

MARCH 2025

OLD MUTUAL ABSOLUTE GROWTH PORTFOLIO

NAMIBIA

PRODUCT OVERVIEW

The Old Mutual Absolute Growth Portfolios target returns above inflation over the long term, while significantly reducing the volatility associated with market-linked investments. The Absolute Growth Portfolios cater for investors with different risk-return appetites by offering the following range of guarantees on benefit payments:

- Absolute Smooth Growth with a 50% guarantee
- Absolute Stable Growth with an 80% guarantee

TARGET RETURN

For the underlying portfolio

Gross Target Return

Absolute Growth Portfolios NCPI +4.20 - 6.20 % p.a.

The portfolio's Gross Target Return is over the long term and is gross of capital charges and investment management fees.

For each guarantee option

Bonuses are applied to investments net of capital charges. As such the **Net-of-Capital Charge Target Return** for each guarantee option is determined by deducting the **Capital Charge** for each option from the underlying portfolio's **Gross Target Return**.

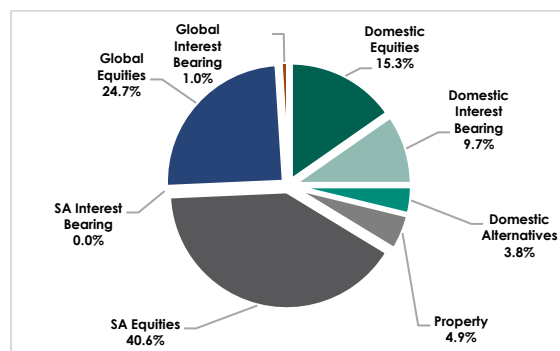
Guarantee Option	Capital Charge	Net-of-Capital Charge Target Return
Absolute Smooth Growth	0.20%	NCPI + 4.0% - 6.0% p.a.
Absolute Stable Growth	0.70%	NCPI + 3.5% - 5.5% p.a.

Target returns are what the portfolio aims to deliver over the long term and are not guaranteed.

FUND SIZE

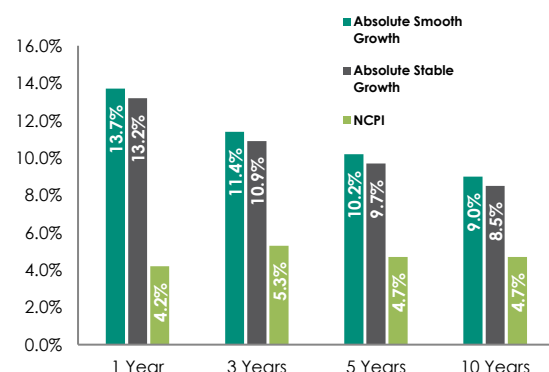
N\$ 9.5 billion as at 31 March 2025(based on all product options within the Absolute Growth Portfolios).

STRATEGIC ASSET ALLOCATION



PERFORMANCE

Absolute Growth Portfolio returns (net of base fees) versus inflation to **31 March 2025**.



12 – MONTH BONUS HISTORY

Net-of-Capital Charge Monthly Bonuses are declared monthly in advance. The bonus declaration process is transparent and based on a defined formula

DATE		ABSOLUTE GROWTH PORTFOLIO	
		Smooth	Stable
2024	Apr	0.85%	0.81%
	May	0.84%	0.80%
	Jun	0.83%	0.79%
	Jul	1.34%	1.30%
	Aug	1.34%	1.30%
	Sep	1.30%	1.27%
	Oct	1.32%	1.28%
	Nov	1.33%	1.29%
	Dec	0.82%	0.78%
2025	Jan	0.82%	0.79%
	Feb	0.81%	0.78%
	Mar	1.31%	1.27%

INVESTMENT MANAGEMENT FEE

Base Fee (Min 5,000.00)

0.70% - 0.55% p.a.

MARKET COMMENTARY

The first quarter of 2025 presented a notably more challenging environment compared to the relatively stable 2024 calendar year. In South Africa, political uncertainty emerged following tensions within the Government of National Unity, disrupting market confidence and policy continuity. These developments have introduced volatility into the Southern African region's broader economic outlook.

Globally, geopolitical and trade tensions remain elevated. The United States has escalated a strategic trade confrontation with China, initiating policies that appear aimed at curbing China's manufacturing dominance and rebalancing global supply chains. These actions have sparked renewed fears of a global trade war, contributing to heightened economic uncertainty.

Meanwhile, longstanding geopolitical conflicts continue to shape global sentiment. The Russia-Ukraine war shows no signs of resolution, and conflict in the Middle East remains volatile, particularly between Israel and Palestine. Iraq has also become a renewed point of concern, with escalating hostilities contributing to regional instability.

From a macroeconomic perspective, 2024 saw central banks responding to slowing global growth and disinflationary trends. The U.S. Federal Reserve cut its target federal funds rate three times over the course of 2024, totaling a 1% reduction. These accommodative moves supported financial markets and bolstered global equity valuations—especially in the U.S., where valuations entered 2025 at historically elevated levels.

Domestically, the Bank of Namibia eased monetary policy by reducing the repo rate twice by 25 basis points in 2024, and again by 25 basis points in early 2025. While this has offered some relief to the economy, persistently high real interest rates continue to weigh on credit uptake and overall economic activity.

In March 2025, the Namibia Statistics Agency released the country's 2024 GDP figures. Real GDP growth came in at 3.7% for the calendar year, down slightly from the revised 4.4% in 2023 and 5.4% in 2022, but still reflecting a healthy positive trend. Growth was underpinned by robust performances in Transport and Storage, Taxes on Products, and Wholesale and Retail Trade. Conversely,

DO GREAT THINGS EVERYDAY



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Mining and Quarrying as well as Agriculture and Forestry were notable drags on overall growth.

On a global scale, the IMF estimates world economic growth at 3.1% for 2024. However, these figures may not fully capture the emerging economic frictions stemming from the ongoing trade realignments and geopolitical headwinds that are likely to influence the medium-term outlook.

Offshore equity, as represented by the MSCI All Country World Index converted into local currency, returned -4.4% for the quarter. Over a rolling year the MSCI All Country World Index converted into local currency returned 2.4%. The Rand gained 2.9% against the US Dollar while on an annualized basis over three years the Rand lost 7.8% per year. South African Equity as represented by the JSE SWIX recorded a gain of 5.9% for the quarter whilst over a rolling year the JSE SWIX gained 22.9%.

Locally in Namibia the NSX Overall Index lost 4.2% for the quarter under review. The NSX Overall Index gained 17.1% for the rolling year ending March 2025. The NSX Local Index, representing primary listed securities, gained 14% for the rolling year.

Offshore Fixed Interest as represented by the Bloomberg Global Aggregate Index converted into Rand lost 0.1% for the quarter ending March 2025. Whilst over a rolling year offshore bonds gained 1.8%. South African Bonds as represented by the ALBI gained 0.7% for the quarter whilst over a rolling year the ALBI gained 20.2%. Namibian Bonds gained 21.4% for the rolling year. Money Market in both South Africa and Namibia returned around 8.5% for the year ending March 2025

Volatility as represented by the VIX Index increased during the period compared to a year ago. At these levels volatility can be considered to be normal to high. At current levels inflation is generally low being less than the average inflation for the prior three years. The latest available annual inflation rate for Namibia is 4.2%.

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