



Annual General Meeting 2019

AGENDA

Date: 28 June 2019 at 12:00

Venue: NamPower Convention Centre

cnr. Goethe & Dr. Kenneth David Kaunda Street, Windhoek

ENCLOSED

IN THIS

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Can NMC increase the Clinical Psychology benefit?

Can NMC consider increasing Chronic medication benefit?

Can NMC revisit the Savings Plan Option?

Can NMC look into restructuring medical aid benefits such that people pay for the benefits they are using

Can NMC consider a specific package of benefits for pensioners?

1. AGENDA

1.1	Opening and Welcome	<i>Chair</i>
1.2	Constitution of the Meeting	<i>PO</i>
1.3	Approval of the 2018 AGM Minutes	<i>Chair</i>
1.4	Chairperson's and Administrator's Reports	<i>Chair & FA</i>
1.5	Executive Review by the Actuary	<i>NS</i>
1.6	Investment Overview by the Investment Consultant	<i>HK</i>
1.7	Approval of the Annual Financial Statements 31 December 2018	<i>Chair</i>
1.8	Approval of the Trustee Remuneration	<i>PO</i>
1.9	Other Matters	<i>NS</i>
1.10	Closing	<i>Chair</i>

2. NMC BOARD OF TRUSTEES/AUDITOR/ACTUARY/ INVESTMENT CONSULTANT – 2019

- 2.1 **Board of Trustees:** *Chairperson:* T. Smit, *Deputy Chairperson:* P. Mutota
Trustees: D. Brinkman, B. Seibes, E. Mudjanima, M. Spath, J. Eixab, R. Haihambo,
Dr. C. Karamata, Dr. E. Mansfeld.
- 2.2 **Principal Officer:** A. Begley
- 2.3 **Auditor** - PWC
- 2.4 **Actuary** - i3 Actuaries
- 2.5 **Investment Consultant:** NMG

3. 2018 AGM MINUTES

Minutes of 29 June 2018 Annual General Meeting of Namibia Medical Care Held at NamPower Convention Centre, cnr. Goethe & Dr. Kenneth Kaunda Street, Windhoek At 12h00.

PRESENT

The Chairperson, T. Smit, together with 47 members and 2161 proxies.

Officials in Attendance:

R Izaks	Trustee
A. Benjamin	Trustee
R Coomer	Trustee
V. Malango	Trustee
S. Mbidhi	Trustee
T. Smit	Trustee
A. Begley	Principal Officer
B. Nandago	Fund Manager
F. Amulungu	Administrator
O. Ferrari	Administrator
N. Nel	Administrator
N. Smit	Actuary
H. Klee	Investment Consultant
E. Emvula	NAMASSET
T. ya Shiimi	Sanlam Investments
S. Nell	Sanlam Investments
A. Kairi	Sanlam Investments
J. Coetzee	Auditor
D. van Wyk	Auditor
L. Pretorius	Auditor
R. KEFAS	NAMFISA
S. Tjiuoro	NAMAF

3.1 OPENING AND WELCOME

The Chairperson welcomed all attendees with a special welcome to the Trustees, the Investment Consultant, Actuary, NamAsset, NAMAF, representatives from the Auditor, NAMFISA and the Administrator.

3.2 CONSTITUTION OF THE MEETING

Notice of the annual general meeting was published in the Namibian on the 2nd and 23rd June and Die Republikein on 29th May and 3rd June 2018. Notice of the 2018 AGM was placed on the

NMC Facebook page throughout the month of June 2018. The notice, the agenda of the meeting and the annual financial statements for the 2017 financial year were made available to members on the NMC website. The notice was taken as read and the Principal Officer announced that the meeting was duly constituted with 47 members in attendance and 2,161 proxies

3.3 ELECTION OF TRUSTEES 2018 - 2021

Ballot sheets were handed out at registration to all members present at the meeting. PO explained the voting process and requested the members to cast their votes.

3.4 APPROVAL OF THE 2017 AGM MINUTES

The 2017 Minutes were approved.

3.5 CHAIRPERSON AND ADMINISTRATOR'S REPORTS

The Chairperson presented his report and Mr. Amulungu read the Administrator's Report for 2017.

3.6 EXECUTIVE REVIEW BY THE ACTUARY

The Actuary to the Fund, Mr. Nico Smit, presented his Actuarial Report for 2017. Nico Smit reported that NMC ended 2017 in a financially sound position.

Results of Key Indicators:

Solvency Level:	33%
Contribution Income:	N\$1, 338 million
Underwriting Result:	N\$43.7 million
Investment Returns:	N\$36.8 million
Contribution to Reserves:	N\$80.5 million
Total Reserves:	N\$441.3 million

Nico Smit informed the members that the Fund's membership growth decreased by 1.7% over 2017. Most of the options observed a slight decrease in membership. However, the Fund was actively engaged in marketing activities to attract and retain members.

With regards to contribution and benefits, Nico reported that the 2017 average increase was 6%.

The components of the increase was as follows:

Medical Inflation:	5.9%
Utilisation:	1%
Benefits and Reserves:	(0.9%)

Many benefit limits were increased from 2017 to 2018

Thinus Smit *Chairperson*

4. CHAIRPERSON'S REPORT

NMC was registered as a Medical Aid Scheme in 1995, making it one of the oldest Medical Aid Schemes in Namibia. The Vision and core purpose is to serve members by converting unplanned medical expenses into affordable medical costs. This has become the daily attitude and lifeblood of NMC, including administrators – Methealth Namibia who service the members

Bank of Namibia, in its Economic Outlook Update December 2018, reported that domestic economy is estimated to contract by 0.2 percent in 2018, which is lower than the positive 0.6 percent growth that was projected in July 2018.

The downward revision in the 2018 growth was mainly reflected in tertiary industries upon an indication that growth in sectors such as wholesale and retail trade, real estate and business services, hotels and restaurants, government sectors and taxes on products are likely to be significantly lower than earlier anticipated. Risks to domestic growth include a weak recovery in the country's trading partners and slow recovery in international commodity prices, particularly for uranium.

The Fund did not experience the expected budgeted growth during the financial period under review. Having said that, I want to underline that the financial performance of the Fund in the current market conditions was very good. This fund is financially sound with stable reserve levels, NMC as a fund paid a total of N\$ 1 237 105 through claim payments to Health care professionals (medical service providers).

Membership numbers decreased in 2018 from 29 610 in the corresponding year of 2017 to 29 550 main members and a combined total membership of 66 877 down from 66 885 (main members and dependants). This was mainly as a result of members that did not honor their contract payment obligations.

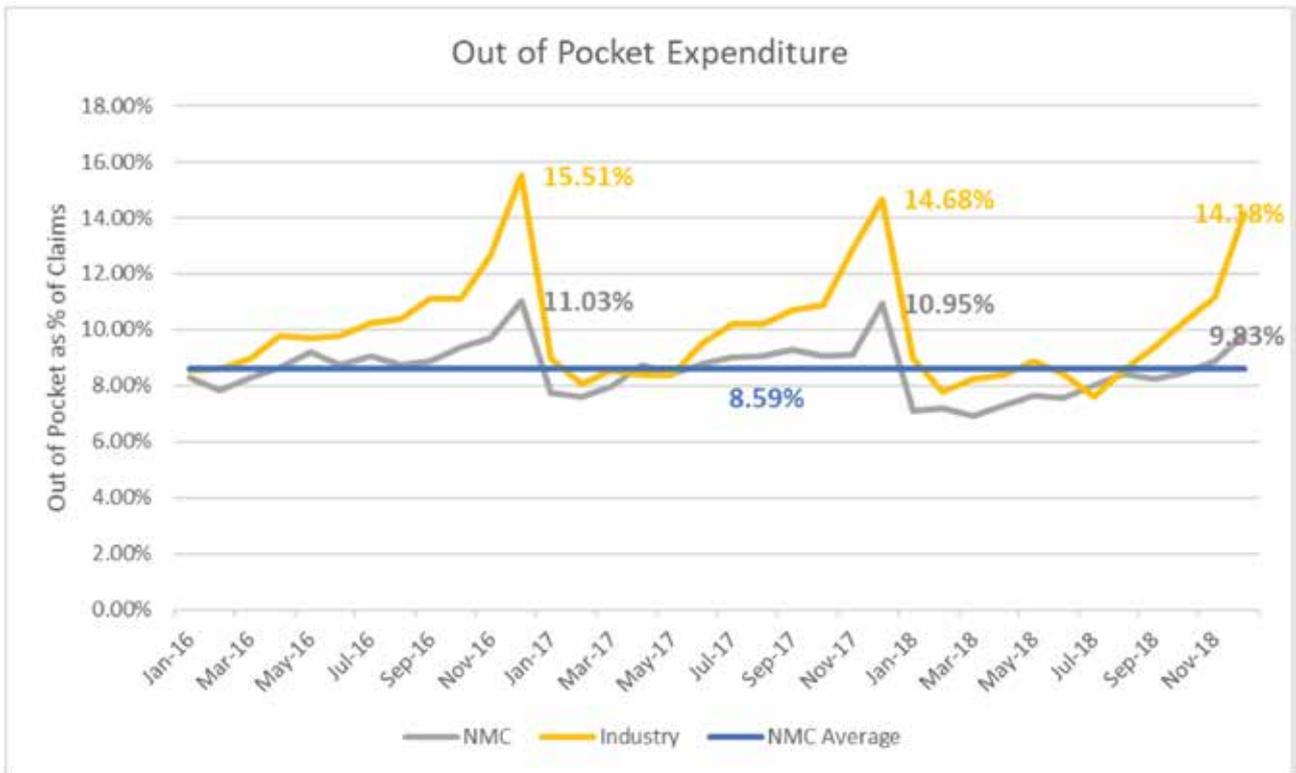
Reserve levels reported at 31 December 2018 was at 35% compared to 2017 of 33%.

Financials – The Fund reported a net surplus of N\$ 36 209 million from its operations amounting to N\$ 16 740 million before net investment returns of N\$ 19 469 million.

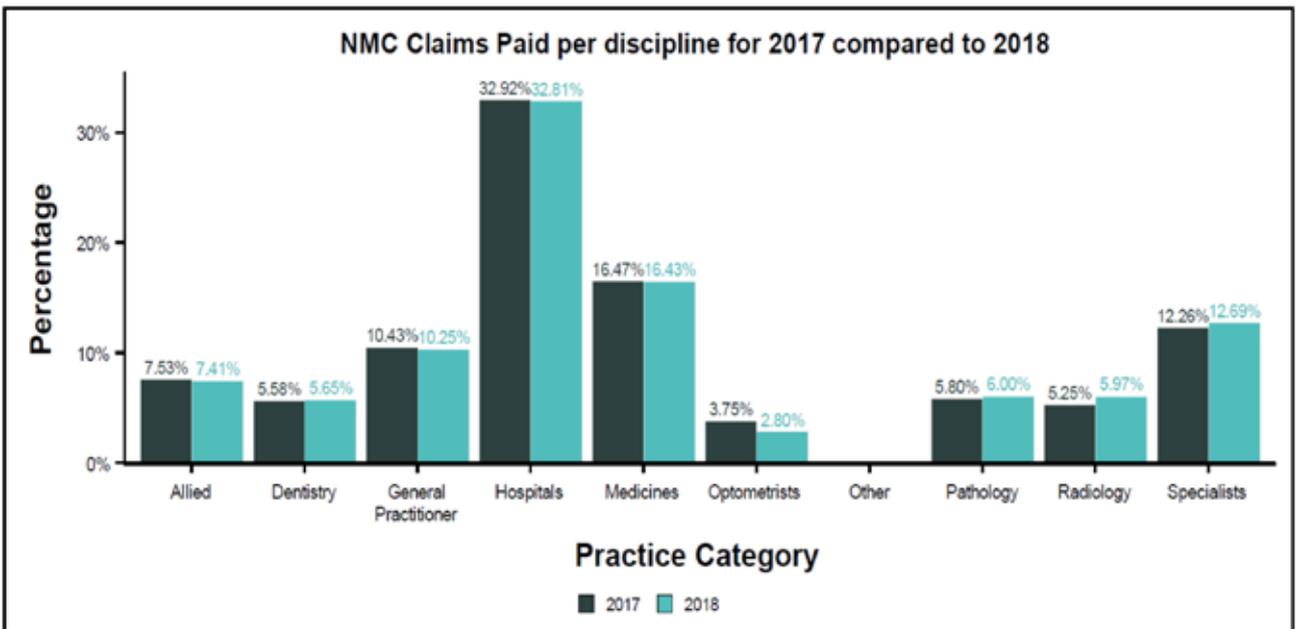
Claims Experience

The average benefits paid per life per year for NMC increased by 6.29% in the twelve month period leading to 30 December 2018, compared to the twelve month period leading to 30 December 2017. The average benefits paid per life per year for the rest of the industry increased by 9.14% in the twelve month period leading to 30 December 2018 .

NMC strives to backup lives and the chart following indicates this.



The figure below shows the change in the distribution of claims between disciplines from 2017 to 2018.



No major variances as from the previous financial year. The lions share of claims is still from Hospitals followed by medicine. This underlines the importance of a proper medical cover for the unforeseen via a Medical Aid Scheme.

Added Benefits - The implementation of the Mobile App improved the NMC member experience. Accurate communication to the members that assists the members to practice proper benefit management on their side is of utmost importance. The strategic goal of the Fund is to add important benefits and adjust the current ones to fit the needs of the members. These benefits include the comprehensive Lifestyle Management Programme, emergency evacuation, premium waiver in case the principal member passes away, the additional hospital benefit, ex gratia policy, the HIV/AIDS programme and international medical travel insurance.

Corporate Social Responsibility - NMC continues to support Mister Sister, a not-for-profit entity that delivers mobile primary healthcare services to people living in rural areas of Namibia. NMC makes a monthly contribution to this worthy cause.

The Financial assistance trust that receives funds from NMC and Methealth enabled 9 medical and pharmaceutical students to continue with their studies for 2018.

NMC is facing challenges from a number of areas. Affordability versus the cover offered remains one. The team is constantly reviewing the options to ensure the correct cover for the lifestyle of the members

In Closing - On behalf of the Board of Trustees I wish to thank the following:

- Our loyal members for their support and encouragement.
- Our Principal Officer and her office for their dedication and hard work.
- The Health Professionals for their commitment in taking care of our members.
- The Methealth Namibia Administrators, i3 Actuaries, NamAsset, Sanlam Investment Managers, Old Mutual Investment Managers, Prudential Investment Managers and NMG Consultants for their contribution to the Fund.

Thinus Smit
Chairperson,

5. ADMINISTRATOR'S REPORT

The retrenchment of employees remains a challenge during 2018 and 2019 so far, due to continuous economic hardship. Obviously this continued to lead to the decline in membership within the medical aid industry, including NMC. The Administrator continues to position the Fund as the most attractive partner during this difficult economic time. As such, the Fund introduced a comprehensive, affordable option Jade in 2018, which was welcomed by members with a sizable take-up. The Fund continued to show good returns with a net healthcare result and reserve building.

With regards to service delivery, we continue to improve on:

- Continuously embracing a client-centred approach through revamping Client Service Offices (including branches) programme, newly revamped Call Centre and a new separate helpdesk for service providers, just to highlight a few.
- Turnaround times by introducing online claiming for more service providers.
- Taking over the complete administration of all options starting June 1st 2019, including the day-to-day benefits administration of Topaz & Topaz Plus.
- The introduction of the newly upgraded POS (Point of Service) devices for Biometric verification.

Methealth Namibia Administrators would like to thank NMC Board of Trustees and the Principal Officer, as well as the members of the Fund, stakeholders and health professionals for their continued confidence and support. I can end surely on this note and confidently conclude that, together, we have established a strong partnership.

6. EXECUTIVE REVIEW BY THE ACTUARY



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SAND CITY INVESTMENTS FIFTY (PTY) LTD

Registration Number: 2014/0017

11 June 2019

Alison Begley
Principal Officer
Namibia Medical Care

Actuarial Report for 2019 Annual General Meeting

This report will provide information on various aspects of the financial performance of Namibia Medical Care over the past year.

1. Financial Performance

The Namibia Medical Care Fund ("NMC" or "the Fund") ended 2018 in a healthy and satisfactory financial position.

The current financial goal of the Trustees of NMC is to maintain the Solvency Ratio at close to 30%. The Trustees believe that at this level of solvency, the Fund will be able to withstand all likely financial shocks without endangering the ability of the Fund to pay all valid claims as they fall due. It is also not desirable for the Fund to build up excessive reserves as this will have a negative impact on the value of money its members receive. The regulatory minimum guideline is to have a Solvency Ratio of 25%.

At the end of 2018, the Solvency Ratio of NMC was equal to 34.7%. This is the seventh consecutive year that the Fund has managed to maintain a Solvency Level very close to the target. The Solvency Ratio increased from 33.0% reported at the end of 2017 despite the Fund generating a lower operating surplus of N\$16.9 million in 2018, compared to N\$43.7 million generated in 2017.

The Fund also managed to generate an additional N\$19.3 million in net investment returns. The investment strategy is designed to deliver stable returns in excess of medical inflation. The total surplus for the year amounted to N\$36.2 million. This is much lower than the N\$80.6 million generated in the previous year.

The expenses ratio slightly increased to 8.9% of total contributions in 2018 from 8.5% in 2017. This is however much lower than the open fund industry average of over 11%. The Fund maintained an expense ratio below 10% for five consecutive years.



All the options of NMC managed to deliver a satisfactory financial result over 2018. In our view this is an indicator of a financially healthy fund. The financial performance of each option is analysed and monitored on a continuous basis and the aim is to ensure a consistent performance across all options as this will avoid cross-subsidies between options and will allow the Fund to implement similar increases for all the options which in turn, reduces the risk profile of the Fund.

2. Membership

While the Fund managed to attract new members over the course of 2018. The total number of members decreased from 29 610 at the end of 2017 to 29 550 at the end of 2018. This represents a decrease of 0.2% over the year. The new Jade option attracted 1 072 new members at the end of 2018, with most members migrating from other options, most especially Sapphire, Ruby and Opal. Most options observed a slight decrease membership, with Diamond and Topaz options showing the highest level of decrease in membership.

The rate of growth has slightly improved from the previous year, where a decrease in membership of 1.7% was observed over the year. Overall, the industry is experiencing a decline in membership due to the current economic hardship. The Fund is however actively engaged in marketing activities to attract and retain members.

It is beneficial to a medical fund if it can attract new members and consistently increase its total membership size every year as this would generally avoid the situation whereby, on average, the members of the Fund would grow older every year. The membership growth does however place pressure on the Solvency Ratio of the Fund and it places pressure on the Fund to ensure that the new members that it attracts, are relatively younger and healthy members. This will keep the risk pool healthy and thereby benefit all the members of the Fund.

3. Contributions and Benefits

The contributions and benefits of all the options offered by NMC is reviewed on an annual basis. This is done to ensure that the benefits remain relevant and competitive and to allow for the impact of the annual medical tariff adjustments (also called medical inflation).

The change in the contribution tables for each option is driven by three main factors. These are the annual tariff adjustments, the increase in utilisation (members tend to use the services more often and this includes the impact of newer and more expensive treatments and medicines) and then the increase due to benefit changes and allocations to the reserves. These three factors are different for each option, but on average for the fund, these values were as follows for the last year:

Tariff Adjustments	6.25%
Utilisation Adjustments	1.00%
Benefits and Allocation to Reserves	0.15%

The total average increase amounted to 7.4%. The actual increase for 2019 was 7.0% for individual and 7.5% for groups.



Many benefit limits were increased for the 2019 benefit year to ensure that these remain reasonable compared to the cost of treatments and the other open funds.

The reduction in premiums for single parent families was increased from 7.5% to 12.5% effective 1 January 2018 and remained at 12.5% for 2019 benefit year.

4. Outlook

We expect that the Fund will maintain its strong financial position in the near future and it is expected to be able to withstand all likely financial and other risks to which it is exposed. The membership growth has been reasonable over the first few months of the year and the claims experience is slightly higher than we anticipated.

In the absence of any other adverse events, we expect that the contribution increases will broadly follow the increase in the medical tariffs for the 2019 year.

Yours sincerely



Nico Smijt

B.Comm | FASSA | FSAN

In my capacity as an Actuary

For and on behalf of i3 Actuaries and Consultants





Investment Report: 31 March 2019

Executive Summary

Market Values of Investments

	Date	Market Value	%	Date	Market Value	%
NAM Capital Plus Fund	31 Dec 2018	100,294,153	18.4	31 Mar 2019	108,111,036	18.7
Old Mutual Absolute Stable Taxed Investment	31 Dec 2018	163,808,285	30.1	31 Mar 2019	169,161,019	29.3
Prudential Inflation Plus	31 Dec 2018	102,874,693	18.9	31 Mar 2019	111,015,984	19.2
SIM Absolute Managed Fund	31 Dec 2018	162,808,807	29.9	31 Mar 2019	173,597,380	30.1
Direct Property	31 Dec 2018	15,035,000	2.8	31 Mar 2019	15,035,000	2.6
Total Fund	31 Dec 2018	544,820,938	100	31 Mar 2019	576,920,419	100
Bank Account	31 Dec 2018	95,535,641	100	31 Mar 2019	46,850,265	100

Cash Flows for Investment

Cash flows include investments and disinvestments made by the Fund and exclude investment charges, custodian fees, brokerage and other charges.

The cash flow policy is as follows:

* NAM Capital Plus 20%, SIM Absolute Managed 30%, Old Mutual Absolute Stable Taxed Investment 30%, Prudential Inflation Plus 20%.

	First Month	Second Month	Third Month	Cash Flow for the Quarter
NAM Capital Plus Fund	—	3,000,000	—	3,000,000
Old Mutual Absolute Stable Taxed Investment	—	4,500,000	—	4,500,000
Prudential Inflation Plus	—	3,000,000	—	3,000,000
SIM Absolute Managed Fund	—	4,500,000	—	4,500,000
Direct Property	—	—	—	—
Total Fund	—	15,000,000	—	15,000,000
Bank Account	1,488,233	-11,271,549	-39,946,145	-49,729,461

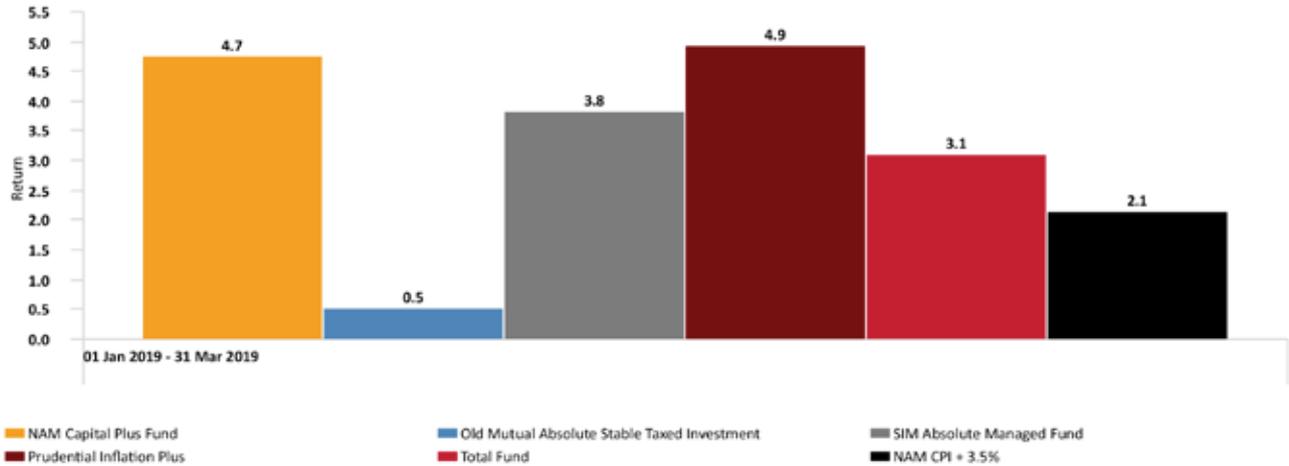
Please note: The cash flow policy was followed for the quarter in line with the Fund's Investment Policy Statement.

Quarterly Performance

	01 Jan 2019 - 31 Mar 2019	01 Oct 2018 - 31 Dec 2018	01 Jul 2018 - 30 Sep 2018	01 Apr 2018 - 30 Jun 2018
NAM Capital Plus Fund	4.7	-2.5	0.6	3.0
Old Mutual Absolute Stable Taxed Investment	0.5	0.8	1.4	0.9
Prudential Inflation Plus	4.9	-1.5	2.4	2.3
SIM Absolute Managed Fund	3.8	-1.0	1.8	3.3
Direct Property	—	—	—	—
Total Fund	3.1	-0.8	1.5	2.2
NAM CPI + 3.5%	2.1	1.8	2.2	1.8
Bank Account	1.1	1.1	1.1	1.1
JG Money Market GR NAD	1.8	1.9	1.9	1.9

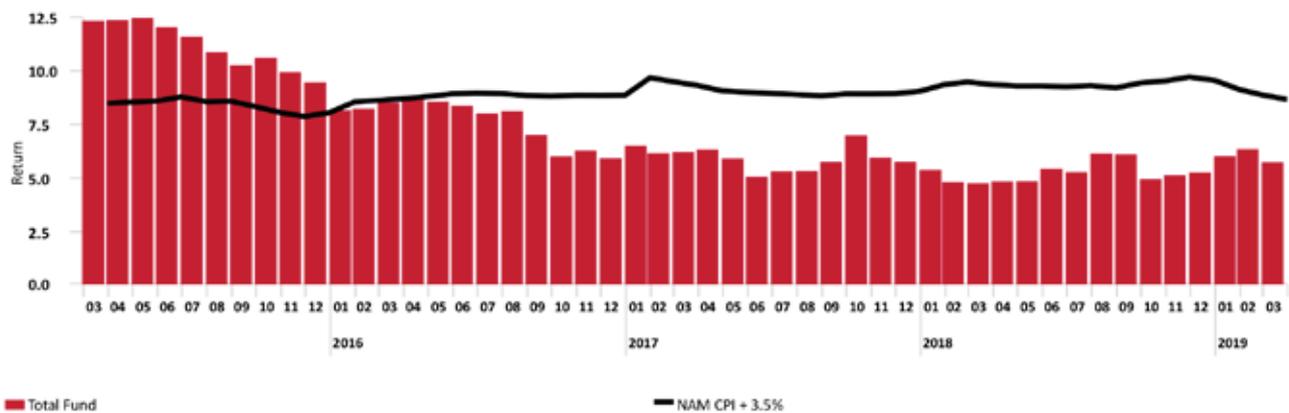
Executive Summary

Manager vs Benchmark: Return



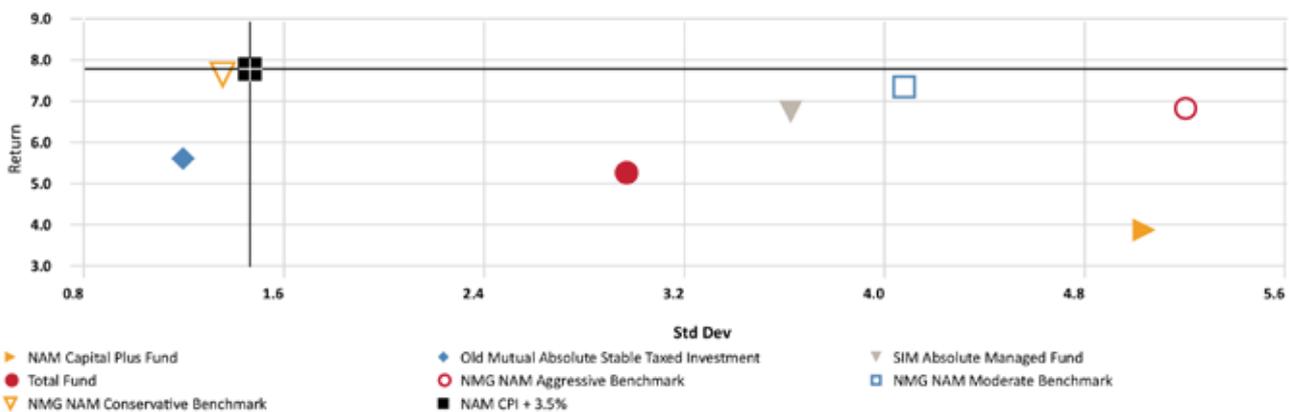
Rolling Returns as per Fund's Investment Policy Statement (IPS)

Rolling Window: 3 Years 1 Month shift



Risk-Reward

Time Period: Since Common Inception (01 Jun 2017) to 31 Mar 2019



Introduction

The purpose of this report is to:

- Monitor the cash flows for investment purposes,
- Monitor the investment performance of the Fund's investment managers, and
- Monitor the overall return of the Namibia Medical Care Fund

Performance monitoring is necessary to enable the Fund's Trustees to make informed decisions about the placement of the Fund's investments.

Regular reporting encourages the Fund's managers to achieve the maximum possible return within the Fund's risk parameters since the Trustees will be aware of their performance relative to their benchmark and their peers. Returns are based on the financial year of the fund i.e. from January to December.

The returns calculated are net of investment charges (asset management fees, brokerage fees etc.) and reflect the returns earned on the market value of the portfolio.

The Fund's assets were managed by Namibian Asset Managers (NAM) Capital Plus Fund and Sanlam Investment Managers (SIM) Managed Fund. At a meeting held on 4 April 2017, the Trustees resolved to include 2 new managers, Old Mutual Absolute Stable Taxed Investment and Prudential Inflation Plus.

The SIM, NAM and Prudential Inflation Plus portfolios are managed on an absolute return mandate, with a moderate risk profile. Old Mutual AGP Stable Taxed Investment is an insurance policy with a conservative risk profile. All portfolios aim to achieve returns more than Namibian inflation, while being cognisant to protect capital over the long-term. Short-term negative returns may occur. They are managed on a segregated and pooled basis.

The strategic asset allocation as from 04 April 2017 below:

Asset Manager	%
SIM Absolute Return	30%
NAM Capital Plus Fund	20%
Old Mutual Absolute Stable Taxed Investment	30%
Prudential Inflation Plus	20%

The following individual benchmarks apply:

Asset Manager	Benchmark
SIM Absolute Return	CPI + 4.0%
NAM Capital Plus Fund	CPI + 4.0%
Old Mutual Absolute Stable Taxed Investment	CPI + 4.5%
Prudential Inflation Plus	CPI + 4.0%

For reporting purposes, the overall benchmark of the Fund was changed to CPI + 3.5% from CPI + 4.5%, effective from July 2014.

The Fund purchased Section No 1, as shown and more fully described as Sectional Plan no. 39/2007 in the building or building known as Verna Court, situated at Windhoek, in the Municipality of Windhoek, with a floor area of 301 square meters. The Property was bought for N\$ 6,200,000. The current market value of the property is estimated at N\$ 15,035,000 as per the May 2018 valuation.

We trust this information is of value to you.

Market Overview

The first quarter of 2019 brought some welcomed relief from the dampened return seen during 2018, as the markets generally started the year on a positive note. Although the risks experienced during 2018 have not disappeared, markets were able to rebound somewhat.

The SA equity market displayed three consecutive months of positive returns, up nearly 8% for the first quarter, driven by general risk-on sentiment. However, in Namibia the NSX Local and Overall indices were more muted, with quarterly returns of 2.1% and 2.3% respectively. Resources were the main drivers, whereas financials were marginally down in both Namibia and South Africa.

The US-China trade war trend took a back seat as the March deadline for an agreement was pushed out as the two nations agreed to continue discussions for a final deal. However, Brexit, one of the other large geopolitical risks, continued to be no easy feat. After numerous rejections, the deadline of 29 March 2019 for Britain to exit the EU was eventually pushed out to the 12 April, whereby the UK will have to chart a new Brexit path to present to the EU.

The Namibian Dollar couldn't escape these risks, and had a rocky quarter. Strengthening came from announcements of no more interest rate hikes from the US Fed, to major weakening due to South African Eskom woes, Brexit uncertainty and policy concerns in Turkey to name a few. However despite this, the Namibian Dollar managed to end the quarter on almost flat on the same level as we started the year around N\$14.4/\$.

Namibian bonds strengthened over the quarter, returning around 4%. With the regulation changes requiring more investment in Namibian assets, the demand for bonds has increased and driven down yields, contributing to Namibian bonds returning over 10% for the year ending March 2019.

The Namibian economy shrank -1.7% in the fourth quarter of 2018, continuing the country's struggle with a prolonged recession, and marked 11 months of negative growth. The slowdown in mining and construction weighed has on growth, however if these sectors turnaround, the economy could see a potential gradual recovery in 2019. However concerns still exist such as rising government debt levels, and high unemployment which could hamper future growth expectations.

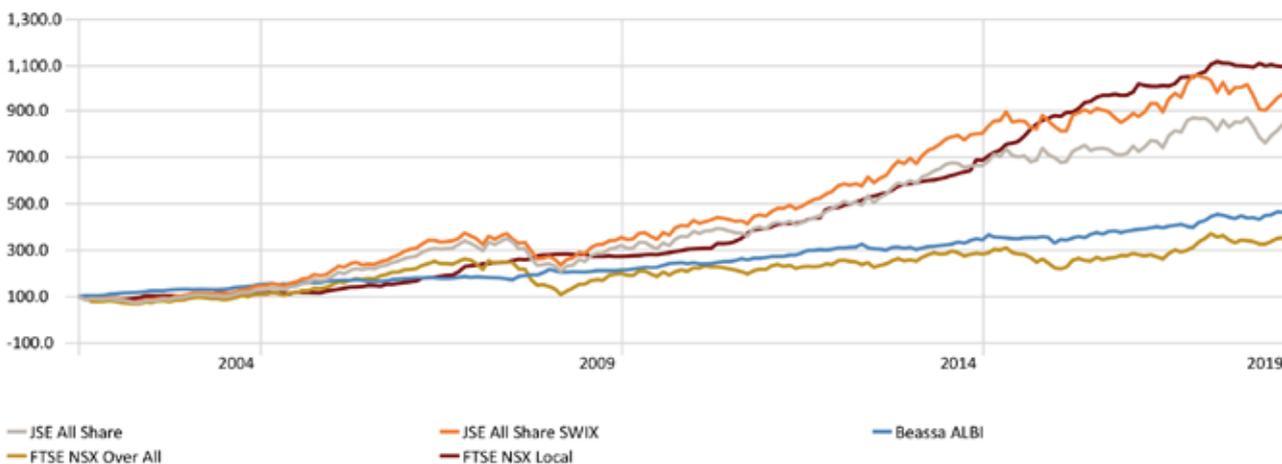
Namibian interest rates were left unchanged at 6.75% by the Bank of Namibia during February, maintaining their attempt to support growth. Namibian inflation reflected an annual rate of 4.4% in February, the lowest inflation in six months. This was mainly due to slowing prices in housing & utilities and alcoholic beverages and tobacco.

Key Indicators as at 31/03/2019

N\$/US\$	N\$14.33/\$
N\$/E	N\$18.75/E
N\$/€	N\$16.11/€
NAM Inflation rate	4.4%
NAM repo rate	6.75%
Oil Price (per barrel)	US\$68.15
Gold Price (per oz)	US\$1292.04

NAM Investment Growth for Selected Indices

Time Period: 25 Jun 2002 to 31 Mar 2019



NAM Investment Growth for Selected Indices

	YTD	1 Year	3 Years	5 Years
JSE All Share	8.0	5.04	5.68	6.50
JSE All Share SWIX	6.0	0.43	3.73	6.17
Beassa ALBI	3.8	3.46	10.11	8.33
FTSE NSX Over All	1.3	-3.93	10.09	4.08
FTSE NSX Local	0.4	-0.81	7.25	12.95

Market Overview

Asset Class Periodic Returns

As of Date: 31 Mar 2019

Best ↑	JSE SA Listed Property 29.6	FTSE NSX Local 28.1	JSE SA Industrials 40.7	MSCI World 57.2	JSE Financial 15 27.8	MSCI World 33.5	JSE SA Resources 34.2	JSE Financial 15 24.4	JSE SA Resources 15.5	JSE SA Resources 17.8
	JSE SA Industrials 27.4	MSCI World 15.9	JSE Financial 15 37.8	JSE SA Industrials 35.0	JSE SA Listed Property 26.6	FTSE NSX Local 28.0	FTSE NSX Over All 23.5	JSE SA Industrials 22.5	Beassa ALBI 7.7	MSCI World 12.9
	FTSE/JSE All Share TR ZAR 19.0	JSE SA Industrials 9.2	JSE SA Listed Property 35.9	FTSE/JSE All Share TR ZAR 21.4	FTSE NSX Local 17.3	JSE SA Industrials 15.3	Beassa ALBI 15.4	FTSE NSX Over All 21.6	STeFI 3 Month 6.9	FTSE/JSE All Share TR ZAR 8.0
	Beassa ALBI 15.0	JSE SA Listed Property 8.9	FTSE/JSE All Share TR ZAR 26.7	FTSE NSX Local 21.3	JSE SA Industrials 16.8	JSE SA Listed Property 8.0	JSE SA Listed Property 10.2	FTSE/JSE All Share TR ZAR 21.0	MSCI World 6.7	JSE SA Industrials 7.4
	JSE Financial 15 14.8	Beassa ALBI 8.9	FTSE NSX Local 23.7	JSE Financial 15 19.8	MSCI World 16.5	STeFI 3 Month 6.1	FTSE NSX Local 9.9	JSE SA Resources 17.9	FTSE NSX Local 3.6	Beassa ALBI 3.8
	FTSE NSX Over All 12.3	JSE Financial 15 6.6	MSCI World 22.5	JSE SA Listed Property 8.4	FTSE/JSE All Share TR ZAR 10.9	FTSE/JSE All Share TR ZAR 5.1	STeFI 3 Month 7.0	JSE SA Listed Property 17.2	FTSE NSX Over All 0.5	STeFI 3 Month 1.7
	JSE SA Resources 12.3	STeFI 3 Month 5.5	FTSE NSX Over All 17.4	STeFI 3 Month 5.0	FTSE NSX Over All 10.2	JSE Financial 15 1.1	JSE Financial 15 3.6	MSCI World 11.4	JSE Financial 15 -4.1	JSE SA Listed Property 1.5
	FTSE NSX Local 11.6	FTSE/JSE All Share TR ZAR 2.6	Beassa ALBI 15.9	JSE SA Resources 1.4	Beassa ALBI 10.1	Beassa ALBI -3.9	FTSE/JSE All Share TR ZAR 2.6	Beassa ALBI 10.2	FTSE/JSE All Share TR ZAR -8.5	FTSE NSX Over All 1.3
	STeFI 3 Month 6.6	FTSE NSX Over All -3.3	STeFI 3 Month 5.3	FTSE NSX Over All 1.3	STeFI 3 Month 5.7	FTSE NSX Over All -21.2	MSCI World -4.6	FTSE NSX Local 9.5	JSE SA Industrials -17.5	FTSE NSX Local 0.4
	Worst ↓	MSCI World 0.9	JSE SA Resources -6.5	JSE SA Resources 3.1	Beassa ALBI 0.6	JSE SA Resources -14.7	JSE SA Resources -37.0	JSE SA Industrials -6.6	STeFI 3 Month 7.1	JSE SA Listed Property -25.3
	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD

- FTSE/JSE All Share TR ZAR
- JSE SA Listed Property
- JSE SA Resources
- JSE SA Industrials
- JSE Financial 15
- Beassa ALBI
- STeFI 3 Month
- MSCI World
- FTSE NSX Local
- FTSE NSX Over All

Nam Asset Class Periodic Returns

	YTD	1 Year	3 Years	5 Years
FTSE/JSE All Share TR ZAR	8.0	5.04	5.68	6.50
JSE SA Listed Property	1.5	-5.68	-3.84	5.63
JSE SA Resources	17.8	41.59	22.19	0.92
JSE SA Industrials	7.4	-3.74	0.60	6.26
JSE Financial 15	-0.4	-3.47	5.27	8.21
Beassa ALBI	3.8	3.46	10.11	8.33
STeFI 3 Month	1.7	6.93	7.07	6.66
MSCI World	12.9	27.32	10.58	14.38
FTSE NSX Local	0.4	-0.81	7.25	12.95
FTSE NSX Over All	1.3	-3.93	10.09	4.08

Total Fund

Fund Information

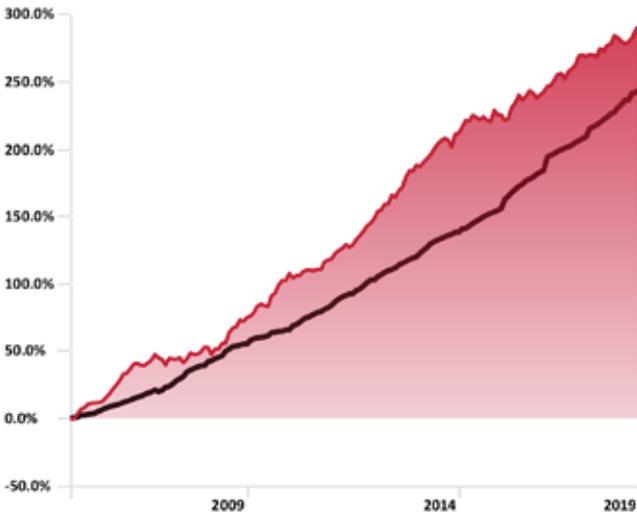
Market Value	576,920,419
Benchmark:	Namibian CPI + 3.5%
Inception Date	01 Nov 2005
Risk Profile	Moderate

Reconciliation of Assets

Opening Market Value at beginning of the Quarter	544,820,938
Cash Flow for the Quarter	15,000,000
Investment Return for the Quarter	17,099,481
Closing Market Value at end of the Quarter	576,920,419

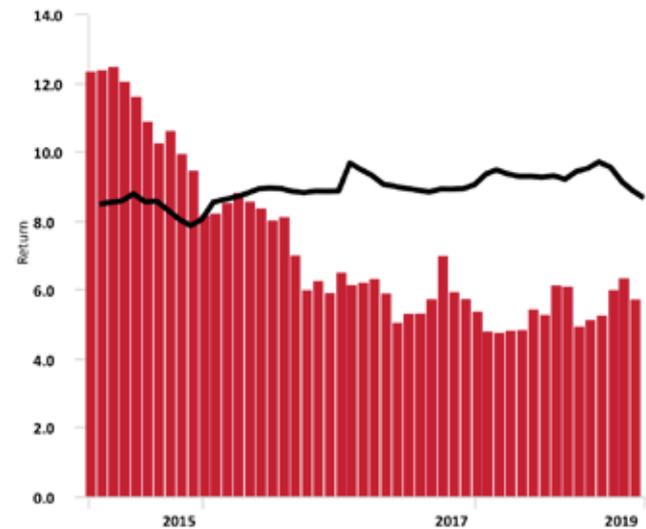
Cumulative Manager Performance

Time Period: 01 Nov 2005 to 31 Mar 2019



Rolling Returns as per Fund's IPS

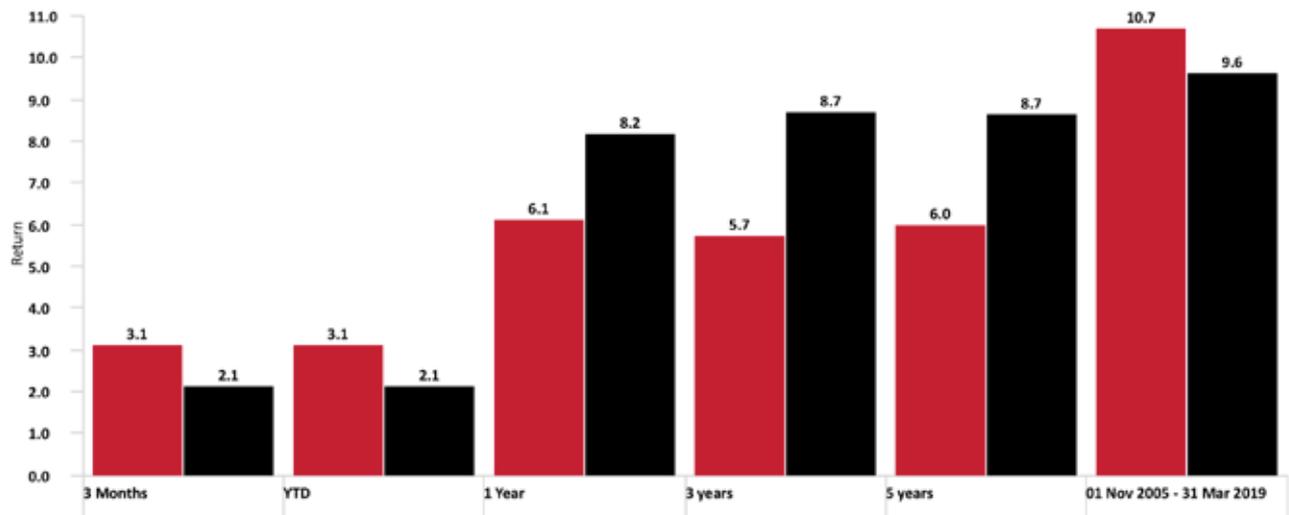
Rolling Window: 3 Years 1 Month shift



■ Total Fund ■ NAM CPI + 3.5%

■ Total Fund ■ NAM CPI + 3.5%

Manager vs Benchmark: Return

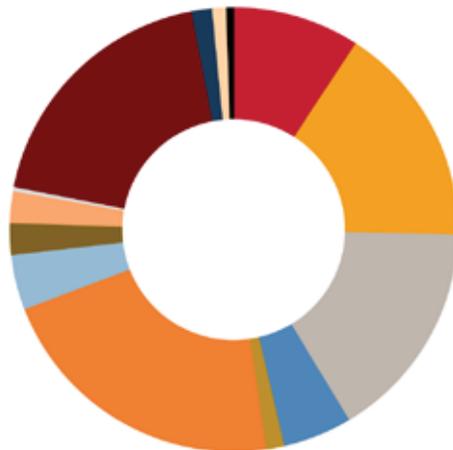


■ Total Fund

■ NAM CPI + 3.5%

Total Fund

Asset Allocation



	%
Namibian Equities	9.2
Namibian Bonds	16.2
Namibian Cash	16.0
Namibian Property	5.0
Namibian Assets	1.3
South African Equities	21.5
South African Bonds	4.0
South African Cash	2.3
South African Property	2.3
South African Other Assets	0.3
International Equity	18.9
International Bonds	1.5
International Cash	1.0
International Property	0.5
Total	100.0

Geographical Split



	%
Namibia	47.7
South Africa	30.4
International	21.9
Total	100.0

Risk Analytics - 5 Years

	Investment	NMG Moderate Benchmark
Return	6.0	8.9
Std Dev	3.6	3.7
Information Ratio (geo)	-1.1	—

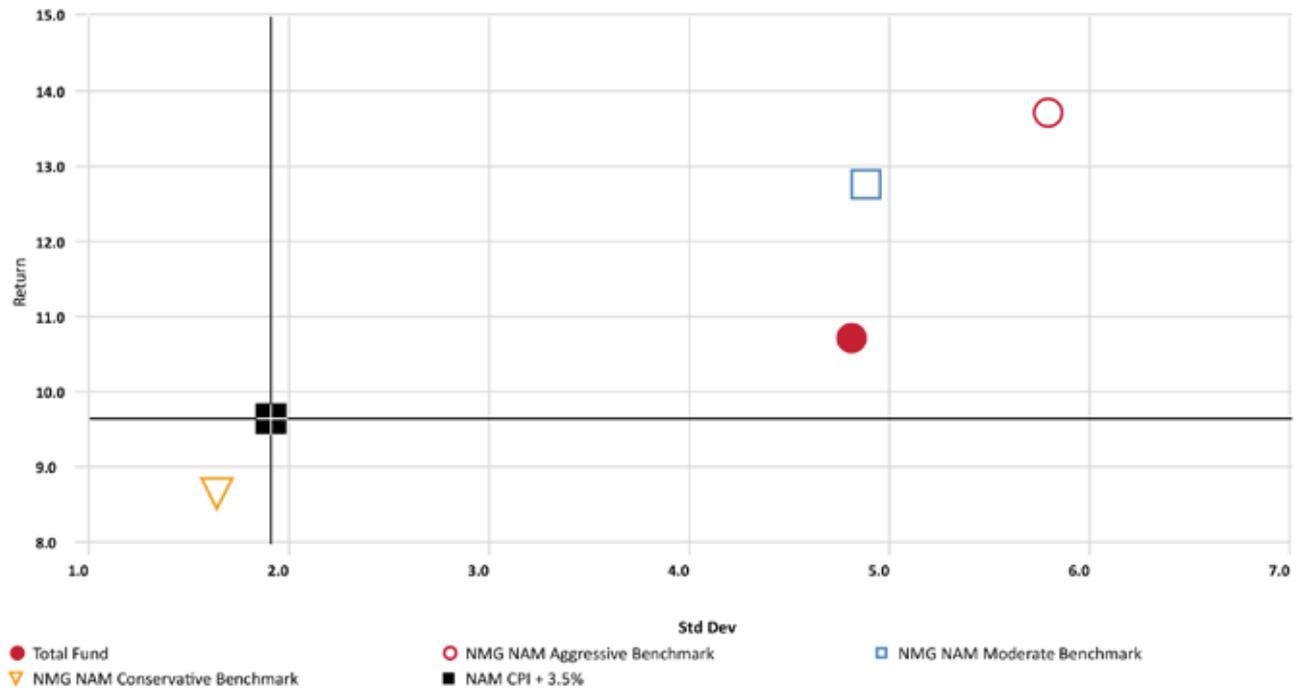
3 Years

	Investment	NMG Moderate Benchmark
Return	5.7	6.9
Std Dev	3.0	3.7
Information Ratio (geo)	-0.6	—

Total Fund

Risk-Reward

Time Period: Since Common Inception (01 Nov 2005) to 31 Mar 2019



Risk

Time Period: Since Inception to 31 Mar 2019

	Inception Date	Return	Std Dev
NAM Capital Plus Fund	31 Oct 2005	10.6	5.4
SIM Absolute Managed Fund	30 Sep 2012	8.6	3.5
Direct Property	31 Oct 2005	—	—
Old Mutual Absolute Stable Taxed Investment	31 May 2017	5.6	1.2
Prudential Inflation Plus	31 Jan 2018	7.1	5.0
Total Fund	31 Oct 2005	10.7	4.8
Bank Account	31 Dec 2010	4.9	0.1

NAM Capital Plus Fund

Fund Information

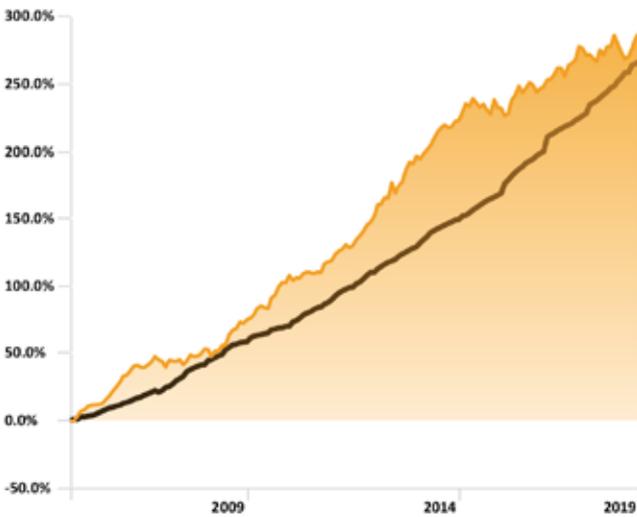
Market Value	108,111,036
Benchmark:	Namibian CPI + 4.0%
Inception Date	01 Nov 2005
Risk Profile	Moderate

Reconciliation of Assets

Opening Market Value at beginning of the Quarter	100,294,153
Cash Flow for the Quarter	3,000,000
Investment Return for the Quarter	4,816,883
Closing Market Value at end of the Quarter	108,111,036

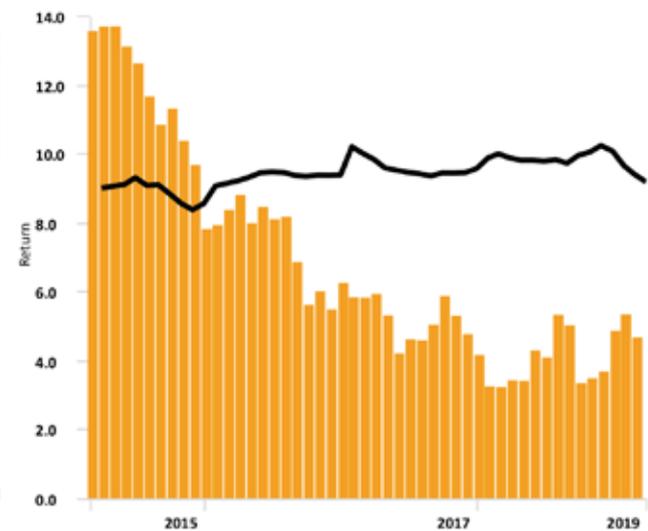
Cumulative Manager Performance

Time Period: 01 Nov 2005 to 31 Mar 2019



Rolling Returns as per Fund's IPS

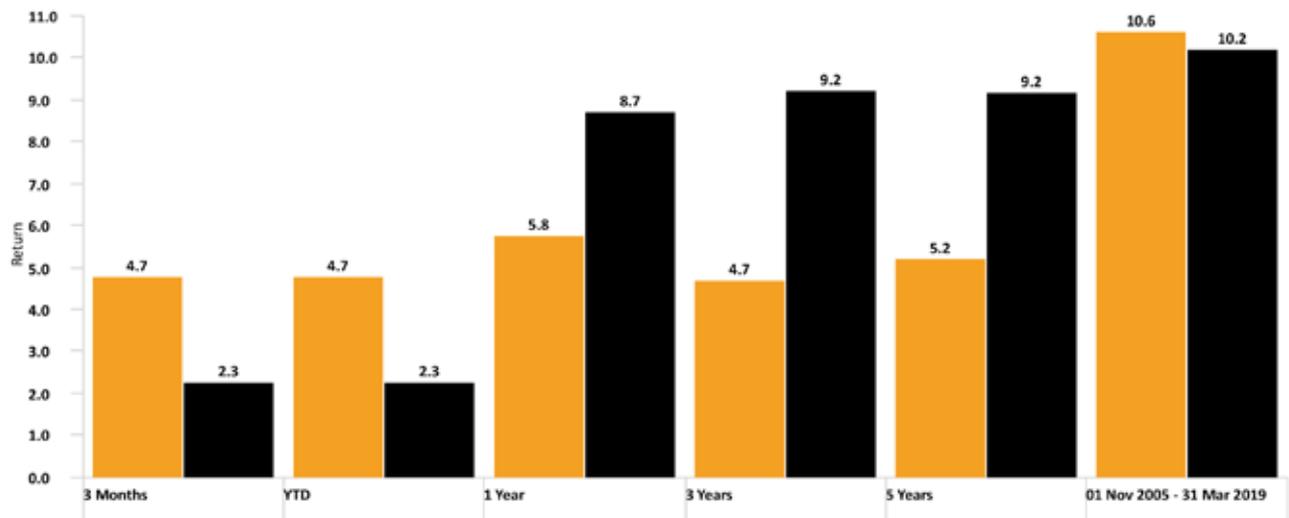
Rolling Window: 3 Years 1 Month shift



NAM Capital Plus Fund NAM CPI + 4%

NAM Capital Plus Fund NAM CPI + 4%

Manager vs Benchmark: Return

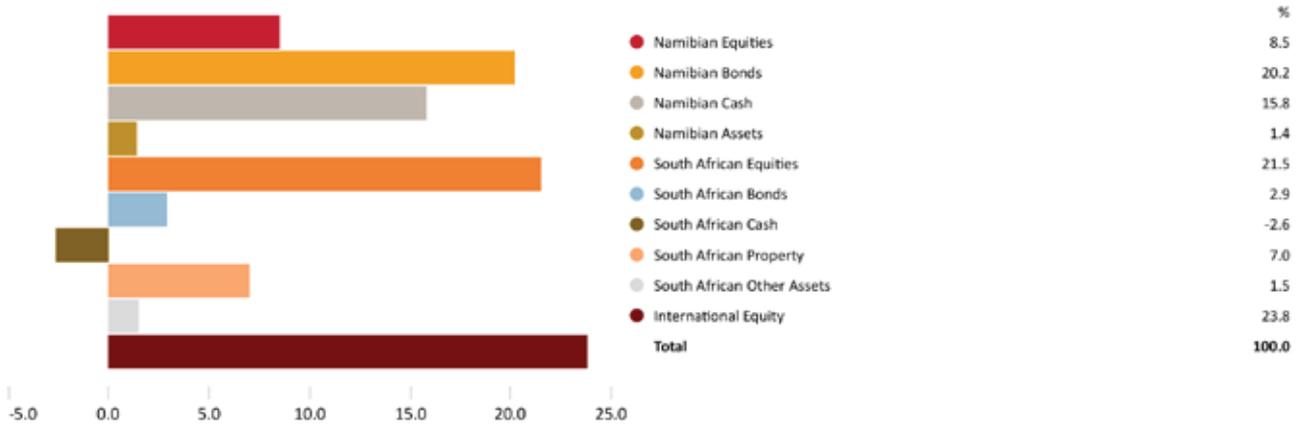


NAM Capital Plus Fund

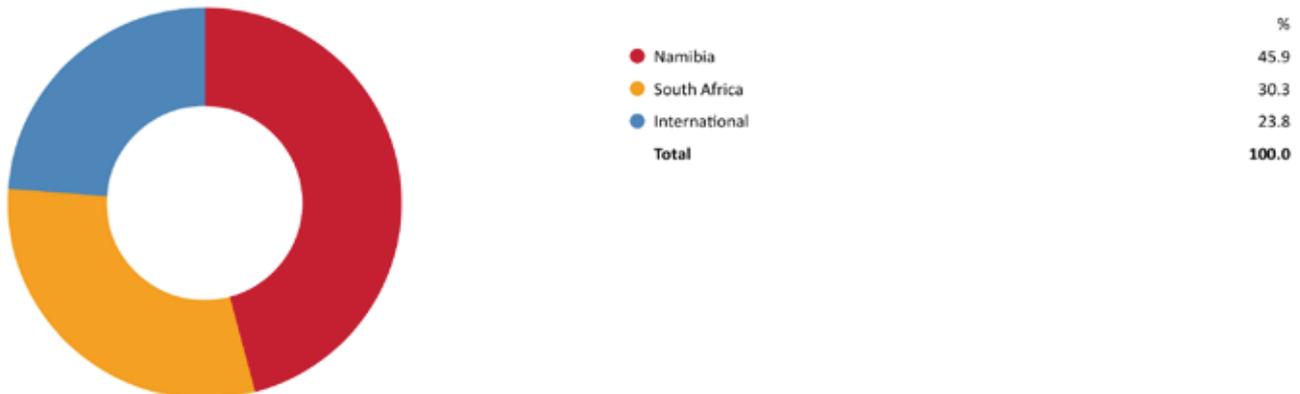
NAM CPI + 4%

NAM Capital Plus Fund

Asset Allocation



Geographical Split



Top 10 Equity Holdings of Total Fund

1. Naspers	3.4
2. British American Tobacco	2.8
3. Anglo American	2.4
4. Standard Bank	1.8
5. Egerton Capital Equity Fund	1.7
6. Eminence Fund Long	1.6
7. Contrarius Global Equity Fund	1.5
8. Fortress Income Fund	1.4
9. MTN	1.1
10. Maverick Long	1.1

Risk Analytics - 5 Years

	Investment	Namibian Average Managers
Return	5.2	8.5
Std Dev	4.6	5.9
Information Ratio (geo)	-1.3	—

3 Years

	Investment	Namibian Average Managers
Return	4.7	6.6
Std Dev	4.5	6.6
Information Ratio (geo)	-0.7	—

SIM Absolute Managed Fund

Fund Information

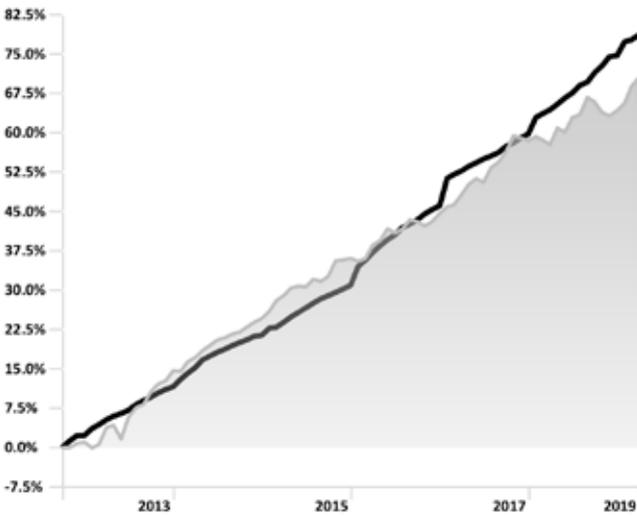
Market Value	173,597,380
Benchmark:	Namibian CPI + 4.0%
Inception Date	01 Oct 2012
Risk Profile	Moderate

Reconciliation of Assets

Opening Market Value at beginning of the Quarter	162,808,807
Cash Flow for the Quarter	4,500,000
Investment Return for the Quarter	6,288,573
Closing Market Value at end of the Quarter	173,597,380

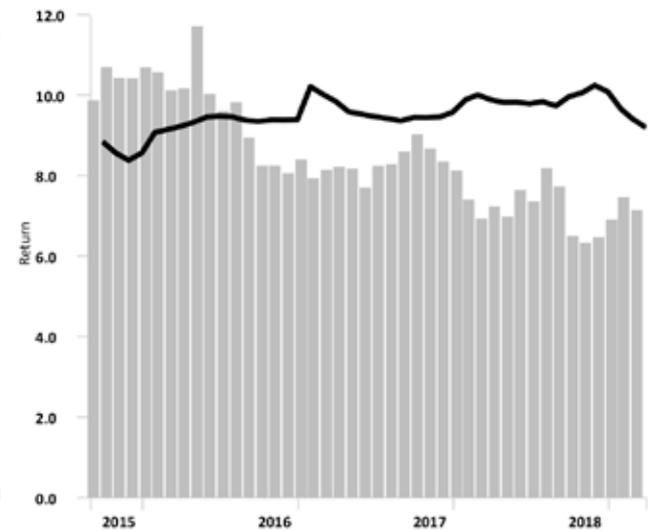
Cumulative Manager Performance

Time Period: 01 Oct 2012 to 31 Mar 2019



Rolling Returns as per Fund's IPS

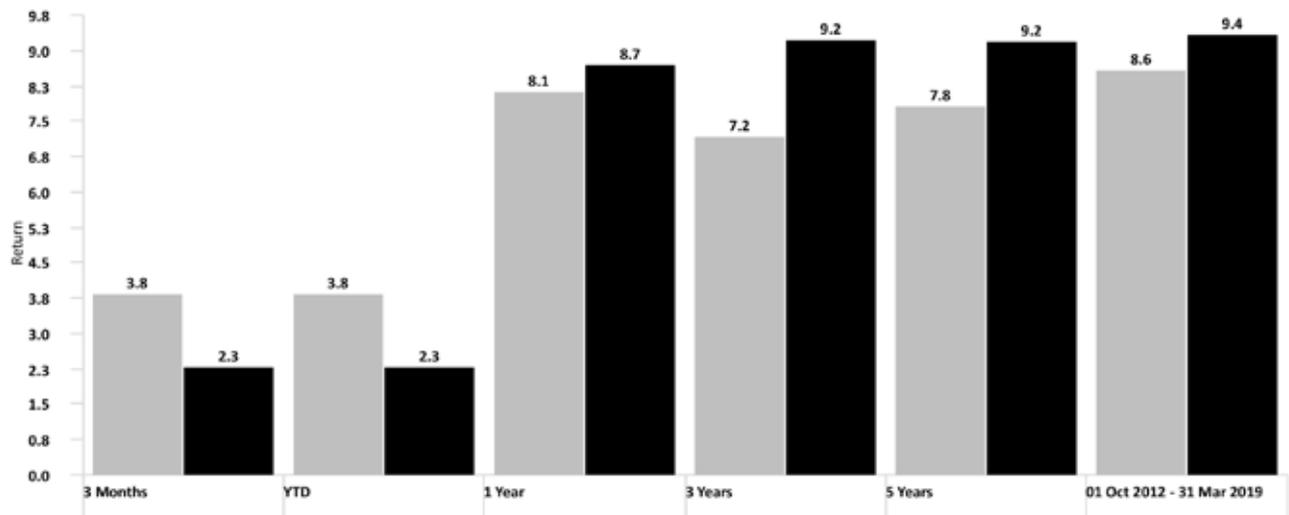
Rolling Window: 3 Years 1 Month shift



■ SIM Absolute Managed Fund ■ NAM CPI + 4%

■ SIM Absolute Managed Fund ■ NAM CPI + 4%

Manager vs Benchmark: Return

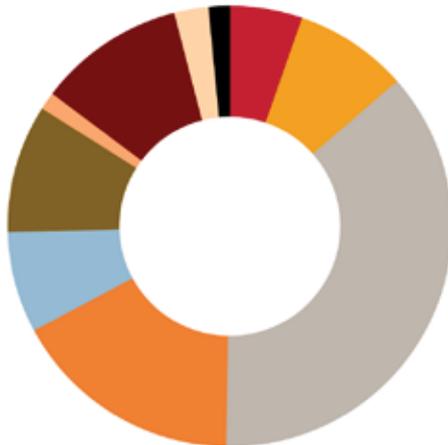


■ SIM Absolute Managed Fund

■ NAM CPI + 4%

SIM Absolute Managed Fund

Asset Allocation



	%
Namibian Equities	5.3
Namibian Bonds	8.3
Namibian Cash	36.7
South African Equities	16.9
South African Bonds	7.4
South African Cash	9.4
South African Property	1.3
International Equity	10.7
International Cash	2.5
International Property	1.5
Total	100.0

Geographical Split



	%
Namibia	50.3
South Africa	35.0
International	14.7
Total	100.0

Top 10 Equity Holdings of Total Fund

1. Naspers	5.5
2. Anglo American	1.1
3. Sasol	1.1
4. Standard Bank	1.0
5. British American Tobacco	0.9
6. Firstrand	0.8
7. MTN	0.7
8. BHP Billiton	0.6
9. Impala Platinum	0.6
10. Sanlam	0.5

Risk Analytics - 5 Years

	Investment	Namibian Average Managers
Return	7.8	8.5
Std Dev	2.8	5.9
Information Ratio (geo)	-0.2	—

3 Years

	Investment	Namibian Average Managers
Return	7.2	6.6
Std Dev	3.2	6.6
Information Ratio (geo)	0.1	—

Old Mutual Absolute Stable Taxed Fund

Fund Information

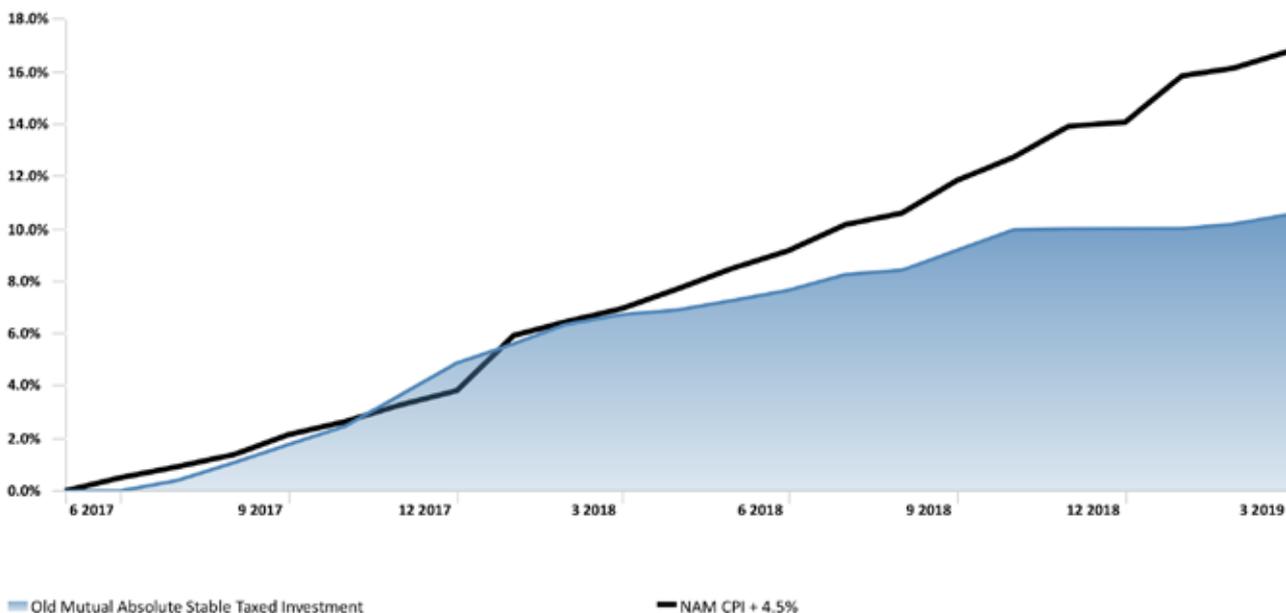
Market Value	169,161,019
Benchmark:	Namibian CPI + 4.5%
Inception Date	01 Jun 2017
Risk Profile	Conservative

Reconciliation of Assets

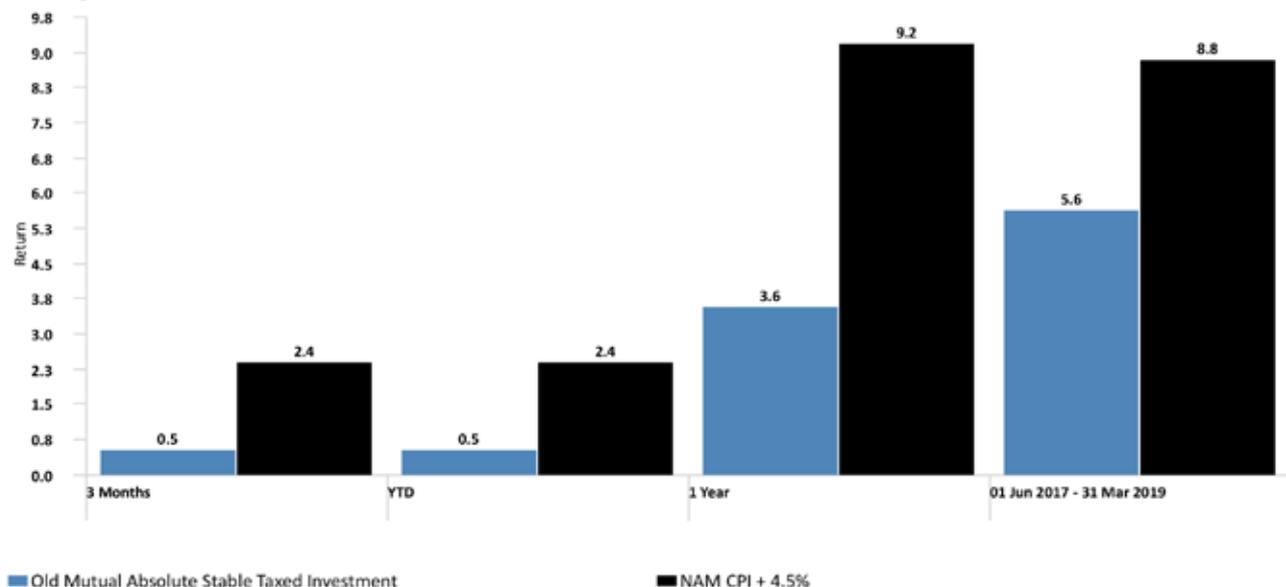
Opening Market Value at beginning of the Quarter	163,808,285
Cash Flow for the Quarter	4,500,000
Investment Return for the Quarter	852,734
Closing Market Value at end of the Quarter	169,161,019

Cumulative Manager Performance

Time Period: 01 Jun 2017 to 31 Mar 2019

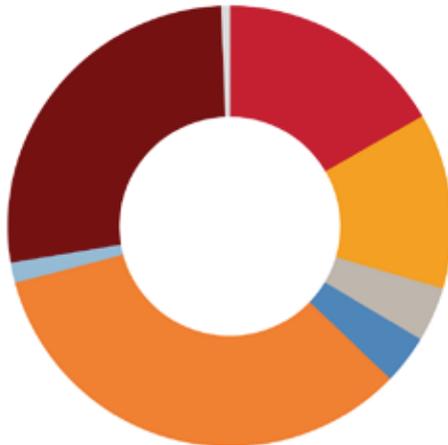


Manager vs Benchmark: Return



Old Mutual Absolute Stable Taxed Fund

Asset Allocation



	%
Namibian Equities	16.7
Namibian Bonds	12.9
Namibian Property	4.0
Namibian Assets	3.6
South African Equities	33.7
South African Bonds	1.5
International Equity	27.0
International Bonds	0.6
Total	100.0

Geographical Split



	%
Namibia	37.2
South Africa	35.2
International	27.6
Total	100.0

Top 10 Equity Holdings of Total Fund

1. Naspers	10.8
2. Sasol	7.2
3. British American Tobacco	6.2
4. Nedbank	5.0
5. ABSA	4.7
6. Standard Bank	4.7
7. Anglo American	4.6
8. MTN	3.9
9. Remgro	3.8
10. Old Mutual	3.3

Risk Analytics - Since Inception

	Investment	Namibian Average Managers
Return	5.6	7.1
Std Dev	1.2	7.4
Information Ratio (geo)	-0.2	—

Prudential Inflation Plus

Fund Information

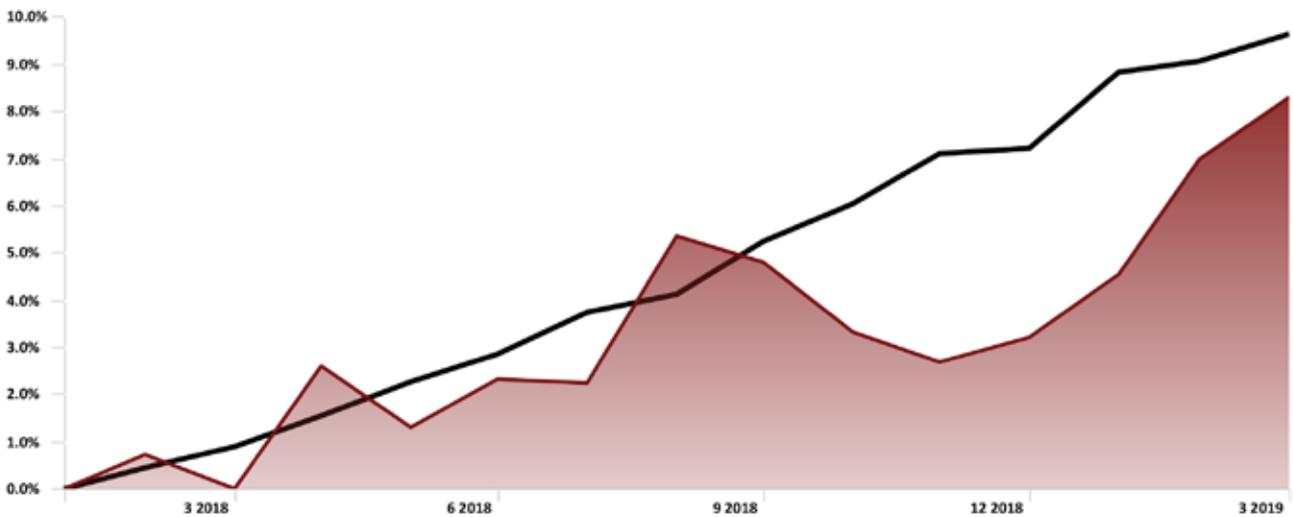
Market Value	111,015,984
Benchmark:	Namibian CPI + 4.0%
Inception Date	01 Feb 2018
Risk Profile	Moderate

Reconciliation of Assets

Opening Market Value at beginning of the Quarter	102,874,693
Cash Flow for the Quarter	3,000,000
Investment Return for the Quarter	5,141,291
Closing Market Value at end of the Quarter	111,015,984

Cumulative Manager Performance

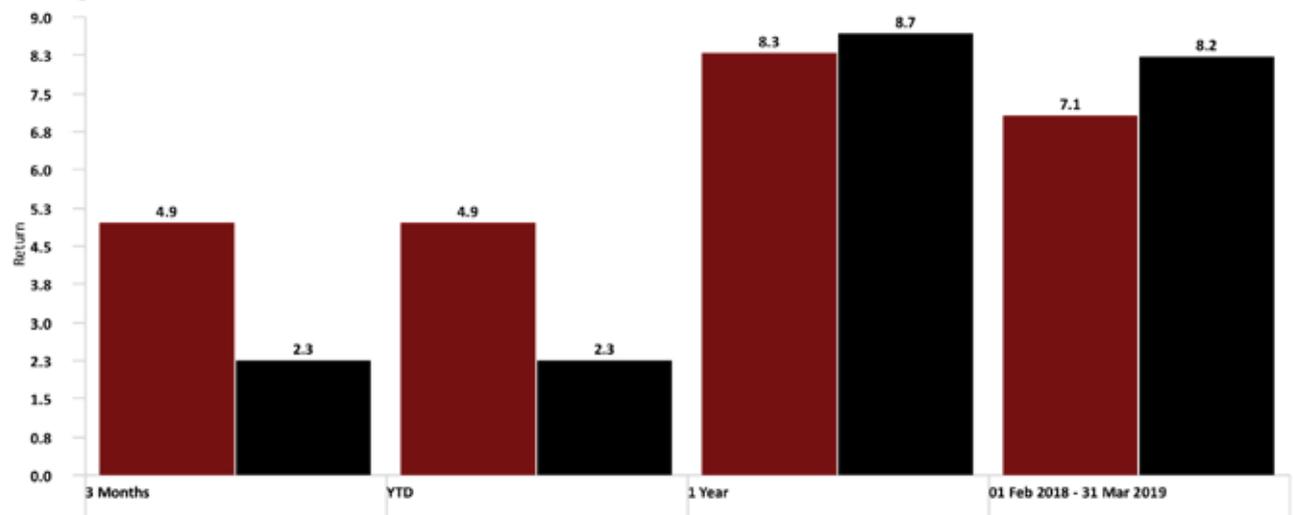
Time Period: 01 Feb 2018 to 31 Mar 2019



Prudential Inflation Plus

NAM CPI + 4%

Manager vs Benchmark: Return

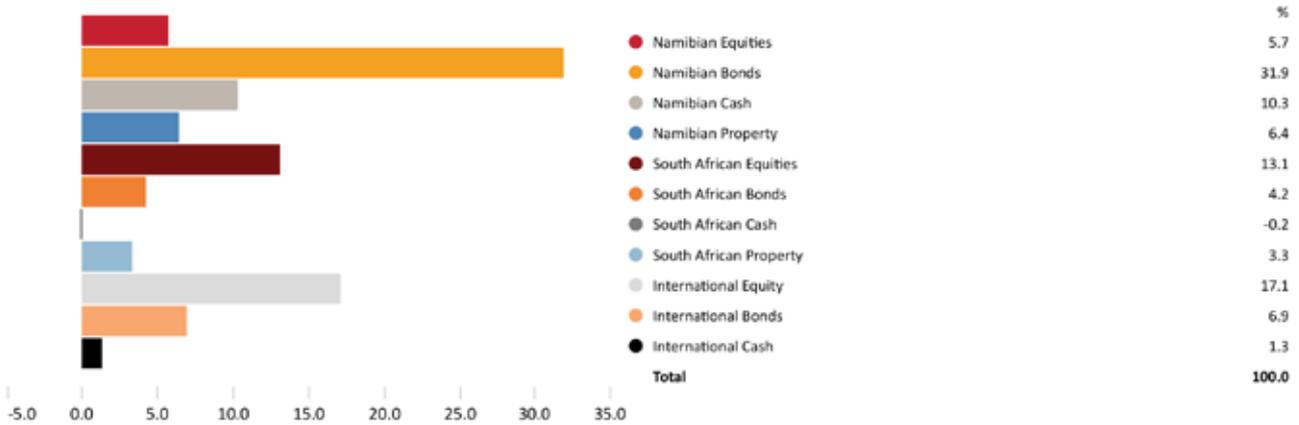


Prudential Inflation Plus

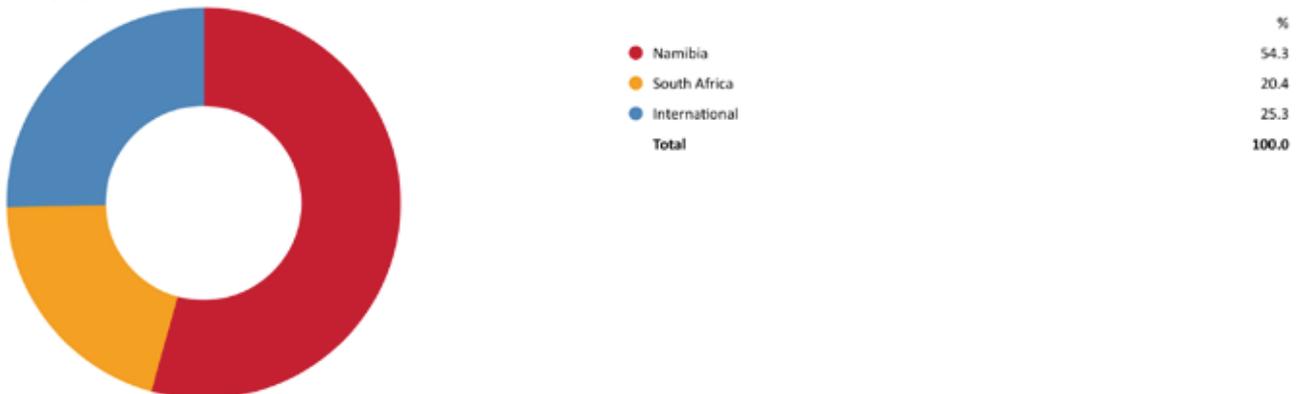
NAM CPI + 4%

Prudential Inflation Plus

Asset Allocation



Geographical Split



Top 10 Holdings of Total Fund

1. Prudential Worldwide Real Return Fund	25.4
2. Republic of Namibia ILB 3.55% 151022	10.1
3. Prudential Namibian Money Market Fund	10
4. Republic of Namibia ILB 3.80% 150725	6.9
5. Vukile Property Fund	4.0
6. Namibian Government Bond 8.00% 150130	2.8
7. Naspers	2.5
8. Oryx Properties	2.3
9. Namibian Government Bond 9.0% 150432	2.1
10. Republic of SA Bond 6.25% 310336	2.1

Risk Analytics - Since Inception

	Investment	Namibian Average Managers
Return	7.1	4.8
Std Dev	5.0	7.7
Information Ratio (geo)	0.6	—

Glossary

The following glossary helps to provide understanding for terms and statistical ratios that may be used in investment reports and analyses:

Investment Return:

The Investment Return consists of 3 elements:

- a) Investment income
- b) Capital growth
- c) Costs incurred in managing investments

These elements are explained below in more detail.

Investment Income:

Investment income consists of interest, dividends & rental. Where assets are invested in guaranteed or smooth bonus portfolios, the year-end bonuses earned from such investments are also included in "Investment Income".

Capital Growth:

This represents:

- a) Realised gains or losses arising from the sale of investments by the investment manager during the period covered by the Statement of Scheme Value
- b) Unrealised gains or losses arising from the re-valuation of investments to "market value" at the closing date of the Statement of Scheme Value.

For example, the increase or decrease in the price of a share listed on the JSE would be reflected here.

"Market value" refers to the market value of the underlying investments at the closing date of the Statement of Scheme Value.

In the case of guaranteed or smooth bonus portfolios, "market value" is equivalent to the guaranteed amount plus non-vested bonuses as certified by the investment insurer concerned.

Capital growth is calculated as follows (a minus (b + c + d)) where

- a = value of investments at end of period
- b = value of investments at start of period
- c = net cash flow during period
- d = investment income

Cost Incurred in Managing Investments:

This cost refers to investment fees charged by the relevant asset manager. This fee is calculated on the monthly value of investments.

Rates of Return:

Rate of Return is calculated on two bases viz.

- a) Money weighted return
- b) Time weighted return

Money Weighted Rate of Return

The Money weighted return refers to the actual rate of return earned by the fund's assets considering the size and timing of the fund's actual cash flows.

Time Weighted Rate of Return

The Time weighted return refers to the return on the underlying investment portfolio's that the fund is holding without regard to the size and timing of the actual cash flows or the balance invested. It is basically the measure of the change in the underlying unit price of the investment portfolios.

Actual Rate of Return vs Annualised Rate:

Where the period covered by the Statement of Scheme Value is less than twelve months, the rate of return is expressed as an actual rate. For reporting periods of one year or longer the rate of return is expressed as an annualised rate.

Standard Deviation

A common risk measure, which tells us how dispersed or how much variability there is away from the average value (this includes all dispersions above and below the average). Therefore, a higher standard deviation means the higher the chance a portfolio will have a lot of variability in returns and the less stable/constant it is.

Synthetic CPI

This is the normal monthly inflation rolled one month forward. That is the recorded monthly inflation for the previous month is recorded as it is for current month. This is created to help clients with reporting as the true /normal inflation figures are also released 3 weeks after the month end.

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In performing this calculation, we have relied upon certain information supplied to us by the Fund's investment managers and other outside parties. This includes information on the market values, cash-flows, investment returns on the Fund's investment portfolios, exchange rates (where currency conversion is required) and any specific instructions from authorised service providers to the Fund.

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HEALTHCARE | ACTUARIAL | RETIREMENT | **INVESTMENT** | PERSONAL WEALTH

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Directors: Paul la Grange; S Shanghalla (Chairman)

8. PERFORMANCE OF THE GROUP

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended

	2018 N\$'000	2017 N\$'000
Net Contribution Income	1 376 441	1 338 109
Net Healthcare Expenditure	(1 237 105)	(1 181 355)
Gross Healthcare Result	139 336	156 754
Administration Expenses	(122 417)	(113 026)
Net Healthcare Result	16 919	43 728
Net Other Income / Expenses	(179)	(151)
Net Investment Income	21 401	39 544
Asset Management Fees	(1 932)	(2 632)
Net Surplus for the Year	36 209	80 489

STATEMENT OF FINANCIAL POSITION

At 31 December

	2018 N\$'000	2017 N\$'000
Assets		
Non-Current Assets	117 678	65 272
Current Assets	501 313	516 426
Total Assets	618 991	581 698
Equity and Liabilities		
Members' Funds	477 549	441 340
Current Liabilities	141 442	140 358
Total Equity and Liabilities	618 991	581 698
Reserve Level		
(Members' Fund/Net Contributions)	35%	33%
Solvency Ratio		
(Total Assets/Net Claims)	50%	49%

9. MEMBERSHIP STATISTICS

FINANCIAL YEAR	2018	2017
Total Membership as at 31 December	66 885	66 877
Principal Members (including Pensioners)	29 550	29 610
Pensioners	2 684	2 521
Dependants	37 335	37 267
Average Number of Members	66 821	67 870
Member-to-Dependant Ratio	1:1.26	1:1.26
Member-to-Pensioner Ratio	1:0.09	1:0.09
Average Age of Members	41.36	41.16

10. TRUSTEE REMUNERATION

TRUSTEE REMUNERATION INDUSTRY 2018-2019 Current Fees

	NMC	Open Fund 1	Open Fund 2	Open Fund 3
Board of Trustee Meetings				
Chairman	N\$ 4 764.06	N\$ 4 310.00	N\$ 4 434	N\$ 6 252.13
Vice Chairman	N\$ 4 044.96	N\$ 3 125.00	N\$ 3 590	N\$ 5 404.17
Other Trustees	N\$ 3 314.62	N\$ 3 125.00	N\$ 3 189	N\$ 4 923.34
Subcommittee				
Chairman	N\$ 4 280.92	N\$ 4 200.00	N\$ 3 991	N\$ 6 252.13
Vice Chairman	N\$ 3 640.05	N\$ 3 125.00	N\$ 2 663	N\$ 5 404.17
Other Trustees	N\$ 3 000.01	N\$ 3 125.00	N\$ 2 663	N\$ 4 923.34
ExCo/Advisory:				
Chairman	N\$ 4 280.92	NA	N\$ 4 434	N\$ 6 252.13
Vice Chairman	N\$ 3 640.46	NA	N\$ 3 590	N\$ 5 404.17
Other Trustees	N\$ 3 000.01	NA	N\$ 3 189	N\$ 4 923.34
Monthly Retainer	N\$ 1 573.04	NA		0

TRAVELLING AND ACCOMMODATION FEES

	NMC	Open Fund 1	Open Fund 2	Open Fund 3
Travelling paid to Trustees that need to travel	N\$4.0 p/km	N\$4.50 p/km	N\$3.75 p/km	N\$4.25 p/km
Day allowance		Same see * below		
(non-Windhoek-based Trustees)		Same see * below		
- Includes accommodation		Same see * below	Actual cost	
Chairman				6 252.13
Vice Chairman	N\$1 200 all inclusive	Actual cost 100%		5 404.17
Other Trustees				4 923.34
International Travel				
Travel	100%	100%	100%	100%
Accommodation	100%	100%	100%	100%
Day Allowance	N\$1 200	N/A		N\$1 728
Travel within Namibia				
Day Allowance	Members residing > than 200 km outside the Capital are reimbursed for 2 x nights	* Reimbursed for 1 night only		N\$864 p/day
Any other Alternative Payment Arrangements?	YES	Retainer fee of N\$ 2 040.00 pm is paid to Chairman of the Board only.		
"Any other meeting other than a normal meeting for e.g. Strategic Planning Sessions and Retreats."	Sitting fee x1	N\$ 5 000.00 for a day-long meeting (ie. Strategy session)		

10. OTHER MATTERS

Questions & Responses

Can NMC increase the Clinical Psychology benefit and increase the auxiliary benefit so that the increase in Clinical Psychology benefit will not deplete other auxiliary benefits?

NMC offers a fairly competitive benefit for Clinical Psychology and overall auxiliary benefit in comparison to its peers. The benefit limits are aimed to protect the Fund against very high and unnecessary claims. NMC aims to contain the members affected by the limits to as few as possible, and therefore performs analyses regularly on the number of members that reach the limits and adjusts most limits annually. NMC will conduct an analysis on the number of members that reached the limit for the Clinical Psychology benefit to determine reasonable adjustment to the limit for the 2020 benefit year.

Can NMC consider increasing Chronic Medication benefit?

Chronic benefits is one of the group of benefits that enjoy a great deal of attention every year. NMC tries to balance the level of benefit provided to members with the cost of providing these benefits. If the benefit limits are made significantly higher, then the contribution for all the members will increase by a higher percentage to allow for the additional cost. The increases for chronic medicine should therefore be carefully considered.

Can NMC revisit the Savings Plan Option?

As per the directive by NAMFISA, the Savings Plan option on the day-to-day medical expenses for the two new generation options (Amber and Emerald) has been removed with effect from 1 January 2018. The Trustees are currently looking into alternative possibilities as we understand the value of a savings facility. The alternative designs will aim to be similar to the savings option, however it will comply with the Regulators' requirement. NMC has already submitted an alternative design, which was also declined.

The alternative option, if approved by NAMFISA, will be included in the benefit design for 2020.

Can NMC look into restructuring medical aid benefits such that people pay for the benefits they are using?

The core principle in the functioning and sustainability of the medical aid scheme is the cross-subsidisation. This means that all members of the scheme contribute to their respective benefit option based on their age or income, irrespective of whether they are healthy or sickly. Benefits are therefore paid out to those who need them, as per the benefit limits set in the Rules.

In a situation where members can choose to only contribute towards the benefits that they use, then the principle of cross-subsidisation and pooling will be lost, and each member will effectively end up funding their own benefits.

The benefit structure for each option is designed such that the premiums collected from the members of the option sufficiently covers for the benefit payments required. Effectively, young and healthy people cross-subsidise elderly and sick people. If all the members in one option are in a single risk pool, then the average contributions can be as low or as high as possible for this group of members.

For members who do not want the benefits of cross-subsidisation, NMC offers two hospital options namely Amber and Emerald, where members do not contribute towards regular day-to-day benefits and therefore each member effectively only pays for the day-to-day benefits that they incur.

Can NMC consider a specific package of benefits for pensioners? For example, with improved Chronic benefit, Optical and Hearing aid benefits and fewer of the younger people's benefits such as Maternity.

A specific package for pensioners will result in pensioners losing out on the benefit of cross-subsidisation. If we design a package that is specifically focused on pensioners, then pensioners will pay significantly higher rates for the benefits that they use, like the Optical and Hearing Aid benefits, as there are no younger members within their risk pool. Pensioners might not use the maternity benefit, but this membership group uses the chronic medicine benefit much more than the younger members. The younger members contribute towards the chronic benefits, but very few of these members utilise the chronic benefits, and this makes the cost of this benefit more affordable.

Closing

