



AF Lifestage Solutions

Investment Portfolio Profile

The portfolio is managed within what Investment Solutions (Namibia) Ltd regards to be moderate investment parameters. By diversifying across different regions in Namibia, South Africa and globally, different asset classes, investment managers and investment styles, it is aimed at consistently yielding returns on a three-year rolling basis higher than its benchmark at reduced volatility. The portfolio is managed by a select range of specialist investment managers. Their selection is based on in-depth research of the manager universe. The global component comprises the Global Balanced Portfolio, which has a similar moderate investment profile with allocation to global equities, bonds, cash and alternative investments.

Suitability

This portfolio is aimed at investors with a medium- to longer term investment horizon (between three and five years).

Investment Solutions expects:

- A low probability of capital loss over the medium to longer term.
- Investment returns above inflation over the medium to longer term.

Inception Dates

March 2009

Benchmark

35% Namibia: 49% Namibian Capped Equity Index + 28% IJG Bond Index + 23% IJG Money Market Index

45% South Africa: 67% SWIX + 4% ALBI + 4% SteFI Call + 11% CPI+5% + 8% (90% Barclays BESA

SA Gov ILB Index + 10% SteFI Call) + 6% SAPY

20% Global: Global Market Index Composite

Risk Profile



Capital: Probability of a capital loss or negative return in any 12-month period.

Inflation: Long term expected return ahead of inflation.

Range: Expected range of returns around the benchmark in any 12-month period.

Performance-Based Fees

AF Namibia Balanced Growth	0.10%
S.A. Balanced Growth	0.00%

Notes

1. All returns quoted are before deduction of Investment Solutions' policy fees and performance fees payable to investment managers but after deduction of any other expenses. Returns for periods exceeding one year are annualised. All returns are in Rands.
2. Global Market Index Composite: 61% Global Equity (a combination of the MSCI World and a market index composite), 25% Global Bonds (a combination of Citi WGBI and 10 yr US government bonds) and 14% Global Cash (a combination of US and French Treasury Bills).
3. All holdings information is based on latest available data.

Market Indices

Namibian Indices	Dec. 2011	6 Months	1 Year	3 Years	5 Years
FTSE/JSE NAM OVERALL INDEX	-0.17%	-0.16%	-0.64%	17.40%	

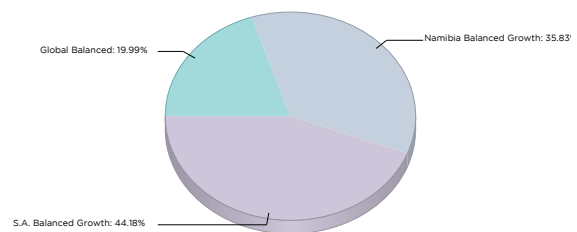
South African Indices

FTSE/JSE SWIX	-1.34%	3.66%	4.30%	17.91%	8.66%
BEASSA ALL BOND	0.70%	6.39%	8.80%	7.39%	8.58%
STEFI COMPOSITE	0.45%	2.80%	5.71%	7.25%	8.54%

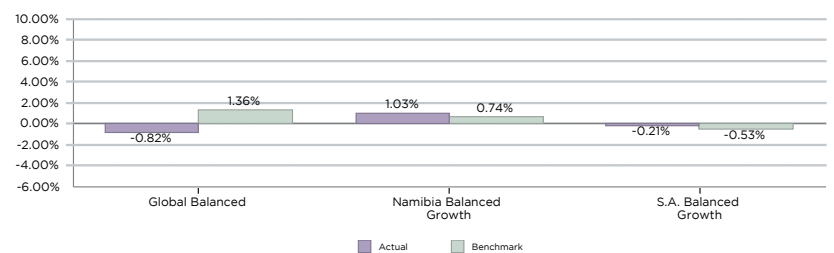
Investment Returns

	Dec 2011	3 Months	YTD	1 Year	2 Years	Since Inception
AF Namibia Balanced Growth	0.11%	5.89%	9.21%	9.21%	11.42%	16.43%
<i>Benchmark</i>	<i>0.29%</i>	<i>5.79%</i>	<i>9.82%</i>	<i>9.82%</i>	<i>11.64%</i>	<i>16.20%</i>
Global Balanced	-0.82%	3.36%	17.31%	17.31%	7.23%	6.77%
<i>Benchmark</i>	<i>1.36%</i>	<i>3.27%</i>	<i>20.77%</i>	<i>20.77%</i>	<i>8.45%</i>	<i>7.22%</i>
Namibia Balanced Growth	1.03%	6.70%	8.59%	8.59%	12.26%	18.43%
<i>Benchmark</i>	<i>0.74%</i>	<i>6.20%</i>	<i>7.65%</i>	<i>7.65%</i>	<i>12.10%</i>	<i>18.24%</i>
S.A. Balanced Growth	-0.21%	6.39%	5.99%	5.99%	12.05%	18.27%
<i>Benchmark</i>	<i>-0.53%</i>	<i>6.57%</i>	<i>6.27%</i>	<i>6.27%</i>	<i>12.26%</i>	<i>18.36%</i>

Portfolio Structure



Contribution from the underlying building blocks



Asset Allocation

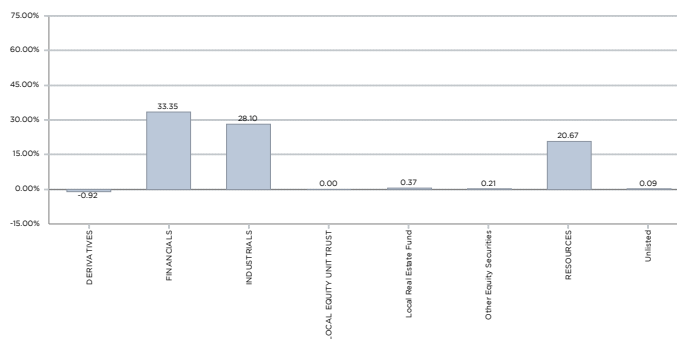
Asset Class	Namibia	SA	Global	Combined
Equity Excluding Property	50.96%	64.51%	63.56%	59.46%
Property	0.48%	6.59%	0.23%	3.13%
Bonds	25.96%	8.06%	21.73%	17.21%
Cash	22.60%	7.39%	14.48%	14.25%
Alternatives	0.00%	13.45%	0.00%	5.94%
Balanced Pooled Funds	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%



Top Equity Holdings

OLD MUTUAL NAMIBIA	3.96%
SASOL LIMITED	3.86%
MTN GROUP LIMITED	3.30%
STANDARD BANK GRP NAMIBIA	3.26%
FIRSTRAND LTD - NAMIBIA	3.19%

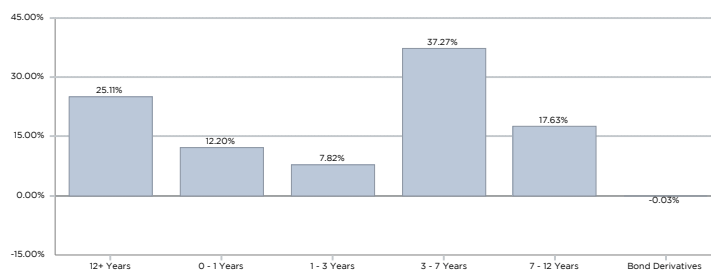
Sector Allocation



Top Bond Holdings

GOV REP OF NAMIBIA	61.22%
REPUBLIC OF SOUTH AFRICA	14.01%
NAMPOWER	5.59%
STANDARD BANK GROUP	4.39%
ABSA GROUP LIMITED	3.09%

Namibian Maturity Breakdown



Underlying Building Block Weightings

Namibia	Weighting
Global Balanced	19.99%
Namibia Balanced Growth	35.83%
S.A. Balanced Growth	44.18%
Total	100.00%

Real Return Focus Local	Weighting
Coronation RRF	34.52%
Prescient RRF	29.79%
ABSA Absolute Return	19.15%
OMIGSA Capital Builder	14.58%
Banker	1.95%
Total	100.00%

Pure Equity Local	Weighting
Coronation Equity	20.22%
Foord Equity	14.98%
Kagiso	14.81%
Oasis Equity	14.64%
Allan Gray Equity	14.42%
Afena Equity	10.51%
Element Earth	10.07%
Banker	0.35%
Total	100.00%

Property	Weighting
Banker	0.71%
Cash Property	0.72%
Catalyst Property	34.27%
Prop/Prudential	20.01%
Stanlib Property	44.31%
Total	100.00%

Inflation-Linked Bonds	Weighting
Sanlam ILB	50.51%
Prescient ILB	49.45%
Banker	0.03%
Total	100.00%

S.A. Balanced Growth	Weighting
Caveo Moderate Portfolio	13.45%
Pure Equity Local	63.57%
Real Return Focus Local	11.68%
Inflation-linked Bond	6.14%
IS Property Fund	5.16%
Total	100.00%



Portfolio Commentary

The portfolio performed in line with its benchmark for the quarter, mainly driven by the Namibia building block. The South Africa building block and Global Conserver underperformed.

The Namibia building block's outperformance was driven by the bond and money-market components. Given the continuing uncertainty, the bond component maintained a cautious stance, remaining underweight duration, which was rewarded by the bond market. The South Africa building block underperformed its benchmark, driven by its high exposure to domestic equities and inflation-linked bonds, as these underperformed their respective benchmarks. Global Conserver's underperformance was driven by Global Flexible, which performed poorly and offset the positive contribution by the other building blocks. The depreciation of the rand during the quarter resulted in investors' offshore returns being positive in local currency absolute terms, but this was not enough to offset the underperformance.

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