion of the nation's savings, underscoring the importance of prudent and strategic investment practices. The GIPF Investment Policy Statement (IPS) document is a

foundational framework guiding decision-making for GIPF's management, Investment Committee, and Board of Trustees. This document undergoes continuous updates, including adjustments as dictated by the asset liability model which is performed every 18 months.

Despite its current status, the IPS requires further enhancement, particularly in articulating detailed provisions for alternative investments and investment risk management. As a response, dedicated policies focusing on these areas are in the draft stage and are currently under review by the Investment Committee and Board of Trustees for approval. While addressing specific domains, these emerging policies detailed below remain aligned with the established ethos of the IPS.

Alternative Investments Policy

- Describes the alternative investment philosophy and strategy that the Fund aims to adopt.
- Specifies risk management principles tailored to alternative investments.
- Establishes parameters for the prudent allocation of funds to alternative investment opportunities through the Alternative Investments Programme (AIP).
- Ensures that all role players adhere to the investment principles and guidelines offset by the Board while preserving the flexibility necessary to achieve objectives. This includes minimising risk and correlation to GIPF's overall portfolio, optimising diversification as appropriate, and maximising risk-adjusted returns for the Alternative Investment Programme.

Investment Risk Policy

- Crafted to manage the Fund's investment risk within the framework of its mission, investment strategy, implementation, construction, operation and monitoring of investments, while accounting for its risk appetite.
- Defines the investment risks in which the Fund shall participate or not participate in.
- Describes the general risk management principles to be adhered to throughout the investment process, ensuring an embedded risk culture from the formulation of the investment strategy to the exit of investments.
- Provides operational risk management guidelines for internal stakeholders within their routine responsibilities.



IPS: Driving economic growth in Namibia and ensuring regulatory compliance

The IPS actively support Government endeavours to stimulate and grow the domestic economy and provide a framework ensuring that the Fund complies with the regulatory requirement of investing a minimum of 45% of its assets in Namibia.

While recognising the challenges of a small and relatively illiquid Namibian Stock Exchange, with the GIPF's investments representing a significant portion of the market, the Fund had invested 50% (2022: 52%) of its assets in Namibia as at 31 March 2023.

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The intended outputs of the IPS 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 the 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, through providing development capital to the non-listed sector in high potential or priority growth areas of the economy and by making use of service providers registered in Namibia whenever possible and appropriate, thereby making a meaningful contribution to the Namibian economy and the development needs of local communities.
- To strengthen the risk management environment of GIPF with the Value at Risk (VaR) as the measure of risk and management.
- 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 IPS will yield real investment returns per annum over the long-term.

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 member benefits are invested in a uniform portfolio structure, with benefit payments linked to members' salaries, employment duration, age, post-retirement considerations, and inflationary increases. Members receive a lifetime retirement income from the day they retire.

GIPF adopts a Liability Driven Investment (LDI) strategy to ensure long-term funding adequacy and address short-term cash flow needs, particularly during volatile periods. The LDI strategy aims to minimise the volatility in the funding ratio, making the Fund relatively resilient to external investment shocks. This strategy involves balancing risk-reducing and return-seeking assets, providing clear projections for future payments and supporting portfolio diversification.

Diversification, a risk management tool within regulatory limits, involves a mix of diverse investments to limit exposure to specific asset classes or risk sources. This diversification and adaptability to changing circumstances assists the Fund in navigating unforeseen events and offset market fluctuations, while achieving high long-term risk-adjusted returns.

Value at risk and investment risk

The value at risk of N\$22 billion over a one-year period to 31 March 2023 has been determined on a 90% confidence interval, meaning that there is a 10% chance that GIPF will incur a loss of more than N\$22 billion. The Value at Risk (VaR) projected surplus / deficit and the 1 in 10 surplus / deficit is shown using market conditions as at 31 March 2023 and is based on the one year 90% VaR meaning that there is a 1 in 10 chance that the funding position will worsen by this amount or more, over a one-year period. The figure does not reflect sovereign default risk for the Namibian or South African Governments.

The funding surplus has remained broadly unchanged as at 31 March 2023 from its assets (currently valued at N\$151 billion), compared to the Fund liabilities currently valued at N\$143 billion. The VaR of the current asset allocation of N\$22 billion is broadly in line with that of the strategic asset allocation as of 31 March 2023. Risk has been a key driver of our approach to structuring the portfolio and with this in mind, we have identified the following main investment risks.

Summary of investment risk

Asset/liability risk

The Fund faces the risk of not having sufficient assets to cover its liabilities. However, as at 31 March 23, GIPF has been above its funding target of 105%, posing this as a low risk. The funding level though, is still below the projected position (from the last strategy review) but has improved from the previous quarter and is consistent with expectations on a yearly basis.

This is broadly in line with the VaR of the strategic allocation, and the equivalent figure at the time of the last strategy review.

Insufficient asset returns

The Fund is exposed to the risk that the asset returns obtained is less than necessary. Over the last ten years, assets have not delivered performance in line with the composite benchmark, however, have met the CPI + 5% pa target. Since inception, the assets are ahead of the composite benchmark.

The long-term expected return of the assets (using our investment consultants' assumptions) is in excess of the CPI + 5% target.

Market risk

With some market changes, such as adverse interest rates and inflation movements, these may negatively impact the fund's ability to pay its members benefit payments. The Fund runs various scenarios modelled on a quarterly basis to inform the impact market changes will have on the Fund solvency and market positioning.



Liquidity risk

This is the risk that the Fund cannot convert its assets into cash timeously to cover short-term liabilities. The Fund's liquid assets are considerably in excess of short-term liabilities, and no short-term liquidity difficulties are foreseen. However, longer-term cashflow needs are expected to rise materially and a formal liquidity review shall be performed at each triennial strategy review to monitor this.

Manager risk

The majority of the GIPF's managers are performing as expected, and the aggregated exposure does not suggest any notable issues.

Transformation of the GIPF Investment Department: Safeguarding and Growing the Fund

- David Nuyoma

Roadmap for transformation (2018 – 2023)

Following the approval of the 2018 to 2023 Strategic Plan, GIPF aspired to become a globally leading Pension Fund. The Investments Department recognised as a core function, was identified for alignment with this global vision. The Fund engaged the esteemed World Bank Treasury team for an in-depth peer review to enhance governance and institutional capacity.

In addition, the strategic plan aimed to deepen Namibian investment management and achieve a balanced mix of in-house and outsourced services. The objective was to bolster internal capacity, make informed decisions, save on management fees, and uphold the Fund's broader mandate.

This set the stage for transforming the GIPF Investment Department into a premier investment advisor. The strategic period of 2018 to 2023 targeted areas for transformation, including boosting internal capacity, performing front-office investment services, strengthening the domestic asset management industry, increasing in-house investment management, and establishing a middle and back office for additional support services.

Strategic integration

The Executive Management team incorporated these goals into Corporate and Departmental Scorecards, aligning them with the Annual Strategic Plan. These were translated into strategic initiatives, ensuring dedicated time, budget, and attention. This integration filtered down to staff at all levels.

Positive outcomes achieved

As at the end of the 2022/2023 financial year, significant outcomes were realised:

- Establishment of an Incubation Asset Management Programme: Launched in 2020, allocating N\$4.2 billion to six Namibian Asset Managers, the programme proved successful, fostering the growth of funds and nurturing a new generation of Namibian investment professionals.
- Establishment of an Investment Middle and Back Office: In 2021, the Board approved the revised Investment Support Services unit, providing in-house support for performance analytics, investment accounting, risk tracking and reporting, and ESG. This unit is a guardian to the Investment Front office operations, ensuring efficient and compliant investment processes.
- Establishment and widening the mandate of the Internal Treasury Team: The internal treasury team became GIPF's single largest Asset Manager, managing over N\$14.4 billion. The expanded mandate includes conducting due diligence on key investment transactions and extending their assets to include listed equities.

By internalising investment management, GIPF has made monumental strides in executing its mission to safeguard and grow the Fund. The strategic decision to enhance the prominence, involvement, and scope of the Investment Function over the past five years has better equipped the Trustees to fulfil their duty of guarding and growing the Fund for the benefit of its members.

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Our commitment to responsible investment

With a global vision to be a leading and model pension fund globally, the GIPF continues to benchmark itself against the world's best practices and standards to achieve and maintain excellence in all areas of its operations. During the year, special attention was dedicated to solidifying GIPF's commitment as a signatory to the United Nations Principles for Responsible Investing (UN PRI) was further strengthened during the year, with special attention dedicated to embracing sustainability and ESG criteria across all four strategic themes of our current strategy and the incorporation thereof in our newly crafted 2023 – 2026 Strategic Plan. The specific ESG criteria incorporated are regularly monitored and evaluated against predetermined targets to ensure the successful progression of our ESG goals. This commitment provides the Fund with several strategic advantages:

- Risk mitigation: Proactive identification and management of environmental, social, and governance risks safeguard the Fund against unforeseen challenges, ensuring the protection of assets over the long term.
- Enhanced reputation: A commitment to sustainability enhances GIPF's reputation as a socially responsible institution, attracting investors, beneficiaries, and stakeholders and fostering trust in the Fund's operations.
- Long-term performance: Integration of sustainability and ESG criteria positions GIPF for sustained financial success, considering factors such as climate resilience, social impact, and effective governance.
- Beneficiary satisfaction: Addressing environmental and social concerns meets the expectations of current beneficiaries and aligns with future generations' values, ensuring continued relevance and support from members.
- Regulatory compliance: Adoption of ESG criteria ensures GIPF remains compliant with evolving global and local regulatory frameworks, demonstrating a commitment to responsible and ethical investment practices.
- Access to opportunities: Incorporating predetermined ESG criteria provides GIPF with access to a broader range of investment opportunities, aligning with responsible investment values and contributing to positive societal and environmental outcomes in collaboration with Fund Managers.

Some of the key strategic initiatives implemented during the year included:

- Human resource, training, and upskilling: To empower decision-makers with the expertise necessary for inclusive consideration of Environmental, Social, and Governance (ESG) factors, the Board and investment team have actively pursued knowledge and skills through training programmes, workshops, and collaborations with external organisations offering specialised ESG training.

- ESG Integration: The integration of ESG principles is pervasive throughout GIPF's investment process, influencing key areas such as asset allocation, manager selection, portfolio construction, investment management agreements, portfolio management, and exit strategies. This comprehensive approach underscores GIPF's commitment to embedding sustainability considerations across all facets of its investment operations. Significant progress has been made in embedding ESG considerations into our investment processes. At a strategic level, GIPF has developed a robust Responsible and Active Ownership Policy (2022), which has undergone assurance and assessment by industry peers and investment professionals. The policy underwent thorough workshops at the Board and executive level. Additionally, the Board members and executive team participate in annual training on ESG Principles, UN PRI Principles and ESG reporting requirements.
- Engagement and advocacy: Stewardship is pivotal in responsible investing, fostering open dialogue between investee companies and GIPF while ensuring the fund's voice is impactful. Central to GIPF's approach is the Proxy Voting Policy, reflecting the belief that active voting on matters raised at shareholder meetings can enhance corporate governance, positively influencing an organisation's social and environmental impact. In alignment with its Responsible Investment Policy, which includes Proxy Voting Guidelines, GIPF exercises its votes, establishing governance standards for investee companies and defining the rules of engagement between GIPF, as the asset owner, and portfolio companies. GIPF has heightened its influence through more assertive proxy voting practices and diligent tracking of votes on resolutions and strengthening its advocacy efforts during the year under review.
- ESG Risk assessment and management: GIPF actively assesses and manages ESG-related risks within its investments, reflecting a commitment to ensuring that environmental, social, and governance considerations are systematically integrated into its risk management framework.

Moving into the new and dynamic 2023 – 2026 strategic plan period, GIPF, as the largest institutional investor in Namibia, strives to take the leading role in advancing responsible investing practices. In pursuit of this objective, the Fund is committed to engaging its Fund Manager community and collaborating with partners to connect people, resources, and ideas, fostering innovative solutions. GIPF remains dedicated to making prudent and sustainable investments that serve the best long-term interests of its beneficiaries.

GIPF's core ESG principles encompass Namibianisation, ensuring maximum benefits for Namibian stakeholders; materiality, focusing on ESG factors fundamental to long-term success; and risk management and value addition, utilising ESG to navigate risks and capitalise on opportunities for its investments.



The management of our investments

The Fund's investments consist of segregated and managed portfolios placed with Investment Managers (including an internally managed Fund Manager for Fixed Income), and 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 Fund has capacitated the Investment Department to ensure that the management and monitoring of investments

are done according to what is agreed upon with the Investment Managers. The Board of Trustees meets at quarterly intervals to discuss investment policies 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-upon 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	31/03/2023 (N\$'000)	31/03/2022 (N\$'000)
Abax Investments (Pty) Ltd	South Africa Equity	2,930,046	3,616,620
Actis Investment Management Limited	Africa Private Equity	101,534	76,790
All Season Capital Management (Pty) Ltd	Africa Listed Equity	2,936,631	2,694,010
Allan Gray Namibia (Pty) Ltd	South Africa Equity	3,529,977	4,197,774
Alliance Bernstein Limited	International Equity	2,489,399	2,403,043
Ariya Bridge Capital (Pty)	Namibia Private Equity	13,907	51,644
Artis Investment Management	South Africa Equity - Incubation Mandate	-	972,447
Arysteq Asset Management (Pty) Ltd	South Africa Equity - Incubation Mandate	977,507	977,421
Ashburton Investments (Pty) Ltd	Namibia Infrastructure Debt	199,599	162,391
BFS Nampro Fund Managers (Pty) Ltd	Procurement Finance	281,895	274,137
BlackRock Investment Management (UK) Ltd	International Listed Equity	1,904,183	1,762,766
Boxwood Asset Management Proprietary Limited	South Africa Unlisted Property	100,496	90,807
Catalyst Capital Management Ltd	European Unlisted Property	3,788,745	3,337,805
Catalyst Investment Managers (Pty) Ltd	South Africa Equity - Incubation Mandate	926,349	947,584
Cohen & Steers	Listed Global Infrastructure Equity	5,149,039	5,149,039
Eris Property Student Accommodation Platform	South African Property - Student Accommodation	199,368	199,368
EOS Capital (Pty) Ltd	Private Equity	548,132	313,157
First Capital Treasury Solutions (Pty) Ltd	Home Loans and Land Servicing	2,016,260	1,635,966
Future Growth Asset Management (Pty) Ltd	South African Property - Community malls and industrials	1,213,758	833,098
Growthpoint Healthcare Fund	South African Property - Health Fund	503,092	-
Growthpoint Student Accommodation Holdings	South African Property - Student Accommodation	245,509	-
GQG Partners LLC	Emerging International Equity	1,445,044	1,390,643
Hosking Partners LLP	International Listed Equity	5,456,806	5,645,493
IJG Private Equity (Pty) Ltd	Private Equity and Venture Capital	24,457	32,041
Ino Harith Capital (Pty) Ltd	Private Equity and Infrastructure	230,507	234,125
Insight Investment Management Global Limited	International Listed Tactical Asset Allocation Mandate	2,552,529	-
International Housing Solutions (I.H.S) Fund II SSA Collector	Namibia and Botswana Property	209,159	104,627
Kongalend Financial Services (Pty) Ltd	Micro loan for renewable energy	13,697	31,393
Königstein Capital (Pty) Ltd	Property and Private Equity	589,280	584,099
Mazi Capital (Pty) Ltd	South African Listed Equity	919,419	1,189,948
Mergence Namibia (Pty) Ltd	Namibia Private Equity and renewable energy	216,779	217,941
Mopane Asset Management (Pty) Ltd	South African Listed Equity - Incubation	989,834	978,761
Myrtle Growth Capital Namibia (Pty) Ltd	Namibia Private Equity	127,248	167,750
Mumi Investment Managers (Pty) Ltd	South Africa Equity - Incubation Mandate	1,104,879	1,044,357
Namibia Asset Management Ltd	South Africa Listed Equity and Namibia Equity	10,297,448	11,596,679



Fund Manager	Mandate/industry/sector	31/03/2023 (N\$'000)	31/03/2022 (N\$'000)
Ninety-One Asset Management (Pty) Ltd	Listed equity, private equity, and Bonds in International, South Africa, Africa, and Namibian markets as well as property in Africa	15,519,413	14,165,608
Noble Property Fund (Pty) Ltd	South African Unlisted Property	796,083	695,566
Old Mutual Asset Managers (Pty) Ltd	Dual listed equity, Bonds and Private Equity	10,522,354	11,893,374
Orcas Investment Managers	South African Listed Equity	1,695,265	2,149,170
Preferred Management Services (Pty) Ltd	Namibian Unlisted Property	259,394	308,930
Prudential Portfolio Managers (Pty) Ltd	Tactical Asset Allocation	-	1,996,051
RisCura Invest (Pty) Ltd - Orient Opportunity Fund	Chinese Equity	4,067,729	3,602,275
RMB Morgan Stanley (Pty) Ltd	Transition Manager	68	32
Safland Property Services Namibia (Pty) Ltd	Namibian Unlisted Property	407,436	364,612
Sanders Capital LLC	International Listed Equity	3,012,789	2,847,988
Sands Capital Management LLC	International Listed Equity	1,981,730	2,006,548
Sands Capital Ventures	International Late Stage Venture Capital	186,543	202,384
Sanlam Investment Management Namibia (Pty) Ltd	Dual Listed Equity and Property	4,712,811	7,230,359
Schroders Investment Management Limited	International Listed Equity	1,444,614	1,248,001
Sisedi Investment Group (Pty) Ltd	South Africa Equity - Incubation Mandate	880,665	951,034
South Suez Capital (Pty) Ltd	Pan Africa Private Equity Fund of Fund	2,747,787	3,074,540
Temo Capital (Pty) Ltd	Private Equity Namibia	93,274	97,660
Tulive Private Equity (Pty) Ltd	Private Equity Namibia	85,182	83,354
Visio Capital Management (Pty) Ltd	South African Listed Equity	1,840,735	2,337,839
Total investments managed by Investment Managers		104,485,884	102,820,640
Direct Investments	Passive Investments	1,860,879	1,878,043
Direct Investments - Tri-Alpha Investment Management (Pty) Ltd	International Bonds	6,188,725	6,390,819
GIPF Treasury Portfolio	Internal Managed Portfolio	38,471,757	35,955,281
Total Investments		151,007,245	147,044,783



Performance of the Fund

The Fund has remained buoyant amid economic turmoil, navigating the rapids of an ever-changing marketplace. The need to achieve returns of 5% above CPI and an ageing member base were only some of the issues the Fund had to manage during the year as elaborated on in this report.

In general, the performance of GIPF assets is influenced by various global and domestic factors, including geopolitics, monetary policies, and currency movements. These fluctuations highlight the inherent volatility in financial markets and the challenges investors face in managing pension funds. "Over the period from April 2022 to March 2023, the Government Institutions Pension Fund (GIPF) experienced a swing in its asset performance. In April 2022, GIPF assets incurred a negative return of approximately -0.5%. This downturn was attributed to significant declines in global stock markets due to the ongoing war in Ukraine, which disrupted supply chains and raised inflation levels. Lockdown restrictions in China added to emerging market challenges. Nonetheless, a weaker Namibia Dollar (N\$) mitigated some of the losses.

In the subsequent months, GIPF assets fluctuated. May 2022 saw a positive return of around 0.7%, mainly due to more stable global markets. In contrast, June 2022 incurred a negative return of -3.7% as concerns about inflation and a global economic recession led to a sell-off in equities, particularly in European markets. This trend continued until August 2022 when GIPF's assets recovered by approximately 2%. In July and August, improved sentiment, and expectations

of interest rate cuts in developed markets spurred recoveries in global equities.

From September to November 2022, GIPF assets faced a tumultuous period, largely influenced by fears of inflation and recession. September 2022 witnessed a negative return of -2.5%, and November 2022 marked a substantial positive return of around 4.5%. The start of 2023 was relatively positive for GIPF, with returns averaging around 4-5% in January and February, driven by improved sentiment and a weaker N\$.

However, by March 2023, GIPF assets produced a slight negative return of approximately -0.5% amid mixed performance in global markets, with some regions performing well and others lagging. The N\$ appreciated against the US dollar during this period.

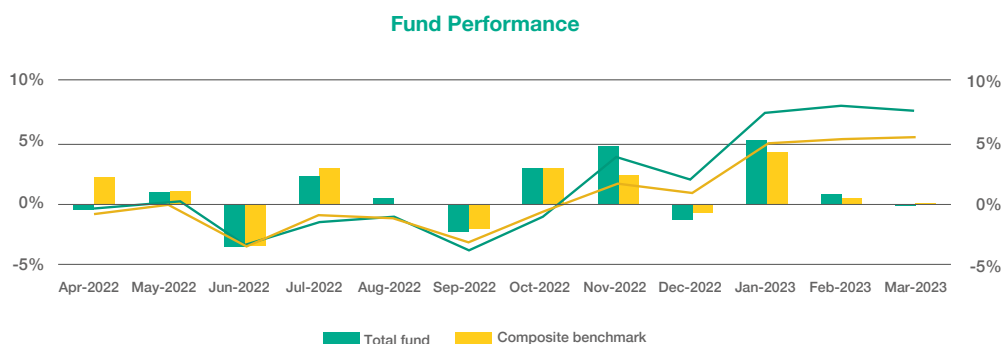
The cumulative performance of the portfolio over the 12 months to 31 March 2023 was 7.7% compared to the benchmark return of 5.4% and shows performance above the composite benchmark of 2.3%. The benchmark represents the earnings which could have been earned had GIPF invested in the assets at the appropriate weights for the year under review.

The five-year performance has been 8.5% against the benchmark of 9.0%. The total fund return has exceeded the CPI + 5 % target at three and six-monthly intervals, as well as three-year intervals.

Since the establishment of the Fund at the end of 1989, overall return has performed at 12.6% against a benchmark of 11.7%.

”

Below is the cumulative performance of the Fund over a 12-month period to 31 March 2023



	1 month	3 months	6 months	1 year	3 years (pa)	5 years (pa)	Since inception (pa)
Total Fund	-0.5%	5.3%	11.5%	7.7%	14.7%	8.5%	12.6%
Composite BM	0.0%	4.5%	8.9%	5.4%	14.1%	9.0%	11.7%
Relative to benchmark performance	-0.5%	0.8%	2.6%	2.3%	0.6%	-0.5%	0.9%
CPI + 5%	1.0%	3.3%	5.6%	12.5%	10.2%	9.5%	10.8%
Relative to target	-1.5%	2.0%	5.9%	-4.8%	4.5%	-1.0%	1.8%

Five-year historical investment performance

Financial year	Investment performance (%)	Net investments (amount in N\$ billions)
2019	5.90%	7.3
2020	-5.90%	(7.7)
2021	26.60%	27.9
2022	10.80%	13
2023	7.70%	6.5

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 and Peacock (LCP), appointed on 22 September 2020, are assisting the Investment Department in undertaking a full ALM review during late 2023.

The ALM exercise conducted in the previous year was 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.
- Reflect the current capital market assumptions and current views of market condition.
- Diversify the portfolio and reduce risk with increased allocation less risk assets.

Strategic asset allocation and regulatory compliance

Throughout the year under review, we have enhanced our regulatory compliance monitoring and reporting for the entire portfolio by continuously assessing compliance through a tracker that compares the current asset allocation with the strategic asset allocation. This tracker has been refined to encompass all compliance matters related to investments. In addition, we conduct monthly internal discussions regarding regulatory compliance. Furthermore, listed and unlisted mandates are monitored for compliance and reported on a monthly basis.

In the event of significant deviations from the strategic allocation, the Trustees, in consultation with their advisers, will assess the appropriateness of rebalancing the assets. This decision will take into account factors such as prevailing market conditions and anticipated future cash flows.

The rebalancing process will entail divesting from the asset class that exceeds the acceptable tolerance range and restoring the exposure level within the predetermined limits. The Trustees and Investment Committee retain the authority to modify the rebalancing criteria to incorporate specific perspectives into GIPF's investment portfolio.



Asset class performance

For the year ended 31 March 2023 considerable challenges were posed for most asset classes locally, primarily influenced by soaring inflation, escalating interest rates, and economic uncertainties triggered by Russia's invasion of Ukraine. Despite these adversities, returns remained largely positive when denominated in NAD as the Namibia dollar depreciated significantly against most major currencies during the period under review.

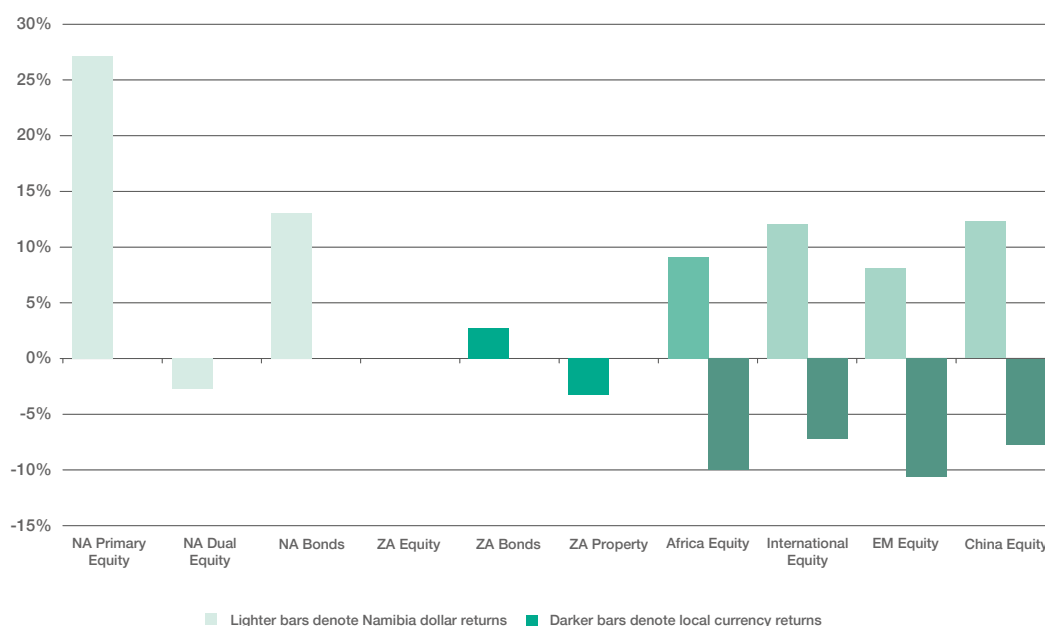
Investor risk sentiment exhibited a whipsaw pattern throughout the year, with equity and bond prices responding notably to global central bankers' rhetoric. Investors closely scrutinised every public appearance, seeking indications about the trajectory of interest rate adjustments. The latter part of 2022 and early 2023 witnessed a reversal in investor sentiment as confidence grew that the central banks' rate-hiking cycle was nearing its conclusion.

Some of the main contributors to the performance over this period include:

- Namibia experienced robust returns, driven by exceptional performance in Q1 2023, attributed to surging fish trade surpluses and growth in the agricultural sector, particularly in agronomy production. The performance of Namibian equities varied, with primary listed equities performing well, fuelled by substantial dividend income from holdings like Namibian Breweries, while their dual-listed counterparts trailed.

- South Africa's equities were impacted by sustained inflation, a weakened currency, and socio-political risks, dampening investor sentiment. Additionally, property returns were negatively impacted by widespread floods in 2022.
- Global developed equities experienced a general decline throughout the year. Inflation reached a four-decade high, reminiscent of levels not seen since the 2008 global financial crisis. To curb inflation, central banks globally implemented multiple interest rate hikes, exemplified by the US federal funds rate, which surged from 0.5% in March 2022 to 5.0% by the end of March 2023. This concerted effort among central banks to tighten monetary policies signals a notable shift, suggesting that the year marks the conclusion of the era of "cheap money" that characterized the period since the end of the global financial crisis.
- Emerging markets faced challenges in the first half of the year due to slowing global growth, rising inflation and higher interest rates. Although they posted positive returns entering 2023, they lagged the MSCI World Index due to re-escalating US-China tensions and diminished confidence in US and European banks. Despite resurfacing US-China tensions, optimism about the economy's reopening and apparent regulatory relief on the internet sector were positive factors for the Chinese market.

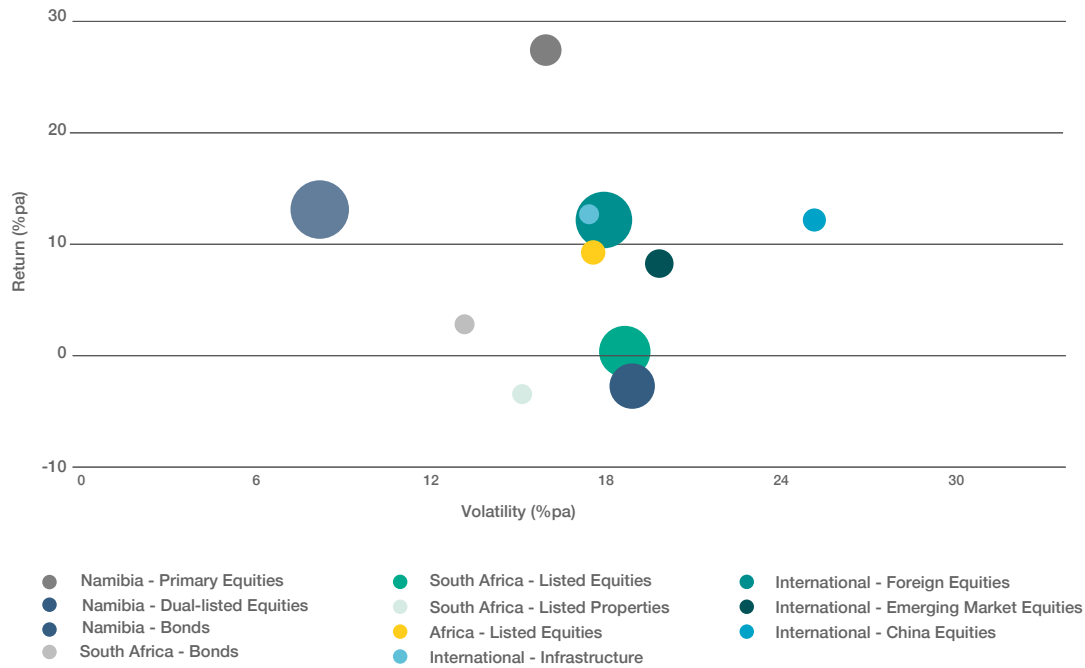
Investment return of listed asset classes for the year ended 31 March 2023



Note: Local currency shown is the base currency for these mandates, which is USD for the overseas mandates.



Risk/return analysis in N\$ of listed asset classes over 12 months to 31 March 2023



Strategic asset allocation

Below are the current asset allocation (CAA) versus approved strategic asset allocation (SAA) showing tolerance ranges as at 31 March 2023.

Asset Class	Approved SAA	Current Asset Allocation (CAA)	Tolerance ranges	31 March 2023 (N\$'000)
NA Bonds	23.00%	22.49%	15%-30%	33,385,516
NA Cash	0.00%	0.00%	n/a	-
NA Dual Equity	8.00%	8.03%	5%-12%	11,920,837
NA Local Equity (Listed/Unlisted)	6.00%	6.18%	2%-10%	9,175,322
NA Property	3.00%	1.33%	n/a	1,967,870
ILB (Swapped) (Namibian Classified)	12.00%	11.94%	5%-15%	17,728,979
ZA Bond (Credit Mandates)	0.00%	1.14%	n/a	1,695,721
ZA Equity	10.00%	11.60%	8%-16%	17,217,253
ZA Property	3.00%	2.33%	n/a	3,465,465
ZA Cash	0.00%	0.00%	n/a	68
Africa Equity	4.00%	3.01%	2%-7%	4,462,488
Africa Property	0.50%	0.41%	n/a	602,580
Global Equity	16.50%	17.60%	20%-30%	26,126,751
Global Property (Europe)	3.00%	2.60%	n/a	3,856,221
Global Infrastructure (Listed Property)	3.00%	3.47%	1%-5%	5,149,039
Global Cash (CFC)	0.00%	0.24%	n/a	350,137
Emerging Markets Equity	4.50%	4.91%	as per Global Equity	7,283,240
China Equity	3.50%	2.74%	as per Global Equity	4,067,229
TAA Mandate	N/A	N/A		2,552,529
	100.00%	100.00%		151,007,245



Geographic split of asset allocation per region

Namibia
50%
(2022: 53%)

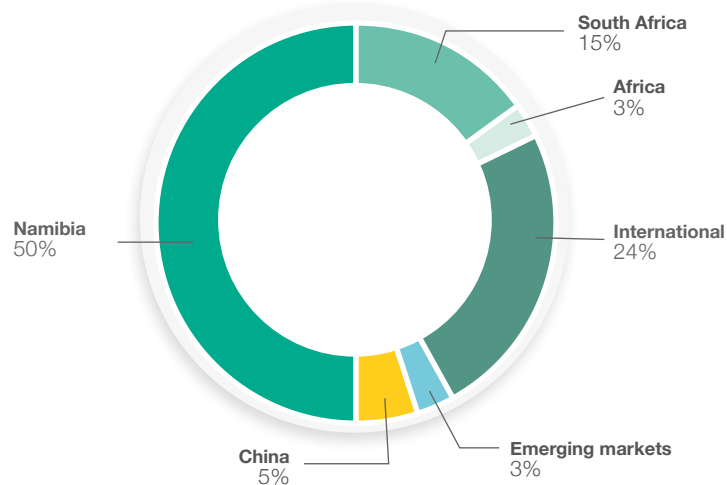
South Africa
15%
(2022: 17%)

Africa
3%
(2022: 4%)

International
24%
(2022: 19%)

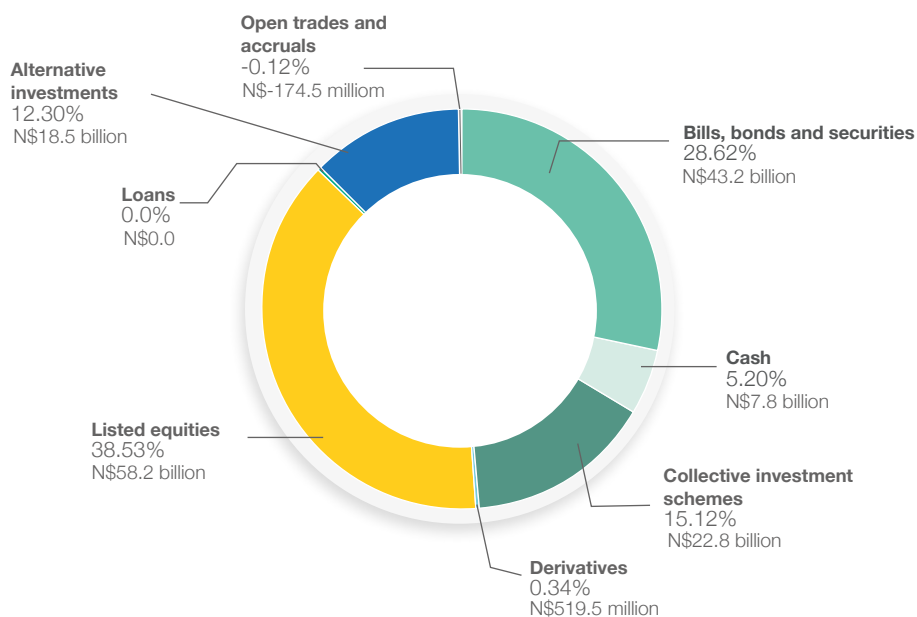
Emerging markets
3%
(2022: 2%)

China
5%
(2022: 5%)



Asset classes and allocation

The split of the total assets held by the Fund for the year ended 31 March 2023 is shown in the illustration below:



Listed investments

The Namibian economy exhibited robust GDP growth, registering an impressive expansion of 4.6% in 2022 and accelerating further to 5.0% in Q1 2023 despite persistent challenges posed by high inflation and tight monetary policies. Inflationary concerns remained significant as average headline inflation surged from 3.5% in 2021 to a notable 6.1% in 2022. Moreover, in Q1 2023, inflation continued its upward trajectory, reaching a substantial 7.1%, primarily driven by the enduring impacts of elevated oil prices, notably affecting food and housing expenses. To counteract inflation, the Bank of Namibia responded by incrementally raising the Repo rate by a cumulative 275 Basis Points by the close of the Fund's 2023 financial year.

Nevertheless, the Namibian economy demonstrated resilience, underscored by the consistent growth witnessed in GDP during the 2022/2023 period. This consistent growth trajectory highlights the nation's emergence as a promising market with considerable potential for further expansion.

The Fund remained committed to its investments in eleven primary domestic listed counters, valued at approximately N\$6.9 billion. These strategic investments encompassed diverse sectors, including finance, renewable energy, real estate, telecommunications, and consumer goods. GIPF retained its substantial holdings in key entities, including a 29% share in Mobile Telecommunications Limited, a 26% share in Capricorn Investment Group Limited, a 16% share in First National Bank of Namibia, and a 6% share in Standard Bank Namibia Limited. Additionally, the Fund has substantial holdings in Paratus Namibia Holdings (18%), Namibia Asset Management Limited (16%), and holds a majority share of 52% 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 (N\$'000)
Sector - Banks				
Capricorn Investment Group Limited	CGP	139,344,101	26%	1,927
FirstRand Namibia Limited	FNB	42,104,874	16%	1,558
Standard Bank Namibia Limited	SNO	32,865,171	6%	278
Sector - Renewable Energy				
Alpha Namibia Industries Renewable Energy Power Limited "ANIREP"	ANE	8 750 000	52%	79
Sector - Beverages				
Namibia Breweries Limited	NBS	32,256,521	15%	1,032
Sector - Real Estate				
Oryx Properties Limited	ORY	24,334,500	28%	280
Sector - General Financial				
Letshego Holdings (Namibia) Ltd	LHN	13,367,058	3%	50
Namibia Asset Management Limited	NAM	31,945,448	16%	22
Stimulus Investments Limited - Pref	SILP	605,698	13%	77
Sector - Telecommunications				
Mobile Telecommunications Limited	MOCNW	214,912,126	29%	1,522
Paratus Namibia Holdings Limited	PNH	8,615,176	18%	110
Number of listed shares	11			6,935

At the end of the financial year, we held 15 dual-listed or secondary-listed counters, all listed in both Namibia and other jurisdictions. Our exposure to dual-listed counters stands at approximately N\$11.7 billion, representing a reduction of approximately N\$6.0 billion from the N\$17.7 billion exposure recorded last year. This exposure is diversified across various sectors. It is important to note that while dual-listed Namibian assets contribute to meeting the requirement of investing at least 45% of assets within Namibia. Recognition of Namibian assets are capped at 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). Despite our interest in these multinationals, our holdings represent a small percentage due to the size of these companies. The dual-listed asset class is notably concentrated in the financial sector, reflected in our portfolio holdings.

Equities with secondary listing on NSX:

Company Name	Share Code	Total # of Shares in issue	Value of GIPF Holdings (N\$'000)
Anglo American PLC	ANM	1,337,577,913	1,217
FirstRand Limited	FST	5,609,488,001	1,177
Investec Limited	IVD	301,594,986	756
PSG Konsult Limited	KFS	1,295,689,315	184
Momentum Metropolitan Holdings	MMT	1,452,676,497	412
Nedbank Group Limited	NBK	511,500,790	1,187
Oceana Group Limited	OCG	130,431,804	146
Old Mutual Limited	OMM	4,913,880,491	884
Sanlam Limited	SLA	2,226,974,408	1,280
Standard Bank Group Limited	SNB	1,678,378,595	1,397
Santam Limited	SNM	115,131,417	364
Shoprite Holdings Limited	SRH	591,338,502	1,192
Truworths International Ltd	TRW	408,498,899	599
Vukile Property Fund Limited	VKN	980,226,628	106
Mediclinic International PLC	MEP	737,243,810	759
Total Secondary Exposure	15		11,660



Adding value to the socio-economic development in Namibia

By investing in Namibia, GIPF provides capital in an economy with limited investment from other sources. Ultimately this helps to develop the economy.

GIPF places the investment implementation process at the centre of its Developmental Investment Policy. The Developmental Investment Policy is guided by Regulation 13 and 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:

1. Higher, sustainable, and inclusive economic growth by attracting investments in a focused and structured manner in areas of high potential.
2. Promotion of private sector investment through Public-Private Partnerships and adherence to national policies and economic growth.
3. Employment generation and enhanced employability through skills development
4. Continued endeavour to advance the industrial and manufacturing sectors as key drivers of economic growth.
5. Generation of entrepreneurial opportunities across all sectors of the economy.

6. Sustainable development by adopting social and environment-friendly technologies.
7. Positive investment returns while making a tangible socio-economic impact.

Over the past eleven years, our cumulative investment of more than N\$5,9 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.
- Provided equity funding to enable management or leverage buyouts in enterprises that have well-established and demonstrate consistent cash flow positive.

The GIPF commitment to the Harambee Prosperity Plan (HPP)

GIPF understood from the outset that Namibia has a housing shortage. We also understood that we are uniquely positioned to make a meaningful impact on the Namibian housing landscape at terms that also assist us in delivering on our mandate regarding returns.

Our investments in housing also meet the requirements around income generation and capital growth. The Fund awarded mandates in this area following the approval of our Unlisted Investment Policy as far back as 2010. The Fund also invested in housing to meet the Harambee Prosperity Plan (HPP) goals with respect to residential land servicing, housing and sanitation. The HPP goal is to construct 20,000 new houses nationwide and to service 26,000 new residential plots countrywide, to which GIPF has committed to take up at least 30% of this deliverable of the Plan.

As of 31 March 2023, the Fund has invested as follows:

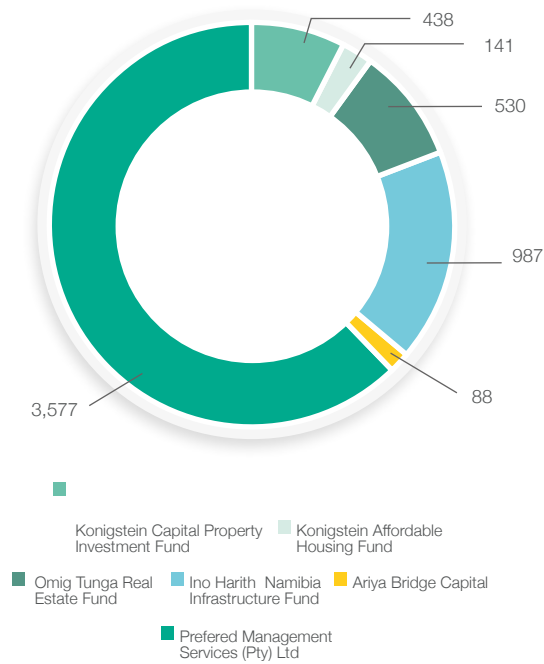
- **Land servicing** – 5,761 plots
- **Houses constructed** – 6,919 units
- **Houses financed** through the First Capital Housing Fund - 2,890 houses
- **Employment created** – 3,779 jobs

GIPF takes its commitment to delivering services in land and housing seriously and has consistently demonstrated the ability to fulfil its pledge. This is evident through the investments made over the years, leading up to the launch of the HPP (Housing Project Plan) in April 2016. Our dedication and efforts since 2010 have had a positive impact on many government employees in the areas of land servicing, housing, and mortgage financing.

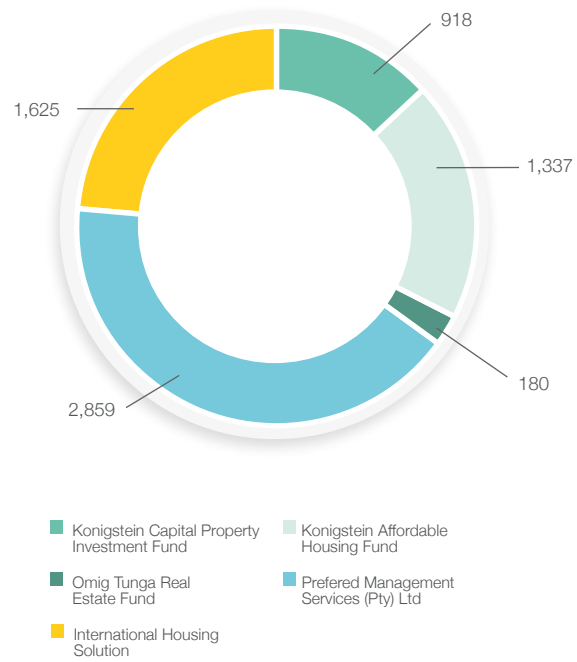
The graphs on the next page depict the number of land services (erven), houses constructed, homes financed, their total value per region as of 31 March 2023, and the employment created.



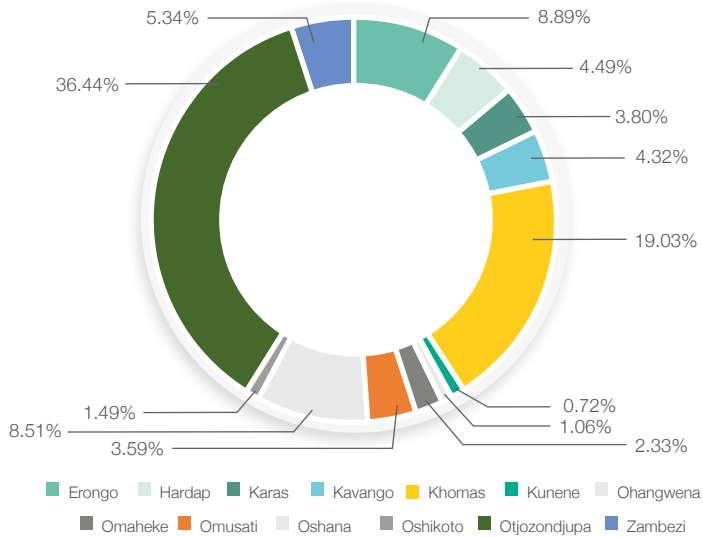
Total land servicing (erven): 5,761



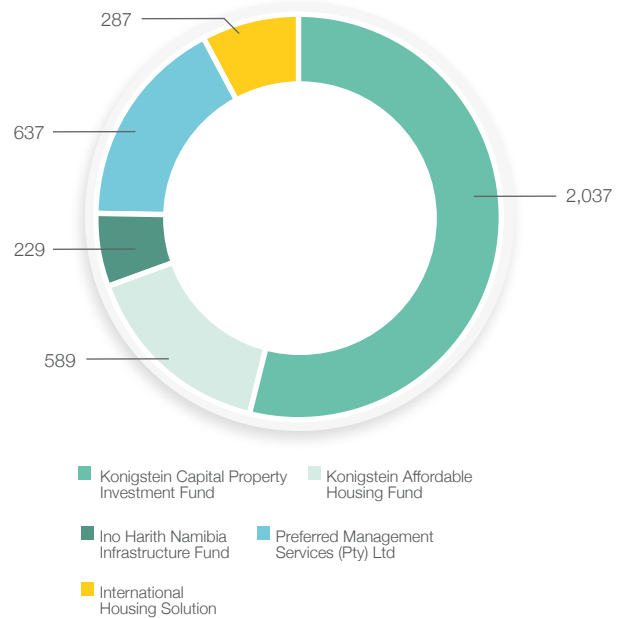
Total housing units: 6,919



Percentage of houses financed through the First Capital Housing Fund per Region as at 31 March 2023



Total jobs created: 3,779



Unlisted Investment Fund Managers

The summary below details each unlisted investment Special Purpose Vehicle (Fund) and their current scope of investments:

Allegrow Fund (Pty) Ltd is a private equity trust that is mandated to invest in early-stage venture capital, Greenfield projects, development capital, and buyout investments.

All Seasons Ventures Partners LP (ASVP) is a Limited Partnership, to which the Fund subscribed 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 Financial Services Commission (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.

Ariya Bridge Trust Fund (ABFT) is a fund that engages in private equity, quasi-equity and mezzanine instruments for the financing of developments, expansion of projects and businesses involved in energy, ICT Infrastructure and municipal services for bulk infrastructure.

Ashburton Investments (Pty) Ltd - an infrastructure special purpose vehicle set up to provide debt funding for infrastructure projects in Namibia.

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

Catalyst Core Plus European Property Fund is a Fund that targets investments in Office, Retail, Hotel and Logistics property in strategic key market locations in Europe. The Fund is predominantly invested in prime cities or top tier cities in Germany, Poland, UK, France and Belgium.

Desert Stone Fund (DSF) is a private equity special purpose vehicle that is mandated to invest in early-stage venture capital, Greenfield projects, development capital, and buyout investments.

South African Student Accommodation Impact Investments (Pty) Ltd aims to invest in institutional quality Purpose Built Student Accommodation Buildings in South Africa.

Expanded Infrastructure Fund (OMIGNAM Infrastructure) targets infrastructural projects like toll roads, railways and ancillary services, bulk power supply, power distributions, telecommunications, bulk water supply, water and wastewater treatment and reticulation, privatisation, education and healthcare, etc.

First Capital Real Estate Finance Fund (FCREFF) is engaged in providing mortgage loans to civil servants and participating employers as well as loans to municipalities and local authorities.

Future Growth Community Property Fund is a Fund engaged in the investment of fixed properties such as community shopping malls, regional shopping malls, residentials, warehouses, etc; and operates principally in South Africa.

Growthpoint Healthcare Property Holdings (RF) Limited is structured as a Real Estate Investment Trust (REIT) company. First unlisted healthcare REIT to invest exclusively in healthcare property assets in South Africa. The purpose of GHPH is to invest in income-producing real estate, property companies, or

business that use properties within healthcare sector, including, among others such Hospitals, Day Clinics, Specialist hospitals and clinics, Laboratories and Pharmaceutical warehousing and manufacturing facilities.

Growthpoint Investec Africa Properties Limited is a real estate asset fund investing in Africa excluding the Republic of South Africa, with primary target countries being Ghana, Kenya, Morocco, Mozambique, Tanzania and Zambia, and secondary target countries being Angola, Botswana, Cote d'Ivoire, Cameroon, Ethiopia, Gabon, Mauritius, Namibia, Nigeria, Rwanda and Uganda. The Fund aims to acquire a portfolio of income generating commercial real estate assets, diversified across geographies and sectors in Africa.

Growthpoint Student Accommodation Holdings (RF) Limited aims to invest in institutional quality Purpose Built Student Accommodation Buildings in South Africa.

Ino Harrith 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.

Ino Harrith Namibia Infrastructure Fund ("NIF" II) - an infrastructure trust set up to provide equity funding for infrastructure projects in Namibia.

International Housing Solutions Collector Fund is an En Commandite partnership domiciled in Namibia. The Fund seeks to be an off-taker for both rental and for sale affordable housing developments targeting households with a joint income of N\$30,000 per month and less.

Investec Africa Private Equity Fund 2 L.P. is a limited partnership investing in the General Private Equity Vehicle domicile in Guernsey. The fund investment focus is on transactions including established businesses where the Fund can either invest new capital into expanding companies or buying out existing shareholders. The Fund invests in African countries which are part of the African Union and Morocco.

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.

Königstein Capital Investment Property Fund (KCIPF) is engaged in providing funding for property project development with a focus on housing and land servicing.

Kongalend Renewable Energy Fund Trust (KREFT) was founded with the main purpose of providing renewable energy and credit financing for small and medium enterprises.

Mergence Namibia Infrastructure Fund (MNIF) is a trust set up to provide funding for infrastructure projects in the energy, financial services, land servicing, etc.

Namibia Infrastructure Development and Investment Fund (NIDIF) (Pty) Ltd - an infrastructure special purpose vehicle set up to provide equity funding for infrastructure projects in Namibia.

Namibia Infrastructure Equity Investment Fund (NIEIF) Trust - an infrastructure trust set up to provide equity funding for infrastructure projects in Namibia.

Namibia Mid-Cap Fund is an unlisted Special Purpose Vehicle (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 model.



NamPro I & II are engaged in providing short-term working capital facilities and medium-term asset backed financing (Finance and Operating leases) to small and medium enterprises that are awarded tenders/supply and delivery contracts or service contracts by reputable large corporates, government departments, parastatals and local authorities.

Neoma Africa Fund III, (B), L.P. (previously Abraaj) is a limited partnership investing 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.

Noble Spectatus Property Fund (Pty) Ltd is a property fund structured as a company issuing linked debentures. The funds' main objective is to develop and acquire Convenience and Platteland shopping centres within the Western Cape aiming to retain these as an investment for capital gains and income growth.

Preferred Investment Property Fund (PIPF) is a trust set up to provide funding for identification and adjudication of property investments opportunity for the Fund on wholesale capacity which entails investment in development projects that generate acceptable long-term returns.

Sands Capital Global Venture Fund I, L.P. is a partnership with a 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.

South Suez Africa Fund is an African private equity fund of funds. The fund strategies are focused on investing in primaries, secondaries and co-investments in the Sub-Sahara African private equity arena. The fund is a limited partnership investing in three Fund namely, South Suez Africa Fund I, South Suez Africa Fund II and South Suez Africa Fund Managed Account I and II.

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.

The Baobab Growth Fund is an unlisted special purpose vehicle structured as a Company. The Fund is GIPF's only venture capital fund in Namibia targeting start-up businesses.

The Frontier Property Trust - has a buy-and-hold mandate with the Fund with specific focus on investing in the different regions within the borders of the Republic of Namibia. The investment charter allows the Frontier Property Trust to invest in retail, office, commercial and industrial buildings.

Tulive Private Equity (Pty) Ltd - an infrastructure special purpose vehicle set up to provide debt funding for infrastructure projects in Namibia.

Tunga Real Estate Fund (OMIGNAM Tunga) is a Real Estate Investment Trust (REIT) with the objective of building a dominant Namibia Property Fund.

VPB Growth Fund (Pty) Ltd is a private equity special purpose vehicle that is mandated to invest in early-stage venture capital, Greenfield projects, development capital and buyout investments.



Nurturing sustainable development through strategic high-impact investments

Several of our strategic projects continue to foster shared value by generating socio-economic impact, emphasising the integration of capital investment with sustainable business practices that adhere to ESG principles.

Case study 1: Rosewood Academy

Rosewood Academy offers a distinctive and enriching learning experience that specialises in each student's unique needs. The school seamlessly integrates traditional and creative teaching methods, striving to unlock the full potential of every child. The overarching goal is to nurture self-sustainability, ensuring students are well-prepared and guided toward a successful professional future.

In addition to its core academic offerings, Rosewood Academy extends its commitment to education by providing vocational training. It is an alternative tertiary education stream for students within and outside the academy. This comprehensive approach reflects the school's dedication to catering to diverse learning preferences.



The environmental impact: Rosewood Academy actively demonstrates its commitment to environmental sustainability through a robust recycling programme. The school is dedicated to minimising its ecological footprint and instills a sense of environmental responsibility in students. Efforts to expand these initiatives and form partnerships are underway to further promote a greener and more sustainable future.



The social impact: Rosewood Academy distinguishes itself through inclusive education, providing specialised autism training to support students with special needs. The academy actively cultivates parental and community partnerships, linking the curriculum to real-world experiences to strengthen relationships within the broader community.

Acknowledging the significance of gender diversity and equality, Rosewood Academy takes pride in its substantial representation of women. Recent promotions underscore the school's commitment to providing equal opportunities for professional growth.

Rosewood Academy maintains a strong online presence to engage with the broader community, sharing information about school activities and celebrating achievements to foster a sense of community involvement.



Governance: Rosewood Academy recently updated its policies, demonstrating a strong commitment to sound governance practices. This ensures policies are current and aligned with evolving educational standards. The school prioritises ongoing excellence in governance through regular assessments, fostering a secure and adaptive environment for students and staff.



Case study 2: Mushara Lodge

Mushara Lodge Pty (Ltd) manages three lodges located just 8km outside the Von Lindequist gate on the eastern side of Etosha, near Namutoni in the northern part of Namibia. With a total of 48 rooms and 100 beds, these lodges cater to upmarket tourism, offering a luxurious experience on the edge of Etosha National Park. Mushara Lodge Pty (Ltd) navigated the challenges presented and played a pivotal role in contributing to the broader rebound of the tourism industry in Namibia.



The environmental impact: Mushara Lodge is committed to sustainable practices, prioritising energy efficiency by utilising LED bulbs and energy-saving lighting to significantly reduce energy consumption and carbon emissions. Additionally, the lodge embraces solar power as a renewable energy source, actively contributing to a cleaner and more sustainable power grid.

In line with its environmental focus, Mushara Lodge also strongly emphasises minimising transportation activities to reduce carbon emissions further and lessen its overall environmental impact.



The social impact: Mushara exemplifies a dedication to gender diversity and inclusivity, with 66% of its workforce being female. The commitment extends further through quarterly employment equity meetings, and staff/management meetings are scheduled whenever requested, fostering an environment that actively promotes inclusivity, equality, and open communication channels between staff and management.

The lodge provides ongoing support for the local community by sourcing supplies and services locally, fostering partnerships with nearby businesses, and creating employment and training opportunities for local residents.



Governance: Mushara Lodge is committed to ethical business practices and responsible governance by adhering to all relevant laws and regulations. In alignment with this commitment, the lodge has recently updated its company policies to ensure ongoing compliance and ethical standards. Guests and employees are assured of a safe and secure environment during their stay as the lodge has implemented robust security measures, well-defined emergency response plans, and regular safety training programmes are conducted.

Mushara

THE COLLECTION





Treasury

The Treasury Division is responsible for the management of the Fund's in-house portfolios, primarily consisting of Fixed Income and Strategic Equity holdings. This division is also responsible for overseeing the overall funding and liquidity management functions of the Fund.

As at 31 March 2023, the Funds directly managed by Treasury amounted to N\$20.7 billion. These internally managed portfolios are comprised of two main asset classes: fixed income and equities. To strike a balance between income generation and maintaining liquidity, the fixed income portfolio is further divided into two tranches. The first is the money market portfolio which had a value of N\$4.9 billion. This portfolio primarily serves as a liquidity reserve, ensuring that there are readily available funds to meet day-to-day operational requirements of the Fund, as well as to address other funding needs such as additional investments and capital drawdowns.

The second portfolio is the Bond portfolio, valued at N\$14.4 billion. This portfolio focuses on long-term investments in

capital markets and includes securities issued by various entities, including the Government, public enterprises, and other organisations.

In addition to the fixed income securities, investments are also made in Strategic Equities. These are listed equities of strategic significance that are managed internally on a buy-and-hold basis, essentially following a passive investment strategy. As at 31 March 2023, these strategic equity assets represented 7% of the internally managed funds, totalling N\$1.4 billion.

Furthermore, the Fund administers swapped portfolios with a total value of N\$17.7 billion. This involvement in swapped portfolios entails exchanging the Funds Rand-denominated portfolios with a local entity, which, in turn, issues the Fund with a Namibia dollar-denominated corporate paper.

As at 31 March 2023, the Treasury Division's Total Assets Under Management (AUM) stood at N\$38.5 billion.



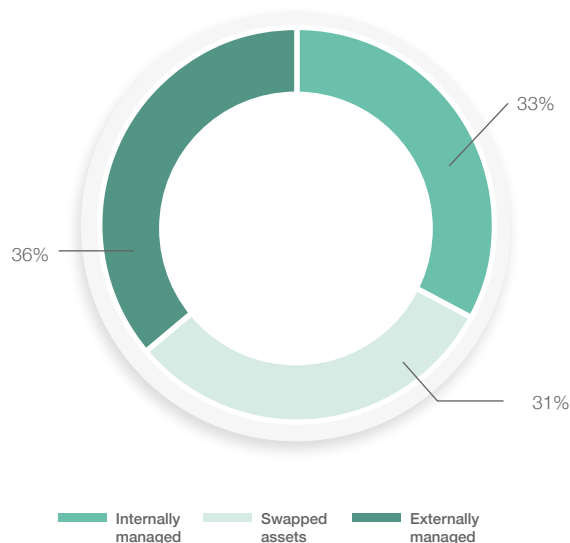
Fixed income exposure

The Fund allocated N\$57.6 billion to investments in fixed income securities in alignment with its strategic asset allocation by the end of the fiscal year. This allocation constituted 38% of the Fund's overall assets. Notably, 33% of these assets are under direct internal management, with the Treasury serving as the largest single Asset Manager for the Fund. Externally

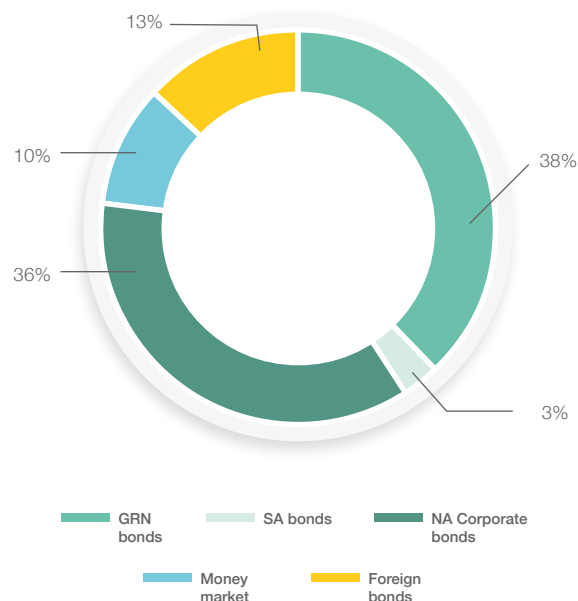
managed fixed-income assets are entrusted to various Asset Managers across different geographic regions. Regarding portfolio diversification, the fixed income assets are spread across multiple issuers and regions, including Namibian Government bonds, corporate bonds, South African bonds, and foreign bonds, as illustrated in the chart on the next page.



Fixed income mandates



Fixed income securities



Government bonds

As the most significant institutional investor in Namibia, GIPF plays an active and influential role in the local capital markets. The Fund holds the distinction of being the largest purchaser of Namibian Government securities, with ownership of 23% of the total outstanding government bonds as at 31 March 2023. The Fund primarily focuses its investments on medium to long dated Nominal and Inflation Linked Bonds (ILBs), with a lesser extent in treasury bills, reflecting its long-term investment horizon.

Because of its substantial size, GIPF has encountered the difficulty of operating within a constrained capital market characterised by a shortage of investment securities and issuers. Consequently, most of the Fund's investments in domestic bonds are concentrated in Government bonds. Given GIPF's favourable outlook on Namibian Government bonds, it is anticipated that its exposure to Government bonds, relative to corporate bonds, will remain significantly elevated.

Security	Total outstanding balance (N\$'000)	GIPF (N\$'000)	% Exposure
Fixed rate bonds	62,731	21,251	34%
ILBs	7,418	2,308	31%
Treasury bills	35,655	709	2%
Total	105,804	24,268	23%

Fixed income performance

The global bond market encountered a challenging year marked by a significant rise in global interest rates, driven by central banks' measures to control inflation. The Bloomberg Global Aggregate Bond Index (US\$ net) experienced an 8% decline during the 12-month period ending on 31 March 2023. Nevertheless, despite the selloff in the global bond market, the Namibian bond market demonstrated robust performance. The IJG All Bond Index delivered an impressive 13% return during the period under review, outperforming the NSX Overall Index (equities), which concluded the same period with a 16% decrease.

The strong demand for Namibian bonds during the period under review, led to a significant narrowing of the spread between Namibian (NA) and South African (ZAR) bonds across the yield curve. Notably, the spread between NA and ZAR tightened to the extent that the two sovereigns were nearly trading at par at end of March 2023. Historically Namibian bonds had traded at a discount (offering higher yields) relative to South African benchmarks, reflecting better liquidity in the South African market. The narrowing spread between the two markets could also be a reflection of South Africa's

idiosyncratic risk, attributable to the deepening electricity crisis and negative political sentiments during the period under review.

Looking ahead, we anticipate that the continuous strong demand for Namibian bonds will persist in the next financial year, leading to a further reduction in yields. Additionally, as inflation begins to moderate, we believe that the cycle of interest rate hikes has reached its peak. Consequently, we expect that the majority of Central Banks, whether in advanced or emerging market economies, including South Africa, will likely refrain from raising interest rates from the second quarter of 2023 through the first quarter of 2024, and may even consider rate cuts thereafter.

Taking these factors into account, we maintain a positive outlook for the fixed-income market, with a substantial repricing in the bond market expected to provide attractive returns for significant bondholders like GIPF.



EXCELLENT SERVICE

 (Social and relationship capital)  (Manufactured capital)

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.

Our strategic objectives	Accountability
Ensure stellar member care Maximise operational efficiency	GM: Operations and GM: Marketing and Stakeholders' Engagement
Enhance member outreach and retention Enhance stakeholder management strategy	GM: Marketing and Stakeholders' Engagement
Enhance enterprise infrastructure and architecture management Drive digital transformation and innovation Drive information systems security and cyber-security resilience programme	GM: Information Systems

Comparing progress of our five-year targets

Sustainability	2018 Target	2022/2023 Actual
Benefits payment turnaround times	Funeral: 12 hours Retirement: 30 days Death benefit: 12 months	Funeral: near real-time Retirement: 9 days Death benefit: 7 months
Member retention	100%	97.6%
IS Systems availability	97%	GIMIS = 98.8% Horizon= 98.2% ERP = 95.4% APPS = 99.0% ESS = 96.7% Core Network = 100% IS Infrastructure Services= 99.7% Region Offices Network= 100%
Client satisfaction index	95%	100%

Our performance for 2023

GIPF upholds its commitment to providing outstanding service through a customer-centric approach and extensive engagement with stakeholders. Our integrated marketing and communication strategy, complemented by member outreach and retention plans, includes targeted campaigns designed for diverse audiences. Acknowledging stakeholders as pivotal to our success, GIPF utilises an engagement strategy that carefully maps and addresses their specific needs.

Our commitment to excellent service is fortified by the role of information systems and streamlined business processes and operations to ensure operational efficiency, accuracy, and innovation in our service delivery.



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 always deliver exceptional service in line with its core values of service excellence, integrity, and teamwork.

Expanding upon the strategic initiatives from the previous year, we have implemented several additional measures during the review period to enhance member care, optimise operational efficiency, and enhance data integrity, as detailed in the following pages.

Ensuring stellar member care

Ensuring stellar member care is directly aligned with providing excellent service, as outlined in our Member Service Charter, which emphasises serving our members in a fast, efficient, and friendly manner.

GIPF excelled in providing stellar member care, surpassing all targets set for this strategic initiative. The client satisfaction rating, assessed through the Queue Management System (QMS), determined a rating of 86%, exceeding the target of 80% by 6%.

Furthermore, clients were assisted efficiently and professionally, with an average waiting time of only 26.49 minutes (from 28.19 minutes recorded in the previous year) spent by clients at our offices during the year. This result is well below the average annual target of 42.00 minutes.

Member outreach initiatives continued in partnership with the Marketing and Stakeholders' Engagement Department, conducting 236 engagements across the country and surpassing the intended target of 173 engagements. These activities drew substantial participation, with 10,481 attendees representing various member categories.

GIPF Integrated Contact Centre

To ensure service excellence, the Fund is introducing an Integrated Contact Centre designed to offer a more comprehensive and unified experience for client interactions. This encompasses multiple channels integrated into one cohesive system, including voice, chat, email, and social media. This unified system enables members to connect with the Contact Centre seamlessly from any device, anytime and anywhere. Additionally, the system empowers the Fund to address customer queries and complaints promptly through real-time data.

Significant strides have been made during the reporting period to finalise the integrated system, with testing scheduled to commence in December 2023, followed by implementation in February 2024.

Extending our reach nationwide to bring services closer to our members and beneficiaries

The Fund remains dedicated to service excellence, expanding its presence to all 14 regions of Namibia. New satellite offices in Nkurenkuru, Grootfontein, and Opuwo last year, and the planned opening of a satellite office in Mariental in May 2023, along with the initiation of construction for a modern office complex in Ondangwa, demonstrate our commitment to providing enhanced services.

The renovation of premises for a new regional office in Outapi is progressing well and plans for a new head office in Windhoek are underway. The expansion aligns with our member outreach programme and the pension-on-wheels truck, ensuring accessibility for members in less populated areas.

Maximising operational efficiencies

Implementing the Business Process Improvement (BPI) project in 2019 has yielded substantial and consistent improvements in service delivery to GIPF members. The operational plan, an extension of the BPI project, aims to further enhance operational efficiencies by addressing inefficiencies within the operational value chain.

Key outcomes include a significant reduction in the processing time for retirement and resignation benefits (nine days), a shortened period for death benefit disbursements (seven months), and a near real-time processing time for funeral claims. Additionally, the reduction of unprocessed annuities by 87% highlights ongoing efforts to enhance service delivery and efficiency.

Roving office concept

To enhance our service value stream, we introduced a roving office concept last year, reaching out to employers to address operational challenges. GIPF personnel set up temporary desks at ministries, offering services like personnel officer training, query resolution, data collection, and member communication. This approach effectively tackles issues hindering service provision, with positive feedback from employers indicating successful resolution of operational challenges.

Readiness and employees' upskilling of the FIM Act

To proactively anticipate the implementation of the FIM Act and regulations and address potential risks arising from new requirements, the Operations Department, in collaboration with all Fund departments, has incorporated this strategic initiative as a continuous activity on departmental meeting agendas. Staff from various departments participated in capacity-building sessions on FIMA, encompassing all areas affected by the new standards and regulations of the Act.

Implementation of the new annuity enrolment method (Biometric system)

The Fund's recent investment in a technologically advanced Biometric enrolment and verification solution replaces the previous system, representing one of several strategic projects aimed at enhancing operational efficiency, service delivery, and customer satisfaction. This solution, equipped with advanced



safety features and touchless capabilities, incorporates face recognition technology, ensuring increased safety for our members. The implementation of this solution is expected to significantly enhance data integrity and subsequently impact the Fund's liability positively.

By the year ending 31 March 2022, 95% of Phase 1 of this project had been completed against a target of 90%. The pilot phase involved enrolments completed by 20 July 2022, with actual enrolments commencing on 1 August 2022. Additionally, the review and development of the agreement for the acquisition of membership cards was completed by the end of August 2022 and the procurement of additional hardware is underway. Configuration and set up of the additional hardware are anticipated by mid-to-end November 2022.

Phase 2 of the project, involving the full operationalisation of the Biometric verification solution, officially commenced on July 28, 2022. This phase aims to ensure the enrolment and subsequent verification of all existing annuitants across all regions in Namibia. A communication and stakeholder engagement plan is being developed, incorporating an intensive member education programme that utilises various communication methods to effectively reach the diverse membership base across the country.

GIPF File Plan

The GIPF File Plan, revised in the prior year to align with GIPF Rule 10.11(1) and the Archives Act (Act 12 of 1992), has been successfully implemented across all Fund departments. This strategic implementation aims to enhance efficiency, corporate governance and reputation risks, and foster stakeholders' trust. The Fund is also in the process of rolling out the Fund's Documentation Retention Schedule in line with best practice and corporate governance. The Records and Information Management Committee, established to oversee records management functions, will continue to guide the programme and provide management with valuable insights to ensure effective records and information management throughout the GIPF.

Improved data integrity

Ensuring data integrity is crucial for achieving service excellence and remains a strategic priority for both GIPF and the pension fund industry. Over the five-year strategic plan cycle (2018 – 2023), the Operations Department, in collaboration with the Marketing and Stakeholder Engagements' Department, has diligently implemented various initiatives to ensure accurate, comprehensive, perpetual, and up-to-date data. These efforts have resulted in a substantial and systematic increase in data integrity levels.

The data reserve, traditionally set at 5% of the Fund's past service liabilities for active and disabled members, is designed to address potential increases in liabilities due to data errors and ad hoc admissions. Through the implementation of the business process improvement project and systems improvements, data integrity has been improved, specifically addressing delays from participating employers in registering new employees. With improved data quality, the reserve level, adjusted as part of the statutory valuation as at 31 March 2021, remained appropriate in the recent interim statutory valuation as at 30 September 2022, and will be reviewed at the next valuation. The data reserve is approximately N\$1.5 billion of active members' liabilities, constituting 1.43% of total liabilities before contingency reserves.

Despite concerns regarding public enterprises and regional council members and some data gaps, substantial progress has been achieved in reconciling records between GIMIS and payroll systems, minimising discrepancies.

The concern previously raised in our reporting regarding unclaimed benefits (excluding death benefits remaining unclaimed for five years or more after the date of exit) was addressed with the customary determination and dedicated effort during the year. A further reduction of 40%, compared to a 37% reduction in the previous year, was observed. This resulted in removing 117 claims from an opening balance of 309 claims, leaving a remaining balance of 152 claims. Unclaimed benefits not claimed for five years or longer are paid over to the Guardian Fund held at the Master of the High Court, with beneficiaries having no further claims against the GIPF.

The GIPF will always have the best interests of its members at heart and will continue to reach out to its members and beneficiaries in all corners of the country to ensure that they receive the benefits due to them and their families without the hindrance of inaccurate and incomplete data.

Regarding member admissions, 2,737 individuals who were initially not admitted to the Fund have now been successfully enrolled, reflecting a 60% reduction from the opening balance of 4,359 to an outstanding balance of 1,622. This accomplishment underscores the commitment to adhere to the Fund's rules, ensuring that eligible members are duly admitted. HR practitioners serve as the initial point of contact for GIPF members, requiring knowledge about the Fund's benefits and providing proficient assistance during the pension benefit-claiming process. Regular training is provided to HR practitioners to ensure an understanding of benefits, emphasise the importance of data integrity, and familiarise them with the Fund's rules and the Pension Fund Act (Act 24 of 1956). An essential aspect stressed is that benefits can only be disbursed upon completion, approval, employer sign-off, and submission of a claim with all requisite supporting documents. Tracing members after employment termination poses a challenge if vital information is missing.

The Fund also continued to engage participating employers to discuss and train them on the rules and procedures of the Fund..

The Know Your Member (KYM) initiative emphasises the essential information needed from members to accurately identify, understand, and communicate effectively, ultimately improving data quality and enhancing overall customer experiences. Aligned with the strategic goal of enhancing data integrity, this initiative underscores the core value of service excellence.





Looking ahead to 2023/2024

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

- Expand member outreach services, especially 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.
- Implementation of Plan B of the Biometrics enrolment and verification solution in conjunction with the Information Systems and Marketing and Stakeholder Engagements' departments. A target of achieving 80% enrolment of all qualifying annuitants by 30 March 2024 has been set.
- Ongoing implementation of the GIPF File Plan and ensuring efficient management of records.
- Improve member submissions by reducing outstanding admissions by 60%.
- Ensure accurate and timely contribution collections by maintaining the current actual collection rate of 99.9%.
- Ensure continued client service satisfaction (QMS) rate of 80% or higher.
- Ensure efficient and timely client services by further reducing average waiting and service time.
- Further expanding our footprint and representation in the country.



DIGITAL TRANSFORMATION AND INNOVATION

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 and opportunities within business units. Digital transformation revolves around efficiencies in business processes and 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 and enjoy our services anywhere, anytime.

Our performance for 2023

The strategic plan for GIPF Information Systems has played a pivotal role in elevating service delivery through improvements in information systems governance, infrastructure, architecture management, digital transformation, and innovation. Our commitment to a culture and work ethic centred on providing excellent service to members and stakeholders has been a key driver in successfully deploying essential information technology solutions.

During the period under review, the department has set four key IS goals, involving strategic initiatives for service excellence, staggered over the financial year. The focus of the IS Strategy is on delivering technology 'as a service', guided by a service-oriented culture. Throughout the year, we actively pursued opportunities to strengthen our digital capabilities, consolidate efforts, and enhance operational efficiencies across the entire business value chain.

Details of the successful implementation of various strategic initiatives aligned with our overarching objectives follow.

Maintaining business continuity and service delivery

Our focus this year was on the strengthening of infrastructure and architecture management and responding to the enhancement of processes across the Fund to optimize current technology investments.

The network infrastructure solutions and services have remained robust and well-maintained enabling users across the various offices to remain connected and optimally operate core systems and participate in online collaborations and engagements.

To assess and improve the quality of services rendered by the Information Systems Department, feedback is sought from clients (users) upon completion and closure of each call, through an automated process. During the period under review, an above-average satisfaction rate of 95% was received, against a target of 80%, indicative of providing quality internal customer support services.



Information systems governance practices

We are actively enhancing our IT governance model in alignment with industry best practices and our digital roadmap. The Audit and Risk Committee plays a crucial role in overseeing and guiding the Fund's IT strategies, policies, and the associated risk and control environment.

We have undertaken deliberate efforts to fortify our internal control environment and address potential risks and audit issues. The GIPF Board has adopted COBIT 5 as the primary business and management framework for governing and managing enterprise information technology, aligning with best practices in information systems governance.

COBIT 5, encompassing people, processes, and technology, reflects the integral role of information systems in creating shared value for GIPF and its members. The implementation of this governance structure has empowered GIPF to identify and cultivate a skilled workforce capable of advancing IT skills and knowledge across the organisation. This, in turn, supports the realisation of GIPF's strategic goals for digital transformation and exceptional customer service.

Enhancing enterprise infrastructure and architecture management

We continued to enhance our enterprise infrastructure and architecture management throughout the year. We deployed and maintained a robust information systems infrastructure, as well as solutions and services necessary for high availability.

We have implemented high bandwidth and high availability network connectivity using Peplink bandwidth bonding across all GIPF offices. This has resulted in improved connectivity and productivity at significantly reduced costs.

Monitoring and administering our network infrastructure and systems, along with reviewing underlying system logs, remains a continuous task. We have successfully maintained high availability and reliability across our core infrastructure network and systems/services at both our head office and regional offices. During the period under review, we achieved an average overall systems availability of 97.63% against the target of 98%, an improvement from 97.39% in 2022. Additionally, the average uptime for regional offices was 100%, surpassing the targeted 98% for eight-hour business hours.

Additionally, we have configured high internet availability on all regional office Peplink appliances for MTC Spectra and TN ADSL connections, ensuring redundant internet connectivity. Furthermore, we have upgraded network cabling in all offices, except for one.

A failover scope and plan were developed in the past year, with additional NetApp storage and server memory deployed for disaster recovery preparedness. The disaster recovery failover test for business continuity assurance was successfully conducted. Moreover, the backup and restoration process to ensure the availability of reliable backups of GIPF information sources has been established and carried out with a 100% success rate since June 2022.

The pension administration systems (GIMIS, Horizon, and ESS) along with their underlying databases experienced smooth major version upgrades, and various enhancements were seamlessly deployed into production, with no discernible work interruptions or stoppages from users' perspective.

Through the implementation of these strategic initiatives, we are assured that we have effectively addressed the needs of our members, internal clients, and other stakeholders. Our ongoing commitment is to uphold and sustain high standards of operational efficiency and uninterrupted service delivery.

Drive digital transformation and innovation

In line with the initiatives aligned with the business strategies of "Drive digital transformation and innovation", the implementation and operationalisation of the biometric enrolment and verification solution for members, including key integration aspects developed internally, proceeded smoothly.

Challenges that arose were swiftly addressed, with the IS Department playing a crucial role in providing technical support and ensuring seamless functionality, including user training. Ongoing efforts include fine-tuning and enhancing key functionalities, such as configuring a mobile application for members' verification. User acceptance testing and deployment of these features are scheduled for the 2023/2024 financial year.

In consideration of the insights gained from the global landscape of proposed solutions and the experiences from the Annuityants' Biometric Enrolment and Verification Solution implementation project, critical success factors have been

carefully evaluated. The current GIPF is committed to acquiring an integrated Pension Administration System (iPAS) that will streamline its business processes and introduce innovative solutions to enhance service delivery to its members and annuitants. The new iPAS system will replace the current members' administration system, Compass, internally referred to as the Government Institutions Members Information System (GIMIS), implemented in July 2001.

Lastly, to enhance member-centric services and communication, GIPF has prioritized a project for an integrated customer engagement solution, transforming the Call Centre into an Omnichannel Contact Centre. Following a thorough tendering process, the Ameyo Omnichannel Contact Centre was selected, and the implementation of the solution was prioritised during the 2023/2024 strategic year.



Enhanced information systems and cyber-security resilience

The dynamic nature of the information security landscape demands an evolving and rapid response. Within our broader IT governance framework, safeguarding information and confidential data while ensuring seamless business operations remains paramount. As digital technologies gain strategic significance, effective IT system governance becomes increasingly vital.

The GIPF maintains a steadfast commitment to a resilient information systems security infrastructure, evidenced by the absence of major disruptive cyber incidents in the past year. A cyber-security audit during this period revealed a commendable level 3, surpassing the minimum (intermediate) level of 2.

We have enabled optimal information security and have continued to implement the organisational information security management system (ISMS) programme.

Noteworthy initiatives undertaken include the implementation of the Qualys External Vulnerability Management Solution. This proactive measure ensures a secure IS infrastructure through continuous monitoring, mitigation, and remediation, effectively shielding GIPF solutions from cyber exposure. Dedicated technical teams swiftly address identifiable vulnerabilities.

Looking ahead to the 2023/2024 financial year, efforts to maximise uptimes include the deployment of Sophos SD-WAN solutions across various regional offices. Additionally, a Sophos XG Firewall integration at the Disaster Recovery site is planned to establish zero-impact links to these offices. This strategic approach further fortifies our cybersecurity measures and underscores our commitment to uninterrupted service delivery.

Enhance information systems' continuous improvement and optimisation programme

In line with the initiatives aligned with the business strategies of "Enhancing Information System's continuous improvement and optimization programme", the revamp of the GIPF website has been completed and deployed using internal resources. A post-deployment survey revealed a high user satisfaction rating of 85%, underscoring the organization's level of information systems maturity and competency. Furthermore, the integration and launch of the Ethics HelpDesk systems with the website have enhanced public accessibility seamlessly.

Furthermore, the Integrated Bank Payment and Reconciliation Solution (IPRS) implemented last year achieved near-real-time payments to any beneficiary. Ongoing enhancements include streamlining financial performance reporting via email, deploying SMS alerts for failed or rejected payments, and implementing automated workflows for timely resolution. User acceptance testing and deployment of these features are scheduled for the 2023/2024 financial year.

In the context of GIPF's Enterprise Software Solution (ESS), Phase 4 enhancements include enabling a Customer Relations Management solution to manage customer services across all GIPF offices, enabling staff to provide members with requested income and benefits statements, and introducing a reporting and dashboard solution for optimal reporting and analysis of the member and pension information.

Lastly, we have continued to ensure the successful development and implementation of GIMIS Phase 2 and 3 initiatives, along with the effective implementation of systems changes and configuration management processes to enhance efficiency.



Key challenges

1. Core Information Systems and Databases are approaching the end of life which could create a business risk
2. Core data centre switches, data centre servers, and storage hardware are approaching the end of life which could create a business risk
3. Managing and executing multiple projects simultaneously
4. Cyber-security risk
5. Reliance on external service providers



How these will be resolved

1. Specific information system projects and change management programs will be prioritised to upgrade the Core Information Systems and Databases and mitigate the risk
2. Specific attention will be given to the deployment and maintenance of robust Information system infrastructure solutions including core data switches, data centre servers, and storage hardware
3. Enhance project management skills
4. Ensure competencies and skills required to operate systems and encourage business process ownership, to increase value realisation of systems
5. An effective talent management regime will be implemented and maintained; to protect the Fund's intellectual properties (skills and expertise)





Looking ahead to 2023/2024

The Fund remains confident as it invests in and explores new technologies and processes to deal with and ensure excellent service.

In the coming year, we will implement the IS Strategic Plan to ensure that it is fully responsive to the new GIPF 2023 - 2026 Strategic Plan, with several ongoing and new strategic initiatives planned, among which include:

- Continuous enhancement of enterprise architecture management by deploying and maintaining robust IS infrastructure solutions and services, including optimal bandwidth management required for excellent service.
- Advance continuous evolution of technology standards and architecture services (including enterprise-wide effective remote access enhancements and effective business continuity planning).
- Implementation and operationalization of the Biometrics enrolment and verification solution, together with the Operations, Marketing, and Stakeholders' Engagement departments.
- Implementation and operationalisation of the Ameyo Integrated Contact Centre solution including Voice-over-IP & Teams platforms integration.
- Implementation of Phase 2 of the Integrated Pension Administration System (iPAS) project which will focus on re-advertisement of the iPAS tender, searching the markets, and acquiring suitable iPAS solutions through a tendering process.
- Full implementation of the GIPF website and intranet solutions revamp, including member portal, employer portal, and intranet solution together with the Marketing and Stakeholders' department.
- Drive and ensure successful execution of the Oracle E-Business Suite (EBS) upgrade project together with the Finance and administration department.
- Ensure continuous improvements and optimisation of business processes and solutions, including effective patches/updates deployment and change management.
- Ensure optimal business requirements and resources analysis, systems enablement, and support of new IS-related corporate strategic initiatives.
- Ensure effective, robust, and secure IS infrastructure and solutions required for optimal information security.
- Review and maintain an effective organisational information security management system programme.
- Investigate a human resource recruitment system that complements the Ministry of Labour's e-recruitment system (NIEIS) system.
- Continuous and further decentralisation of the processing of member benefit functions through enhanced system capabilities at the regional branch level.
- Continue to investigate the 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 by conducting DRP exercises bi-annually.
- Appointment of a Security Analyst to ensure effective monitoring of information security and cyber threats.
- Investigating and pursuing Robotics and Process Automation (RPA) and Artificial Intelligence (AI) initiatives towards operational efficiencies.



NURTURING OUR RELATIONSHIPS AND PROTECTING VALUE FOR OUR MEMBERS

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.

Our performance for 2023

With a focused dedication to our members, GIPF has streamlined communication strategies to align with the mission statement of the Fund, namely “to safeguard and grow the Fund for the benefit of its members”. This entails prioritising members needs and expectations in all our communications, guided by a member-centric approach in selecting appropriate communication platforms and channels.

Adhering to our integrated communication strategy, we present a credible, sustainable, and forward-looking narrative. Central to this strategy is our commitment to educating members about their benefits, Fund regulations, and essential investment principles. This proactive approach aims to develop

a shared understanding, creating a common language that fosters brand citizenship.

Significant effort was dedicated to aligning the Corporate Communications Policy with FIMA. The policy has been presented to the Benefits and Administration Committee for consideration and is currently pending approval from the Board.

In our dedicated service to members, the content of our communication during the reviewed period was centred around the following pillars.

Communication Content Pillars



Enhancing member outreach and retention

Annual plans and robust member outreach complement our internal strategic projects, emphasising efficiency across the entire business value chain. Guided by corporate values, our member-centric approach extends to all stakeholders, ensuring continuous improvement, prompt member feedback, and innovation to achieve our vision to be a leading global pension fund with a strong focus on member-centricity. All planned activities were successfully completed under this strategic objective with no participating employer exiting the Fund during the review period.

Expanding our member outreach and retention initiative to over 90% of the regions where our members reside is a significant step, and our regional offices play a vital role, with officials serving as dedicated ambassadors of excellent customer service. The awareness of the diverse demographics among our members, each with unique needs, is central to our approach. We have effectively utilised digital platforms, including email and social media, to cater to remote requirements. However, recognising the significance of personal interaction for those without access to technology, our teams, along with the pension-on-wheels truck, have been mobilised to reach this specific group of members as part of our comprehensive outreach programme.

The Erongo regional member outreach and engagement roadshow concluded with a meeting between members of the Board and Management in Omaruru, coinciding with the conclusion of the annual strategic planning exercise in the river town during February 2023. This well-attended engagement

offered Trustees and management a first-hand experience of matters raised by members during such interactions with the Fund. Concerns included perceived inadequacy of funeral benefits, the non-competitiveness of the First Capital Housing Scheme compared to commercial banks, and enquiries about the timeline for the rollout of the pension-backed home loan scheme.

The collaboration between the Marketing and Stakeholders' Engagement Department and the Operations Department continues to be strong. This ensures that our members and participating employers not only receive the essential information but also understand their roles in facilitating the benefit-claiming process. We maintain a significant emphasis on the enrolment of the biometric system, along with a commitment to data integrity and sustainability, recognising their direct impact on our service delivery standards. The overwhelming attendance and appreciation from our annuitants underscore the positive impact of our direct outreach efforts to them.

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, of entitled rights and responsibilities, and of the benefits they are entitled to, amongst others. The cumulative results obtained from member surveys undertaken during education and outreach activities surpassed the 90% target, alongside numerous additional engagements conducted throughout the year.



Strengthening internal communication and collaboration

Internal communication keeps employees informed and connected, fostering a shared understanding of company goals, values, and guidelines. During the reporting period, our efforts focused on policy workshops, CEO Employee engagement forums, quarterly bulletins, and regional office interactions to increase awareness providing a platform to address staff concerns.

We regularly share organisational news through internal memos, posters, circulars, and WhatsApp, ensuring diverse communication methods catering to varied employee preferences. This approach maximises engagement and understanding among our internal stakeholders.

Ensuring best practice in stakeholder management

Reinforcing the GIPF Brand

To uphold our dedication to best practice in integrated reporting, we engaged a local consultant who collaborated closely with our internal project team for the comprehensive production of the integrated annual report. The official launch occurred through a live-streamed event on Facebook and Twitter in January 2023, originating directly from our head office. This well-moderated event, involving journalists, prominently showcased the Chairperson, accompanied by the Vice Chairperson and the CEO. The launch garnered extensive coverage across both print and electronic media.

Following a need identified last year to strengthen the distinctive GIPF brand and reinforce understanding of the Fund's mandate, vision, mission, and values post a stakeholder perception survey, a brand awareness engagement was held in February 2023. The event featured a Brand Specialist and Venture Capitalist as the keynote speaker.

The objective was to deepen comprehension of the Fund's brand identity and foster brand loyalty by embracing corporate values. The majority of staff surveyed who attended the session demonstrated a strong understanding of the GIPF brand, with a 54% rating for brand awareness as 'good,' 32% as 'excellent,' 10% as 'fair,' and 5% as 'poor.'

Furthermore, 92% of participants found the session engaging, 95% understood the shared information, 93% were satisfied with the data, and 95% stated that the shared information motivated them to be more loyal to the brand.

Media monitoring and performance

A focused initiative has been undertaken to boost engagement on the Fund's social media platforms, emphasising positive sentiments and tonality. Although there is a commendable average share of own voice at 79%, the lingering concern is the 31% average on social media, emphasising the necessity for a dedicated resource for content promotion. The strategic use of media monitoring has played a crucial role in managing the Fund's brand strategically and assessing communication effectiveness with stakeholders. The GIPF has consistently been ranked among the top communicating brands in the country.



Key challenges

1. Share of own voice for the year was 66% against a target of 80% due to low ratings on social media
2. The annual advertising value equivalent target was not met
3. Reduced human resource capacity inhibited the full execution of strategic initiatives



How these will be resolved

1. The Fund will draft and implement a social media monitoring and management strategy. The position of Digital Media and Marketing Officer will also be filled during the next reporting period
2. The advertising value equivalent target was discarded from the current score card
3. All vacant position in the department to be filled during the next reporting period







Looking ahead to 2023/2024

The Fund believes that enhanced customer service significantly contributes to improved service delivery. Therefore, our commitment is to continually strive for excellence in assisting our members. We will persist in developing innovative approaches to engage and support our extensive membership. Our unwavering focus remains on achieving our strategic objectives and ensuring excellent service to all stakeholders through implementing new and ongoing initiatives.

- Member information and stakeholder engagement activities will continue to be aggressively rolled out to reach as many stakeholders as possible and in the most innovative manner available.
- A dedicated resource will be appointed to improve the share of own voice on social media.
- The stakeholder management strategy will be enhanced, striving towards exceeding the target of 80% for external stakeholders satisfaction and engagement and 85% for internal stakeholders satisfaction and engagement.
- We will seek input from our members and stakeholders, remain responsive to their expectations and concerns, and build these aspects into our annual marketing and communications strategy and plans.
- We will continue to implement the member retention programme execution striving towards a target of 80%.
- We will place additional emphasis on research and development to maintain market positioning and leadership and carry out benchmarking studies in the industry to evaluate our value proposition.
- We will analyse new trends in the pension fund industry, anticipate changes and respond appropriately.
- We will continue to support our internal Brand Ambassadors in telling the story of how GIPF honours its mission to guard and grow the Fund to the benefit of its members, providing members with the constant reassurance of lifetime financial security and peace of mind knowing that their funds are well guarded and growing.
- As the largest investor in the country, we will continue to actively promote this role and the significant value GIPF creates in the socio-economic and sustainable development of the country for long-term growth and the social safety net provided by the Fund.
- We will continue to bring our services closer to our members by supporting the expansion of our footprint in areas where there is a high concentration of members.
- We will continue strengthening relations with the media by fully executing our media management strategy and plan. Additional focus will be placed on developing engaging content reflective of the GIPF strategy, unclaimed benefits, pension literacy, and other topics on social media platforms.
- We will continue to support the Operations Department in jointly implementing several strategic initiatives aligned with our member education/outreach programme.
- 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 regarding our Responsible Investing Strategy and Development Policy.



OUTCOMES-BASED GOVERNANCE, RISK AND COMPLIANCE

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 on pages 42 - 54 and the report on Our Principal Risks on pages 39 - 42

Our strategic objectives	Accountability
Ensure continuous enhancement of the internal control environment	Acting Chief Audit Executive
Strengthen corporate governance Enhance ethical leadership	Governance and Ethics
Embed a positive risk culture in GIPF Improve risk monitoring and reporting Improve fraud risk management practices and business continuity preparedness Coordinate business continuity management	Manager: Risk
Enhance management of compliance and legal risks Implement FIM Act and standards	Chief Legal and Compliance Officer

Enhancing our internal control environment

The Fund continued to strengthen its internal control environment during the year, with several key initiatives implemented during the year, among which include:

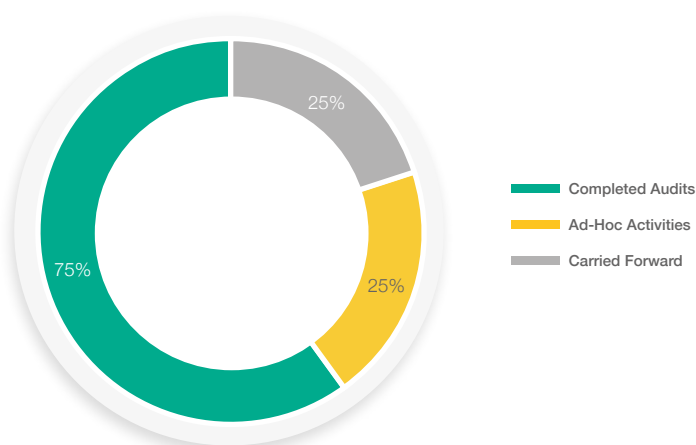
- The Audit and Risk Committee approved a total of 16 audits during the period under review. Ad hoc activities emerged during the year, preventing the full execution of the Audit Plan. Consequently, four audits were replaced by four investigations that surfaced during the year, leading to the carryover of these audits to the next financial year. As of the fiscal year-end, 75% of planned audits and 25% of ad hoc activities/special investigations have been completed (as depicted in the chart below). These findings were presented to the Board of Trustees through the Audit and Risk Committee in line with the approved Internal Audit plan and the Internal Audit Charter. The reports identified areas with process control gaps and/or weaknesses, prompting corrective actions and improvements, thereby strengthening the overall control environment.
- The IIA standards require the Chief Audit Executive to design a quality assurance and improvement programme to enable an evaluation of the Internal Audit Department's conformance with the IIA Standards and an assessment

of whether the internal auditors comply with the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity, identifying opportunities for improvement. The IIA standards mandate an external review every five years. A reputable external firm conducted an external assessment of the Internal Audit Department. The assessment concluded that the department "Generally Conforms to the International Professional Practice Framework (IPPF)" as set by the Global Institute of Internal Auditors, indicating compliance with the IIA standards. Recommendations for enhancing the Internal Audit Department were made and are currently being implemented. Eighteen out of 20 findings were successfully resolved, resulting in a 90% resolution rate.

The Internal Audit Department has been the top corporate performer for both the 2021/2022 and 2022/2023 financial years.



Performance Against Audit Plan



Key challenges

1. Increase in reported fraud/suspected fraud cases necessitates additional resources for conducting investigations
2. Lack of continuous auditing and monitoring
3. Reduced HR capacity inhibited the full execution of some strategic initiatives
4. Lack of coordination between assurance service providers poses a risk of assurance gaps and duplication of efforts

How these will be resolved

1. Strengthening the investigation capabilities and skills of Internal Auditors through targeted training interventions
2. GIPF is currently in the process of acquiring a Data Analytical Solution to integrate with its systems, enabling continuous auditing and monitoring
3. The Internal Audit department, in collaboration with the HR department, will accelerate the recruitment process and improve the recruitment turnover rate
4. GIPF has adopted the principles of the combined assurance, with the Combined Assurance Policy (currently under review), intended to address identified challenges once approved



Looking ahead to 2023/2024

- The Internal Audit Department aims to be more agile and proactive in providing assurance and consulting services through the utilisation of technology. In alignment with the strategic objective "Digital Transformation and Automation", a data analytics project has been initiated to identify analytical tools for integration with GIPF systems. This project is planned for implementation next year. The purpose of the data analytics solution is to achieve continuous auditing and monitoring, guiding GIPF toward continuous assurance. The solution will apply statistical analysis and technologies to detect trends, outliers, anomalies as they occur, and detect fraud. The solution will also enable auditors to perform testing on a 100% population, reducing the possibility of sampling risk.
- The Revised Combined Assurance Policy and Procedures will be implemented to provide a consolidated approach to the assurance provided to Management and the Board. The combined assurance programme will reduce duplications in audit coverage, identify, and close assurance gaps. With the combined assurance model, we aim to establish an annual Combined Assurance Plan covering aspects from all assurance providers.
- Moreover, to foster a culture of zero-tolerance towards unlawful and unethical conduct, the Internal Audit Department will work closely with the Governance and Ethics Division to promote the Whistle Blower Policy and investigate incidents reported on all whistle blower platforms. Additionally, the investigation capabilities of the internal auditors will be enhanced to equip them with the necessary forensic and investigation skills.
- The swift implementation of the annual risk-based audit coverage plan will continue within acceptable timelines to ensure optimal recency rate. Post-audit client satisfaction surveys will also continue to be conducted after each audit to gather input from auditees, enabling improvements in processes and enhancing the value added to the Fund.



Enhancing ethical leadership through “tone at the top” principle

A central theme of good retirement fund governance is ethical leadership, championed by and driven from the top of the organisational hierarchy.

In line with the “tone at the top” principle, the Board of Trustees inculcates a positive ethical culture through leading by example and rendering support to the ethics management initiative. The “tone at the top” emphasises that those at the helm, being the Board of Trustees and Senior management, should embody strong ethical values for employees to follow suit. The GIPF is committed to leading ethically, and has consistently supported ethics management as a crucial function within the organisation.

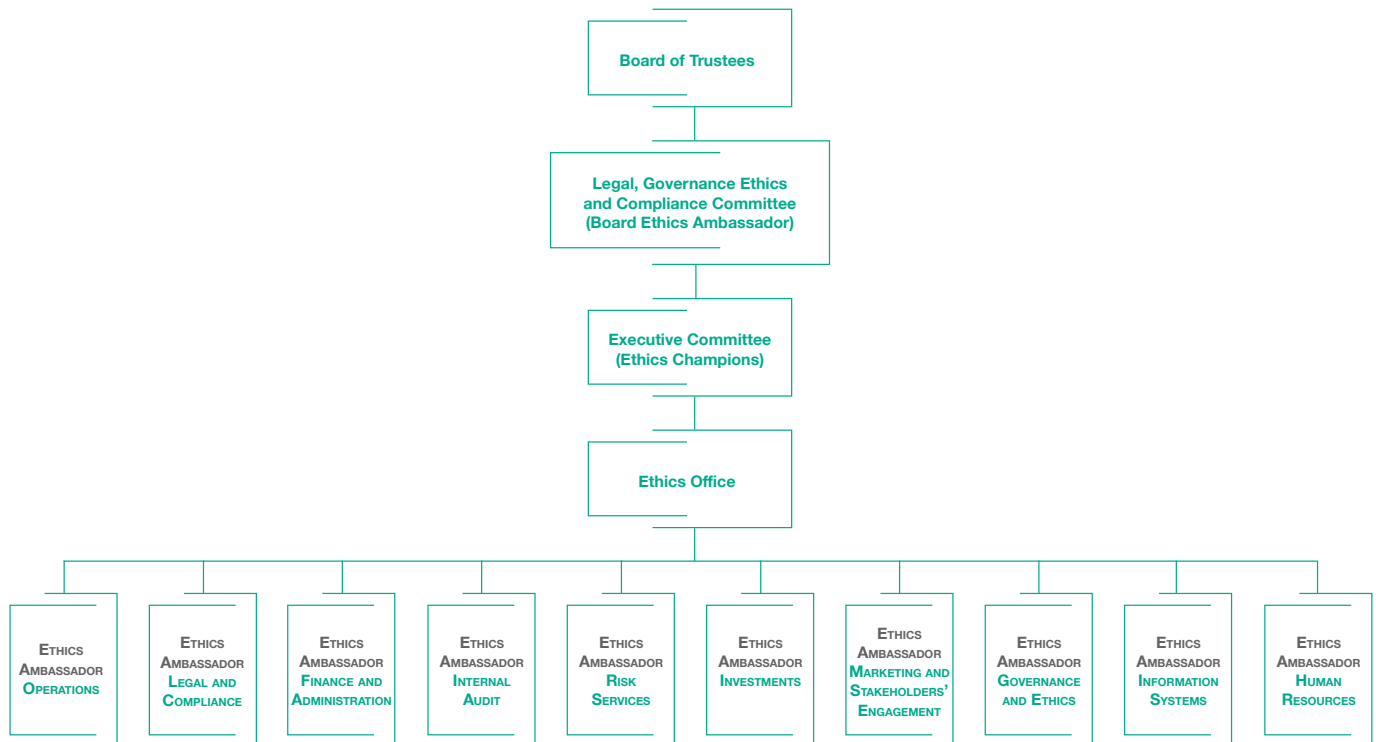
Ethics management was implemented in GIPF during 2017 and has

proven to be a flagship initiative in advancing the ethical leadership agenda. This journey has marked significant milestones, including:

- Securing top leadership commitment
- Realigning the Fund governance structure by accommodating ethics management initiatives within the organisational ecosystem
- Reviewing and developing ethics-related policies
- Institutionalising ethics within the Fund
- Conducting external assessments and reporting on ethics

The GIPF Ethics Governance Structure

The GIPF Ethics governance structure is designed to ensure that the Board, leads from the front, while senior management provides operational and strategic direction from within the second layer of organisational leadership.



The Fund holds the view that the current ethics governance structure, as illustrated above, creates significant value for GIPF in inculcating a positive ethical culture.

Significant developments during the 2022/2023 financial year

- All ethics ambassadors conducted departmental ethics risk assessments.
- The Procurement division initiated the practice of vetting all prospective suppliers for integrity.
- The Board of Trustees underwent an ethics assessment as part of the Board performance evaluation.
- The Ethics ambassadors and Ethics champions were assessed on ethics performance as part of their individual and departmental performance, for the purpose of short-term incentives.
- The Fund launched the Ethics Whistleblower Platform as an instrument for anonymously reporting unlawful conduct.



GOVERNANCE OF RISK AND OPPORTUNITIES – 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 enterprise-wide 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 were undertaken during the year under review to achieve our strategic objectives, including:

Our performance for 2023

- Confirmed the most significant risks, requiring both active management and monitoring, through the annual risk assessment process, and facilitated the timely resolution of significant risks.
- Commenced with the facilitation of an Enterprise Risk Management (ERM) Maturity review.
- Ongoing implementation of the “Know your Risk Champions” campaign and facilitation of several training interventions.
- A high-level risk management skills matrix was developed to be utilised for the skills development of Risk champions.
- Refresher training on basic risk management practices was conducted to enable Risk champions to better implement the Fund’s risk management procedures.
- A fraud risk assessment was conducted, identifying several fraud risks along with corresponding mitigating strategies.
- Furthermore, training opportunities are being pursued to further strengthen our fraud management expertise.



Key challenges

1. Risk incident reporting – delayed or not reported
2. Increased activities of implementing risk management processes, impacting internal capacity at business unit level
3. An increased need for value of risk advisory services, while having limited capacity
4. Timely reporting and availability of business unit information



How these will be resolved

1. Improve awareness on risk culture and incident reporting
2. Perform a capacity analysis to identify the optimal resources requirements for the Risk Division
3. Engage with Business Units to position the need for timely and quality information, while exploring utilisation of data analytics tools



Looking ahead to 2023/2024

In the upcoming financial year, our commitment will be dedicated to safeguarding our members’ interests and wholeheartedly pursuing the realisation of the strategic objectives and initiatives outlined, as part of our commitment to practicing outcome-based governance, risk, and compliance.

- Revise risk appetite, risk tolerance and key risk indicator information to monitor risk taking against the approved risk appetite across our strategic themes and strategic objectives.
- Enhance risk information systems to cater for increased information collection and reporting needs.
- Continued 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.
- Facilitating skills development as per risk management skills matrix for Risk Champions.
- Review of the Business Continuity Plan, to ensure that business continuity responses are effective to various scenarios. Schedule business continuity awareness and exercises to validate the response capability of the Fund.
- The Fund intends to strengthen enterprise-wide risk management by improving risk identification, monitoring, assessment, mitigation, and reporting. This will be achieved by implementing recommendations from the ERM Risk Maturity Review.
- Embed a positive risk culture by implementing periodic awareness sessions and materials dissemination.
- Conduct benchmarking exercise to improve fraud management practices.

Our commitment to outcome-based governance signals our intent to reach new maturity levels in the areas of risk, governance, and compliance over the next three-year (2023 – 2026) strategic plan cycle. A risk maturity level of 4 (from a level of 3) and a compliance maturity level of 4 (from a level of 3) has been determined.



ENHANCE MANAGEMENT OF COMPLIANCE AND LEGAL RISKS

Our performance for 2023

The Fund operates in a highly regulated industry where strict compliance with legislative and regulatory requirements is strategically imperative. GIPF must continuously adhere to the laws governing the retirement fund sector. Moreover, the evolving legislative framework, with the impending enactment of the FIM Act, drives the strategic objective of gradually integrating compliance into governance and internal business processes. This preparation ensures that the Fund is well-equipped for the effective implementation and operation of the FIM Act.

Throughout the year, we maintained our business operations largely within the confines of the regulatory framework, successfully avoiding major compliance challenges. Nevertheless, due to our size, the Fund still encounters minor compliance issues, primarily linked to the prudential investment limits specified in the Pension Fund Regulations. We are proactively addressing these challenges through ongoing remedial actions.

Several activities were undertaken during the year under review to enhance the management of compliance and legal risks and readiness for the envisaged implementation of the FIM Act and standards:

- The "Strengthening the Fund's Regulatory Framework" project, initiated on 1 April 2021, aims to align the Fund's Rules with the Regulations and supervisory standards established under the FIM Act. The project involves more

than 20 standards documents, one regulation document, and one rules document.

- New processes and procedures will be developed, and operational guidelines will be revised.
- Conducted a gap analysis on the Operations, Finance, and Marketing and Stakeholders' Engagement Department.
- Drafted an Impact Assessment Report and recommendations for remedial action.
- Presented the first draft of the Rule Amendments to the Board, with recommendations to be effected.
- Monitored the progress of the FIMA Act and related regulatory developments.
- Support was provided to the Operations Department in proactively preparing for the implementation of the FIM Act and regulations by facilitating capacity building among employees. This is an ongoing initiative, with additional training provided as needed and as new processes are developed.
- No rule amendments were filed with NAMFISA during the period under review.



Key challenges

1. Market volatility leads to investments exceeding regulatory limits and causes non-compliance



How these will be resolved

1. The Fund will conduct a new strategic asset allocation and portfolio rebalancing



Looking ahead to 2023/2024

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.

- Ensure 100% alignment of Fund Rules and policy frameworks to the FIM Act, Regulations and Standards.
- The Combined Assurance Policy approved in 2019 will be reviewed together with the combined assurance procedures by the end of the next financial year.
- Develop the annual combined assurance plan and report such to the ARC.
- The Fund will continue to strengthen its compliance risk management by embedding compliance management in its daily operations. This should result in an improved compliance maturity level from the current level of 3 achieved during the year, to a level of 3.3 over the next strategic planning cycle.
- Continue to enhance the management of compliance and legal risks by maintaining high levels of execution for contract management, the quality of legal opinions, contract drafting and reviewing, and legal due diligence.

Our commitment to outcome-based governance signals our intent to reach new maturity levels in the areas of risk, governance, and compliance over the next three-year (2023 – 2026) strategic plan cycle. A risk maturity level of 4 (from a level of 3) and a compliance maturity level of 4 (from a level of 3) has been determined.





EMPLOYER OF CHOICE

The GIPF fosters an ideal working environment for skilled, engaged professionals. The Human Resources Department is the primary driver of the “Employer of Choice” strategic pillar. The GIPF fully recognises the staff’s central role in achieving the Fund’s vision and mission. The GIPF Strategic Plan is member-centric, prioritising the needs and interests of the Fund’s members and their beneficiaries. GIPF’s employees are key enablers of this goal, as its strategy is executed by its people on a day-to-day basis.

Our strategic objectives

Improve talent management
Enhance inspirational leadership and management
Ensure strategy driven training and development
Ensure employee wellness
Improve organisational efficiencies
Inculcate performance driven culture

Accountability

GM: Human Resources

Our performance for 2023

The GIPF subscribes to a high-performance culture which is portrayed in the overall organisational performance. The Human Resources Department is entrusted to continuously advocate employees to strive for excellence through its strategic pillars to achieve its annual strategic objectives. Due to this drive, the organisation has performed above set standards as depicted in its overall performance for the year under review.

skills, each mandating a dedicated employee to undergo this specialised training:

- ✓ One CFA candidate
- ✓ One CIMA candidate
- ✓ One ACCA candidate
- ✓ One MSc in Cyber Security
- ✓ One MSc in Internal Auditing Management and Consultancy

Human capital contributions to strategy

As a key enabler and strategic partner to the Fund, the Human Resources function sought to align itself with the overall corporate scorecard for the 2022/2023 strategic year by focusing on the following strategic drivers.

Improving our talent management

The initiative commenced with the appointment of the Corporate Talent Committee to supervise talent management initiatives within the Fund. Subsequently, the Human Resources department initiated the identification of critical positions within the core departments (Operations and Investments). This involved evaluating all positions against predetermined criteria specific to these departments.

Strategy driven training and development

The Fund introduced a strategy-linked training programme aligned with the current five-year strategic plan and designed to address the shortages of specialised skills required to achieve the Fund’s strategic goals. To facilitate this initiative, the Fund established a comprehensive skills development guideline outlining the framework for identifying and managing these critical skills. The programme encompasses the following

Enhance inspirational leadership and management

The Global Leadership Development Programme, developed by the Gordon Institute of Business Science (GIBS), continued during the year under review with Cohort 3. This cohort has successfully completed Catalysts 1 – 4, focusing on Systems Thinking, Ethical Leadership, Future Fit, and Sustainability Theory and Practice. Final group action learning presentations are scheduled for April 2023, involving the participation of 30 employees from middle management, specialist, and supervisory levels.

Implementing the Global Leadership Development Programme continues with Levels 5 - 6. A cohort of 31 specialists, analysts, supervisors, and seniors has commenced with the current programme. The 360-degree leadership approach, approved by EXCO, has been integrated into the newly approved scorecard and is actively being incorporated into the review of the Strategic Management and Performance Management policies.



Ensure employee wellness

At GIPF, we acknowledge that a robust and content workforce is fundamental to our success, and our unwavering commitment to employee well-being reflects our dedication to corporate professionalism.

The benefits of our Employee Wellness Programme are evident and impactful. We aim to boost morale, mitigate stress and burnout, minimise absenteeism and disengagement, reduce healthcare costs, and ultimately enhance the productivity of the Fund. Our dedication to employee well-being is not only a moral obligation but also a strategic investment in the long-term prosperity of our organisation.

As part of our ongoing efforts for continuous improvement, we exceeded conventional practices by providing comprehensive support to all employees. The HR Wellness Unit, along with dedicated professionals and specialists, ensures ongoing assistance at regular intervals.

To effectively tailor our wellness initiatives, we conducted a thorough wellness survey, leading to the successful implementation of various activities. These include mental health programs, financial literacy sessions, team-building events to commemorate International Women's Day in March and International Men's Day in November, employee wellness days, and health screenings. These initiatives, along with social and team-building activities, contribute to fostering a positive and vibrant workplace culture.

Ongoing activities such as poor performance and wellness counselling, observance of national and international days, and targeted awareness campaigns further enrich our wellness programme. Additionally, we provide continuous care and support by offering disability insurance cover to our employees.

In line with our commitment to continuous improvement, we identified the necessity to hire an employee wellness practitioner to further enhance and facilitate our wellness activities.

Improve organisational efficiencies

A detailed study on organisational efficiency, initiated last year, has yielded several comprehensive findings. These findings were presented to the executive management for thorough review and consideration. The next phase involves implementing the identified recommendations, requiring a coordinated and transformational change management

approach. This approach is designed to facilitate a seamless transition, ensuring the effective adoption of the proposed changes. Our commitment to organisational efficiency remains unwavering as we navigate this transformative journey in alignment with our strategic goals.

Continued implementation of the optimal culture programme

The Fund acknowledges the crucial role that organisational culture plays as the primary catalyst in driving overall strategy execution. In this context, the Fund has embraced the Hofstede Insights Culture methodology to evaluate the existing culture and determine the most effective cultural framework.

Ongoing corporate culture initiatives, with a particular emphasis on cost management, leave management, discipline/ethical conduct, and leadership development, continue to receive significant attention. There is an increasing awareness of rectifying deficiencies in performance culture, underscoring the importance of these activities.

The ongoing implementation of the optimal culture program has achieved an 84% execution rate, covering 10 out of 12 planned activities. A dedicated Optimal Culture workshop was conducted, and the culture findings have been integrated into the currently deployed ECS content. This initiative has reached 78% of departments and staff. Looking ahead, the findings will be assimilated into the new strategy development documents and incorporated into the culture change levers report.



HUMAN RESOURCES OPERATIONS

GIPF Organisational vs individual performance 2022/2023

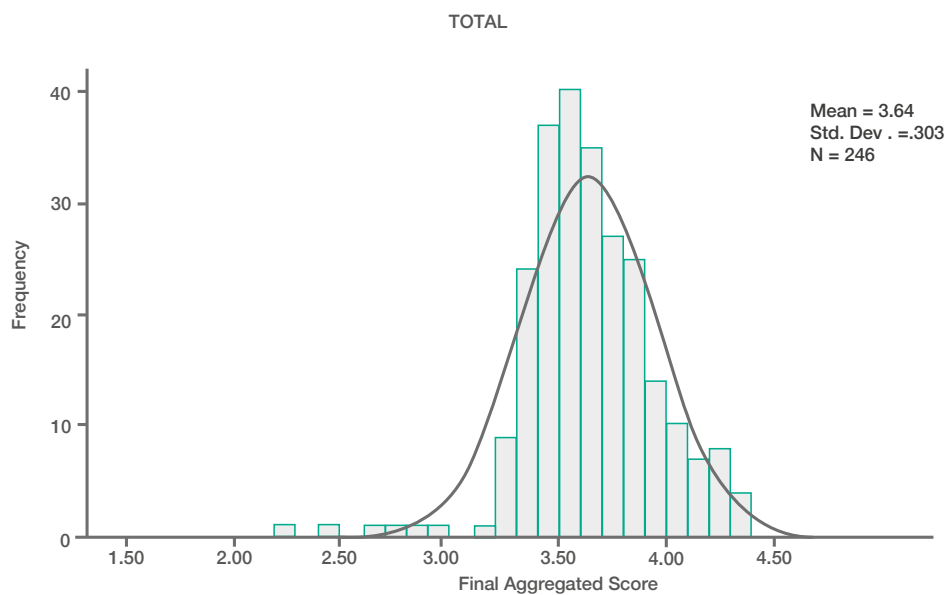
The Fund has adopted a strategy-linked performance management system that aligns individual performance with the overall Fund strategy. The Fund's strategic plan is annualised using a corporate scorecard cascaded down to departmental scorecards that typically serve as the performance contracts for executives. To ensure that the strategy is organically incorporated into every area of the Fund, the strategic initiatives in the departmental scorecards are included in the individual performance agreements that are mandatory for all staff.

Based on the outcomes of individual employee performance reviews, we have developed a bell curve using the SPSS statistical software to provide a graphical representation of individual employees' performance over time, as illustrated below:

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
GIPF Average Individual Score	3.34	3.55	3.35	3.36	3.38	3.65	3.64
GIPF Corporate Score	3.30	3.33	3.25	3.27	3.37	3.47	3.47

2022/2023 GIPF Organisational Bell Curve

The organisational bell curve and its interpretation is herewith presented:



Standard deviation is a number used to tell how measurements for a group are spread out from the mean. A low standard deviation means that most of the numbers are very close to the mean. A high standard deviation means that the values are more spread out.

In the performance analysis for 2022/2023, the standard deviation of the aggregated scores increased, indicating greater variability compared to the previous years (0.303 vs. 0.243 and 0.234). The mean scores for employees remained consistent, with 3.64 in 2022/2023, similar to 3.65 in 2021/2022 and higher than 3.56 in 2020/2021. The CEO's review suggests an objective and fair process. The correlation between individual performance (3.64) and the Corporate Scorecard (3.47) is very good, affirming a 3 rating for targets achieved in organisational performance during the period under review. This implies alignment between individual and overall organisational performance.



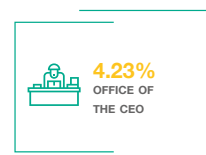
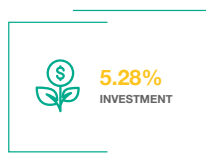
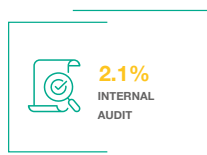
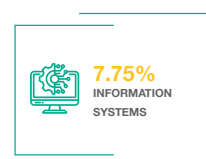
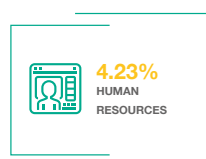
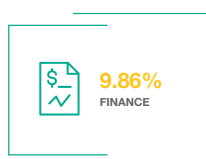
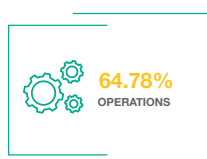
For the sake of this report, the correlation (the difference between the departmental score and individual averages) is classified as below:

Difference	Definition
0	Excellent
0.01 – 0.25	Very good
0.25 – 0.50	Good
0.50 – 0.75	Fair
0.75 – 0.99	Requires attention
1.000+	Serious attention required

Workforce analytics

The Fund has sought to ensure that it is well capacitated with the right roles and the right people occupying these roles. The number of employees per department for the period ending 31 March 2023 is illustrated in the table below:

Department	Permanent staff		Temporary staff		Total staff			% Per Department
	Female	Male	Female	Male	Female	Male	Total	
Operations	107	53	15	8	122	61	183	64.78
Finance	15	13	0	1	15	14	29	9.86
Human Resources	5	4	3	0	8	4	12	4.23
Information Systems	9	13	0	0	9	13	22	7.75
Internal Audit	3	3	0	0	3	3	6	2.11
Investments	6	9	0	0	6	9	15	5.28
Marketing and Stakeholders' Engagement	3	2	0	0	3	2	5	1.76
Office of the CEO	5	7	0	0	5	7	12	4.23
Total	153	104	19	9	172	113	285	100%



Employee relations and union engagements

The Namibia Financial Institutions Union (NAFINU) serves as the officially recognised bargaining agent for the Fund. Relations between employers and the union have consistently strengthened, marked by regular consultative sessions on matters of mutual interest. The employees are effectively represented by Workplace Union Representatives who are empowered, trained, and officially recognised to advocate for staff interests with both management and the Board.

In a principled move, the Fund has decided to include Workplace Union Representatives in the formal decision-making committees of the organisation. Consequently, employees are represented through their elected shop stewards on the following committees:

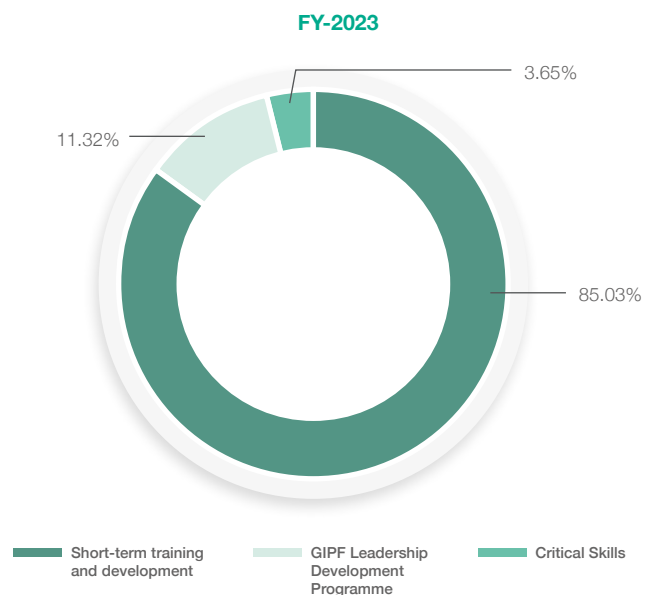
- The Affirmative Action Committee
- The Internal Job Grading and Validation Committee
- The Salary and Benefits Negotiation Committee
- The Training and Development Committee
- The Performance Management Committee



Strategy-driven training and development

The Fund invested a total amount of N\$4,504,754 on training and development related activities in order to ensure the continuous upskilling and growth of our staff. Learning and development remains a key enabler toward the attainment of the GIPF strategic and operational goals. A breakdown of the training categories and amount spent for the 2022/2023 financial year is illustrated in the chart below

TRAINING CATEGORIES	AMOUNT SPENT (N\$'000)
Training budget	4,554,740
Short-term training and development	3,830,536
GIPF Leadership Development Programme	509,809
Critical skills	164,409
Total training costs	4,504,754





Key challenges

1. The Succession Plan's implementation for assigning and appointing successors to critical roles faced delays.
2. Process inefficiencies and the absence of systems led to prolonged recruitment turnaround times.
3. The lack of an implemented eRecruitment platform had a detrimental impact on attracting key talent.



How these will be resolved

1. A matrix was developed and implemented through the Human Resources strategic planning process in January 2023 for incorporation in the 2023/2024 work plan.
2. The initiation of an eRecruitment system project aims to efficiently resolve this issue.



Looking ahead to 2023/2024

The upcoming 2023/2024 financial year marks the commencement of the new 2023 – 2026 GIPF strategic plan, underscoring the critical role of organisational and employee capacity as a primary driver for value creation.

Recognising its pivotal role in contributing to the success of the strategic plan, the Human Resources Department has initiated the groundwork for key enablers. Strategic objectives and initiatives include a focused commitment to:

- Ensure strategy-driven talent, succession, and training
Renewed emphasis will be placed on prioritising talent management and succession planning placements linked to the strategy. This approach aims to steer internal human resources practices, optimising skilled staff deployment through the Talent Management Programme.
- Instil optimal culture
Recognising culture as a key enabler of strategic goals, this objective aims to continue the process of instilling an optimal GIPF culture. This culture is designed to empower the Fund in achieving its strategic vision and aspirations.
- Optimise employee costs
This objective is dedicated to optimising employee costs by streamlining employee-related expenses in a manner that maximises output. Through careful planning and efficiency measures, we aim to enhance productivity while maintaining fiscal responsibility.

As we move into the new strategic cycle, these initiatives form the bedrock of our commitment to ensuring a robust, adaptive, and high-performing organisational structure. By focusing on talent, culture, and cost optimisation, the Human Resources Department aligns itself with the broader objectives of the GIPF, positioning the Fund for sustained success in the years to come.



Notes



Notes







GIPF

Government Institutions
Pension Fund

To guard, and to grow.

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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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