Volume 21, No. 9
September 2025

Benchmark Retirement Fund

Administered by RFS Fund Administrators

Income Tax Ref. No.12/1/12/462
Registration No 25/7/7/489

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 SEPTEMBER 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 September 2025, the average prudential balanced portfolio returned 2.7% (August 2025: 1.1%). The top performer is the NinetyOne Managed Fund, with 3.5%. The Investment Solutions Balanced Growth Fund, with 2.2%, takes the bottom spot. M&G Managed Fund takes the top spot for the three months, outperforming the 'average' by roughly 0.9%. The Investment Solutions Balanced Growth Fund underperformed the 'average' by 1.1% 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.)

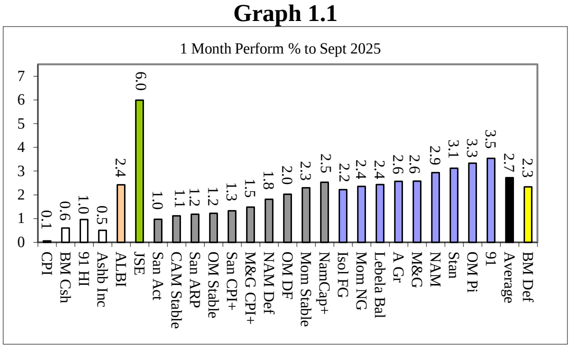
Graphs 1.1 to 1.10 reflect the performance for periods from 1 month to 20 years of a number of the most prominent prudential balanced portfolios (blue bars), 'special mandate portfolios' with lower volatility risk (grey bars), fixed interest portfolios (no colour bars), the average of prudential balanced 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:

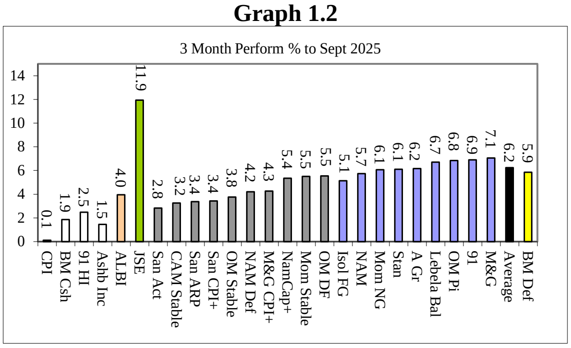
Benchmarks	
Namibian Consumer Price Index	CPI (red)
All Bond Index	ALBI (orange)
JSE Allshare Index	JSE Cum (green)
Benchmark Default Portfolio	BM Def (yellow)
Average portfolio (prudential, balanced)	Average (black)
Special Mandate Portfolios	
Money market	BM Csh (no colour)
NinetyOne High Income (interest-bearing 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)
Lebela Balanced*	Lebela 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

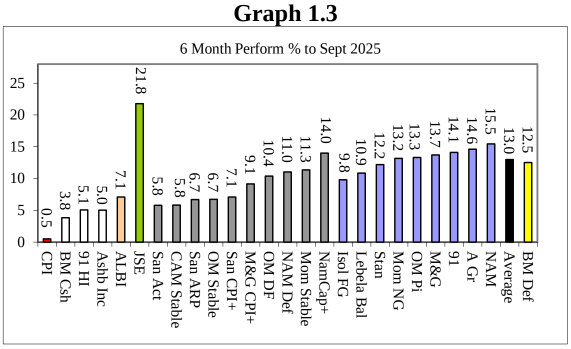
Graph 1.1



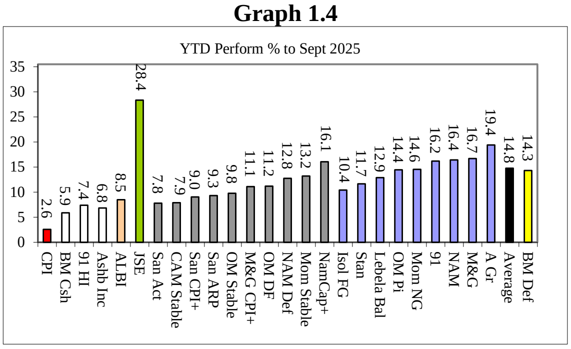
Graph 1.2



Graph 1.3



Graph 1.4



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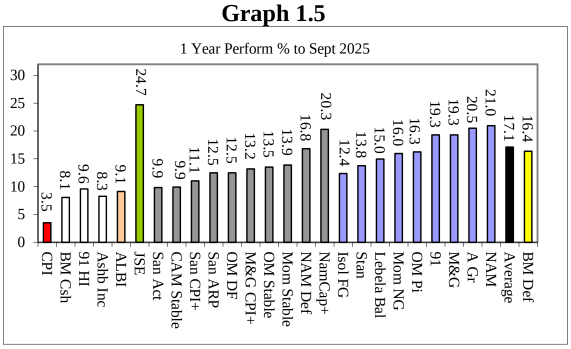
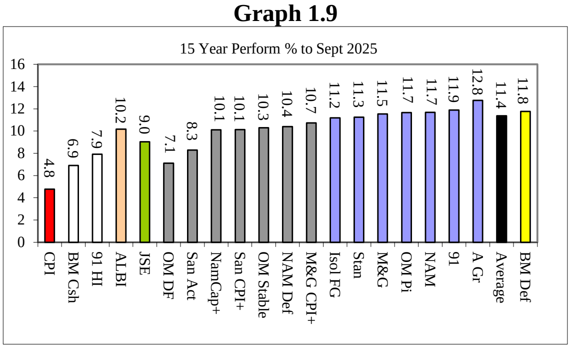
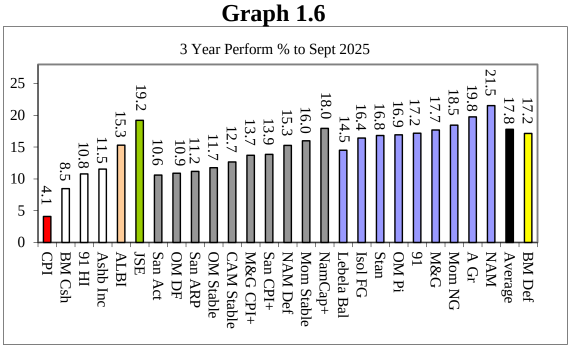
Graph 1.5



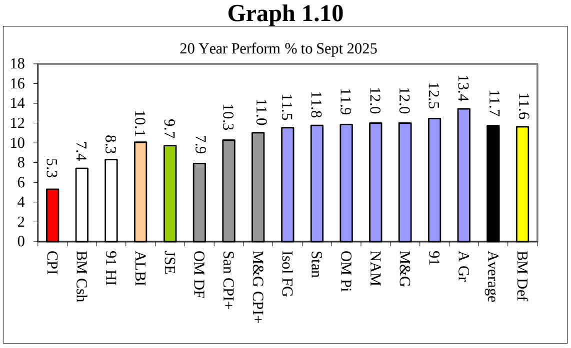
Graph 1.9



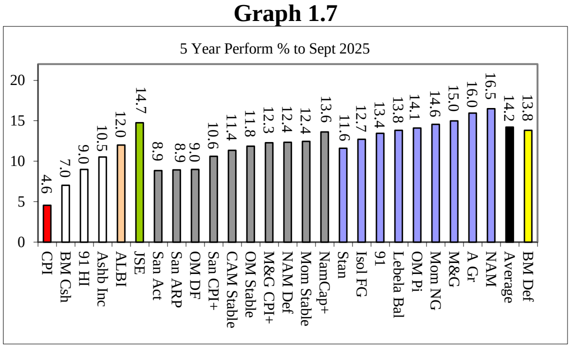
Graph 1.6



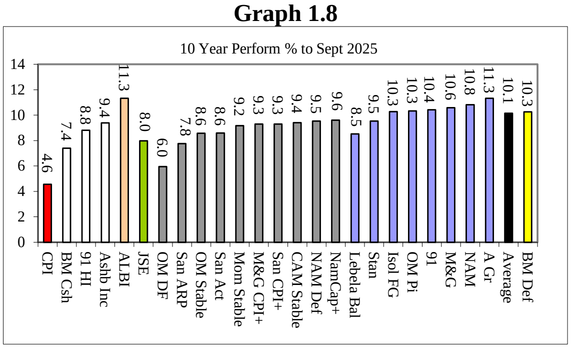
Graph 1.10



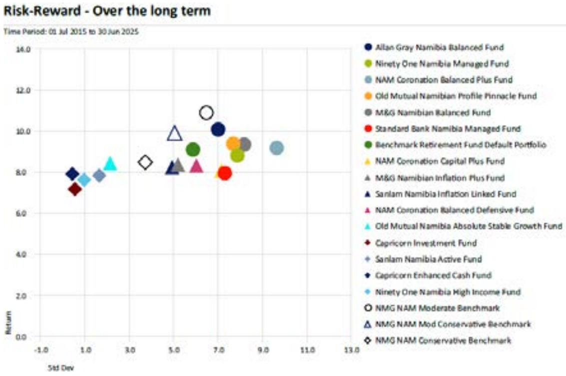
Graph 1.7

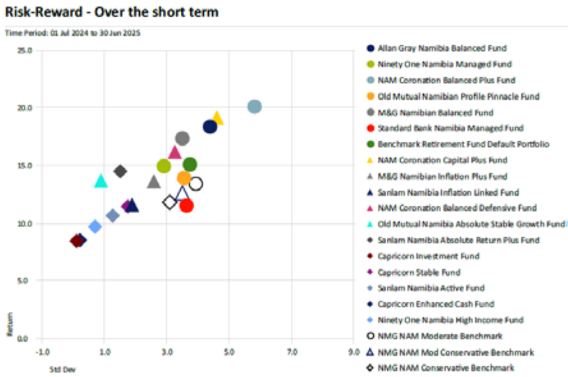


Graph 1.8



Risk/ Return





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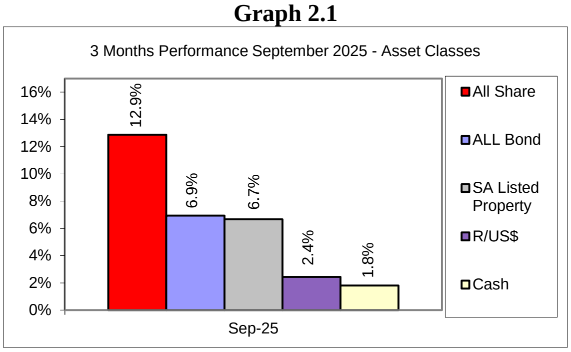
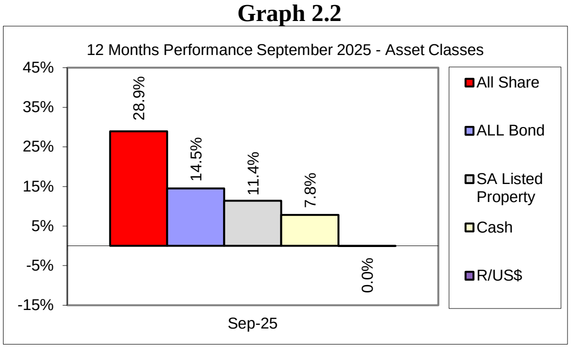
2. **Performance of Key Indices** (index performance by courtesy of IJG/Deutsche Securities)

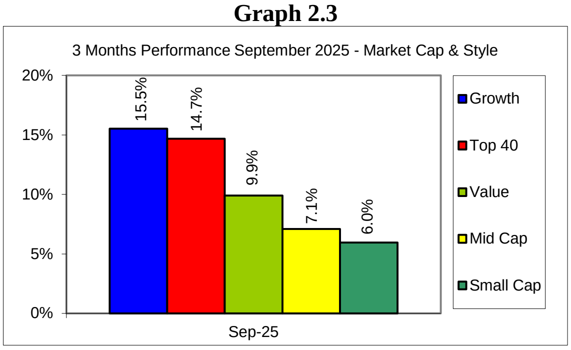
Graph 2.1



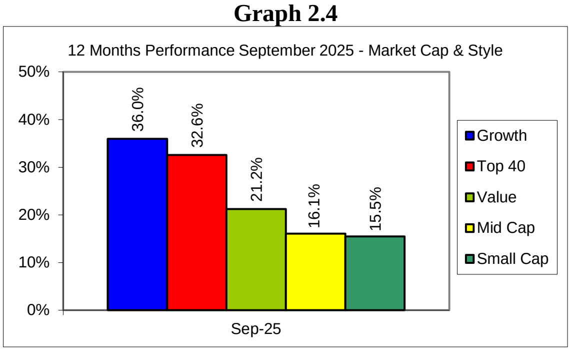
Graph 2.2



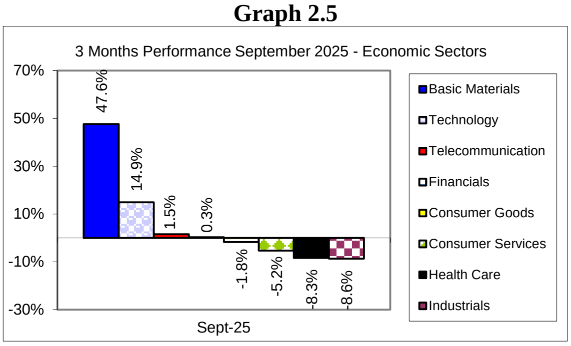
Graph 2.3



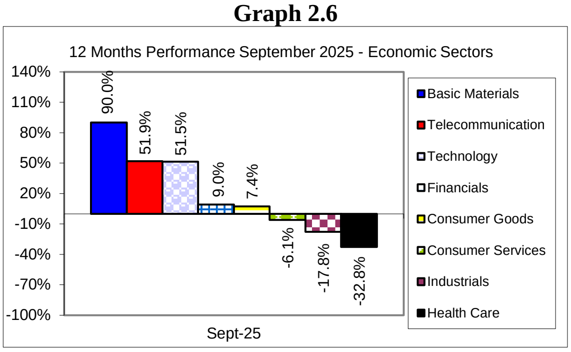
Graph 2.4



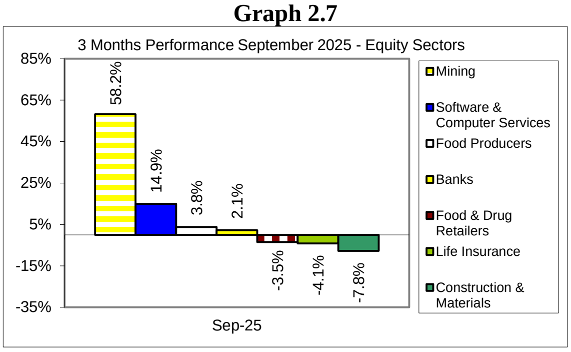
Graph 2.5



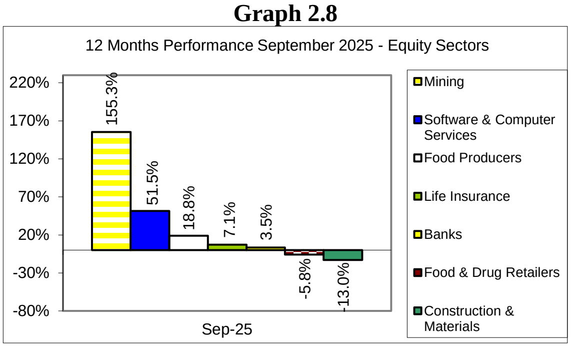
Graph 2.6



Graph 2.7



Graph 2.8



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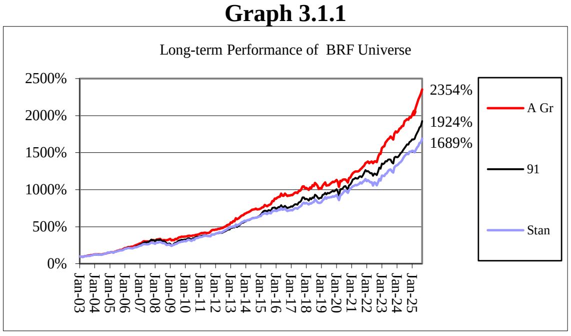
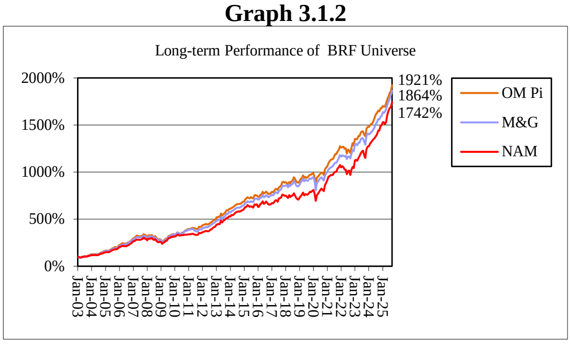
3. Portfolio Performance Analysis

3.1 Cumulative performance of prudential balanced portfolios

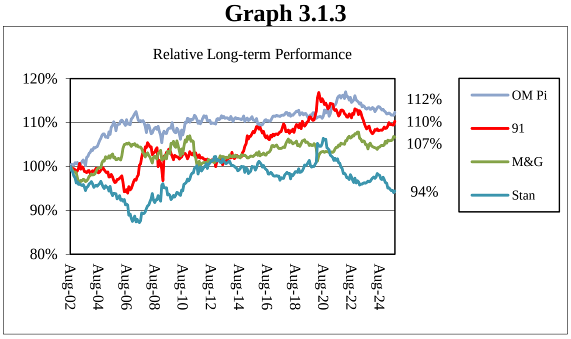
Graph 3.1.1



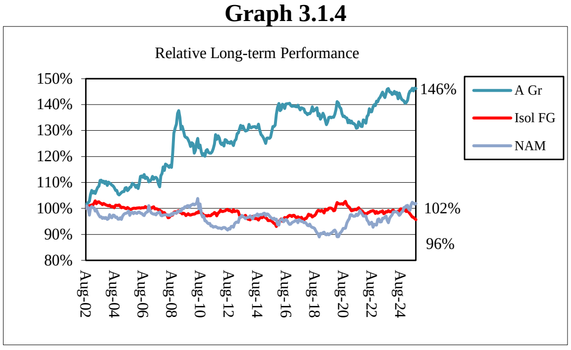
Graph 3.1.2



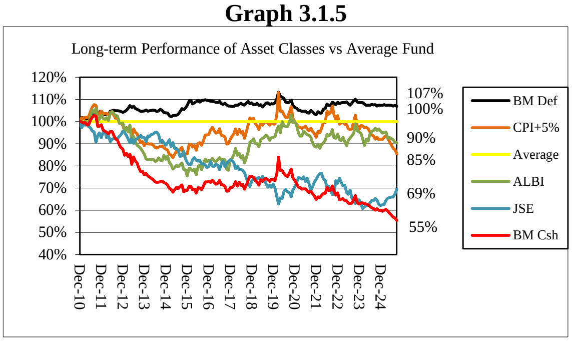
Graph 3.1.3



Graph 3.1.4

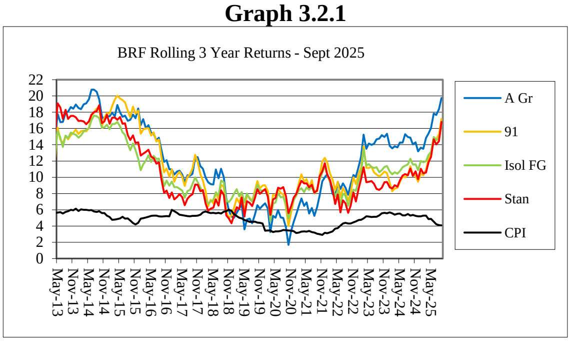


Graph 3.1.5

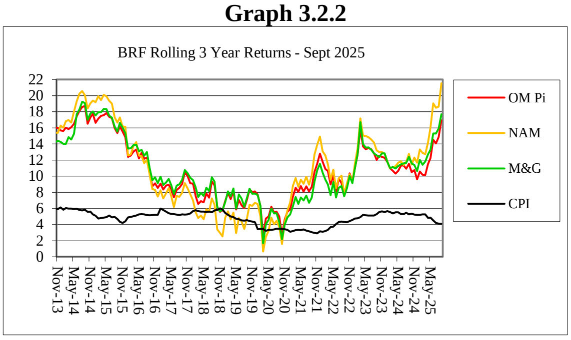


3.2 3-year rolling performance of prudential balanced portfolios relative to CPI

Graph 3.2.1

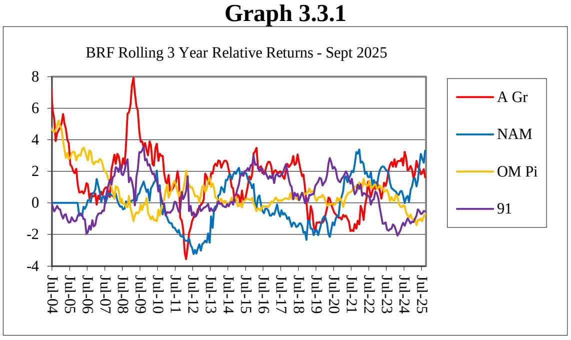


Graph 3.2.2



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

Graph 3.3.1



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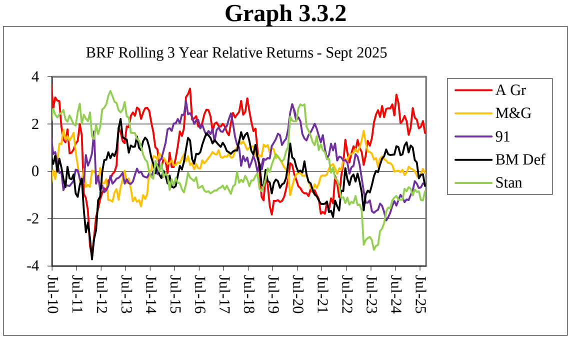
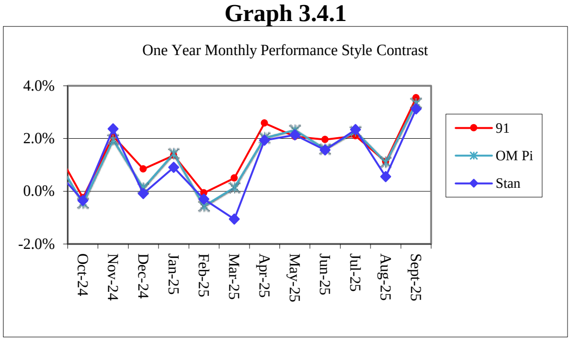
Graph 3.3.2

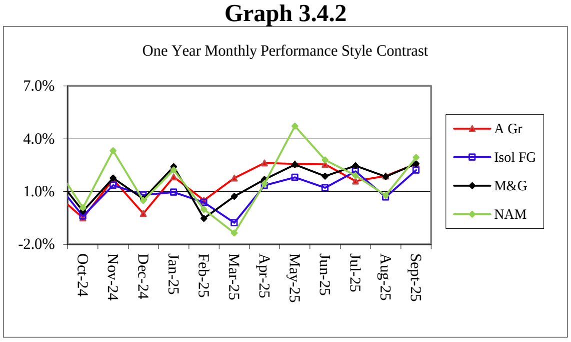


3.4 Monthly performance of prudential balanced portfolios

Graph 3.4.1

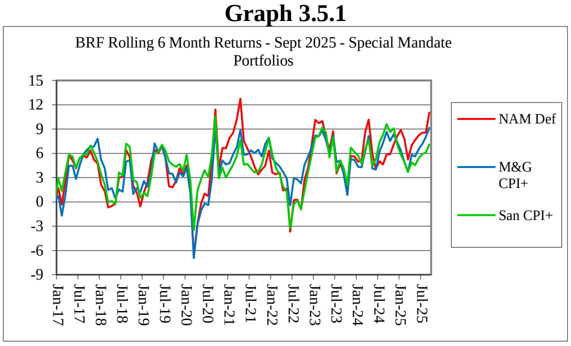


Graph 3.4.2

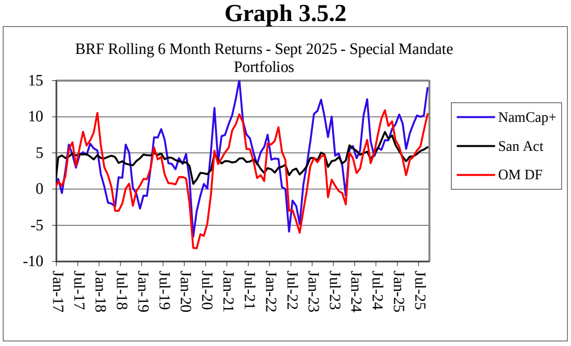


3.5. 6-month rolling and cumulative returns of 'special mandate' portfolios

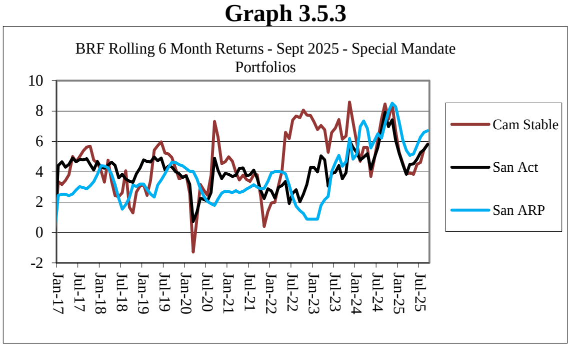
Graph 3.5.1



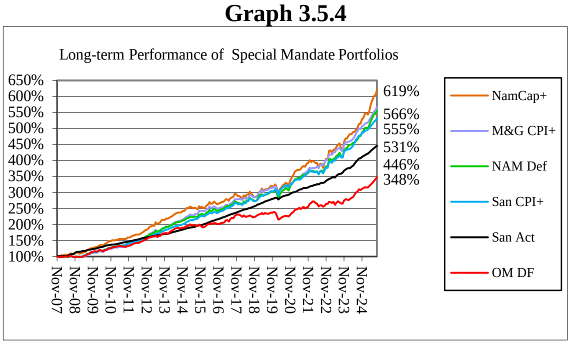
Graph 3.5.2



Graph 3.5.3

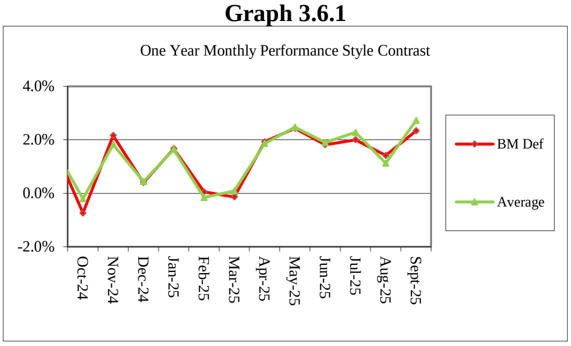


Graph 3.5.4



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

Graph 3.6.1



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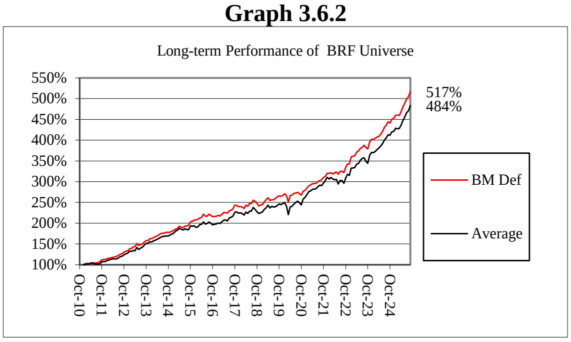
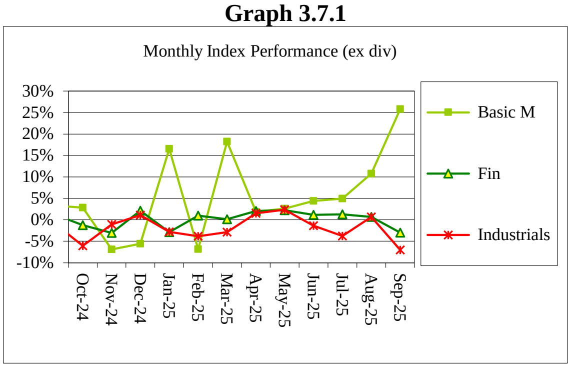
Graph 3.6.2

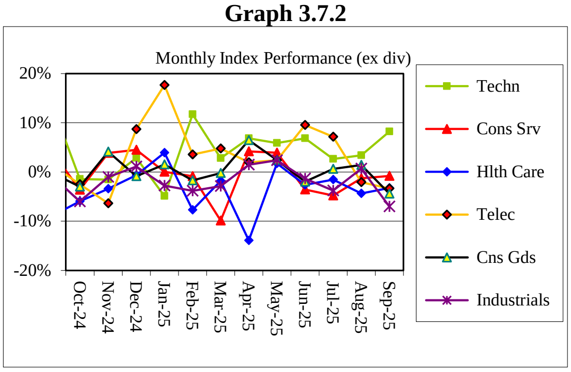


3.7 One-year monthly performance of key indices (excluding dividends)

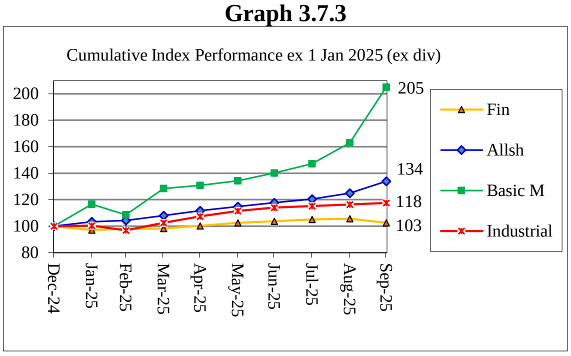
Graph 3.7.1



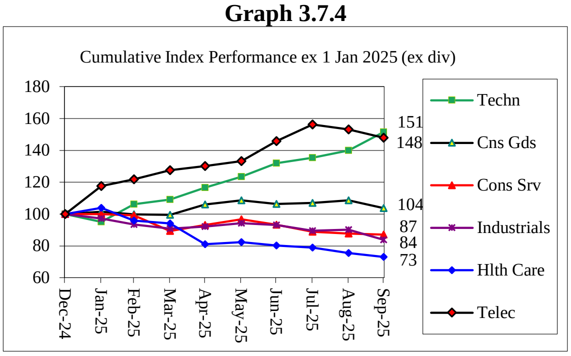
Graph 3.7.2



Graph 3.7.3



Graph 3.7.4



4. The Benchmark Default Portfolio – Facts in figures

Table 4.1

Portfolio	Default portfolio	Average Prud Bal
5-year nominal return - % p.a.	13.8	14.2
5-year real return - % p.a.	9.2	9.6
Equity exposure - % of the portfolio (quarter ended Jun 2025)	58.9	63.3
Cumulative return ex Jan 2011	417.1	383.6
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 61% compared to the average prudential balanced portfolio's more than 63% 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%	8.0%	7.8%
Best annual performance	8.5%	17.2%	17.8%
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	6.9%	12.4%	12.1%

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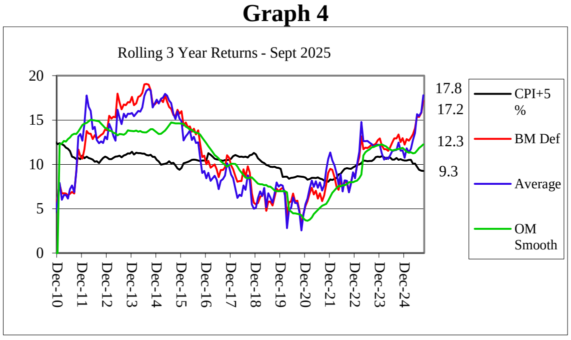
The table above presents one-year performance statistics. It highlights the performance differences between the three portfolios over the three years from October 2022 to September 2025. These statistics show the performance volatility of these three risk profiles.

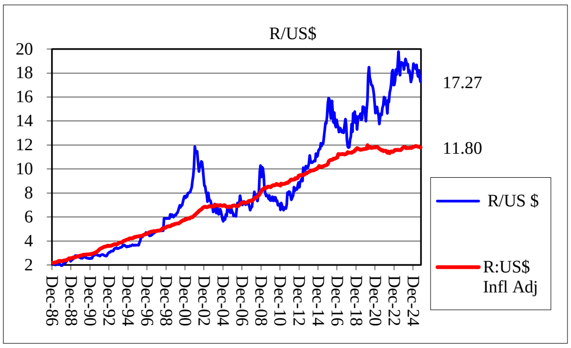
Graph 4



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 September was 17.2%, the average was 17.8% vs. CPI plus 5%, currently on 9.3%.

5. Review of Foreign Portfolio Flows and the Rand

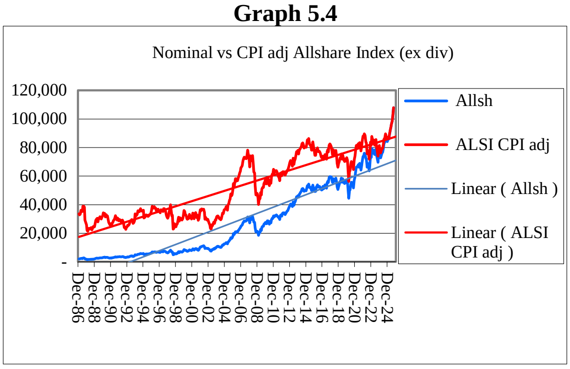
Graph 5.1 indicates that the Rand's fair value by our measure is 11.80 to the US Dollar, while it stood at 17.27 at the end of September 2025. Our measure is based on adjusting the two currencies by the respective domestic inflation rates.



Graph 5.2 - removed
Graph 5.3 - removed

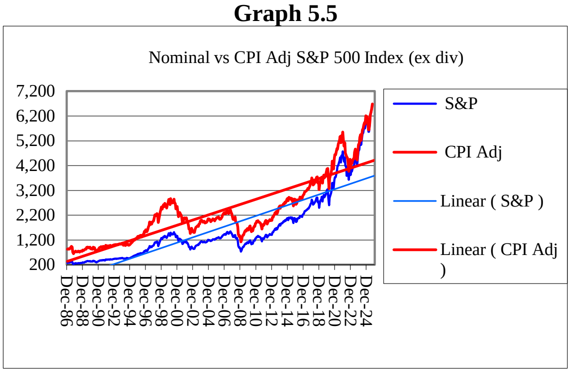
Graph 5.4 reflects the movement of the JSE since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. In nominal terms, the JSE grew by 10.9% per year since January 1987, excluding dividends of 3.2%. Namibian inflation over these 36 years was 7.4% per year. This is equivalent to a growth rate of 3.5% per annum in real terms over this period, excluding dividends, or approximately 6.7% including dividends.

Graph 5.4



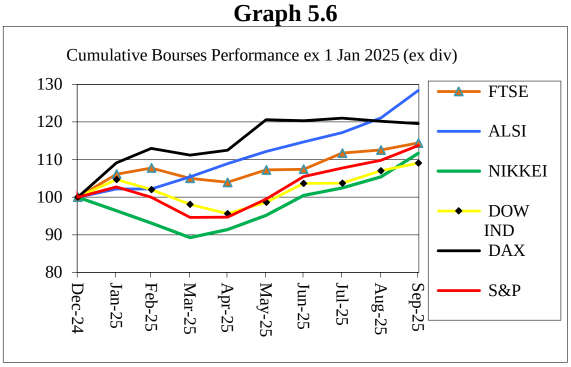
Graph 5.5 reflects the movement of the S&P500 Index since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. Over 38 years since January 1987, the S&P500 Index grew by 8.6% per annum. US inflation over this period was 2.8%. It represents growth in real terms of 5.8% p.a. over 38 years, excluding dividends, or around 7.9% (including dividends).

Graph 5.5



Graph 5.6 provides an interesting overview of some of the major global share indices, showing the ALSI as the top-performing index since the start of 2025.

Graph 5.6



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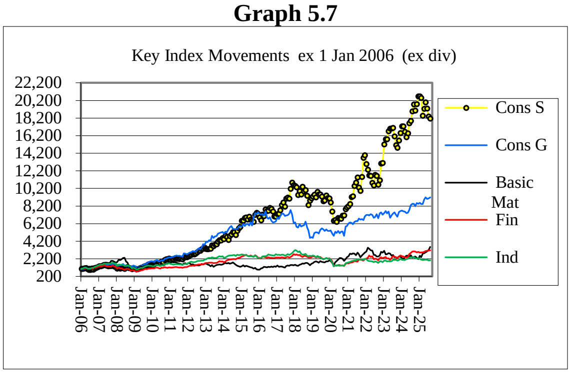
Graph 5.7 provides an overview of the relative movement of the key equity sectors on the FTSE/JSE since December 2005, when the JSE introduced these indices. The investor can deduce from this graph which sectors offer better and poorer value based on fundamentals. Annualised returns for these indices since the beginning of 2006 were: Consumer Services: 15.8%; Consumer Goods: 11.6%; Financials: 5.9%; Basic Materials: 7.9%; and Industrials: 3.2%.

Graph 5.7



6. How does a US government shutdown impact markets?

By Tilman Friedrich

The US government shutdown is a highly topical subject that has the potential to impact markets, a topic every investor should be aware of. I therefore present the article in this column instead of my usual opinion piece. I reiterate my caution that the world is heading for a potentially devastating global confrontation within the next three years. There are no indications whatsoever that this risk has abated. Investors must consider this real risk when making investment decisions. Africa and South America are likely the only regions that will be spared and should be considered as investment destinations.

"Investors are generally advised to view shutdowns as short-term interruptions rather than threats to market stability. Over the 20 shutdowns since 1976, the S&P 500 has averaged a gain of 0.05% during the shutdown period itself. On Wednesday, the US federal government officially entered a shutdown after Congressional Democrats and Republicans failed to agree on a funding package. Government shutdowns occur when Congress does not pass – or the President does not sign – the necessary appropriations bills or continuing resolutions for the new fiscal year, which begins October 1.

Unlike a default, a shutdown primarily affects non-essential federal employees, who are either furloughed or work without pay until funding is restored. While politically disruptive and widely reported, shutdowns are generally short-lived and have historically had limited economic impact. The current deadlock, largely centred around disagreements over healthcare subsidies, underscores the persistent challenges in balancing federal budgets while maintaining government operations. Since 1950, the United States has experienced 21 government shutdowns, most of which lasted only a few days.

Despite the attention they receive, these events rarely derail financial markets, highlighting the resilience of equities and other asset classes. However, shutdowns are not without consequences; they can affect the labour market, consumer confidence, and the release of key economic data. Understanding both the historical performance of markets during shutdowns and their broader economic implications is critical for investors navigating the current environment.

Market impact of government shutdowns

Historically, government shutdowns have had a limited effect on the US stock market. The S&P 500 offers a clear lens through which to evaluate investor reactions. Over the 20 shutdowns since 1976, the S&P 500 has averaged a gain of 0.05% (USD) during the shutdown period itself. In other words, shutdowns have had virtually no statistical significance in driving market performance. More often, broader economic news and corporate earnings have exerted a stronger influence on stock prices than the mere fact of a shutdown.

Read: A trader's guide to US markets if the government shuts down.

The most recent and longest shutdown in modern US history occurred between 22 December 2018 and 25 January 2019. Lasting 35 days, it was widely expected to weigh on markets. Government contractors faced delayed payments, federal agencies slowed operations, and thousands of federal workers were furloughed. Yet during this period, the S&P 500 gained more than 10% (USD), reflecting a rebound from earlier volatility in the fourth quarter of 2018. Analysts attributed this rise to positive developments in US-China trade relations and declining interest rates.

Other shutdowns also demonstrate market resilience. For example, the 16-day shutdown in 2013 led to an S&P 500 increase of more than 3.00% (USD). In fact, the last five shutdowns before 2025 all saw the S&P 500 rise, despite varying durations and political contexts. These examples illustrate that, while shutdowns generate headlines, investors tend to focus on long-term corporate earnings and broader economic fundamentals rather than short-term government gridlock.

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MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 SEPTEMBER 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.

Start of Shutdown	Reopen Date	Length (Days)	S&P 500 Return	S&P 500 12 Months After End	President	Senate	House
9/30/1976	10/11/1976	11	-3.5%	-6.6%	Ford	Democrat	Democrat
9/30/1977	10/13/1977	13	-2.5%	12.0%	Carter	Democrat	Democrat
10/31/1977	11/9/1977	9	0.4%	1.5%	Carter	Democrat	Democrat
11/30/1977	12/9/1977	9	-1.0%	3.2%	Carter	Democrat	Democrat
9/30/1978	10/18/1978	18	-2.0%	3.1%	Carter	Democrat	Democrat
9/30/1979	10/12/1979	12	-4.4%	24.7%	Carter	Democrat	Democrat
5/1/1980	5/1/1980	1	-0.8%	25.8%	Carter	Democrat	Democrat
11/20/1981	11/23/1981	3	0.7%	9.3%	Reagan	Republican	Democrat
9/30/1982	10/2/1982	2	0.3%	36.2%	Reagan	Republican	Democrat
12/17/1982	12/21/1982	4	2.4%	18.0%	Reagan	Republican	Democrat
11/10/1983	11/14/1983	4	1.6%	-0.4%	Reagan	Republican	Democrat
9/30/1984	10/3/1984	3	-2.2%	13.5%	Reagan	Republican	Democrat
10/3/1984	10/5/1984	2	-0.6%	12.6%	Reagan	Republican	Democrat
10/16/1986	10/18/1986	2	0.0%	18.4%	Reagan	Republican	Democrat
12/18/1987	12/20/1987	2	2.5%	11.9%	Reagan	Democrat	Democrat
10/5/1990	10/9/1990	4	-2.1%	23.2%	G.H. W. Bush	Democrat	Democrat
11/13/1995	11/19/1995	6	1.2%	22.8%	Clinton	Republican	Republican
12/15/1995	1/6/1996	22	0.0%	21.3%	Clinton	Republican	Republican
10/1/2013	10/17/2013	16	3.1%	8.9%	Obama	Democrat	Republican
1/19/2018	1/22/2018	2	0.8%	-7.1%	Trump	Republican	Republican
2/9/2018	2/9/2018	1	1.5%	3.4%	Trump	Republican	Republican
12/21/2018	1/25/2019	34	10.3%	23.7%	Trump	Republican	Republican
	Average	8.2	0.3%	12.7%			
	Median	4.0	0.1%	12.3%			
	% Higher		54.5%	86.4%			

Source: Carson Investment Research, FactSet 03/07/2025
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Shutdown period	Duration	S&P 500 return 1 week (USD)	1 month (USD)
Oct 2013	16 days	0.8%	2.3%
Dec 2018–Jan 2019	35 days	0.6%	2.0%
The other recent five shutdowns	1–21 days	0.5–1.2%	1.5–3.0%

Shutdown period	3 months (USD)	6 months (USD)	1 Year (USD)
Oct 2013	5.5%	8.7%	15.2%
Dec 2018–Jan 2019	6.6%	12.1%	19.7%
The other recent five shutdowns	5.0–7.5%	10.0–13.0%	12.0–18.0%

Economic considerations and labour market implications

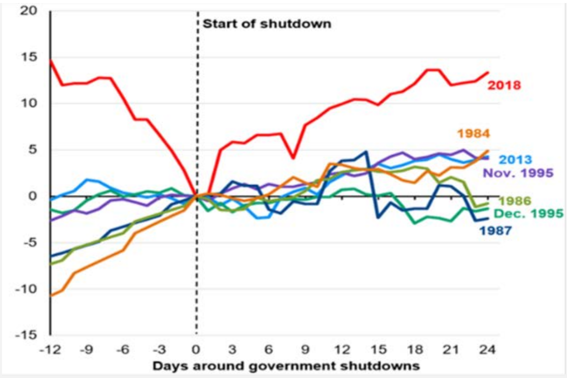
Although markets often weather shutdowns with little impact, the economic implications can be more pronounced, particularly if shutdowns are extended. The US economy has already experienced significant volatility in 2025. First-quarter GDP declined, consumer sentiment fell earlier in the year, and the labour market has shown signs of weakening. Extended furloughs could exacerbate these challenges, particularly in the Washington, DC area, where federal employment is a major economic driver. Reduced paycheques may dampen consumer spending, affecting sectors beyond government contractors, including retail, services, and hospitality.

Conclusion

While government shutdowns capture headlines and create temporary uncertainty, the historical record shows that they rarely derail financial markets in a significant way.

Read: Wall Street strategists chase S&P 500 like few times in history

The S&P 500 has generally posted gains during shutdown periods, with one-year post-shutdown returns averaging 12.7% (USD). Volatility may increase in sectors directly affected by federal spending, and delayed economic reporting can add to short-term uncertainty.



Source: FactSet, Standard & Poor's and JP Morgan Asset Management, 2025. S&P 500 returns around past government shutdowns.

Ultimately, the impact of a shutdown depends less on the political event itself and more on the overall health of the economy, corporate balance sheets, and external factors such as trade relations and monetary policy. Investors who maintain a long-term perspective and consider these broader influences are more likely to view a shutdown as a temporary interruption rather than a threat to market stability.

As history demonstrates, shutdowns are often brief, and while inconvenient for federal employees, they are unlikely to alter the trajectory of US equities significantly. In summary, government shutdowns are a reminder of political divisions, but they are not a predictor of market performance. Economic fundamentals, corporate earnings, and broader market conditions remain the true drivers of stock returns. Investors should monitor developments but avoid reactionary decisions based solely on temporary political events, using shutdown periods instead as an opportunity to assess long-term portfolio strategy."

Article by Keagan Marcia in Moneyweb of 8 October 2025

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