



NAMIBIA **ASSET MANAGEMENT**

— *Our expertise. Your advantage.* —

YOUR INVESTMENT WITH **NAMIBIA ASSET MANAGEMENT**

EVERYTHING YOU NEED TO KNOW



NAMIBIA ASSET MANAGEMENT

— Our expertise. Your advantage. —

THE NAM CLIENT CHARTER

OUR PLEDGE TO YOU

WE STRIVE TO ALWAYS PUT CLIENTS FIRST

WE HAVE AN UNWAVERING COMMITMENT TO
LONG-TERM INVESTMENT

WE FOCUS ON PRODUCING TOP PERFORMANCE
OVER ALL MEANINGFUL PERIODS

WE ARE UNCOMPROMISING ABOUT ETHICS

OUR MAIN GOAL IS TO DELIVER THE BEST RETURNS POSSIBLE.

NAM is an independent investment business that focusses solely on fund management. For more than two decades, we have consistently produced strong investment returns.

It is important however to point out that a successful track record ultimately comes with many testing years.

Often during periods of underperformance, we are sowing the seeds for the harvest (long-term outperformance) to come. We strongly encourage you to persevere.

This guide will provide you with the information you need to make the most of your relationship with NAM.

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UNIT TRUSTS

WHAT ARE UNIT TRUSTS?

A unit trust (also known as a 'fund') pools money from many investors to invest in assets like shares, bonds and listed property.

Instead of having to pick individual investments yourself, a unit trust offers you exposure to a range of assets, which are selected and managed by investment professionals.

Each fund is divided into equal units. The price of each of these units is based on the value of all the investments in the fund.

As an investor, you own a number of units in a fund. The price of these units will track the value of the underlying investments.

Some funds invest in the shares of companies, which may pay out a part of their profits in the form of dividends. Other investments – like government or corporate bonds – make periodic interest payments. You can choose to receive these distributions, or use the money to buy more units and grow your investment.

HOW IT WORKS:

You invest N\$10 000 in a unit trust. In return, you receive a number of units, which will be determined by the daily price of the fund on the date of investment. If a unit in the fund is priced at N\$10 on that day, you will receive 1 000 units for your N\$10 000. The unit price can go up and down, driven by the price of investments held by the fund.

For example, the unit price may increase to N\$12, resulting in the value of the 1 000 units growing by N\$2 000 to N\$12 000. If the assets fall in value, the unit price will also reduce. Thus if the unit price decreases to N\$9, the value of 1 000 units will be N\$9 000.

HOW ARE UNIT TRUSTS PRICED?

All the investments in a unit trust are valued at a set time every business day (typically 15h00, Monday to Friday), at which point the daily unit price is fixed. All transactions are based on this daily price.



OUR FEES:

NAM does not charge any initial or upfront fees to invest in our unit trust funds. Your full investment amount is invested to purchase units. Our unit trusts charge an annual management fee that is calculated daily. Certain funds may charge a performance fee that is accrued daily and paid monthly. For more information, please visit www.namasset.com.na.

If you have authorised us to deduct advice fees payable to your financial adviser, your investment amount will be reduced by the agreed initial and/or ongoing fee.

PLEASE NOTE

Our investment returns are quoted net of fees, meaning that fees have already been subtracted. All returns also assume that income has been reinvested.

WHAT ARE THE DIFFERENT TYPES OF UNIT TRUSTS?

LONG-TERM GROWTH FUNDS

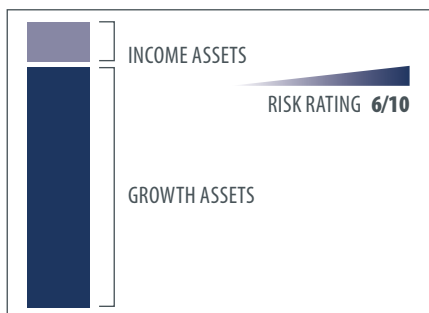
MULTI-ASSET FUNDS

A bias towards shares but also invested in assets like bonds which will help diversify your investment and reduce risk. With multi-assets, complex decisions about investing your savings in a range of assets, are taken on your behalf.

NAM CORONATION OPTIMUM GROWTH aims to give investors exposure to a range of investment opportunities from around the world.



NAM CORONATION BALANCED PLUS represents our best investment views across all asset classes for preretirement savings. It is exposed to both income and growth assets.



** Illustrations indicate the funds' maximum allowed exposure to growth assets.*

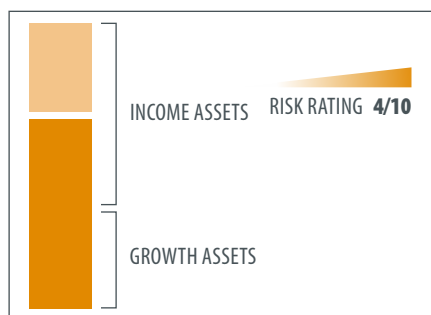
GROWTH ASSETS – These assets are primarily equities (shares), which represent an ownership company. Equity investors become part-owners of a company and make a portion of the profit, in the form of dividends. As the company growth becomes more profitable, the share price should increase.

INCOME AND GROWTH FUNDS

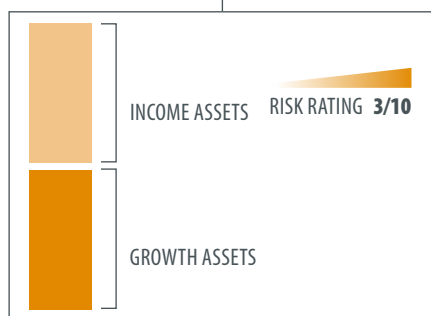
Income and growth funds aim to provide reasonable growth after inflation (over the long term), while preserving your capital (over the short term).

MULTI-ASSET FUNDS

NAM CORONATION CAPITAL PLUS aims to achieve reasonable investment growth over the medium to long term. It has a bias towards growth assets and therefore more suitable for longer time horizons.



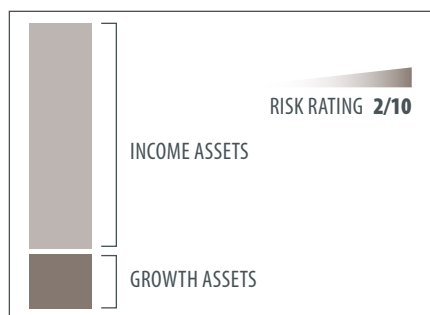
NAM CORONATION BALANCED DEFENSIVE has exposure to different asset classes including shares, bonds, listed property and cash. It is a low-risk option for investors who require a growing regular income.



INCOME FUNDS

The focus is on providing income, while preserving your capital. An income fund is an intelligent alternative to cash or bank deposits.

NAM CORONATION STRATEGIC INCOME invests in a wide variety of yielding instruments (e.g. cash, bonds and listed property).



NAM CORONATION MONEY MARKET FUND The fund only invests in Namibian money market instruments with a maturity of less than a year.



INCOME ASSETS – Income assets include cash and bonds, which are essentially low-risk IOUs or loan contracts. Large entities (like governments or banks) will agree to pay back a loan amount on a fixed date and make regular interest payments at a fixed rate. These contracts are traded in the market. Income assets also include money market instruments, which are loan contracts over shorter periods of time (usually less than one year).

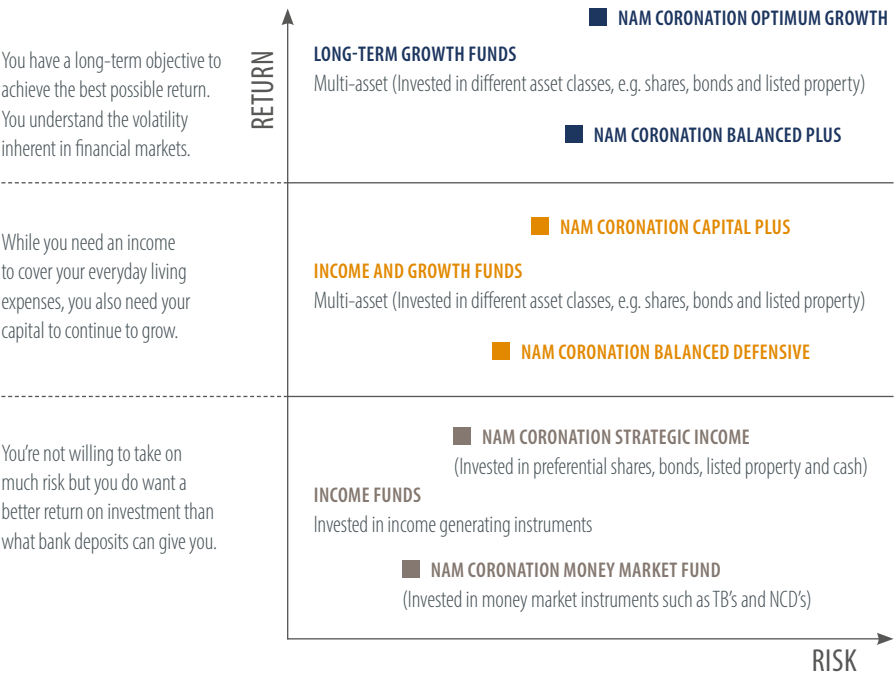


YOUR GUIDE TO THE BEST FUND FOR YOU

WHAT ARE YOUR NEEDS?

NAM has a range of funds (unit trusts) that can match most investors’ needs. We encourage you to ensure that you are invested in the fund or combination of funds that best meet your requirements – and to review your fund choice regularly. Your goals and how long you can remain invested are some of the considerations when deciding on the best fund for you.

UNIT TRUST FLAGSHIP FUNDS



WHERE CAN YOU GET INVESTMENT ADVICE?

NAM is not licensed to provide financial advice and while we think it’s relatively simple to navigate around our fund-range, we do believe that most investors would benefit from good financial advice. Case studies show that investors who receive professional advice are more likely to have appropriate investments and they also tend to stay the course in times of volatility. In short, they reap the rewards of investing over the long term. Your adviser will assess your financial goals, and your tolerance for risk; and monitor these over time. Given that your investment is such an important decision, it is essential that the person giving you advice is appropriately qualified.



INVESTMENT PHILOSOPHY



NAM IS COMMITTED TO LONG-TERM INVESTING

While many investment companies are forced to take short-term action because they are under massive pressure to do well this month, this quarter, this year – we take the long-term view.

We believe that being able to make decisions over the next five to ten years gives us a substantial advantage. We only invest in assets that are trading at a discount to our assessment of their real long-term value.

Key to identifying these rewarding opportunities is our independent and proprietary research. We spend immense energy and time investigating which companies and assets will provide the best long-term returns for our clients.

We have a very simple, common-sense approach to how we value assets. We ignore short-term movements and sentiment; and look at the true prospects for a business over the longer term.

All our funds are managed according to this long-term, valuation-driven investment philosophy, which we call the NAM DNA.

There is no crystal ball involved in investing; it requires strong analytical skills, perspective and patience. We cannot predict the future.

However, we take great care in investing only in assets that match the risk profile of your NAM fund. This means that if you are invested in a low-risk fund, the fund's investments will be low risk in nature and aim to yield stable returns, while a high-risk fund will typically be fully exposed to the stock market.

For each fund, we are very clear on the risk-budget you are granting us and will always strive to make the appropriate decisions.

IV GROWTH AND RISK

HOW CAN I GET THE BEST GROWTH FROM MY INVESTMENT?

Compounding is the most powerful ally you have in building wealth and arguably the only “sure thing” in investments.

The principle is simple: The returns you earn on your investment also start earning returns, resulting in your money growing at an ever-increasing rate. Say you invest N\$100; it grows by 8% a year and you also earn N\$2 in income (interest and dividends) from your investment. At the end of the first year, you have N\$110. The extra N\$10 will also now grow in value and earn income. Over time, this can make an enormous difference.

BENEFIT FROM COMPOUNDING GROWTH BY REINVESTING YOUR INCOME DISTRIBUTIONS:

Take this example: You invest N\$100 000, which grows by 8% a year. Every year, you earn 3% of your investment in income distributions (interest and dividends). If you decide not to reinvest the distributions, your investment will be worth N\$215 893 after ten years. If you reinvest the income in the fund, you will have N\$283 942.

DISTRIBUTIONS NOT REINVESTED

N\$100 000 invested for 10 years, with income paid out

N\$215 893

You receive a total of N\$43 460 in income over the 10 years period.

DISTRIBUTIONS REINVESTED

N\$100 000 invested for 10 years, with income reinvested

N\$283 942

By reinvesting your income, you earned N\$68 049.

COMPOUNDING IS A PARTICULARLY REMARKABLE TOOL THE EARLIER YOU START TO INVEST.

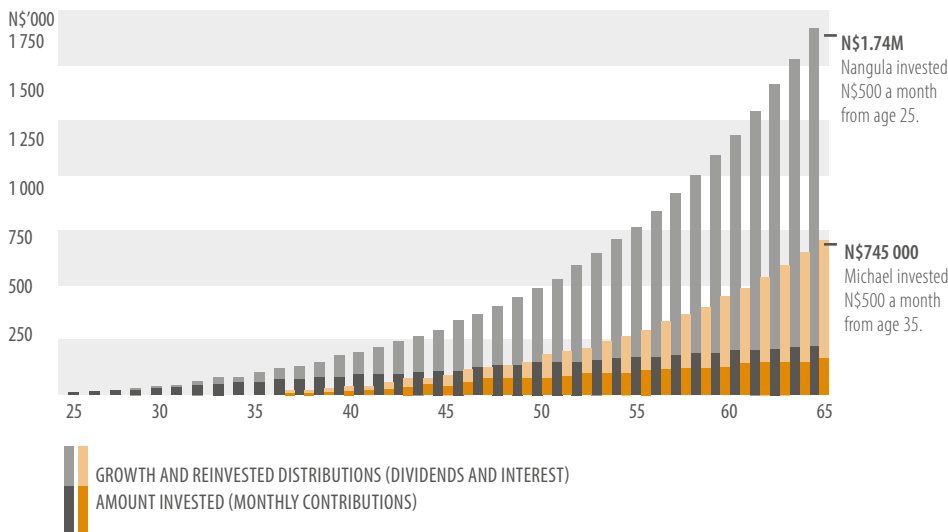
CONSIDER THIS EXAMPLE:

Nangula started investing N\$500 a month at age 25. Her investment grows by 8% a year. On retirement at age 65, she has an investment of more than N\$1.74 million.

Michael also invested N\$500 a month, but started ten years later. He ended up with N\$745 000 at age 65.

What made the big difference? Nangula’s investments in the first few years grew and earned an income (dividends and interest). The income was reinvested to buy more investments, which then also started earning income. This snowball effect makes a huge contribution over time.

THE POWER OF COMPOUNDING



PLEASE NOTE

The value of investments (and any income earned from the investments) can fall as well as rise and past performance is not a reliable indicator of future performance. Tax implications depend on your personal circumstances.

V UNIT TRUST FREQUENTLY ASKED QUESTIONS

1 | WHAT ARE THE BENEFITS OF INVESTING IN A UNIT TRUST?

- **DIVERSITY:** The professionals who manage unit trust portfolios, known as investment managers, spread the risks involved in investing by investing in a variety of underlying assets. By investing a small amount in a unit trust, you are exposed to a wide range of assets.
- **THE INVESTMENT AMOUNTS ARE AFFORDABLE:** With unit trusts, a small sum allows you to invest in a well-diversified portfolio. The minimum amount to invest in Namibia Asset Management's Unit Trust Funds is a lump sum of N\$5 000 and/or N\$500 per month for debit orders.
- **YOUR INVESTMENT IS EASILY ACCESSED:** You can redeem your unit trust investments (convert them back into cash) whenever you need the money. There are no minimum investment periods. We do not charge an entry or exit fee, therefore, there are no further costs to redeem your units.
- **UNIT TRUSTS COME WITH SAFEGUARDS:** Each unit trust fund is required by law to appoint an independent trustee who looks after all the cash, shares or bonds that your fund owns. The trustee is an authorised bank or financial institution that is not affiliated to the management company or the asset manager in any way. This means that if anything happens to the management company or the asset manager, your investment will not be affected. Every unit trust fund has a mandate and supplemental deed, which is a legal contract that sets out its investment objectives and how the fund intends to invest to achieve these objectives. A fund's mandate gives you an indication of how risky the investment is.

2 | HOW DO I GET STARTED?

We require all new investors to complete an application form. The application form is available on our website. Alternatively, if you contact us, we will be able to send an application form to you. Once you have completed and signed the application form in full, you can email the application form to us or fax it to NUTM, along with FIA documents and proof of transfer.

FIA documents:

- Copy of ID/Valid passport
- Proof of residence
- Proof of bank details e.g. a cancelled cheque or a bank statement

NUTM allows a minimum lump sum investment for N\$5 000 and a monthly debit order from N\$500 per month. Money Market's minimum lump sum deposit is N\$10 000.

3 | CAN I OPEN AN ACCOUNT FOR MY CHILDREN OR OTHER PERSONS?

Yes - you are able to open a unit trust investment in the name of a minor or another investor. As the guardian/parent, you are required to sign all instruction forms. For accounts in the name of a minor child, you will be required to sign until the minor child reaches the age of 18 years old. When the minor child turns 18 years old, they will need to send their FIA documents to us and sign all further instructions.

4 | WHAT IS A REDEMPTION?

A redemption is when you wish to sell some or all of your units that you own in a unit trust portfolio. The proceeds are then paid into your nominated bank account after 48 hours. This can be done by completing a NUTM withdrawal form.

5 | CAN I REQUEST THAT THE PROCEEDS FROM REDEMPTION BE PAID TO A THIRD PARTY?

No, your funds cannot be paid to a third party. For legal and security reasons, the proceeds of any unit trust redemption (repurchase) will only be paid to your nominated bank account that you indicated in your investment application form.

6 | HOW SOON ARE MY FUNDS AVAILABLE IF I REDEEM MY UNITS?

If we receive and verify your instruction before 12:00, it will be processed on the same business day and in accordance with the Deed. The proceeds of the sale of units will be deposited into your bank account on the following day and may take up to 48 hours from when your redemption instruction is processed to reflect in your bank account. There may be delays in the banking process, therefore, this cannot be guaranteed.

7 | REGULAR WITHDRAWALS

Investors can elect to have a fixed amount paid to them on a monthly, quarterly and half yearly basis. Please note that this is not income, but an amount specified from the investor to be paid from his/her unit trust investment.

8 | WHAT IS A SWITCH?

A switch is a repurchase out of one unit trust fund and a purchase into another unit trust fund held with the same management company.

9 | WHAT IS A TRANSFER OF OWNERSHIP?

A transfer of ownership is when an investor transfer all or a portion of his unit trusts to another investor.

10 | WHAT DOCUMENTATION CAN I EXPECT TO RECEIVE REGARDING MY INVESTMENT?

You will receive quarterly statements. Electronic statements are also sent out on a monthly basis or when a transaction has been processed if you have selected to receive your communication via email.

Statements can also be requested from clientservices@namasset.com.na.

11 | ARE UNIT TRUSTS FLEXIBLE?

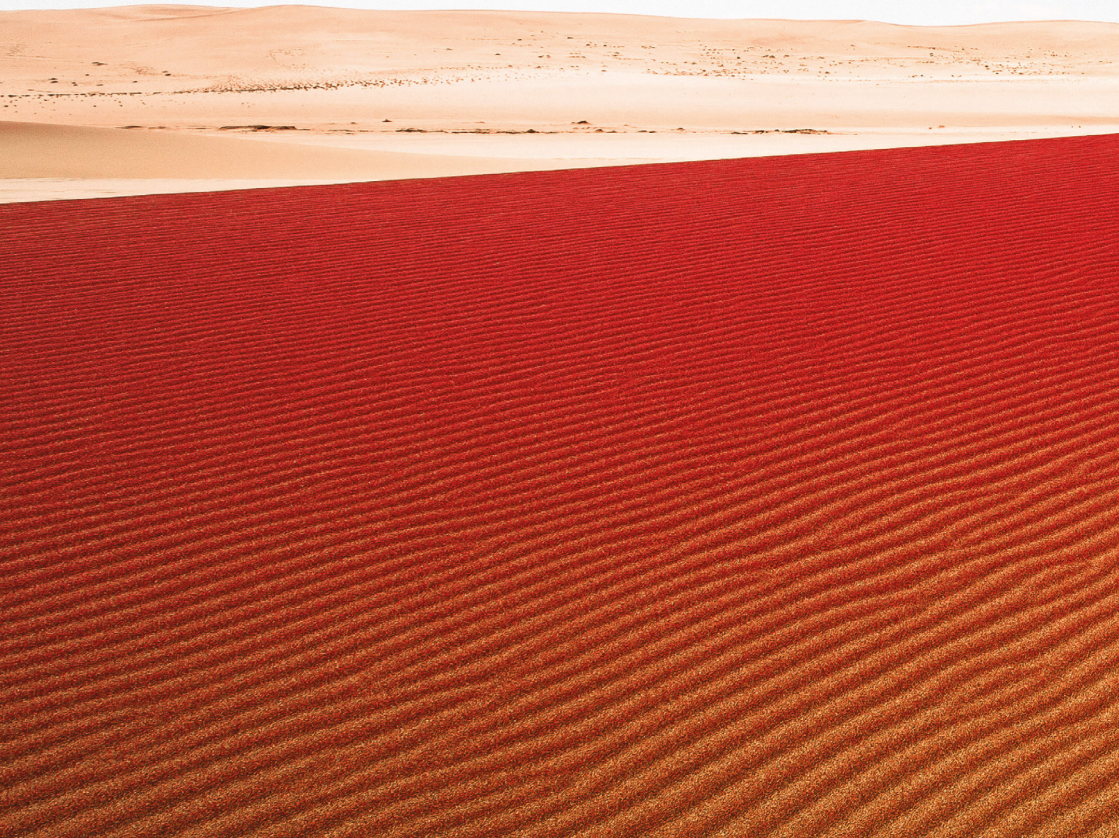
Unit trusts are flexible and investors can invest, withdraw, switch, cede or transfer ownership at any time.

12 | WHAT ARE UNIT TRUST DISTRIBUTIONS?

Unit trust funds distribute the net income in the fund (interest and dividends, less expenses) periodically. Income is distributed annually, semi-annually, quarterly or monthly, depending on the type of unit trust fund. Distributions are paid to investors in proportion to their unit holding. Distributions can either be paid into your bank account or can be reinvested into the fund to buy more units, thereby taking advantage of compounding returns.



“Our commitment to long-term investing remains the defining feature of our investment philosophy.”



IN STRATEGIC PARTNERSHIP WITH:



VISIT OUR SITE TO LEARN MORE ABOUT NAM OR TO FIND MORE INFORMATION ABOUT A SPECIFIC FUND - PERFORMANCE AND RISK STATISTICS, ASSET ALLOCATION EXPOSURE, COMPOSITION AND PERFORMANCE SINCE LAUNCH AND UPDATED MONTHLY PERFORMANCE RETURNS ARE ALL AVAILABLE FOR DOWNLOAD.

**FOR MORE INFORMATION, ASK YOUR FINANCIAL ADVISOR
OR CONTACT US DIRECTLY.**

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