

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.**1. Review of Portfolio Performance**

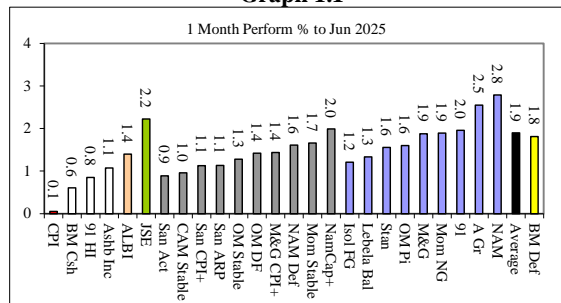
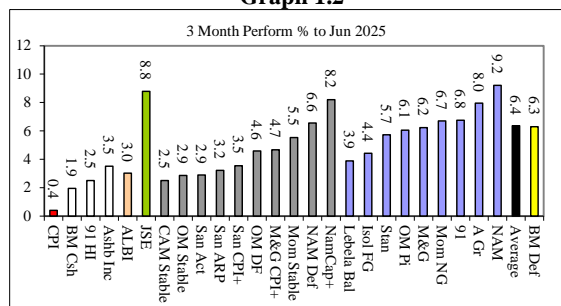
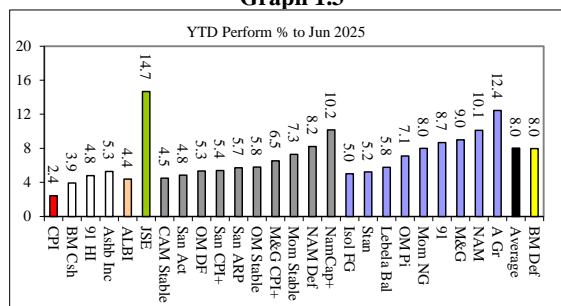
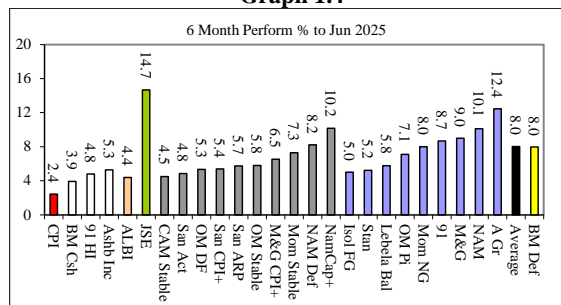
In June 2025, the average prudential balanced portfolio returned 1.9% (May 2025: 2.5%). The top performer is the NAM Coronation Balanced Plus Fund, with 2.8%, while the Investment Solutions Balanced Fund, with 1.2%, takes the bottom spot. NAM Coronation Balanced Plus Fund took the top spot for the three months, outperforming the 'average' by roughly 2.8%. The Lebelá Balanced Fund underperformed the 'average' by 2.5% on the other end of the scale. Note that these returns are before (gross of) asset management fees. (Refer to graphs 3.1.3 to 3.1.5 for a more insightful picture of the relative long-term performances of the portfolios and the asset classes.)

Graphs 1.1 to 1.10 reflect the performance for periods from 1 month to 20 years of a number of the most prominent prudential balanced portfolios (blue bars), 'special mandate portfolios' with lower volatility risk (grey bars), fixed interest portfolios (no colour bars), the average of prudential balanced portfolios (black bar), the JSE Allshare Index (green bar), and the CPI (red bar). Benchmark investors should note the performance of the default portfolio (yellow bar), which represents a combination of four prominent local managers with a domestic balanced mandate, specialist 20Twenty Credit Solutions, two foreign equity index trackers, a foreign global bond manager and a local money market fund.

Below is the legend for the abbreviations reflected on the graphs:

Benchmarks	
Namibian Consumer Price Index	CPI (red)
All Bond Index	ALBI (orange)
JSE Allshare Index	JSE Cum (green)
Benchmark Default Portfolio	BM Def (yellow)
Average portfolio (prudential, balanced)	Average (black)
Special Mandate Portfolios	
Money market	BM Csh (no colour)
NinetyOne High Income (interest-bearing assets)	91 HI (no color)
Ashburton Namibia Income Fund	Ashb Inc (no colour)
Capricorn Stable	CAM Stable (grey)
Momentum Nam Stable Growth	Mom Stable (grey)
NAM Capital Plus	NamCap+ (grey)
NAM Coronation Balanced Def	NAM Def (grey)
Old Mutual Dynamic Floor	OM DF (grey)
M&G Inflation Plus	M&G CPI+ (grey)
Sanlam Active	San Act (grey)
Sanlam Inflation Linked	San CPI+ (grey)
Smooth bonus portfolios	
Old Mutual AGP Stable	OM Stable (grey)
Sanlam Absolute Return Plus	San ARP (grey)
Market-related portfolios	
Allan Gray Balanced	A Gr (blue)
Lebelá Balanced*	Lebelá Bal (blue)
NinetyOne Managed	91 (blue)
Investment Solutions Bal Growth (multimanager)	Isol FG (blue)
Momentum Namibia Growth	Mom NG (blue)
NAM Coronation Balanced Plus	NAM (blue)
Old Mutual Pinnacle Profile Growth	OM Pi (blue)
M&G Managed	M&G (blue)
Stanlib Managed	Stan (blue)

*Previously Hangala Absolute Balanced Fund

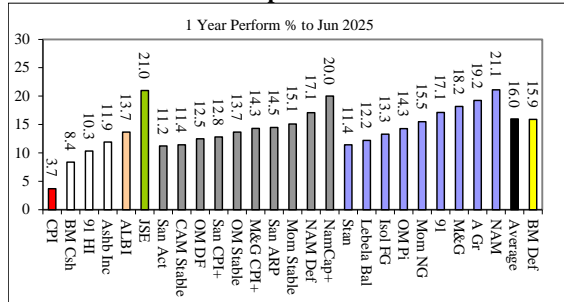
Graph 1.1**Graph 1.2****Graph 1.3****Graph 1.4**

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

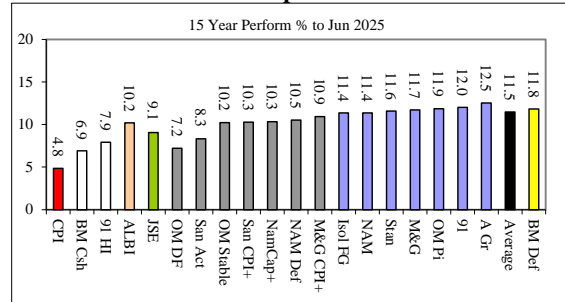
By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

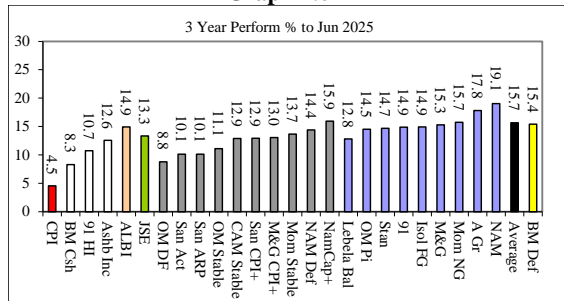
Graph 1.5



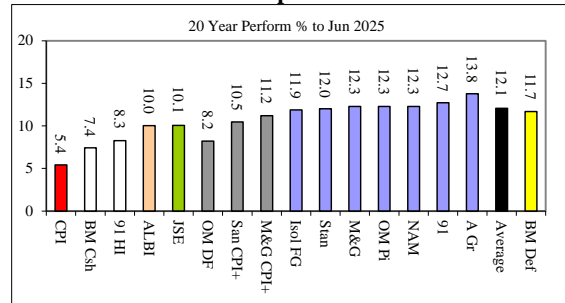
Graph 1.9



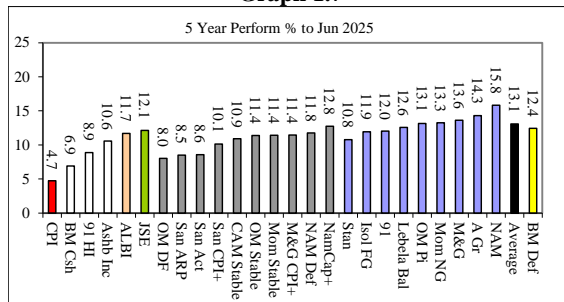
Graph 1.6



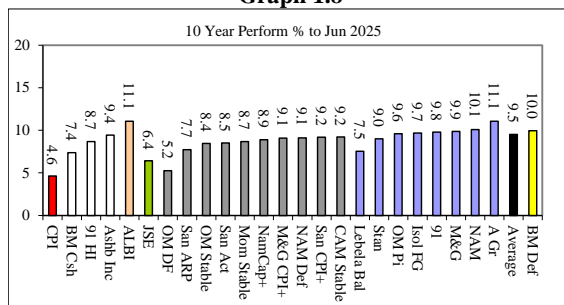
Graph 1.10



Graph 1.7



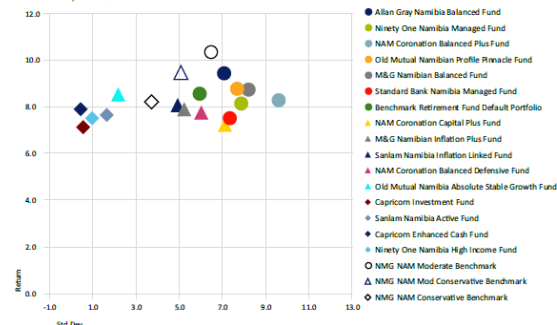
Graph 1.8



Risk/ Return

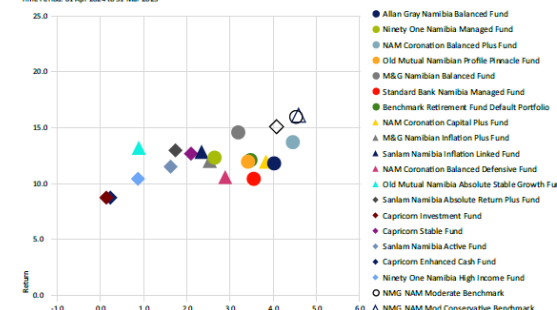
Risk-Reward - Over the long term

Time Period: 01 Apr 2015 to 31 Mar 2025



Risk-Reward - Over the short term

Time Period: 01 Apr 2024 to 31 Mar 2025



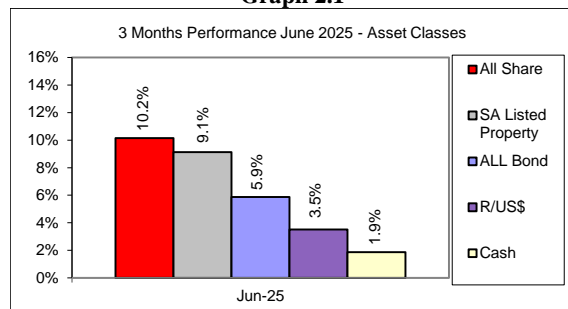
MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

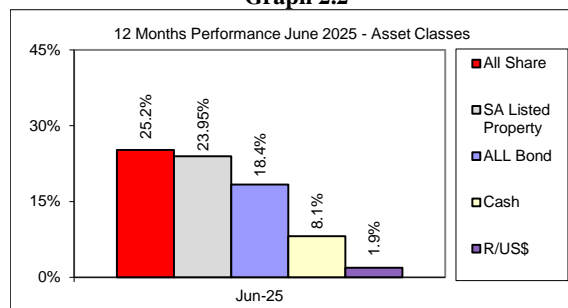
The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

2. Performance of Key Indices (index performance by courtesy of IJG/Deutsche Securities)

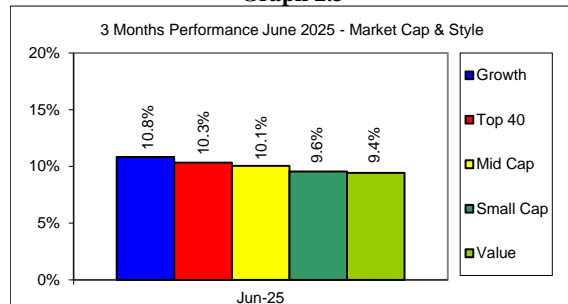
Graph 2.1



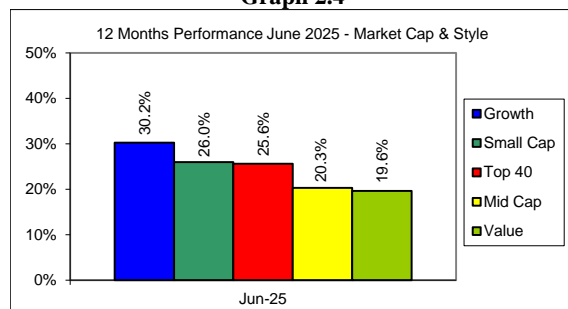
Graph 2.2



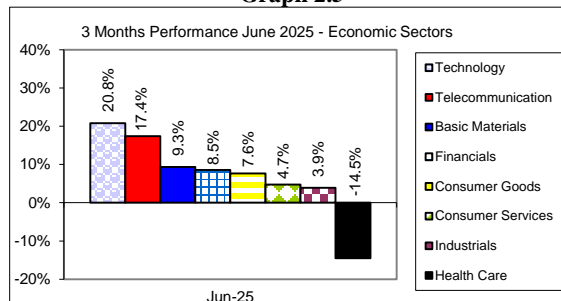
Graph 2.3



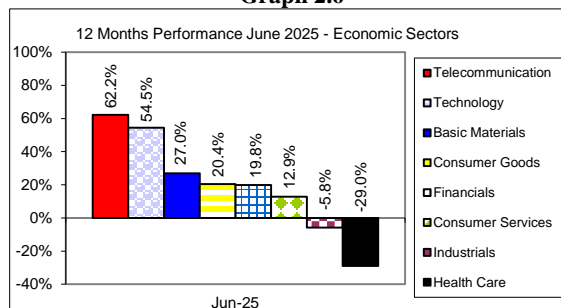
Graph 2.4



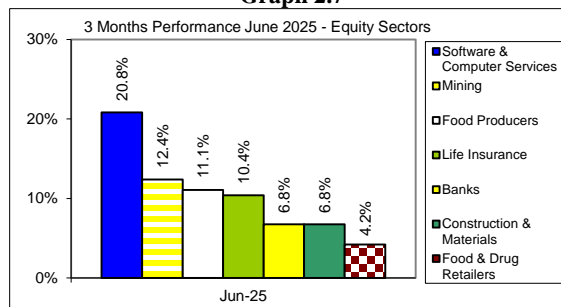
Graph 2.5



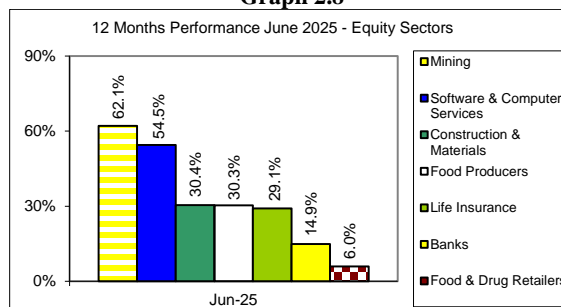
Graph 2.6



Graph 2.7



Graph 2.8



MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

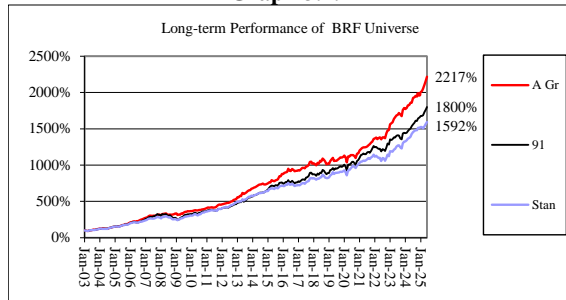
By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

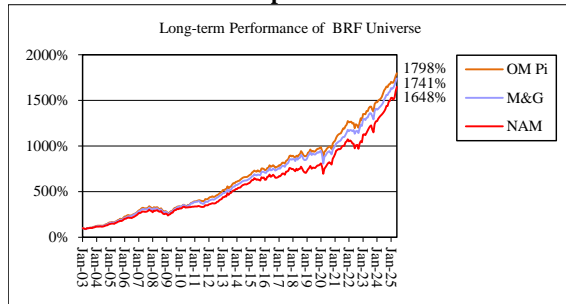
3. Portfolio Performance Analysis

3.1 Cumulative performance of prudential balanced portfolios

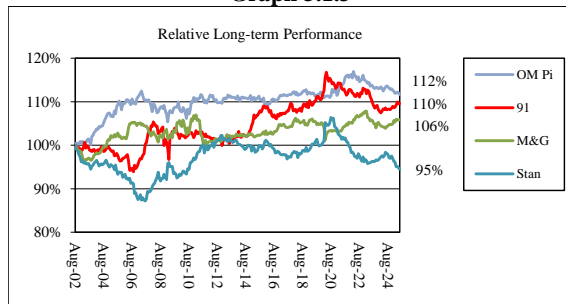
Graph 3.1.1



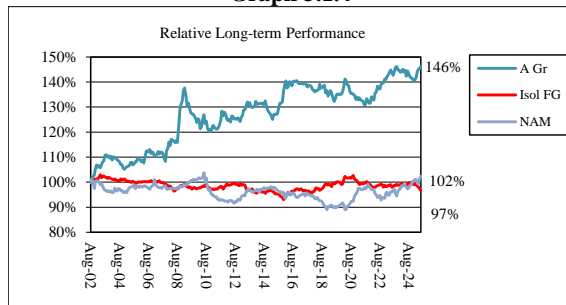
Graph 3.1.2



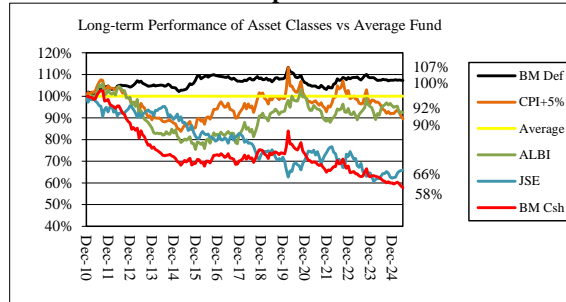
Graph 3.1.3



Graph 3.1.4

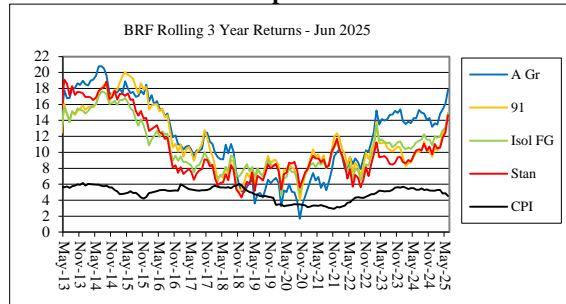


Graph 3.1.5

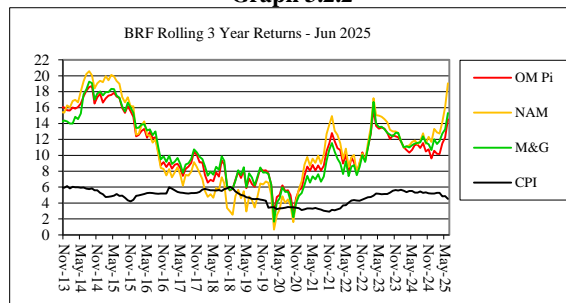


3.2 3-year rolling performance of prudential balanced portfolios relative to CPI

Graph 3.2.1

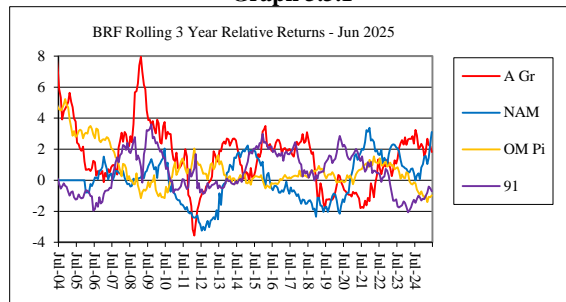


Graph 3.2.2



3.3 3-year rolling performance of prudential portfolios relative to the average prudential balanced portfolio on zero

Graph 3.3.1

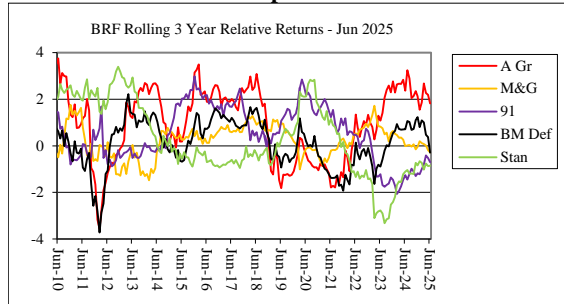


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

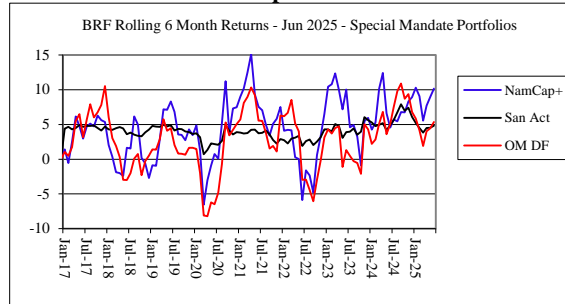
By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

Graph 3.3.2

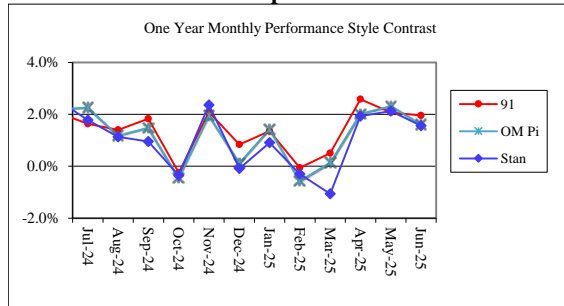


Graph 3.5.2

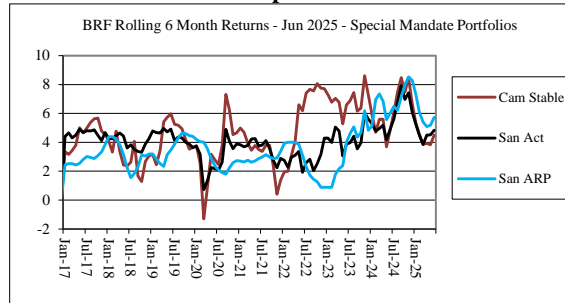


3.4 Monthly performance of prudential balanced portfolios

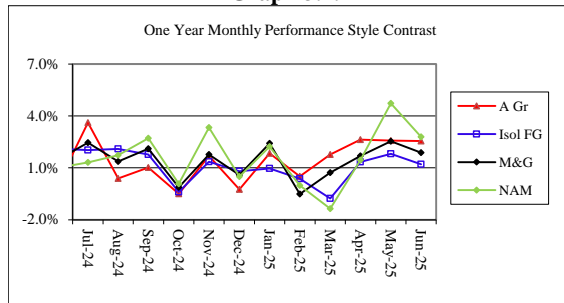
Graph 3.4.1



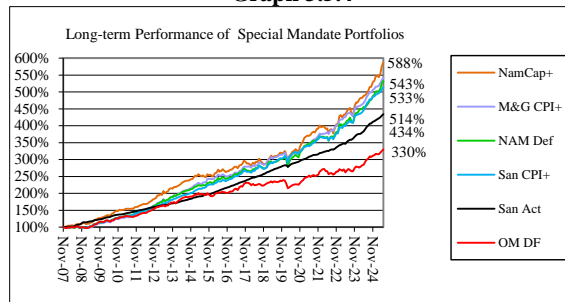
Graph 3.5.3



Graph 3.4.2

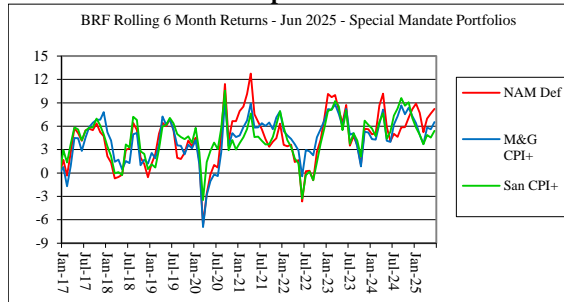


Graph 3.5.4



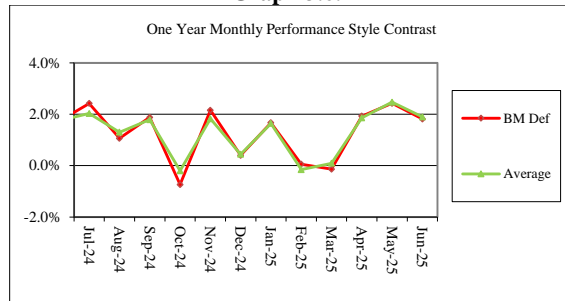
3.5. 6-month rolling and cumulative returns of 'special mandate' portfolios

Graph 3.5.1



3.6 Monthly and cumulative performance of 'Benchmark Default' portfolio relative to average prudential balanced portfolio

Graph 3.6.1

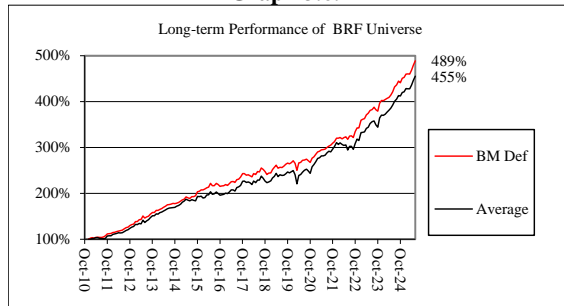


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

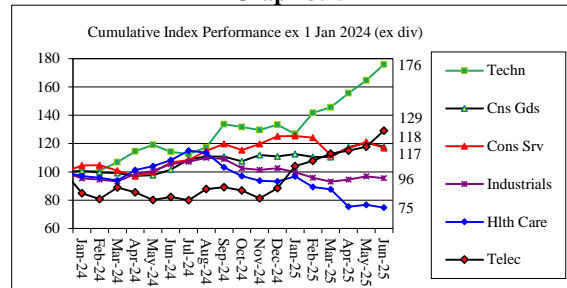
By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

Graph 3.6.2

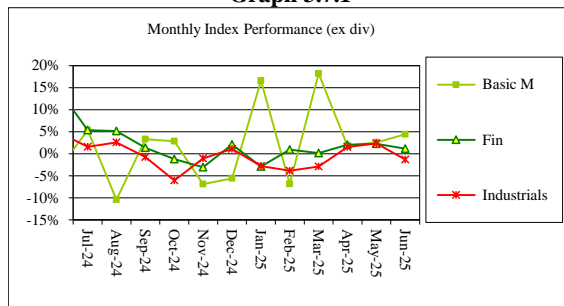


Graph 3.7.4

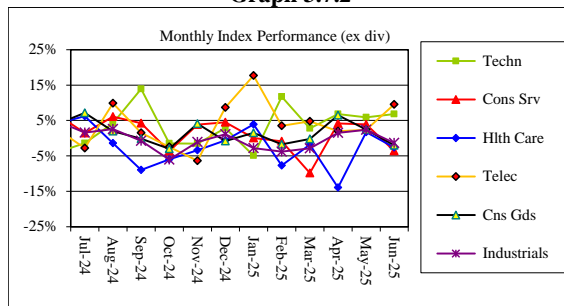


3.7 One-year monthly performance of key indices (excluding dividends)

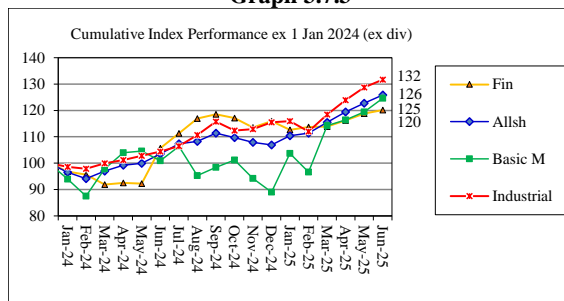
Graph 3.7.1



Graph 3.7.2



Graph 3.7.3



4. The Benchmark Default Portfolio – Facts in figures

Table 4.1

Portfolio	Default portfolio	Average Prud Bal
5-year nominal return - % p.a.	12.4	13.1
5-year real return - % p.a.	7.7	8.4
Equity exposure - % of the portfolio (quarter ended Mar 2025)	57.5	60.4
Cumulative return ex Jan 2011	388.5	355.2
5-year gross real return target - % p.a.	5	6
Target income replacement ratio p.a. - % of income per year of membership	2	2.4
Required net retirement contribution - % of salary	13.0	11.6

The above table reflects the actual return of the Default Portfolio versus the target return required to produce an income replacement ratio of 2% of salary per year of fund membership that should secure a comfortable retirement income. The default portfolio outperformed the average prudential balanced portfolio by a margin and has been ahead since January 2011, when the trustees restructured it by raising the equity exposure. It still has a slightly more conservative structure with an equity exposure of 57% compared to the average prudential balanced portfolio's more than 53% exposure.

One must read the default portfolio's long-term return in the context of its initially low-risk profile, which the trustees only changed from the beginning of 2011 when they replaced the Metropolitan Absolute Return fund with the Allan Gray balanced portfolio.

Table 4.2

Measure	Money Market	Default Portf	Average Prud Bal
Worst annual performance	5.5%	6.9%	6.8%
Best annual performance	8.3%	15.4%	15.7%
No of negative 1-year periods	n/a	0	0
Average of negative 1-year periods	n/a	n/a	n/a
Average of positive 1-year periods	6.6%	15.4%	15.7%

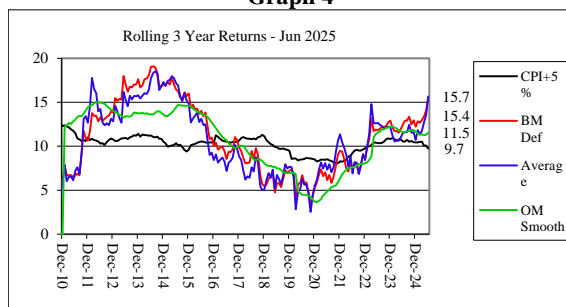
MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

The table above presents one-year performance statistics. It highlights the performance differences between the three portfolios over the three years from July 2022 to June 2025. These statistics show the performance volatility of these three risk profiles.

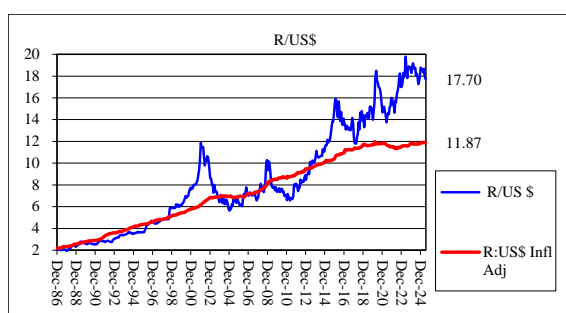
Graph 4



Graph 4 measures the success of the Benchmark Default portfolio in achieving its long-term gross investment return objective of inflation plus 5% on a rolling 3-year basis. It also shows rolling 3-year returns of the average prudential balanced portfolio and rolling 3-year CPI. The Benchmark default portfolio's 3-year return to the end of June was 15.4%, the average was 15.7% vs. CPI plus 5%, currently on 9.7%.

5. Review of Foreign Portfolio Flows and the Rand

Graph 5.1 indicates that the Rand's fair value by our measure is 11.87 to the US Dollar, while it stood at 17.70 at the end of June 2025. Our measure is based on adjusting the two currencies by the respective domestic inflation rates.

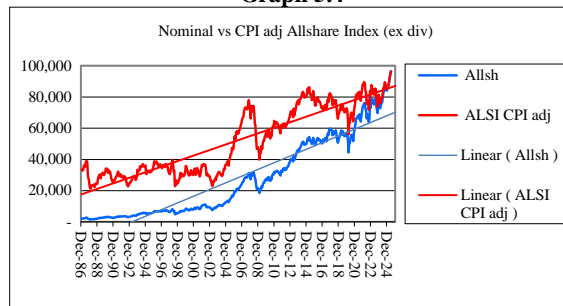


Graph 5.2 - removed

Graph 5.3 - removed

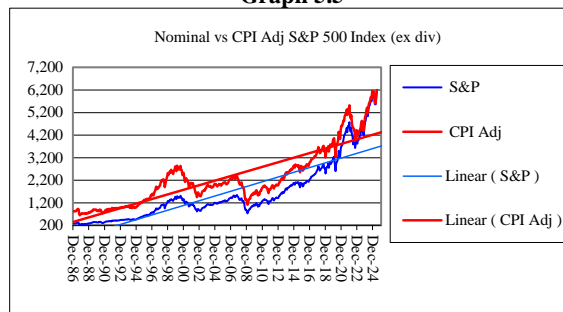
Graph 5.4 reflects the movement of the JSE since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. In nominal terms, the JSE grew by 10.6% per year since January 1987, excluding dividends of 3.2%. Namibian inflation over these 36 years was 7.7% per year. It is equivalent to growth in real terms of 2.9% p.a. over this period, excluding dividends, or around 6.1%, including dividends.

Graph 5.4



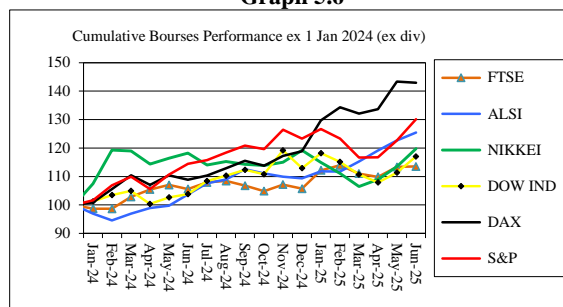
Graph 5.5 reflects the movement of the S&P500 Index since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. Over 38 years since January 1987, the S&P500 Index grew by 8.4% per annum. US inflation over this period was 2.8%. It represents growth in real terms of 5.6% p.a. over 38 years, excluding dividends, or around 7.7% (including dividends).

Graph 5.5



Graph 5.6 provides an interesting overview of some of the major global share indices, showing the DAX as the top-performing index since the start of 2024.

Graph 5.6



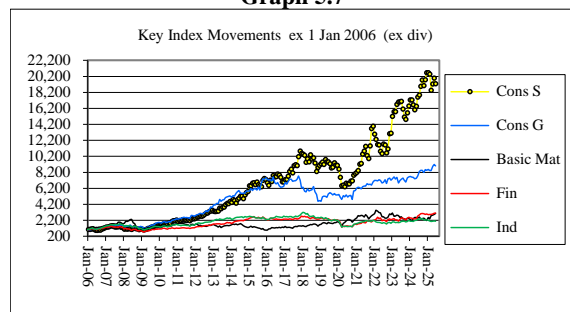
Graph 5.7 provides an overview of the relative movement of the key equity sectors on the FTSE/JSE since December 2005, when the JSE introduced these indices. The investor can deduce from this graph which sectors offer better and poorer value based on fundamentals. Annualised returns for these indices since the beginning of 2006 were: Consumer Services: 16.3%; Consumer Goods: 11.9%; Financials: 6.0%; Basic Materials: 5.9%; and Industrials: 3.9%.

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

Graph 5.7



6. Pioneering a New Era of Resilient and Future-Focused Pension Fund Management

By Tilman Friedrich

The world of pension funds and retirement savings is evolving, driven by a need for more dynamic, transparent, and high-performing portfolios that can withstand the turbulence of global markets while meeting the long-term needs of members. Among those at the forefront of this transformation is the Benchmark Retirement Fund, which, through a series of strategic moves, has redefined how retirement funds should navigate the complexities of modern investing.

A Journey of Transformation

In September 2022, Benchmark began its journey to reshape its default portfolio, making a decisive move to invest 4.5% of its assets in the 20Twenty Medium-Term Note Program. This decision was based on the desire to provide members with stable, inflation-beating returns while maintaining low volatility. The introduction of this investment marked the beginning of a comprehensive restructuring effort aimed at aligning the fund's strategies more closely with the evolving needs of its members.

By October 2023, Benchmark's commitment to this evolution deepened with the announcement that it would transition its balanced mandate to specialist portfolios in a phased manner. This shift was designed to incorporate "best-of-breed" managers across various asset classes, while also reducing the fund's overall fee structure by an impressive 0.23%. Such a move not only bolstered the fund's cost-efficiency but also laid the groundwork for a portfolio that could be more adaptable to shifting market conditions.

Key Milestones

The most significant phase of the restructuring unfolded between February and July 2024, when the following transformative changes were implemented:

- **Transition to Domestic Mandates:** All global balanced mandates were replaced with domestic balanced mandates, reducing exposure to geopolitical risks while optimising local investment opportunities.
- **Specialised Global Management:** Benchmark chose to entrust global assets to specialist global managers. Global equities were invested with a passive global equity manager, and global bonds were allocated to an active global government bond fund.
- **Updated Strategic Asset Allocation (SAA):** A refreshed SAA was introduced, increasing the fund's exposure to growth assets, which, in turn, enhanced its potential for capital appreciation in a recovering global market.

These adjustments created a more diverse, flexible, and cost-effective structure. Crucially, this change in direction aligned Benchmark's portfolio with evolving market conditions, preparing it to navigate periods of growth and adversity more efficiently.

From Conservative to Balanced

Historically, Benchmark's default portfolio had maintained a conservative stance with relatively low equity exposure of approximately 45% compared to the broader prudential balanced portfolios' 60%. This cautious approach meant that the default portfolio faced challenges during bull markets; its returns lagged during market booms. Yet, it performed better than many peers during market downturns.

Table 6.1

Date	Default equity exp %	Pru bal equity exp %	Equity perf 1 y %	Def portf perf 1 y %	Pru bal portf perf 1 y %
March 2025	57.5	60.4	18.9	12.9	13.5
March 2024	45.2	62.1	-2.1	12.9	12.2
March 2023	45.7	63.5	0.8	11.9	8.9
March 2022	45.1	64.8	13.6	10.4	9.1
March 2021	47.5	63.6	49.4	16.6	25.7
March 2020	45.4	63.0	-21.2	-2.4	-6.8

For example, when the global equity market plummeted by 21.2% in 2020, the Benchmark default portfolio lost only 2.4%, outperforming the average prudential balanced portfolio's loss of 6.8%. However, during the subsequent equity boom in 2021, when the market surged by 49.4%, the default portfolio returned just 16.6%, falling short of the average return of 25.7% for the prudential portfolio.

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

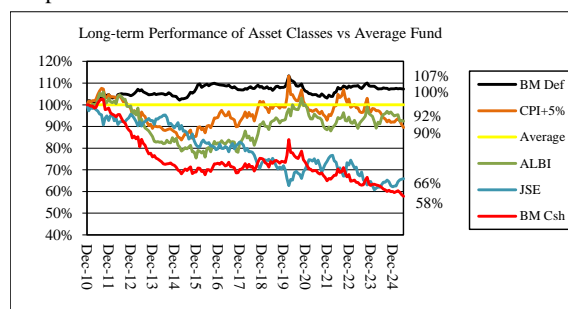
This underperformance during market rallies can be attributed to the fund's lower equity exposure, but the restructuring is designed to produce returns more aligned to those of prudential balanced portfolios. By March 2025, the fund's equity exposure had risen to 57.5%, just below the average of 60.4% for a typical prudential balanced portfolio, ensuring that the performance of Benchmark's default portfolio would become more aligned with its peers.

The restructuring is aimed at increasing the fund's exposure to growth assets, but it will sacrifice some of its characteristic resilience during periods of market stress. This is evident from the performance of Benchmark's default portfolio in comparison to other asset classes, as shown in Table 6.1.

Strategic Shifts Yielding Long-Term Value

Graph 6.1 shows that as of June 2025, the Benchmark Default Portfolio has outperformed the cumulative performance of prudential balanced portfolios (yellow line) since 2011 by 7%, despite its equity exposure remaining considerably lower for much of the period. Prudential balanced portfolio managers outperformed inflation plus 5% by 10%. They also outperformed all the main asset classes in which they invest by large margins!

Graph 6.1



As the fund's equity allocation ramps up in line with global trends, it is positioned to benefit from higher growth potential without exposing members to excessive risk. This restructured default portfolio has been designed with the understanding that long-term growth, paired with reduced volatility, is the key to achieving sustainable, inflation-beating returns.

Furthermore, the 0.23% reduction in fees resulting from the fund's new cost structure ensures that members retain a greater share of the returns generated. The overall effect of these strategic decisions is a default portfolio that is more in line with modern market dynamics, offering better risk-adjusted returns while being more adaptable to future shifts in global economic conditions.

A Balanced Approach for Pension Fund Members

With the restructuring complete, the Benchmark Retirement Fund will be positioned to provide the average pension fund member with a more flexible, robust, and future-proof portfolio. Given that pension fund investments are non-discretionary and subject to regulatory prescriptions, members typically have limited control over how their money is invested. However, the Benchmark Default Portfolio has taken this into account, focusing on diversification and cost-efficiency to ensure that members can rest assured knowing their retirement savings are being managed by some of the best asset managers available, even in turbulent times, within the prescribed legal parameters.

It's important to note, however, that pension fund members can neither influence nor direct their discretionary investments. As a result, when considering how to invest their discretionary money, they should remain mindful of the global economic climate and its potential to disrupt traditional investment wisdom. The shifting geopolitical landscape, with the potential for international conflicts and economic upheaval, is one such factor that may influence investment decisions in the years to come. Readers are referred to our commentary in this column in the Benchmark Performance Review as at 28 February 2025.

A Vision for the Future

Benchmark's portfolio restructuring is more than just a tactical response to changing market conditions—it's a forward-looking strategy designed to ensure long-term sustainability and superior performance for its members. By increasing equity exposure, reducing costs, and implementing specialised management, the fund has positioned itself to better meet the needs of its members in the post-pandemic era.

Looking ahead, the Benchmark Retirement Fund has become a beacon for how pension funds should evolve in the 21st century. While the future of global investing may be uncertain, Benchmark has developed a portfolio structure that enables flexibility and growth, regardless of the market environment. For members, this means peace of mind, knowing that their retirement savings are in good hands, irrespective of what the future holds.

Ultimately, while conventional investment wisdom may be put to the test in the coming years, Benchmark's approach is rooted in long-term resilience and adaptability, ensuring that its members remain well-positioned to navigate whatever the future may bring.

Important notice and disclaimer

RFS prepared this document in good faith based on information available at the publication date without any independent verification. The Benchmark Retirement Fund and RFS Fund Administrators (Pty) Ltd do not guarantee or warrant the accuracy,

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2025

By Staff Writer – RFS Fund Administrators (Pty) Ltd

The monthly review of portfolio performance, as set out in this issue, is also available on our website at www.rfsol.com.na.

reliability, completeness, or currency of the information in this publication nor its usefulness in achieving any purpose. Readers are responsible for assessing the relevance and accuracy of the content of this publication. Benchmark Retirement Fund and RFS Fund Administrators (Pty) Ltd accepts no liability for any direct or consequential loss, damage, cost, or expense incurred or arising because of any entity or person using or relying on information in this publication. This document is not for any recipient's reproduction, distribution, or publication. Opinions expressed in a report are subject to change without notice. All rights are reserved. Namibian Law shall govern these disclaimers and exclusions. If any of their provisions are unlawful, void, or unenforceable, one must remove them. Such removal shall not affect the validity and enforceability of the remaining provisions.