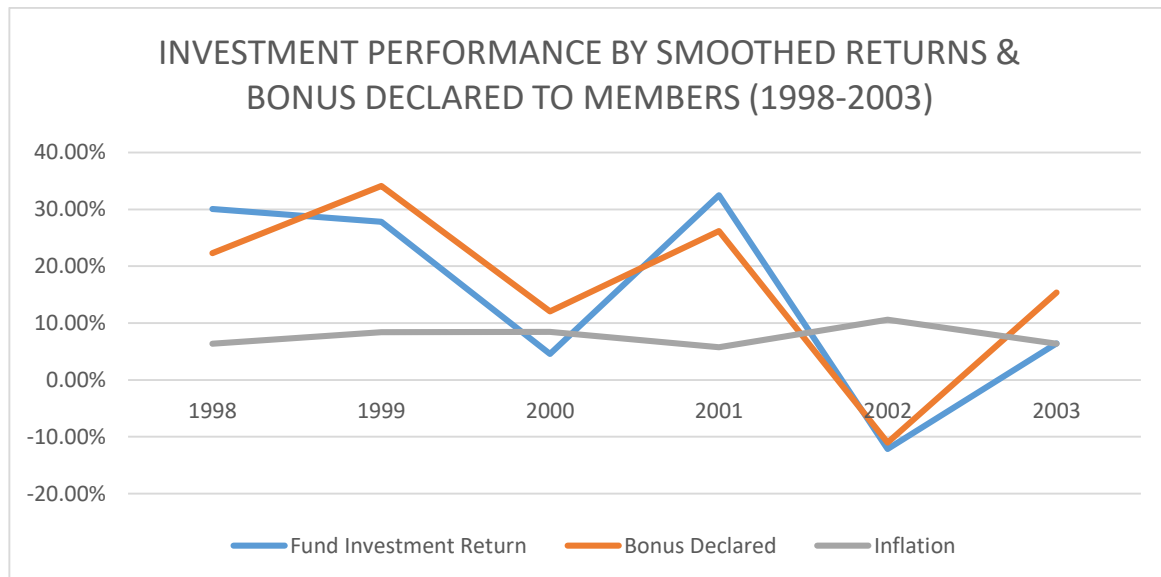


### DEBSWANA PENSION FUND INVESTMENT RETURN HISTORY

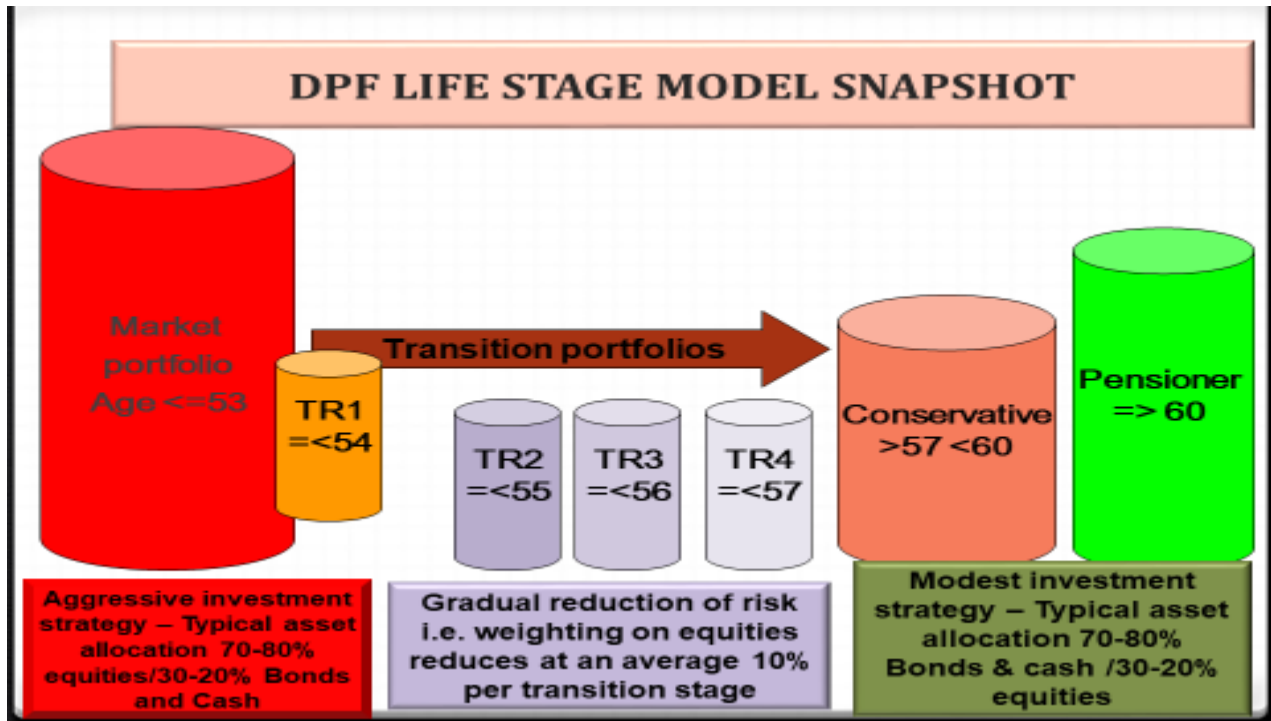
Debswana Pension Fund prides itself with a superior investment performance history as illustrated in the statistical data below. In the period leading to 2004, Debswana Pension Fund’s Investment Strategy was based on a smoothed return process. Under this Investment Strategy, members were awarded investment return bonuses equally across the board based on market performance subsequent to a bonus declarations.

SMOOTHED RETURNS (1998 up to 2003)			
	Fund Investment Return	Bonus Declared	Inflation
1998	30.08%	22.30%	6.37%
1999	27.82%	34.11%	8.41%
2000	4.55%	12.03%	8.48%
2001	32.49%	26.20%	5.75%
2002	-12.13%	-11.00%	10.60%
2003	6.45%	15.40%	6.37%



During the 5 year period leading to 2001, the Fund earned record returns which exceeded inflation by a large margin. However, in 2002 capital markets experienced a significant selloff which negatively affected the Fund’s performance. Pension Fund members approaching retirement were hardest hit with a 12.13 percent decrease on their fund credits during the year, which left immediate retirees with reduced pension savings.

Following the 2002 experience, the DPF Board of Trustees reviewed and identified the Life Stage Investment Model as the best way to mitigate and minimize future potential losses for vulnerable members. The general principle of the Life Stage model is to invest member funds based on their presumed risk appetite. Capital preservation for near retirees is therefore pursued through reduced exposure of their assets to high risk investment instruments. Conversely, Members far from retirement are invested aggressively in high risk-high yield vehicles. Under Life Staging, member assets are split into three portfolios that have different investment objectives. Market portfolio (ages from 18 - 53) Conservative Portfolio (age 57 - 60) and a Pensioner Portfolio (above 60). Accordingly, the Life Stage investment model was effected in 2004.



## Investment objective of the Life Stage Model:

1. The primary investment objective of the Market Portfolio is to provide a net real return of 4.71 percent per annum over any rolling 5 year period (after management fees, tax and other costs)
2. The investment objective of the Conservative Portfolio is to earn a net real return of 4.21 percent per annum any rolling 5 year period (after management fees, tax and other costs)
3. The pensioner liabilities have been valued at an interest rate of 4 percent per annum. This means that the pensioner assets need to earn a net real return of 4.11 percent p.a. (after management fees, tax and other costs) in order to grant pension increases that match or exceed inflation.

LIFE STAGE MODEL - PERFORMANCE SINCE INCEPTION					
	Market Channel	Conservative Channel	Pensioner Channel	Total Fund	Inflation
2005	32.90%	21.00%	26.90%	31.20%	11.40%
2006	33.90%	20.90%	27.90%	32.40%	8.50%
2007	16.60%	15.30%	17.50%	16.80%	8.20%
2008	-15.20%	-6.20%	-7.30%	-12.90%	13.70%
2009	15.90%	16.50%	15.20%	15.70%	5.80%
2010	7.50%	7.40%	7.10%	7.40%	7.40%
2011	10.60%	10.70%	11.70%	10.90%	9.20%
2012	16.70%	11.10%	13.80%	15.40%	7.40%
2013	28.90%	17.70%	22.10%	26.00%	4.10%
2014	11.50%	9.70%	11.00%	11.20%	3.80%
2015	13.60%	10.90%	12.60%	13.10%	3.10%
2016	3.01%	3.41%	2.69%	2.91%	3.00%
2017	7.87%	5.10%	5.35%	6.86%	3.20%
2018	0.45%	2.13%	2.03%	1.10%	3.50%
14 year annualized return (2005-2018)	12.43%	10.15%	11.64%	12.10%	6.54%

