



real answers to real needs
ORION NAMIBIA PENSION
AND PROVIDENT FUNDS

ANNUAL REPORT
for the financial year ended 30 June 2020





real answers to real needs



YOUR TRUSTED **RETIREMENT PARTNER** THROUGH CHALLENGING TIMES

The Covid-19 pandemic and widespread lockdown responses have served as a stark reminder of just how important partnership and support are, both in life and in business.

The Orion Namibia Pension and Provident Funds were created on the cornerstones of trust, reliability and support, and with a vision to partner with its members on their journey to the successful retirement outcomes they desire, and deserve. While the many challenges of Covid-19 may have resulted in some temporary difficulties, they have also reminded us of the promises we have made to our members, and reinforced our commitment to always being the trustworthy and dependable retirement partner that

our members and their employers need us to be. So, while some of the content of this 2019/20 Annual Report may be a painful reminder of what was undoubtedly one of the most difficult periods in recent human history, this document is also a reaffirmation of the commitment, determination and passion by the Orion Namibia Funds to keep its promises to its stakeholders and support them through every situation and circumstance they encounter.

A note about the Fund names in this report

Orion Namibia is an umbrella fund arrangement made up of both a pension fund and provident fund offering. For the purpose of this report, and unless stated otherwise, the terms "Orion Namibia Funds" and "the Fund" are used to denote all the fund offerings available under the Orion Namibia Funds banner.

Disclaimer

Any small discrepancies in fund membership and assets under management quoted in various parts of this report are due to the differences in date ranges and focus areas between the Funds' valuers and auditors. The auditor typically focuses at a Fund level, while the valuator bases its assessments on member-specific information. This can sometimes result in situations where exiting members are included in one assessment, but then excluded in another; or where assets and liabilities fluctuate between the assessments of the auditor and valuator. These discrepancies are usually very minor, and the final, audited figures will be shown in the following year's annual report.



CONTENTS

	Page
ABOUT THIS REPORT	6
ABOUT THE ORION NAMIBIA PENSION AND PROVIDENT FUNDS	8
MESSAGE FROM THE BOARD CHAIRPERSON	11
MESSAGE FROM THE PRINCIPAL OFFICER	13
2019/20 HIGHLIGHTS	16
OPERATIONAL AND PERFORMANCE REVIEW	17
- Orion Namibia Pension Fund	17
- Orion Namibia Provident Fund	19
ASSET MANAGER REVIEW FOR 2020	22
GOVERNANCE REVIEW	24
ANNUAL FINANCIAL STATEMENTS	34
- Orion Namibia Pension Fund	
- Orion Namibia Provident Fund	

ABOUT THIS REPORT

BEGINNING OUR JOURNEY TO INTEGRATED REPORTING

While the Fund is not yet in a position to provide fully integrated reporting that aligns with global standards, this annual report represents our first step on our journey towards delivering such integrated annual reporting.

We acknowledge that this journey is likely to be a long and ongoing one, particularly given the changing global environment in which the Fund exists and operates, and the dynamic nature of integrated reporting best practices.

However, we remain committed to the process and embrace the vision and values associated with integrated reporting. We look forward to taking incremental steps towards this goal with each coming iteration of our annual report and we will continue to strive to align our report content with all integrated reporting best practices and the recommendations of King IV and the NamCode.

Our assurance to our stakeholders, who we regard as our partners on this journey, is that irrespective of where we find ourselves on it, we are committed to providing fully transparent, honest and informative reporting on the Fund, by means of a detailed and unbiased account of its activities, progress and challenges year by year.

REPORT SCOPE & BOUNDARY

This report covers the activities of the Orion Namibia Funds for the period 1 July 2019 to 30 June 2020. It includes as much financial, operational and non-financial information as possible, in order to provide a transparent, holistic view of the Funds' performance and its delivery on its commitment to its members and participating employers.

REPORTING PRINCIPLES AND APPROACH

The report has been compiled with due cognisance of the principles of King IV, the NamCode and any other applicable Namibian legislation of relevance to the Fund.

LEVELS OF ASSURANCE

The Fund strives as far as possible to follow and apply an integrated assurance model, including the following components:

- **Risk Management** - The Board applies all specifications set out in the rules and sections of the legislation governing the management of retirement funds in Namibia. This forms the foundation of the risk management approach and ensures that any risks that may negatively impact the Fund or its stakeholders are identified early and dealt with effectively. The Board takes ultimate responsibility for the management of such risks within the guidelines of its agreed policies and practices.
- **External Audit** - The Board oversees the external audit process, which is undertaken annually by the appointed



external auditors, PricewaterhouseCoopers Inc. The appointment of PwC as external auditor was made on the back of a comprehensive tender process, which included due diligence conducted by the Board and the Finance and Audit sub-committee. The Board reviews the quality and effectiveness of the external audit process as performed by PwC every year.

- **Internal Audit** - The Fund's internal audit function comprises of a number of elements namely:
 - **Quarterly compliance monitoring** - Which focuses on the Fund Administrator's compliance with all relevant legislation.
 - **Annual compliance monitoring** - Overseen by the Finance and Audit sub-committee, all findings are reported to the Board for consideration.
 - **Annual governance and compliance audit** - This is the responsibility of the Principal Officer, but the results are reviewed by the Board.
 - **Annual valuation** - The Fund's Valuator performs a comprehensive annual valuation to confirm that the assets in the Fund are adequate and appropriate, they match the liabilities, and that the investment strategy remains suited to the needs of the members. As at 30 June 2019, the Valuator confirmed that the assets of the Fund (both pension and provident) exceeded the Fund's accrued liabilities, and that the accrued benefits of members were secure.

STATEMENT OF THE MANAGEMENT BOARD

The Management Board hereby declares that it recognises and embraces its responsibility to ensure the accuracy and integrity of this 2019/20 annual report. The Board has diligently applied its mind to the report content and is of the opinion that it addresses and accurately represents all of the material issues relating to the Fund as well as its ongoing efforts to deliver on its commitments to its members and stakeholders. In reaching this conclusion, the Board:

- ensured that proper registers, books and records of the operations of the Fund were kept as legally required;
- considered all the facts and risks that could impact the integrity of this report;
- reviewed the annual financial statements and PwC's audit report; and
- reviewed the accounting practices and the effectiveness of the internal financial controls as required by law.



Ruben Philander
Chairperson of the Board



ABOUT THE **ORION NAMIBIA PENSION AND PROVIDENT FUNDS**

Designed to meet the retirement planning and risk needs of the majority of employers and employees in Namibia, the Orion Namibia Funds offer investment choice and benefit flexibility.

A CHOICE OF FUND TYPES AND CONTRIBUTION STRUCTURES



Orion Namibia Pension Fund



Orion Namibia Provident Fund



Flexible contribution structures to suit needs and affordability

WIDE SELECTION OF COST-EFFECTIVE RISK BENEFITS



Lump sum death cover (including optional Accidental Death benefit)



Disability income benefit:
 • Fund members receive benefit as a pension



Disability cover
 • Fund members receive a lump sum payout



Dread disease benefits



Family funeral cover

INVESTMENT OPTIONS

Subject to eligibility, members of the Orion Namibia Funds have a choice of three investment portfolios:



Orion Moderate Growth

Target: NCPI + 4.85%

Smoothed, real returns, with guarantees and a very low chance of negative returns month to month.



Orion High Growth

NCPI + 5.6%

Combination of balanced and smooth bonus portfolios designed to provide improved long-term returns. Offers limited smoothing and capital guarantees.



Orion Aggressive Growth

NCPI + 6%

Combination of balanced portfolios designed to provide the maximum long-term returns. It provides no smoothing and no capital guarantees.

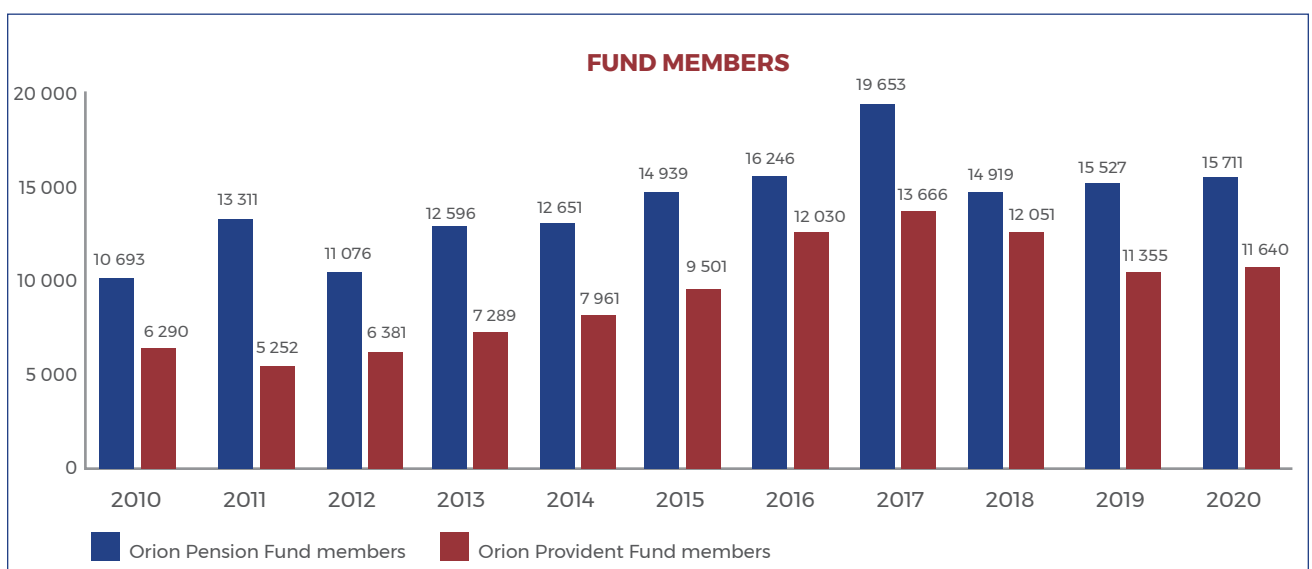
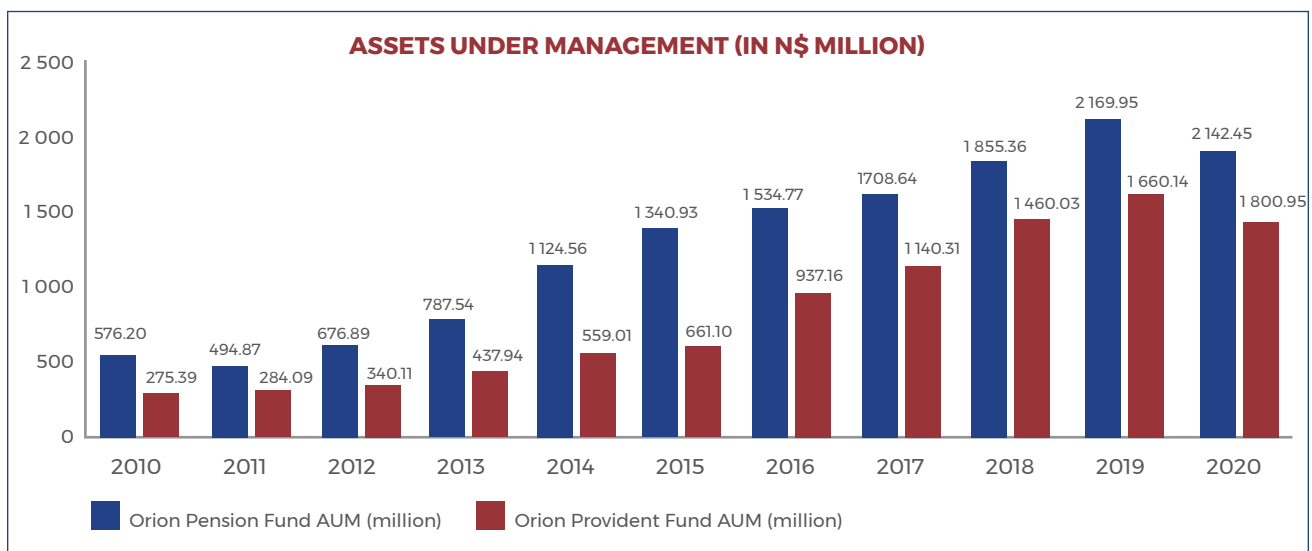
ORION NAMIBIA FUNDS' SOLUTIONS AT RETIREMENT

The Orion Namibia Funds offer members the option of a default retirement annuity. **The Old Mutual OptiSelect Life Annuity** provides a guaranteed income for the lifetime of the individual. This is not a compulsory annuity, but is an option available to all Fund members to allow them to achieve an easy and seamless transition from Fund member to retiree.

VALUE-ADDED BENEFITS (AT NO EXTRA COST)

- **Cash4♥Ones** - If a disabled member, in receipt of a monthly Income Protection Benefit, dies, Orion pays N\$10 000 to the nominated beneficiary or estate.
- **Accident Plus disability cover** - If a person with potential cover above the evidence of health limit is declined or does not go for underwriting, Accident Plus provides insurance against accidental causes for the difference between the evidence of health limit and their full potential cover.
- **Housing Loan Surety** - Employers can offer a pension-backed home loan scheme where members can apply for a home loan backed by up to 50% of their retirement savings balance.
- **Back2Work** - Orion will continue to pay the monthly disability benefit for three months after a claimant has returned to work to support their transition.
- **Adapt4Work** - Financial support of up to 40 times the monthly benefit to facilitate the preparation for a claimant's return to work. The amount of financial support that will be provided is dependent on a number of factors, including the age of the disabled member and whether the employer is willing to accommodate the disabled employee's return to work. The amount is paid at Old Mutual's discretion directly to service providers

FUND GROWTH OVER THE PAST DECADE



A woman with short dark hair and glasses is looking at a laptop screen. She is wearing a black top and has her hand resting on her chin. The background is a bright, modern office with large windows. A large orange circle is overlaid on the bottom right of the image, partially covering the laptop. The text is positioned to the right of the woman.

Designed to meet the retirement planning and risk needs of the majority of employers and employees in Namibia, the Orion Namibia Funds offer investment choice and benefit flexibility.

MESSAGE FROM THE **BOARD CHAIRPERSON**

As was the case for businesses and funds the world over, the 2020 financial year was a highly challenging period for the Orion Namibia Pension and Provident Funds (the Fund).

At the outset of this report, I would like to extend the heartfelt condolences of the entire management board, the sponsor and all Fund partners to those who have lost loved ones to Covid-19. While the economic and operational troubles caused by this pandemic have been significant, we are very aware that these challenges are insignificant compared to the devastation of losing friends and family members, and our thoughts are with you at this very difficult time.

When Covid-19 arrived on African shores early in 2020, none of us could have predicted just how far-reaching the impacts of the pandemic would be.

However, this quickly became obvious to us all as we witnessed the prolific spread of the virus, and governments across the world reacted with stringent lockdown measures.

For the Orion Namibia Fund management board, the imperative quickly became clear that this was as much a humanitarian crisis as it was a healthcare one; and we responded rapidly to protect our employees and support our members and participating employers.

A key component of this support took the form of financial relief, delivered mainly via contribution “holidays” for those employers who found themselves and their employees

in challenging financial situations. In order to safeguard the savings of these members, and avoid the possible liquidation of the Funds due to participating employer termination, the board applied for, and was granted, a rule amendment to allow us to consider applications for the temporary suspension of contributions by employers, for up to four months with the option of an additional four month extension. This amendment enabled us to minimise any adverse economic effects that Covid-19 and the lockdown response might have had on members of the Fund. Employers who required longer contribution holidays than the four months provided under this rule amendment were able to apply directly to NAMFISA in this regard.

A total of 21 participating employers applied directly to NAMFISA for financial relief via contribution suspensions, while the board granted contribution holidays for relief directly to a further 20 employers and their members. The net impact of these three or four contribution holidays was a drop in the inflows to the Fund of just over N\$15.89 million and, consequently, a similar temporary halt in the retirement savings of affected Fund members over that period.

THE PRESERVATION IMPERATIVE

For many Fund members, the suspension of contributions for a short time in 2020 was unavoidable. However, we are hopeful that, as the national economy gradually recovers, and employers and their employees return to a semblance



of normality in terms of their income streams, the affected participating employers and employees are able to find ways of making up these savings deficits by temporarily or permanently increasing, even slightly, their contributions to the Fund. This is an important consideration as it will ensure that members get their retirement savings trajectories back on track and don't find themselves in an underfunded situation when the time comes for them to retire.

Parallel to any such efforts to rebuild the savings that were paused during the contribution holidays, the importance of members diligently preserving their accumulated credit values has also been heightened by Covid-19. While it may be very tempting to consider accessing a retirement lump sum when leaving or changing jobs in the coming months, doing so could be catastrophic for the fund member's retirement future. This is especially true against the backdrop of subdued and volatile investment markets that is expected to continue for some time, and which will make it very difficult, if not impossible, to recover the financial losses of spending the retirement savings that one has built up until now.

As a board, we urge our participating employers to raise awareness amongst their members of this all-important need to preserve their retirement savings values by remaining invested in their fund or transferring the full value of their accumulated credit to a new employer, a retirement annuity or a preservation fund.

FULLY COMMITTED TO OUR MEMBERS

We remain absolutely committed to supporting our members and employers through these uncertain times. As illustrated by the theme of this annual report, we are 100% convinced of the value and power of trusted partners, especially during difficult times – and we remain focused on our responsibilities to our stakeholders and to walking alongside our members as they navigate their way through these challenging times.

To this end, our board remains as strong as ever, and we were privileged to welcome a number of highly experienced new members during 2020, whose expertise, skills and passion will undoubtedly enhance the service we deliver to our employers and members in the coming years.

We are acutely aware of the fact that, while Covid-19 has overshadowed most other aspects of personal and professional life over the past number of months, within the retirement industry, the evolution of our regulatory environment did not come to a complete standstill due to the pandemic. Arguably the most notable regulatory event in the year under review was the promulgation of the Financial Institutions and Markets Bill (FIM Bill), which aims to consolidate and harmonise legislation

governing financial institutions, financial intermediaries and financial markets in Namibia. A key element of this bill is the effort it represents by government to promote the highest standards of conduct by financial institutions and intermediaries, thereby ensuring the protection of financial services consumers.

Based on this objective, the Fund fully supports and embraces the FIM Bill. As a Fund that has always operated with the highest possible levels of integrity and member centricity, we welcome this new element of market conduct regulation and we believe that it will go a long way towards restoring confidence in the country's financial sector and ensuring that fund members achieve their desired retirement outcomes.

GRATITUDE

I would like to use this opportunity to formally thank my fellow board to members for their unwavering commitment and dedication over the past financial year. Despite the immense challenges that we faced, your resourcefulness, dedication and tireless efforts helped ensure that the Fund remained the trusted partner to its members that they needed it to be.

Thank you also to our sponsor, Old Mutual, for the continued trust it has placed in us and the valuable guidance and support it has provided.

My gratitude also goes to our contracted service providers - including our actuaries, investment consultants, investment managers, administrators and auditors – for your reliability and dependability over the past year.

Lastly, but most importantly, I would like, on behalf of the entire board, to say thank you to our valued Fund members and participating employers who have remained loyal to their fund during this difficult time. Your trust and support means everything to us, and we assure you of our continued commitment to repay that trust with the best possible service and personal attention in the months and years to come.



Ruben Philander
Chairperson of the Management Board

MESSAGE FROM THE **PRINCIPAL OFFICER**

If ever there was a time where the value and importance of good governance has been demonstrated, 2020 must be it. Covid-19 was a global event of seismic proportions and it shook many of our established and accepted ways of thinking, acting, and even doing business, to the core.

The Orion Namibia Pension and Provident Funds certainly didn't escape the impact of the pandemic, but thanks to our firmly entrenched commitment to excellent governance, our solid foundations of ethics, trust, and international best practices as well as our relationships with many outstanding business partners and service providers, our Fund has been able to admirably weather the Covid-19 storm and continue to be the financial rock on which our members and participating employers know they can depend.

Thanks to this sustained reliability, we were able to help and support more than 40 of those participating employers as they experienced financial difficulties due to the economic repercussions of Covid-19 and the national lockdown response. Not only did the more than N\$15 million in contribution holidays help many of these businesses survive their financial challenges, but it also ensured that thousands of employees remained employed, and were able to continue benefitting from being members of the Fund.

While these contribution holidays obviously had negative short-term implications in terms of contribution inflows into the Fund, the decision to offer contribution suspensions was both a moral and business imperative.

As a trusted partner, we have a responsibility to help our employers and members wherever possible and as a well-managed retirement entity, keeping our member base as intact as possible simply makes good, long-term business sense.

A key contributor to the Fund's resilience over the past year, in the face of often overwhelming challenges, has been the solid governance frameworks on which it has previously been built. The diversity, experience and expertise of the management board meant that the Fund was well prepared for any Covid-19 related eventuality, while the entrenched and proven sub-committee structures ensured that every possible scenario was considered, planned for and focused on – thereby allowing for agility and flexibility in the face of all Covid-19 issues.

FUND RULES AMENDMENTS

The management board is fully committed to achieving optimum member outcomes, and it has been implementing a number of rule amendments to support our members in achieving these outcomes. One of the most significant of these amendments is the intention to change



the funeral benefit that is currently offered by the Fund to an employer benefit. This will have the effect of ensuring that all employees, whether they are members of the Fund or not, will have access to this valuable cover.

We have also implemented a number of structural changes to the Fund, including the increase in the maximum retirement age for members to 70 years old, (on condition of employer approval) and the removal of master rule 4.2(3) that required employers to contribute a minimum of 2% of each member's pensionable salary to their retirement savings.

Details of all the Fund rule amendments submitted to, and approved by NAMFISA are included in the Governance section of this report on page 34.

In the past year, there have also been numerous regulatory developments that will impact the retirement fund industry. The NAMFISA Bill has been signed by the President and is now an Act of Parliament, but it is still to be published in the Gazette.

The Financial Institutions and Market Bill (FIM Bill) was passed by the National Assembly in July 2020 and awaits official presidential assent.

The Financial Services Adjudicator Bill is currently under consideration by the National Assembly and we await the response from the new Minister of Justice to the Administration of Estates Amendment Bill, 2019.

The Fund has completed a comprehensive compliance gap analysis in anticipation of the FIM Bill implementation and we are in the process of aligning the Fund Rules with the Bill where necessary.

WORKING TOGETHER FOR THE BENEFIT OF OUR MEMBERS

Covid-19 has been a reminder of the importance of strong partnerships in the successful provision of good retirement outcomes for members. One of the most important of these close working partnerships is the relationship between the Fund and its participating employers.

As partners in supporting our members and employers on their retirement journeys, we both have clear responsibilities. For example, the Fund is responsible for creating regular, value-adding member communications that help members make good choices.

In the year under review, the Board reiterated its strong commitment to enhancing its member communication and general stakeholder engagement, while also leveraging technological innovation and product development to benefit all members and participating employers. The revamped newsletters to members, intermediaries and employers that were distributed to members at the end of 2020 exemplify this commitment in action, and we are confident that our stakeholders will benefit from the significant focus on education and empowerment, and the guidance offered on engaging actively in their retirement planning.

We depend on our participating employers to ensure that their employees who are Fund members receive these communications timeously. And the same level of cooperation is required between employers and Fund consultants when member communication sessions or roadshows are being planned. Cooperation from employers during these planning stages help to ensure that these events run smoothly and deliver maximum value to members.

Another example of where it is vital that we work together for the good of members is Fund contributions. While the Fund is fully committed to ensuring that these contributions are invested appropriately and with the maximum potential for risk-controlled growth over time, it is vital that employers ensure the contributions are paid to the Fund consistently and timeously. Late payments effectively cost members money in the form of missed returns for the days in which their contributions are not invested.

THANKS

In closing, I would like to express my sincere thanks to all the Fund stakeholders for their contributions towards successfully navigating a very challenging 2020. Thank you, especially, to our members and participating employers without who, this Fund, quite simply, would not exist.

To the members of the management board, my appreciation for your valued support and willingness to go far beyond what was expected of you over the past year.

Final note of thanks to the Fund's various service providers and partners whose commitment and dependability have been invaluable.



Ramon Hansen
Principal Officer

A woman with curly hair, wearing a yellow top and a striped skirt, is sitting in a brown leather chair and smiling while looking at a tablet. She is in a modern office with large windows overlooking a city. The background is bright and slightly blurred. There are decorative white lines and a large yellow circle overlaid on the image.

The management board is fully committed to achieving optimum member outcomes.

2019/2020 HIGHLIGHTS

FUND GROWTH AND PERFORMANCE

	ORION NAMIBIA PENSION FUND	ORION NAMIBIA PROVIDENT FUND
Number of members	15 711	11 640
Assets under management	N\$2 142 453 274	N\$1 800 957 111
Annual investment returns		
- Medium growth portfolio	-1.09%	-2.06%
- High growth portfolio	2.55%	1.71%

PRODUCT HIGHLIGHTS

OptiSelect introduced as optional **default at-retirement annuity** for Fund members.

OPERATIONAL HIGHLIGHTS

- **New board members** appointed, adding further skills and experience
- Implemented various structural **changes**:
 - **Maximum** retirement age for members increased to 70
 - Removal of master rule 4.2(3) on **employer minimum contributions towards members savings**

COVID-19 SUPPORT FOR EMPLOYERS AND MEMBERS

- Good governance and systems helped **Funds continue operating during pandemic**
- **Contribution holidays** worth more than N\$15 million provided to over 40 participating employers
- Helped **ensure continued employment** of Fund members



OPERATIONAL AND PERFORMANCE REVIEW

The Fund's appointed actuaries, i3 Actuaries and Consultants, produce an annual valuation for both the Orion Namibia Pension and Provident Fund.

The valuation reports provide the Trustees with detailed information and insights into the investment performance and membership changes of both funds over the financial year.

The most recent such valuation was provided for the financial year to **30 June 2019**, and the findings are summarised, per fund, in this section.

ORION NAMIBIA PENSION FUND

MEMBERSHIP REVIEW

The total number of members of the Fund increased from 14 927 as at 30 June 2018 to 15 952 at 30 June 2019. Of the 15 952 active members, 10 247 were invested in the Medium Growth Fund as at the valuation date.

FINANCIAL POSITION OF THE FUND

The value of the Fund's net assets as at 30 June 2019 equated to N\$1 943 452 000 and the Fund Account balances were as follows:

FUND ACCOUNT	30 JUNE 2019 N\$ '000	30 JUNE 2018 N\$ '000
Accumulation Account	1 870 286	1 519 669
Reserve Accounts:		
- Expense Reserve Account	1 667	620
- Investment Reserve Account	416	-
- Risk Reserve Account	-	-
- Data Mismatch Reserve Account	70 181	31 000
- Participating Employer Reserve Account	902	853
Unallocated Deposits	26 108	-
Surplus/(Deficit)	-	15 345
Total Fund	1 943 452	1 567 487

INVESTMENT REVIEW

Participating employers of the Fund have access to two separate investment portfolios.

The Medium Growth Portfolio (introduced in 2013)

- 70% of the assets are invested in the Old Mutual Absolute Smooth Growth Fund (which offers a 50% capital guarantee); and
- 30% of the assets are invested in the Old Mutual Absolute Stable Growth Fund (which offers an 80% capital guarantee).

The High Growth Portfolio (introduced in 2015)

- 30% of the assets are invested in Allan Gray;
- 30% of the assets are invested in Namibia Asset Management; and
- 40% of the assets are invested in Old Mutual Absolute Smooth Growth Fund.

To comply with Regulation, the High Growth Portfolio invests in the CAM Caliber Portfolio.

The Management Board has resolved to implement the Aggressive Growth Portfolio as the Fund's third investment option effective 1 March 2021 with 50% of the assets invested in Ninety One Namibia Managed Fund and 50% invested in the Allan Gray Global Balanced Fund. The Old Mutual Absolute Stable Growth Portfolio will serve as the Capital Protection Portfolio (CPO) and 100% of the member share will be invested in the CPO portfolio three (3) years prior to retirement.

The reserves of the Fund are invested in the Moderate Growth Portfolio.

On the valuation date, the invested assets and member liabilities in the two portfolios were as follows:

PORTFOLIO	INVESTED ASSETS N\$ '000	ACCUMULATED CREDIT N\$ '000	SURPLUS/DEFICIT N\$ '000	FUNDING LEVEL %
Moderate Growth Portfolio	2 168 324	1 852 891	315 434	117.0%
High Growth Portfolio	1 652	1 487	138	109.3%
Total Fund	2 169 949	1 854 378	315 571	117.0%

The monthly breakdown of the performance of the two portfolios over the valuation period is shown in the table below:

MONTH	MEDIUM GROWTH	HIGH GROWTH
July 2018	0.416%	-0.153%
August 2018	0.416%	2.382%
September 2018	0.776%	-1.134%
October 2018	0.776%	-1.353%
November 2018	0.066%	-1.820%
December 2018	0.066%	0.243%
Janaury 2019	0.066%	0.600%
February 2019	0.216%	2.186%
March 2019	0.416%	1.385%
April 2019	0.416%	1.598%
May 2019	0.739%	-2.046%
June 2019	0.216%	0.618%
Cumulative	4.68%	2.40%

INVESTMENT RETURNS

The net investment returns achieved by the funds underlying the investment portfolios over the valuation period were as follows:

ASSET MANAGER	ANNUAL RETURN
Absolute Stable Growth Fund	4.5%
Absolute Smooth Growth Fund	5.0%
Allan Gray Namibia	-0.5%
Namibia Asset Management	2.5%
Capricorn Asset Management	9.9%

ACTUARY CONCLUSION AND RECOMMENDATIONS

Based on their valuation of the funds, i3 Actuaries and Consultants made the following recommendations:

- No additional bonus allocation should be made.
- The balance of Reserve Accounts should be maintained as it is.
- The Trustees should consider investing the Data Reserve in a more conservative portfolio to cushion against the volatility of the market.
- The non-payroll linked Fund expenses should continue being funded by means of a reduction on the monthly index allocation.

ORION NAMIBIA PROVIDENT FUND

MEMBERSHIP REVIEW

The total number of members of the Fund decreased marginally from 12 173 as at 30 June 2018 to 11 372 at 30 June 2019. Of the 11 372 active members, 10 247 were invested in the Medium Growth Fund as at the valuation date.

FINANCIAL POSITION OF THE FUND

The value of the Fund's net assets as at 30 June 2019 equated to N\$1 514 365 000 and the Fund Accounts balances were as follows:

FUND ACCOUNT	30 JUNE 2019 N\$ '000	30 JUNE 2018 N\$ '000
Accumulation Account	1 480 046	1 324 088
Reserve Accounts:		
- Expense Reserve Account	476	360
- Investment Reserve Account	-55	-
- Risk Reserve Account	-	-
- Data Mismatch Reserve Account	7 652	6 117
- Participating Employer Reserve Account	313	299
Unallocated Deposits	25 933	-
Surplus/(Deficit)	-	-
Total Fund	1 514 365	1 330 864

INVESTMENT REVIEW

Participating employers of the Fund have access to two separate investment portfolios.

The Medium Growth Portfolio (introduced in 2013)

- 70% of the assets are invested in the Old Mutual Absolute Smooth Growth Fund (which offers a 50% capital guarantee); and
- 30% of the assets are invested in the Old Mutual Absolute Stable Growth Fund (which offers an 80% capital guarantee).

The High Growth Portfolio (introduced in 2015)

- 30% of the assets are invested in Allan Gray;
- 30% of the assets are invested in Namibia Asset Management; and
- 40% of the assets are invested in Old Mutual Absolute Smooth Growth Fund.

To comply with Regulation 28 and 29, the High Growth Portfolio invests in the CAM Caliber Portfolio.

The reserves of the Fund are invested in the Moderate Growth Portfolio.

On the valuation date, the invested assets and member liabilities in the two portfolios were as follows:

PORTFOLIO	INVESTED ASSETS N\$ '000	ACCUMULATED CREDIT N\$ '000	SURPLUS/DEFICIT N\$ '000	FUNDING LEVEL %
Moderate Growth Portfolio	1 517 853	1 335 647	182 206	113.6%
High Growth Portfolio	142 284	144 381	2 096	98.5%
Total Fund	1 660 137	1 480 028	180 109	112.2%

The monthly breakdown of the performance of the two portfolios over the valuation period is shown in the table below:

MONTH	MEDIUM GROWTH	HIGH GROWTH
July 2018	0.418%	-0.160%
August 2018	0.418%	2.371%
September 2018	0.778%	-1.140%
October 2018	0.778%	-1.342%
November 2018	0.068%	-1.815%
December 2018	0.068%	0.243%
January 2019	0.068%	0.600%
February 2019	0.218%	2.191%
March 2019	0.418%	1.390%
April 2019	0.418%	1.697%
May 2019	0.741%	-2.045%
June 2019	0.218%	0.595%
Cumulative	4.70%	2.39%

INVESTMENT RETURNS

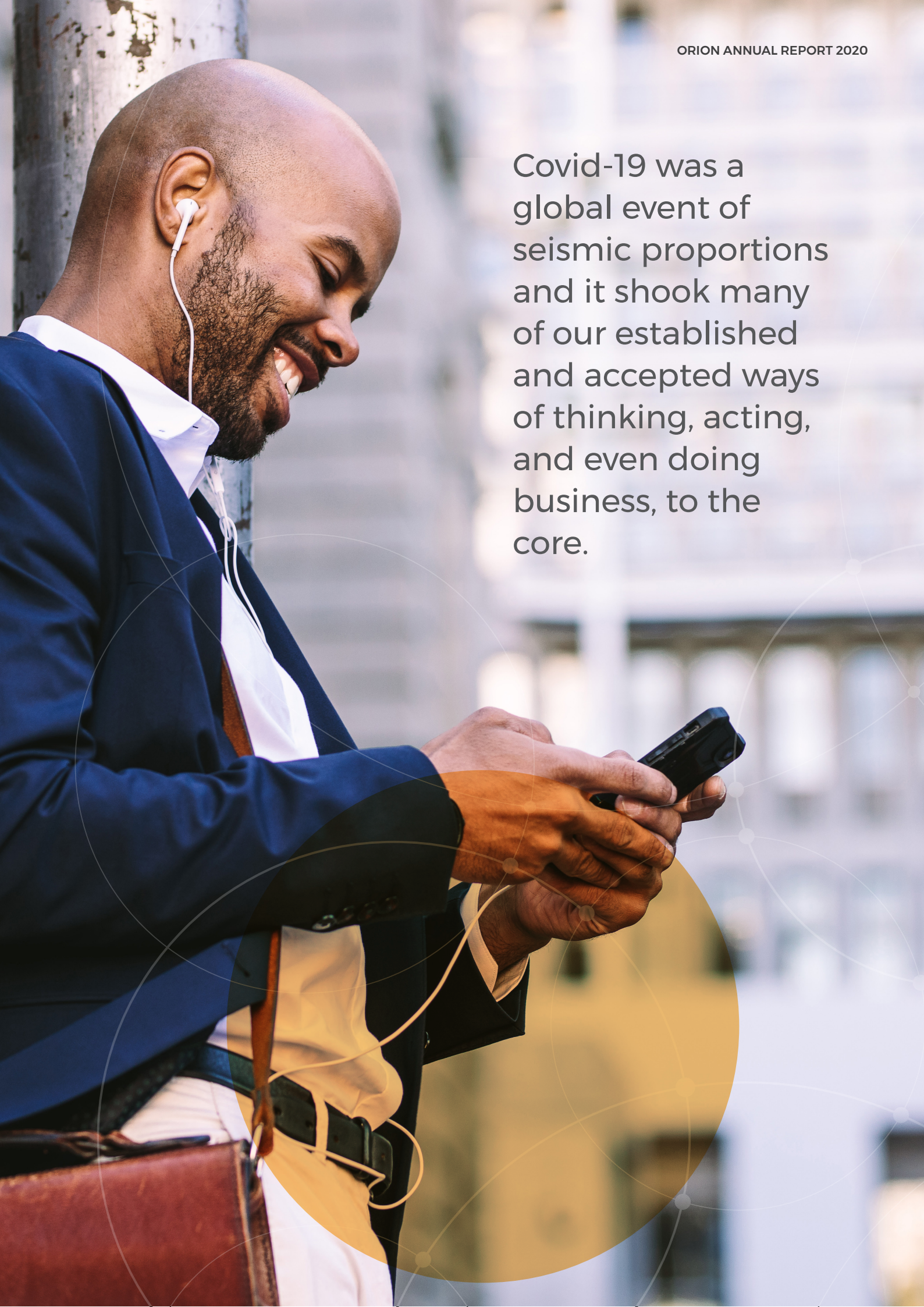
The net investment returns achieved by the funds underlying the investment portfolios over the valuation period were as follows:

ASSET MANAGER	ANNUAL RETURN
Absolute Stable Growth Fund	5.0%
Absolute Smooth Growth Fund	5.0%
Allan Gray Namibia	-0.6%
Namibia Asset Management	2.4%
Capricorn Asset Management	9.9%

ACTUARY CONCLUSION AND RECOMMENDATIONS

Based on their valuation of the funds, i3 Actuaries and Consultants made the following recommendations:

- No additional bonus allocation to be made.
- An amount of N\$757 000, as at valuation date, should be transferred from the Data Mismatch Reserve Account to the Investment Reserve. This is to retain a balance of 0.05% of the net assets of the Fund in the Investment Reserve.
- The balance of other Reserve Accounts should be maintained.
- The Trustees should consider investing the Data Reserve in a more conservative portfolio to cushion against future market volatility.
- The non-payroll linked Fund expenses should continue being funded by means of a reduction on the monthly index allocation.



Covid-19 was a global event of seismic proportions and it shook many of our established and accepted ways of thinking, acting, and even doing business, to the core.

ASSET MANAGER REVIEW FOR 2020

Orion Namibia firmly believes that the careful and ongoing monitoring of investment performance is a vital cornerstone in protecting the benefits available to its members at retirement while, at the same time, ensuring the level of risk to which their investments are exposed is appropriate to their needs and preferences.

To this end, the fund investment consultant, NMG Consultants and Actuaries (Pty) Ltd., conducts regular asset manager reviews (at least every three years), the results of which enable the trustees to assess the continued suitability of the asset managers with which the Fund invests. The results of the asset manager review also provide comfort that the Fund's current investments remain sound and appropriate to its stated investment strategy.

In line with the Fund's investment strategy, the scrutiny and evaluation of asset managers aims to assess the following key qualitative features of each manager:



Quantitative features that are evaluated include the following:

- Reputable track record of performance
- Assets under management
- Risk adjusted returns
- Remuneration and fee structures



The findings of the asset manager review of the Fund's four primary managers for 2020 are summarised briefly below:

	POSITIVES	CONCERNS
Allan Gray Namibia (AGN)	<p>The business is well positioned for long term growth.</p> <p>It is considered positive that AGN as a business focuses on creating entrepreneurs, as this is good for the economy.</p> <p>Allan Gray's remuneration scheme helps in retaining talent and motivating the investment team.</p>	<p>There is some concern about recent AGN underperformance. This has been caused mainly by the offshore investments, and mediocre performance of equities in Namibia and South Africa.</p>
Namibia Asset Management (NAM)	<p>The lack of red tape in the investment team has substantial benefits to clients' portfolios. An open-door policy, lack of hierarchy and open interactions among the investment professionals benefits the Fund in many ways. It also reduces complacency within the team members.</p> <p>NAM's strong focus on social responsibility and employment equity is highly valued by investors.</p>	<p>NAM underperformed the market for some time in the recent past. However, they have stuck to their investment philosophy and made a strong comeback since 2019.</p>
Old Mutual Insurance Group Namibia (OMIGNAM)	<p>Old Mutual continues to add value, particularly through the capital guarantee feature of their offering allowing for increased stability in volatile markets.</p> <p>Old Mutual also shows the most advanced integration of ESG factors in their portfolio positioning strategy.</p>	<p>The use of sentiment in the investment philosophy may increase the volatility of returns, which is contrary to the preservation objective of investing in the Old Mutual Absolute Growth Portfolios.</p> <p>There is some concern about the lower bonuses that have recently been declared.</p>
NinetyOne Asset Management Namibia	<p>The Fund is positive about the way in which NinetyOne makes consensus decisions in managing portfolios. This reduces the inherent risks and better positions the Fund in the long term.</p> <p>NinetyOne is expected to add significant value to the aggressive portfolio, when combined with Allan Gray.</p>	

The Management Board took note of the concerns raised but upon the advice of the Investment Consultant, agreed to retain the current investment strategy. The Consultants will however closely monitor all the asset managers.

GOVERNANCE REVIEW

The Orion Namibia Fund Management Board accepts ultimate responsibility for the proper and efficient management of the Fund and is committed to performing the functions and carrying out the duties assigned to it by the Fund Rules and all relevant retirement fund laws.

The Board recognises good governance as the vital foundation on which the Fund is enabled to deliver on its promises to its members, and it is committed to maintaining the highest possible levels of governance and ethics standards at all times.

ELECTION OF BOARD MEMBERS

The Fund rules specify that the Management Board must comprise no less than six and no more than 10 board members at any time. The rules also required that at least 50% of the board members must be independent.

In the year under review, the Fund, in consultation with its Sponsor, reviewed the rules governing the appointment of Management Board Members and committed to a practice of appointing at least 80% Independent Board Members to the Management Board. While this has not been implemented as a rule change, it is a Board level commitment that is in line with global good governance best practices.

Board members commit to a three-year term of office at the end of which they are allowed to make themselves available for re-election for a second term. Between them, the Management Board and the Fund Sponsor decide on the appropriate criteria and required qualifications for elected board members. These criteria include, but are not limited to:

- appropriate cultural and gender representation of the board;
- relevant qualifications and experience, especially in legal, accounting and actuarial areas; and
- relevant experience in retirement fund management or oversight.

The appointed board members then elect two of their fellow members to serve as chairperson and deputy chairperson.



BOARD COMPOSITION

The board is currently comprised of 10 members (excluding the Principal Officer), nine of which are independent. The Fund's Sponsor, Old Mutual Namibia, appoints five of the 10 Board members of the Orion Namibia Fund in consultation with the Board, only one of which is an employee of the Sponsor organisation. There are no alternate board members.



Ruben Philander (Independent)

Appointed: 01/05/2018

End of term: 30/04/2021

Ruben is an admitted Legal Practitioner with 23 years' experience in the legal sector. He serves as a Pension Fund Trustee on various boards.



Selma Shaanika (Sponsor appointed)

Appointed: 01/10/2019

End of term: 30/09/2022

Selma is a qualified chartered accountant and has an MBA. She has over 21 years' experience in finance.



Benny Amuenje (Sponsor appointed)

Appointed: 01/07/2020

End of term: 30/06/2023

Benny has 23 years' experience at management level servicing various corporate committees dealing with recruitment, finance, and human resources. He serves on various boards and committees.



Hilda Basson-Namundjebo (Independent)

Appointed: 01/01/2019

End of term: 31/10/2022

Hilda completed studies in Television Production and Engineering in Germany, and after years in the media fraternity, qualified as a chartered public relations practitioner. She has over 25 years of experience working in the field of strategic communications and marketing. She also completed the Executive Development Programme at the University of Stellenbosch Business School.



Deon Gerber (Independent)

Appointed: 01/05/2020

End of term: 30/09/2022

Before retiring, Deon held the Strategic Executive Finance position at the Windhoek Municipality (City of Windhoek) for more than 30 years. He has also served on the Investment Sub-committee of one of the large funds in Namibia since 2006.



Ndeendelao Kambala (Sponsor appointed)

Appointed: 01/11/2019

End of term: 30/09/2022

Ndeendelao has 15 years' experience in the financial sector. She holds a Master of Science in Investment Analysis, a Bachelor of Technology (Economics) and an Advanced Diploma in Banking, Finance and Credit. She serves as a pension fund trustee on various boards.


Bryan Mandy (Independent)
Appointed: 01/07/2020

End of term: 30/06/2023

Bryan is a chartered accountant with more than 20 years' experience in financial services. He served as the Chairperson of the Standard Bank Namibia Pension Fund from 2012 to 2019 and he also serves as a non-executive director on various boards.


Hinasha Mbudje (Sponsor appointed)
Appointed: 01/10/2019

End of term: 30/09/2022

Victoria is an admitted legal practitioner. She holds a Bachelor of Law (LLB) (Hons), a post-graduate diploma in Risk and Compliance Management and a professional degree in Company Secretarial and Governance Practice (Hons) (ACIS). She has 11 years' experience in the legal sector.


Melissa Ramsamy-Agapitus (Independent)
Appointed: 01/11/2019

End of term: 31/10/2022

Melissa is a Fellow of the Actuarial Society of South Africa. She has 15 years' experience in the financial industry including life insurance and retirement management. She also serves as a Pension Fund Trustee on various boards.


Imtiaz Vally (Sponsor appointed)
Appointed: 01/10/2019

End of term: 30/09/2022

Imtiaz is a qualified actuary (FASSA) with 15 years' experience in finance fields, including exposure to life insurance, retirement fund management and general insurance.


Ramon Hansen (Principal Officer)

Ramon has an MBA from the University of the Free State and is a seasoned executive, having held various leadership positions at Ohlthaver & List and Alexander Forbes Financial Services. He has over 15 years' experience in the pension fund industry and has been Principal Officer for the Orion Namibia Pension and Provident Funds since November 2018.


Chasanareen Cloete (Deputy Principal Officer)

Chasanareen (Chasa) has a Bachelor of Commerce degree and a post-graduate diploma in financial planning. She has 13 years' experience in the pension fund industry.

BOARD DIVERSITY, REPRESENTATION AND COMPETENCY

The board is representative of the Orion Namibia Fund’s commitment to diversity in terms of race and gender and the members align with the demographics of Namibia. Between them, the board members have the extensive experience and complementary skills required to effectively and properly govern the Fund. Members are respected professionals with practical experience in the administration of retirement funds, knowledge of the financial services and legal industries, and expertise in all investment, actuarial, accounting, and social aspects of effective fund management. The Chairperson and Deputy Chairperson are by the board members.

BOARD RESPONSIBILITIES

The Management Board is responsible for the day-to-day management of the Fund. This includes the following key functions:

- Managing the Fund in an efficient and transparent way.
- Making sure that the interests of members are looked after.
- Selecting investment managers and monitoring investments.
- Impartially distributing death benefits to beneficiaries.
- Communicating regularly with members.
- Responding to, and resolving (wherever possible) disputes.
- Preventing any conflicts of interest across Fund stakeholders.
- Having in-depth knowledge and understanding of the Rules of the Fund and any laws that affect it.
- Appointing and overseeing service providers.

Ensuring alignment with the NamCode

The King IV Report on Corporate Governance is an indispensable guide on corporate governance for directors and regulators in various jurisdictions.

In Namibia, the NamCode is a similar corporate good governance guide that is based on King IV principles and offers insights for Namibian corporate entities regarding the full spectrum of governance-related aspects. The Orion Namibia Fund subscribes to and aligns, as far as possible, with the following NamCode requirements:

		
Ethical leadership and corporate citizenship	Boards and directors	Audit committees
		
Governance of risk	Governance of information technology	Compliance with laws, codes, rules and standards
		
Internal audit	Governing stakeholder relationships	Integrated reporting and disclosure

BOARD REMUNERATION

Board Members in the employ of the Sponsor are not remunerated in any way by the Fund. Independent Board Members are remunerated for their work in respect of the governance of the Fund in accordance with the Remuneration Policy adopted by the Board. To avoid any potential conflicts of interest, the Board Members are remunerated from the Fund and not from the Sponsor. Independent Board Members are reimbursed for reasonable travel expenses in terms of the Travel Policy adopted by the Board.

THE PRINCIPAL OFFICER

Ramon Hansen serves as the principal officer of the Fund and, in this role, is accountable to the relevant Namibian regulatory bodies. The duties of the Fund's principal officer are set out in the Fund rules, but broadly include the following:

- Signing and submitting rules and rule amendments.
- Submitting annual financial statements to the Registrar.
- Signing all Fund documents to be submitted to the Registrar.
- Ensuring that all agreed information is distributed to Fund members.
- Representing the Fund in litigation and complaints.
- Providing support, assistance and inputs to the Board where required.
- Responsible for Fund operational effectiveness.

BOARD SUB-COMMITTEES

While the board has ultimate responsibility for the oversight and management of the Fund, certain matters are delegated to a number of sub-committees. The mandate of each sub-committee is set out in its terms of reference. The sub-committees are as follows:

SUB-COMMITTEE	NUMBER OF MEMBERS	RESPONSIBILITIES
Communications	4	<ul style="list-style-type: none"> • Assist in executing the Funds' communication policy. • Ensure adequate & appropriate communication to Fund stakeholders.
Death Claims	4	<ul style="list-style-type: none"> • Assist the Board with the distribution of death claims.
Investment	4	<ul style="list-style-type: none"> • Determine the Funds' investment philosophy and return objectives. • Propose realistic return objectives that are consistent with members' expectations and risk tolerance. • Produce and review the Investment Policy Statement (IPS) to ensure that it meets the objectives of the fund. • Monitor compliance with the IPS. • Make recommendations to the Board on appropriate investment options. • Determine appropriate target allocations for each option. • Establish suitable mandates and benchmarks with the appointed managers. • Monitor the performance of investments. • Determine the appropriate search methodology and conduct the search for suitable replacement investment managers, when required. • Advise the Board on risks relating to the investment policy. • Ensure that investments comply with the Fund Rules and all other applicable laws. • Ensure that all investments conform to the requirements of relevant statutory and regulatory requirements.
Finance & Audit	4	<ul style="list-style-type: none"> • Assist the Board in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes. • Facilitate and promote communication and liaison, regarding the matters referred to above, between the Management Board, Principal Officer, administrator and where applicable, the auditors of the Funds. • Recommend measures to enhance the credibility and objectivity of financial statements reports, actuarial valuations and general fund reporting.
Strategic	Chairperson of Board and Chairperson of each Sub-committee	<ul style="list-style-type: none"> • Assist the Board in managing key deliverables to achieve the Funds' vision at sub-committee level. • Align the Fund with any strategic drives by the sponsor. • Enable the various sub-committees, the Principal Officer and administrator to achieve key strategic objectives.

BOARD AND SUB-COMMITTEE MEETING ATTENDANCE

Board and sub-committee meetings take place at least quarterly and any special meetings are convened if and when these are required. Four ordinary Board meetings and one special meeting took place during the year under review.

Details of Board and sub-committee meetings and attendance by the relevant Board members are included in the table below:

	BOARD (4)	AUDIT SUB-COMMITTEE (5)	INVESTMENT SUB-COMMITTEE (4)	COMMUNICATIONS SUB-COMMITTEE (4)	DEATH CLAIMS SUB- COMMITTEE (6)	STRATEGIC SUB- COMMITTEE (1)
Ruben Philander	4	2	N/A	N/A	N/A	1
Selma Shaanika	4	4	N/A	2	N/A	1
Benny Amuenje	1	N/A	1	N/A	N/A	1
Hilda Basson- Namundjebo	4	N/A	N/A	4	5	1
Deon Gerber	4		2	4	6	1
Ndeendelao Kambala	4	N/A	4	N/A	6	1
Bryan Mandy	3	3	2	N/A	N/A	1
Hinasha Mbudje	4	N/A		4	4	1
Melissa Ramsamy Agapitus	4	5	4	N/A	N/A	1
Imtiaz Vally	4	5	1	N/A	N/A	1

FUND POLICIES AND MANDATES

The activities of the board and its sub-committees and service providers are guided by an extensive set of policy documents and detailed terms of references, which are regularly reviewed and updated. Currently, these policy documents include the following:

- Board Charter (Reviewed in 2020 – draft ready for board approval)
- Code of Conduct
- Declaration of interest and acceptance of trust
- Conflict of Interest Policy
- Gift Policy
- Performance Appraisal Policy
- Trustee Training Strategy
- Business Continuity and Crises Management Policy
- Risk Management Policy
- Subsistence and Remuneration Policy
- Investment Policy Statement
- Risk Benefit Policy
- Communications Policy
- Complaints Policy (Final draft awaiting board approval)
- Unclaimed Benefits Policy
- Interest Allocation Policy

BOARD ASSESSMENT, TRAINING AND DEVELOPMENT

In keeping with the Fund's commitment to good governance and effective management, the members of the Board are provided with numerous opportunities for professional development and ongoing education, specifically in terms of skills relevant to their oversight of the Fund and stewardship of members retirement savings.

Regular assessments of the overall skills set of the Board members is undertaken and, where skills gaps are identified, these are addressed through relevant training.

SPECIFIC GOVERNANCE ACTIONS IN THE YEAR UNDER REVIEW

Fund Rule amendments

During the year under review the following Fund Rules amendments were submitted to, and approved by, NAMFISA:

Rule Amendment number 3

The amendment provides for the following:

- Specifies that the normal retirement age for Fund members will be between the ages of 45 and 70, with 70 being the maximum retirement age. It specifies that approval must be obtained from the Revenue Authority where normal retirement age needs to be below age 55.

- Increases the percentage of Board Members required to be independent from 40% to 50% and clarifies that the Management Board and Sponsor appoint the subsequent members of the Management Board.
- Requires the payment of unclaimed benefits, other than death benefits, to the Guardian Fund after the expiration of a period of five years from the day on which such monies or benefits became payable to the beneficiary. This is to ensure compliance with the procedure prescribed in the Administration of Estates Act 66 of 1965 and NAMFISA's Directive PI/PF/DIR/07/2015.
- Provides for the mandatory termination, by the Management Board, of a participating employer's participation in the Fund in the event that they fail to pay contributions to the Fund.
- Specifies that the contributions of the participating employer will be applied towards defraying Fund expenses and the payment of risk benefit premiums (where applicable), and only thereafter will the balance of the contribution be applied towards the retirement contribution of the member.
- Specifies the discontinuance of cheques as payment instruments.
- Provides for an additional income disability benefit offered by a policy of insurance owned by the Fund.



Rule Amendments Number 7 and 8

These amendments are for the Provident Fund and Pension Fund respectively and address the Covid-19 impact on Employers.

- The amendments provide for the provision of relief, as an alternative to the termination of a sub-fund, to participating employers who are unable to meet their obligation to make contributions to the Fund as a result of economic and or political disruptions such as the Covid-19 pandemic termed a “supervening impossibility”.
- The amendments also enable participating employers to apply for the temporary suspension of contributions, with the consent of their employees, and then only make payment to sustain the risk benefits offered by the Fund.

DEFAULT ANNUITY

The Management Board resolved to implement a default annuity option for retiring members effective 1 March 2021, which will be reviewed on an annual basis. The Old Mutual Opti-select product was approved as the default annuity product of the Fund, with an escalating 5% annuity to be implemented with a guaranteed term of five years. The standard option will be a single life annuity unless otherwise elected by the member according to his or her circumstances.

While this default annuity option is available to members it is not compulsory. Members are free to select any annuity of their choice and are advised to seek the services of a registered financial planner before exercising their choice.

REPORTING AND MEMBER COMMUNICATION

Member benefit statements were distributed to members in September and October 2020 and the Fund continued to provide participating employers with quarterly investment newsletters for distribution to fund members.

The Fund has complied with all regulatory submissions throughout the 2020 year. Every quarter the Fund is required to submit a Statement of Investment Holdings (SIH) Report, and these reports were all submitted on time. Any report queries raised by the Regulator after submission are typically resolved within one week.

The Fund’s Annual Financial Statements have been approved by the Management Board and no high-risk matters were noted by the Auditors.

RISK MANAGEMENT AND COMPLIANCE

The board views the effective management of risk as a vital component of the good governance of the Fund. One of the key responsibilities of the board is therefore to identify key risks and review these on an annual basis. To guide the board in the effective management and mitigation of these risks, a detailed Risk Management Policy (RMP) has been put in place. This RMP provides the framework for the board to:

- identify potential risks;
- reduce the possibility of those risks occurring;
- minimise losses should risk events take place; and
- manage disasters, and their impact on the Fund, if and when these happen.

The RMP also sets out the process by which the board should regularly consider the factors that may affect the Funds Risk Management Strategy; and it clearly defines the decision-making structures and responsibilities for the implementation of the RMP.

TREATING CUSTOMERS FAIRLY

While the Treating Customers Fairly (TCF) regulations are not yet a legislative requirement of retirement Funds in Namibia, the Fund fully supports and embraces the TCF principles and views them as a valuable framework for the delivery of fair, equitable, member-centric services and outcomes. As such, the Fund aligns itself with the six main TCF principles as follows:

TCF PRINCIPLE	ORION NAMIBIA COMMITMENT
Culture and governance	The Fund strives to give its members (and participating employers) the confidence that the fair treatment of members is a core priority, and those members is the Fund's main reason for being.
Product and service design	The Fund is designed to deliver the outcomes it's members need by means of simple, affordable and highly effective solutions that offer appropriate levels of choice.
Disclosure & Information	The Fund is committed to regular communication that provides all stakeholders with the information they need to make informed decisions, both before contracting with the Fund and afterwards.
Suitable advice	The Fund is supported by diverse and experienced financial experts, who work tirelessly to ensure that members receive the help, guidance and support they need at every stage of their retirement journey.
Performance & Service delivery	The Fund is absolutely committed to meeting needs of members and participating employers. It has a good track record of delivering on this commitment, and has proven its ability to deliver retirement and risk benefit solutions that meet the expectations of employers and members alike.
After sales treatment	The Fund is committed to lifetime partnership with its members and participating employers. It considers after-sales service a core components of the promise it makes to its members.





Orion Namibia firmly believes that the careful and ongoing monitoring of investment performance is a vital cornerstone in protecting the benefits available to its members at retirement.

SUMMARY OF FINANCIAL STATEMENTS

Note: You can request the full Financials which contain the Auditor's Report from the office of the Principal Officer.

OPINION

We have audited the annual financial statements of Orion Namibia Pension Fund and Orion Namibia Provident Fund (the Funds), which comprises of the report of the Board of Trustees, the statement of net assets and funds as at 30 June 2020 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds.

In our opinion, the financial statements of the Funds for the year ended 30 June 2020 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in Namibia.

BASIS FOR OPINION

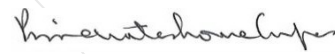
We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES FOR THE FINANCIAL STATEMENTS

The Board of Trustees is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in Namibia and for such internal control as the Board of Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of Namibia.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material mis-statement where it exists.



PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Louis van der Riet
Partner
Windhoek
Date: 10 February 2021

ORION NAMIBIA PENSION FUND - STATEMENT OF NET ASSETS AND FUNDS

ORION NAMIBIA PENSION FUND NAMFISA REGISTRATION NUMBER: 25/7/7/36

STATEMENT OF NET ASSETS AND FUNDS At 30 June 2020

ASSETS	NOTES	CURRENT YEAR N\$	PREVIOUS YEAR N\$
Non-current assets		2 151 148 149	2 169 965
Investments	2	2 151 138 395	2 169 948 681
Computer equipment	3	9 754	17 069
Current assets		35 660 360	46 195 965
Accounts receivable	5	8 695 699	6 593 141
Contributions receivable	11.2	7 528 819	10 969 904
Cash at bank		9 023 103	18 263 204
Transfers receivable	6	10 412 739	10 369 716
Total assets		2 186 808 509	2 216 161 715
FUNDS AND LIABILITIES			
Member's funds			
Active members' individual accounts		1 832 933 547	1 853 368 651
Amounts to be allocated	11.3	23 239 830	26 180 581
Reserves			
Reserve accounts	17	63 398 513	63 903 054
Total funds and reserves		1 919 571 890	1 943 452 286
Non-current liabilities		128 881 271	179 826 938
Unclaimed benefits	9	128 881 271	179 826 938
Current liabilities		138 355 348	92 882 491
Transfers payable	7	4 763 792	3 047 727
Benefits payable	8	109 648 567	71 862 507
Accounts payable	10	23 942 989	17 972 257
Total funds and liabilities		2 186 808 509	2 216 161 715

ORION NAMIBIA PENSION FUND - STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

ORION NAMIBIA PENSION FUND NAMFISA REGISTRATION NUMBER: 25/7/7/36

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS For the year ended 30 June 2020

	NOTES	AMOUNTS TO BE ALLOCATED	ACTIVE MEMBERS' INDIVIDUAL ACCOUNTS	RESERVE ACCOUNTS	TOTAL
		CURRENT YEAR N\$	CURRENT YEAR N\$	CURRENT YEAR N\$	CURRENT YEAR N\$
Contributions received and accrued	11.1, 11.3	17 045 817	260 348 658	36 383 536	313 778 011
Net investment income	12	231 728	(27 794 934)	(12 617 599)	(40 180 805)
Reinsurance proceeds		-	-	9 358 193	9 358 193
Less:		-	-	(41 603 414)	(41 603 414)
Re-insurance premiums		-	-	(25 535 008)	(25 535 008)
Administration expenses	13	-	-	(16 068 406)	(16 068 406)
Net income before transfers and benefits		17 277 545	232 553 724	(8 479 284)	241 351 985
Transfers and benefits		2 410 238	(289 456 659)	21 814 040	(265 232 381)
Transfers from other funds	6, 11.3	2 410 238	7 648 534	-	10 058 772
Transfers to other funds	7	-	(48 281 900)	(56 831)	(48 338 731)
Unclaimed benefits	9	-	-	17 254 760	17 254 760
Benefits	8	-	(248 823 293)	4 616 111	(244 207 182)
Net Income after transfers and benefits (carried forward)		19 687 783	(56 902 935)	13 334 756	(23 880 396)
Funds and Reserves		3 552 047	1 889 836 482	50 063 757	1 943 452 286
Balance at beginning of period		26 180 581	1 853 368 651	63 903 054	1 943 452 286
Actuarial adjustments	17	(72 000)	16 918 000	(16 846 000)	-
Amounts allocated during the year:					
- Contributions	11.1, 11.3	(22 364 587)	19 357 884	3 006 703	-
- Transfers from other funds	6, 11.3	(191 947)	191 947	-	-
Balance at end of period		23 239 830	1 832 933 547	63 398 513	1 919 571 890
		PREVIOUS YEAR N\$	PREVIOUS YEAR N\$	PREVIOUS YEAR N\$	PREVIOUS YEAR N\$
Contributions received and accrued	11.1, 11.3	22 459 564	237 775 530	33 407 598	293 642 692
Net investment income	12	662 454	90 895 015	6 698 866	98 256 335
Reinsurance proceeds		-	-	14 600 637	14 600 637
Less:		-	-	(42 523 252)	(42 523 252)
Re-insurance premiums		-	-	(24 981 792)	(24 981 792)
Administration expenses	13	-	-	(17 541 460)	(17 541 460)
Net income before transfers and benefits		23 122 018	328 670 545	12 183 849	363 976 412
Transfers and benefits		409 115	(175 420 101)	(11 641 304)	186 652 290
Transfers from other funds	6, 11.3	409 115	27 844 897	-	28 254 012

Transfers to other funds	7	-	(51 585 701)	(225 498)	(51 811 199)
Benefits	8	-	(151 679 297)	(11 415 806)	(163 095 103)
Net income after transfers and benefits (carried forward)	10	23 531 133	153 250 444	542 545	177 324 122
Funds and Reserves		2 649 448	1 700 118 207	63 360 509	1 766 128 164
Balance at beginning of period		-	11 894 155	69 368 658	1 577 143 979
Actuarial adjustments	17	-	11 894 155	(21 551 134)	(9 656 979)
Prior period adjustments	14	2 649 448	180 448 731	15 542 985	198 641 164
Balance at end of period		26 180 581	1 853 368 651	63 903 054	1 943 425 286

ORION NAMIBIA PROVIDENT FUND - STATEMENT OF NET ASSETS AND FUNDS

ORION NAMIBIA PROVIDENT FUND NAMFISA REGISTRATION NUMBER: 25/7/7/35

STATEMENT OF NET ASSETS AND FUNDS At 30 June 2020

ASSETS	NOTES	CURRENT YEAR N\$	PREVIOUS YEAR N\$
Non-current assets		1 808 830 226	1 660 147 836
Investments	2	1 808 823 990	1 660 136 923
Computer equipment	3	6 236	10 913
Current assets		19 509 684	35 158 565
Accounts receivable	5	8 047 584	4 120 634
Contributions receivable	11.2	6 394 770	10 219 146
Cash at bank		4 755 789	20 818 785
Transfers receivable	6	311 541	-
Total assets		1 828 339 910	1 695 306 401
FUNDS AND LIABILITIES			
Member's funds			
Active members' individual accounts		1 621 972 728	1 479 826 793
Amounts to be allocated		37 839 402	26 302 170
Reserves		-	-
Reserve accounts	17	36 868 998	17 621 375
Total funds and reserves		1 696 381 128	1 523 786 338
Non-current liabilities		44 319 311	68 393 751
Unclaimed benefits	9	44 319 311	68 393 751
Current liabilities		87 639 471	103 126 312
Transfers payable	7	-	14 651 096
Benefits payable	8	64 948 215	75 394 279
Accounts payable	10	22 691 256	13 080 937
Total funds and liabilities		1 828 339 910	1 695 306 401

ORION NAMIBIA PROVIDENT FUND - STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

ORION NAMIBIA PROVIDENT FUND NAMFISA REGISTRATION NUMBER: 25/7/7/35

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS For the year ended 30 June 2020

	NOTES	AMOUNTS TO BE ALLOCATED	ACTIVE MEMBERS' INDIVIDUAL ACCOUNTS	RESERVE ACCOUNTS	TOTAL
		CURRENT YEAR N\$	CURRENT YEAR N\$	CURRENT YEAR N\$	CURRENT YEAR N\$
Contributions received and accrued	11.1, 11.3	18 345 608	277 922 813	35 576 381	331 844 802
Net investment income	12	(298 600)	(27 794 934)	8 296 329	(29 436 989)
Reinsurance proceeds		-	-	9 161 485	9 161 485
Less:		-	-	(38 644 109)	(38 644 109)
Re-insurance premiums		-	-	(26 683 579)	(26 683 579)
Administration expenses	13	-	-	(11 960 530)	(11 960 530)
Net income before transfers and benefits		18 047 008	240 488 095	14 390 086	279 952 189
Transfers and benefits		12 367 339	(115 909 711)	3 211 973	(100 330 399)
Transfers from other funds	6, 11.3	12 367 339	41 753 183	-	54 120 522
Transfers to other funds	7	-	(759 826)	(25 776)	(785 602)
Unclaimed benefits	9	-	-	2 523 416	2 523 416
Benefits	8	-	(156 903 068)	714 333	(156 188 735)
Net income after transfers and benefits (carried forward)		30 414 347	124 578 384	17 602 059	172 594 790
Funds and Reserves		7 425 055	1 497 394 344	18 966 939	1 523 786 338
Balance at beginning of period		26 302 170	1 479 862 793	17 621 375	1 523 786 338
Actuarial adjustments	17	(369 170)	184 000	185 170	-
Amounts allocated during the year:					
- Contributions	11.1, 11.3	(11 872 822)	10 712 428	1 160 394	-
- Transfers from other funds	6, 11.3	(6 635 123)	6 635 123	-	-
Balance at end of period		37 839 402	1 621 972 728	36 568 998	1 696 381 128
		PREVIOUS YEAR N\$	PREVIOUS YEAR N\$	PREVIOUS YEAR N\$	PREVIOUS YEAR N\$
Contributions received and accrued	11.1, 11.3	13 184 513	254 967 595	31 886 928	300 039 036
Net investment income	12	958 300	55 629 829	15 745 361	72 333 490
Reinsurance proceeds		-	-	12 082 922	12 082 922
Less:		-	-	(38 408 239)	(38 408 239)
Re-insurance premiums		-	-	(25 618 951)	(25 618 951)
Administration expenses	13	-	-	(12 789 288)	(12 789 288)
Net income before transfers and benefits		14 142 813	328 670 545	21 306 972	346 047 209
Transfers and benefits		6 946 486	(175 420 101)	(16 178 340)	(174 637 617)
Transfers from other funds	6, 11.3	6 946 486	27 844 897	-	10 325 041

Transfers to other funds	7	-	(18 708 011)	(19 482)	(18 727 493)
Unclaimed benefits	8				
Benefits	8	-	(150 076 307)	(16 158 858)	(166 235 165)
Net income after transfers and benefits (carried forward)	10	21 089 299	145 191 661	5 128 632	171 409 529
Funds and Reserves		5 212 871	1 334 671 132	12 492 743	1 352 376 746
Balance at beginning of period		-	1 310 504 420	30 447 268	1 340 951,688
Actuarial adjustments	17	-	13 583 580	(23 671 268)	(10 087 688)
Prior period adjustments	14	5 212 871	10 583 132	5 716 743	21 512 746
Balance at end of period		26 302 170	1 479 826 793	17 621 375	1 523 786 338

NOTE TO THE SUMMARY FINANCIAL STATEMENTS

The full Annual Financial Statements of the Orion Pension and Provident Funds can be requested from the office of the Principal Officer.

BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS

The summary financial statements on the previous pages were derived from the regulatory financial statements of the Orion Namibia Pension Fund and Provident Fund for the year ended 30 June 2020. The summary financial statements are prepared in accordance with the criteria set by the Management Board with the purpose of providing a high-level overview of the financial position of each Fund as well as other relevant income and expenses. As such, these summary financial statements should not form the basis for any investment decision. All such decisions should only be taken after studying the full set of audited annual financial statements.

PROFESSIONAL SERVICE PROVIDERS

ACTUARY/VALUATOR

Nicolaas Smit

i3 Actuaries and Consultants

PO Box 80560, Windhoek, Namibia

1st floor Corner of Feld and Jan Jonker Roads, Windhoek, Namibia

AUDITORS

PricewaterhouseCoopers

PO Box 1571, Windhoek, Namibia

344 Independence Avenue, Windhoek, Namibia

BENEFIT ADMINISTRATORS

Old Mutual Life Assurance Company (Namibia) Limited

PO Box 165 Windhoek, Namibia

9th floor, Mutual Tower, 223 Independence Avenue,

Windhoek Namibia

INVESTMENT CONSULTANT

NMG Consultants & Actuaries (Namibia) Limited

PO Box 13393, Windhoek, Namibia

3rd floor Office Towers, Maerua Mall, Jan Jonker Road

Windhoek, Namibia

INVESTMENT MANAGER

Namibia Asset Management Limited

PO Box 23329, Windhoek, Namibia

1st floor, Millennium House, Corner of Robert Mugabe

Avenue & Dr AB May Street, Windhoek, Namibia

Allan Gray Namibia Unit Trust Management Limited

PO Box 230, Windhoek, Namibia

Gams Building, AM Weinburg Estate

13 Jan Jonker Road Klein, Windhoek, Namibia

Capricorn Asset Management (Proprietary) Limited

PO Box 284, Windhoek, Namibia

4th floor, Capricorn House, 119 Independence Avenue,

Windhoek, Namibia

RISK INSURER

Old Mutual Life Assurance Company (Namibia) Limited

PO Box 165, Windhoek, Namibia

9th floor, Mutual Tower, 223 Independence Avenue,

Windhoek, Namibia

ORION NAMIBIA ADMINISTRATION DETAILS

Old Mutual Life Assurance Company (Namibia) Limited

Old Mutual Corporate Namibia

PO Box 165, Windhoek, Namibia

9th floor, Mutual Tower, 223 Independence Avenue, Windhoek Namibia

061 299 3999 (reception)/061 299 3939 (call centre)

Registration Number: 97/081

REGISTERED OFFICE OF THE FUND

Mutual Tower, 223 Independence Avenue, Windhoek Namibia

Contact Details: 061 299 3999



Old Mutual Life Assurance Company (SA) Limited is a licensed FSP and Life Insurer.