

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 NOVEMBER 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 November 2025, the average prudential balanced portfolio returned 0.6% (October 2025: 2.4%). The top performer is the Old Mutual Pinnacle Profile Growth Fund, with 1.2%. The NAM Coronation Balanced Fund, with -1.2%, takes the bottom spot. Ninety One Managed Fund takes the top spot for the three months, outperforming the 'average' by roughly 1.3%. The NAM Coronation Balanced Fund underperformed the 'average' by 2.0% 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) |

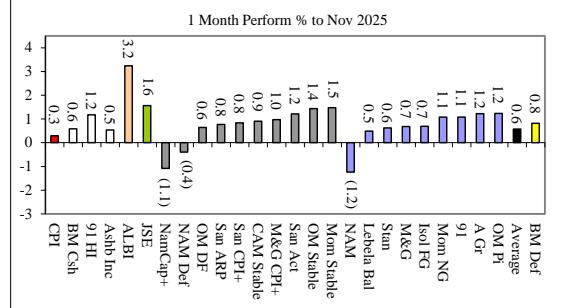
| Special Mandate Portfolios | |
|---|----------------------|
| Money market | BM Csh (no colour) |
| NinetyOne High Income (interest-bearing assets) | 91 HI (no color) |
| Ashburton Namibia Income Fund | Ashb Inc (no colour) |
| Capricorn Stable | CAM Stable (grey) |
| Momentum Nam Stable Growth | Mom 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) |

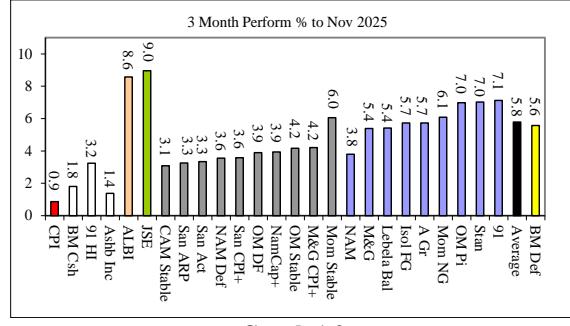
| Market-related portfolios | |
|--|-------------------|
| Allan Gray Balanced | A Gr (blue) |
| Lebela Balanced* | Lebela Bal (blue) |
| NinetyOne Managed | 91 (blue) |
| Investment Solutions Bal Growth (multimanager) | Isol FG (blue) |
| Momentum Namibia Growth | Mom NG (blue) |
| NAM Coronation Balanced 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

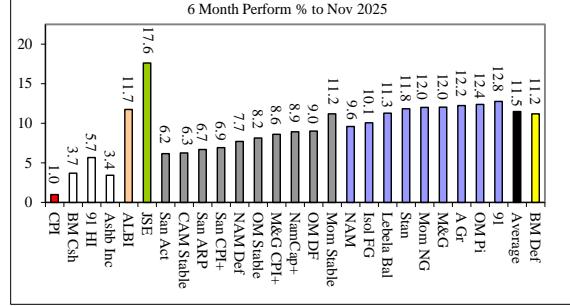
Graph 1.1



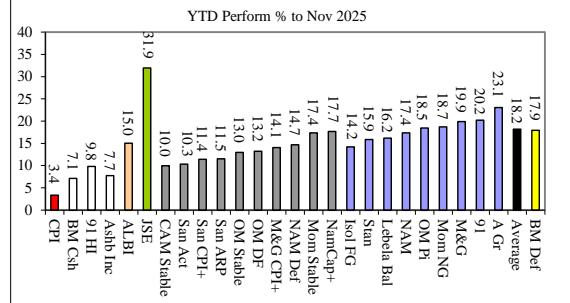
Graph 1.2



Graph 1.3



Graph 1.4

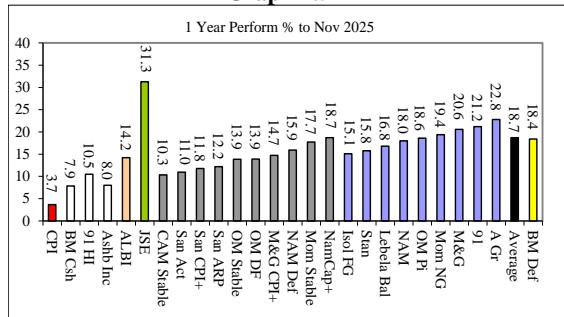


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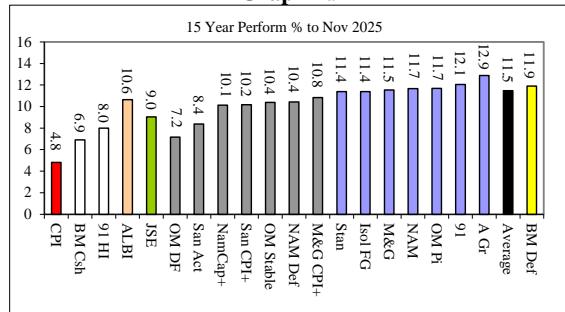
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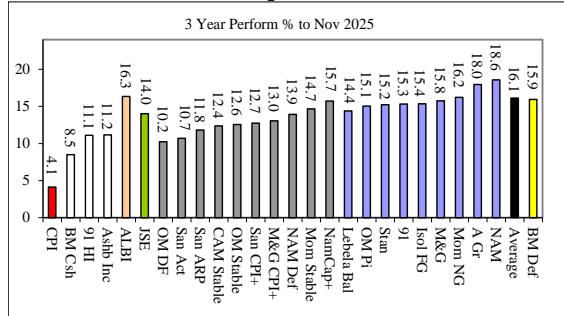
Graph 1.5



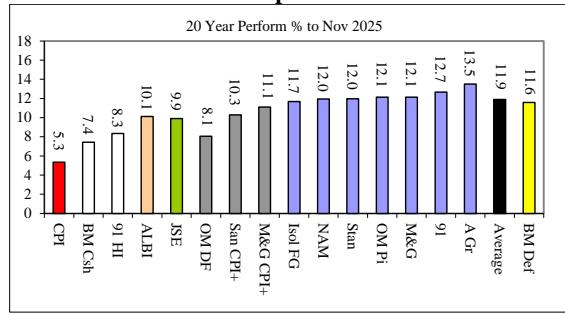
Graph 1.9



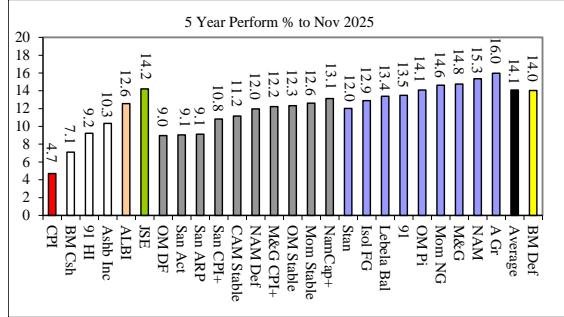
Graph 1.6



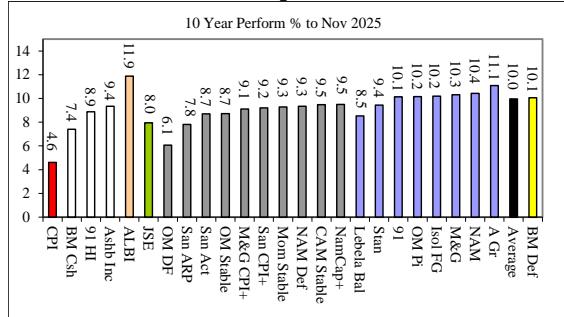
Graph 1.10



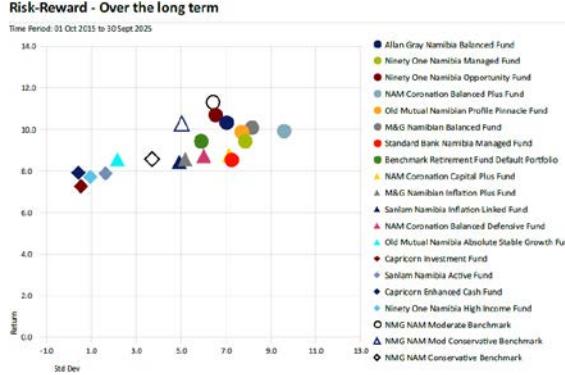
Graph 1.7



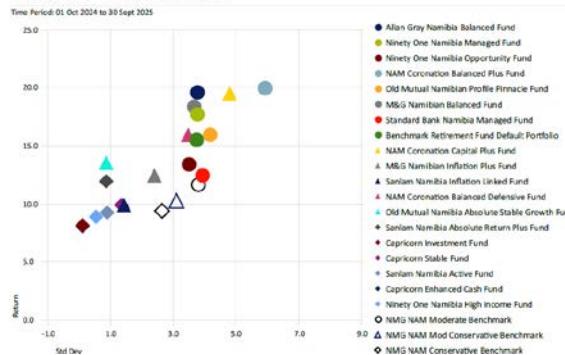
Graph 1.8



Risk/ Return



Risk-Reward - Over the short term



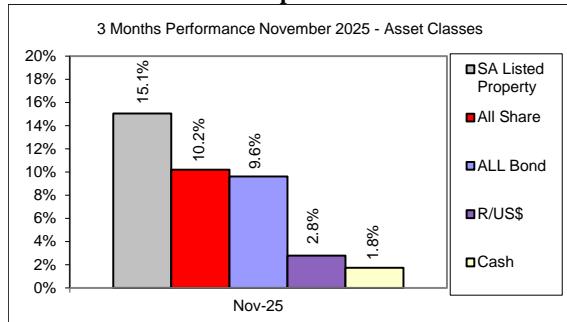
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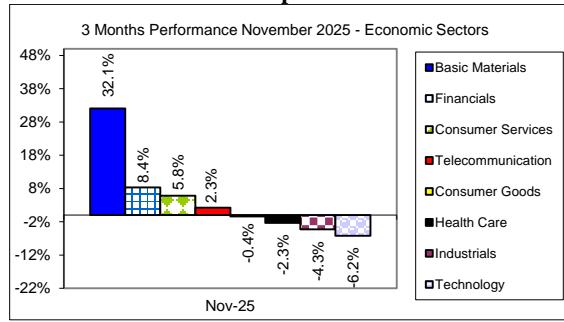
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2. Performance of Key Indices (index performance by courtesy of IJG/Deutsche Securities)

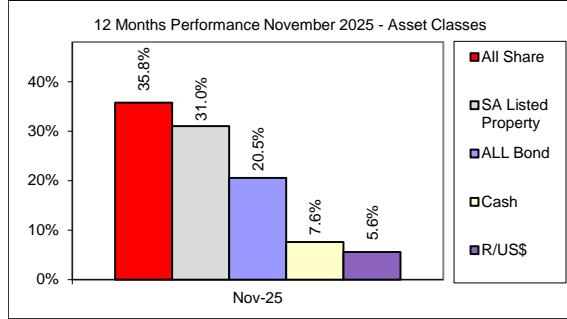
Graph 2.1



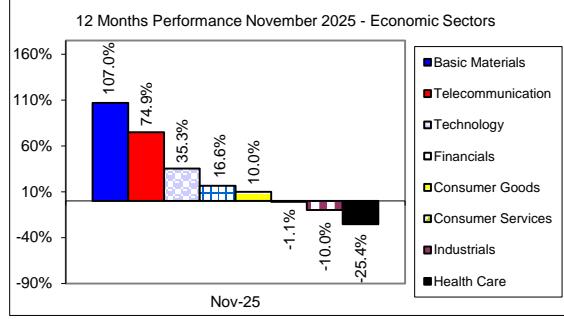
Graph 2.5



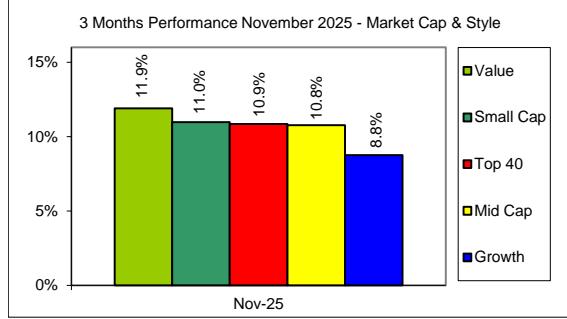
Graph 2.2



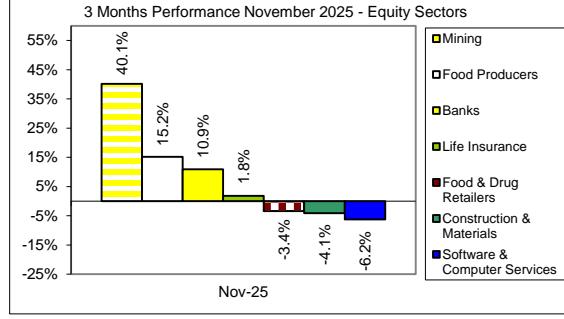
Graph 2.6



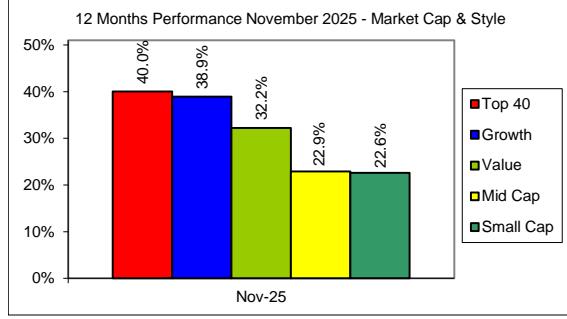
Graph 2.3



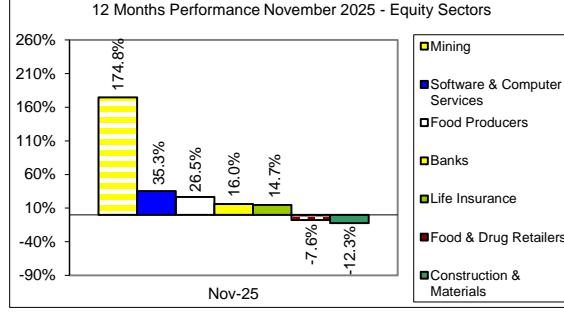
Graph 2.7



Graph 2.4



Graph 2.8



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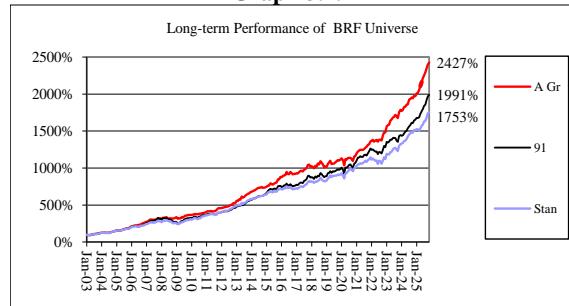
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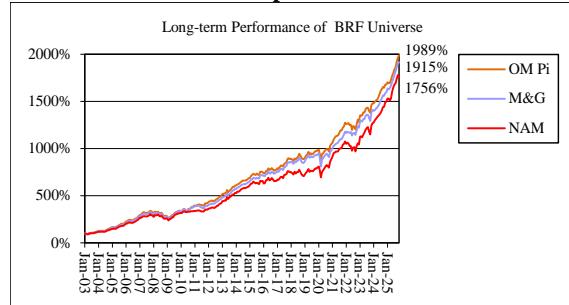
3. Portfolio Performance Analysis

3.1 Cumulative performance of prudential balanced portfolios

Graph 3.1.1



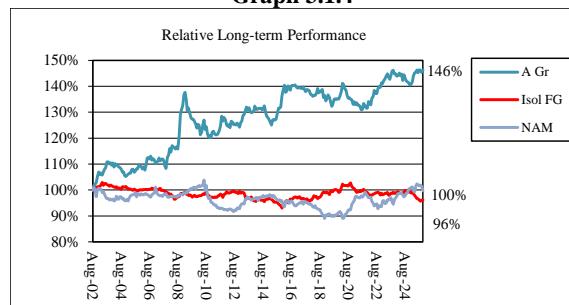
Graph 3.1.2



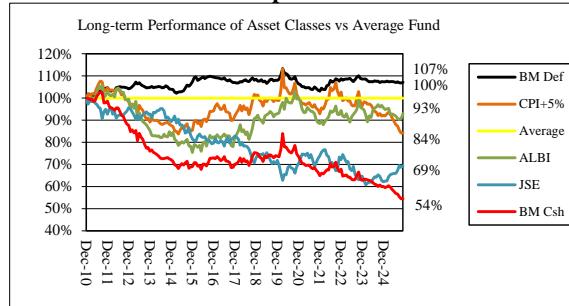
Graph 3.1.3



Graph 3.1.4

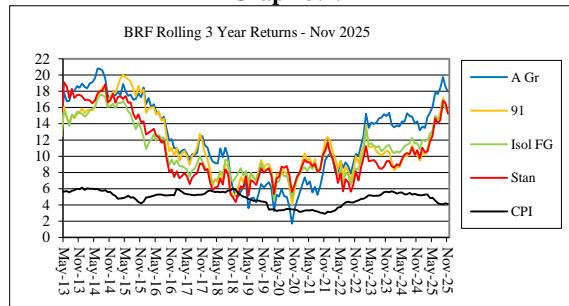


Graph 3.1.5

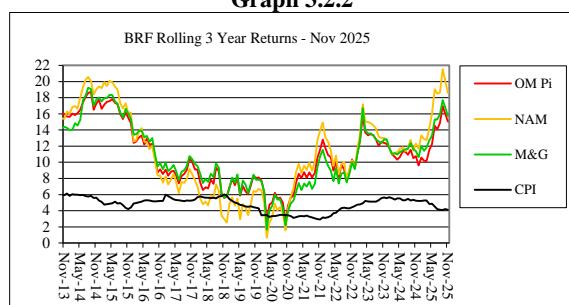


3.2 3-year rolling performance of prudential balanced portfolios relative to CPI

Graph 3.2.1

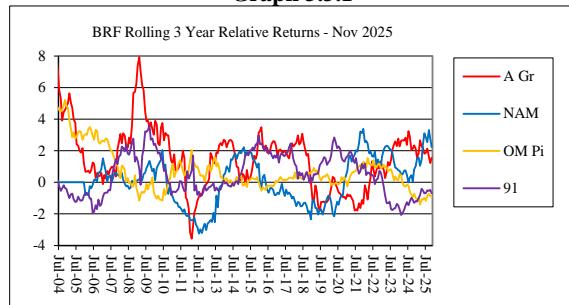


Graph 3.2.2



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

Graph 3.3.1

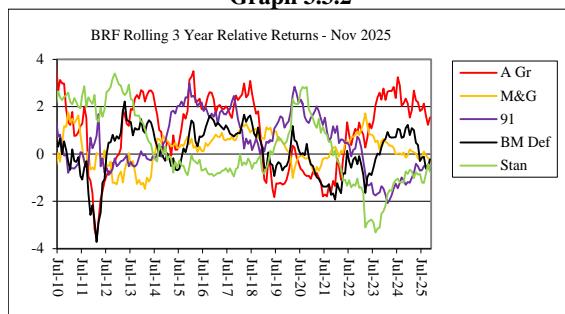


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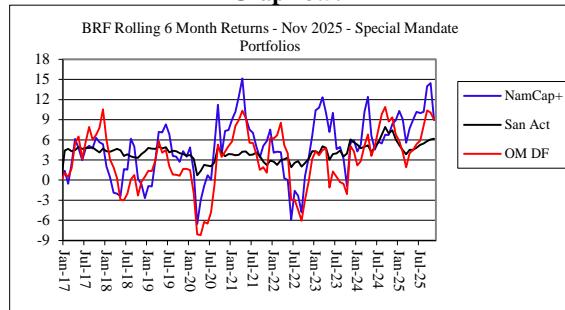
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Graph 3.3.2

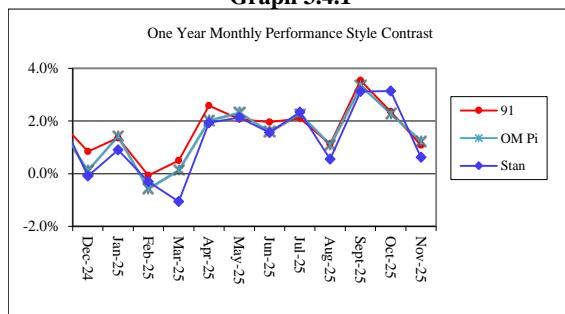


Graph 3.5.2

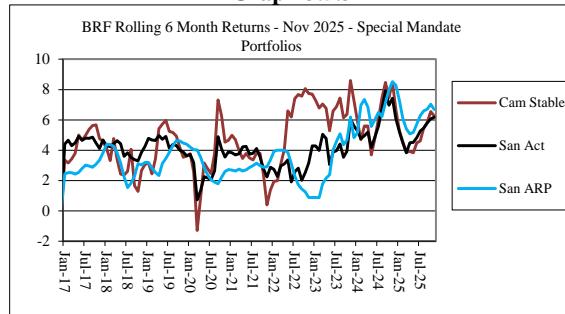


3.4 Monthly performance of prudential balanced portfolios

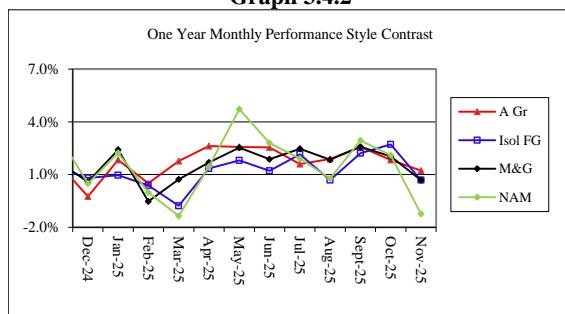
Graph 3.4.1



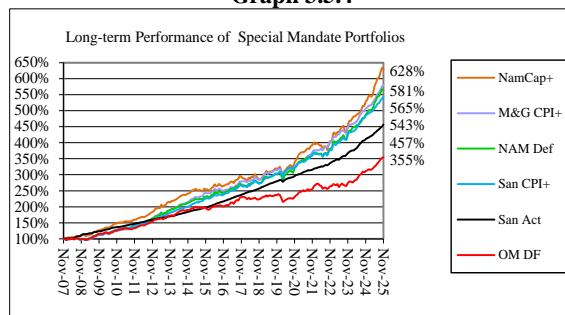
Graph 3.5.3



Graph 3.4.2

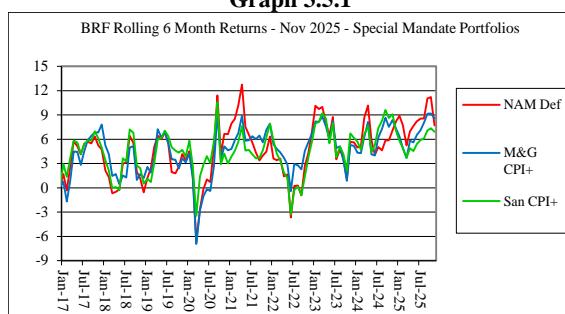


Graph 3.5.4



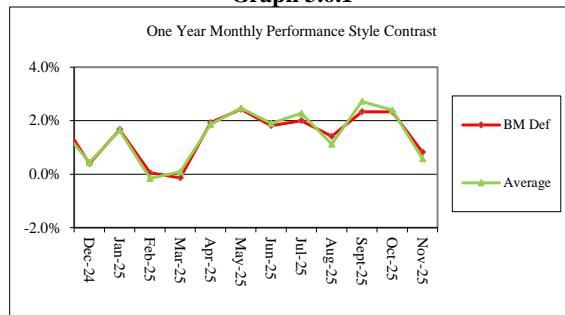
3.5. 6-month rolling and cumulative returns of 'special mandate' portfolios

Graph 3.5.1



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

Graph 3.6.1

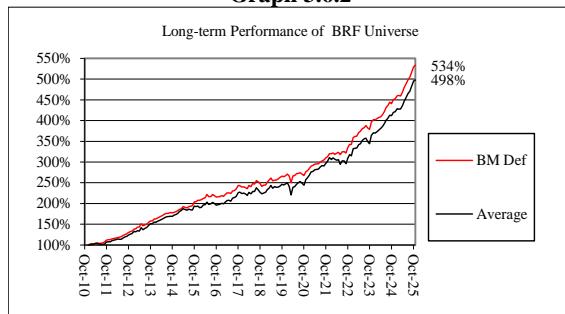


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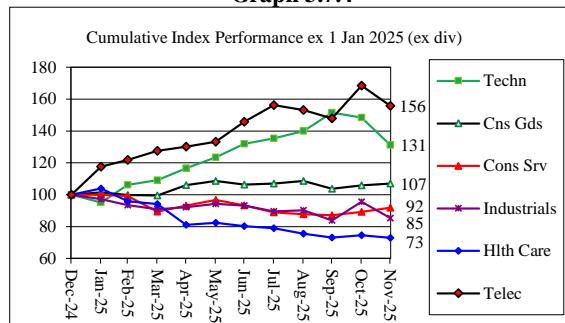
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Graph 3.6.2

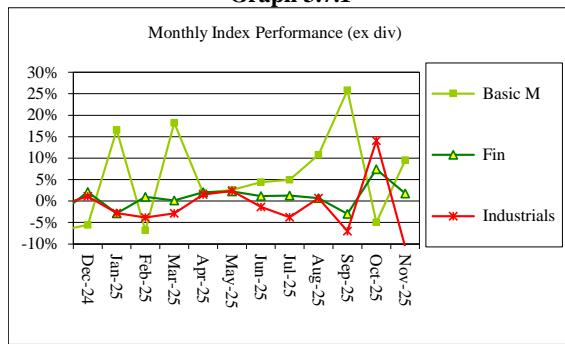


Graph 3.7.4

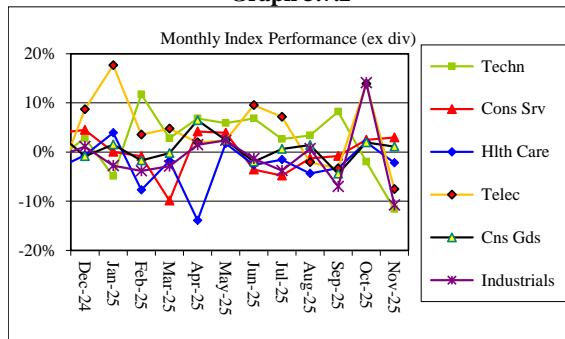


3.7 One-year monthly performance of key indices (excluding dividends)

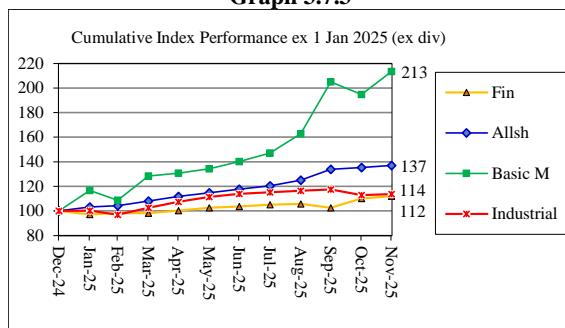
Graph 3.7.1



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. | 14.0 | 14.1 |
| 5-year real return - % p.a. | 9.3 | 9.4 |
| Equity exposure - % of the portfolio (quarter ended Sep 2025) | 60.8 | 63.0 |
| Cumulative return ex Jan 2011 | 433.5 | 398.1 |
| 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

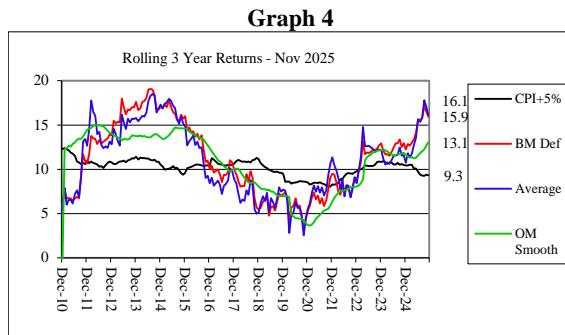
| Measure | Money Market | Default Portf | Average Prud Bal |
|------------------------------------|--------------|---------------|------------------|
| Worst annual performance | 5.5% | 8.7% | 8.4% |
| Best annual performance | 8.5% | 17.2% | 17.8% |
| No of negative 1-year periods | n/a | 0 | 0 |
| Average of negative 1-year periods | n/a | n/a | n/a |
| Average of positive 1-year periods | 7.0% | 12.9% | 12.5% |

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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 December 2022 to November 2025. These statistics show the performance volatility of these three risk profiles.



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 November was 15.9%, the average was 16.1% vs. CPI plus 5%, currently on 9.3%.

5. Review of Foreign Portfolio Flows and the Rand

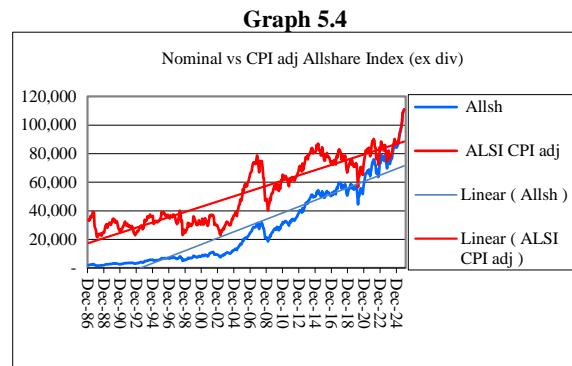
Graph 5.1 indicates that the Rand's fair value by our measure is 11.83 to the US Dollar, while it stood at 17.14 at the end of November 2025. Our measure is based on adjusting the two currencies by the respective domestic inflation rates.



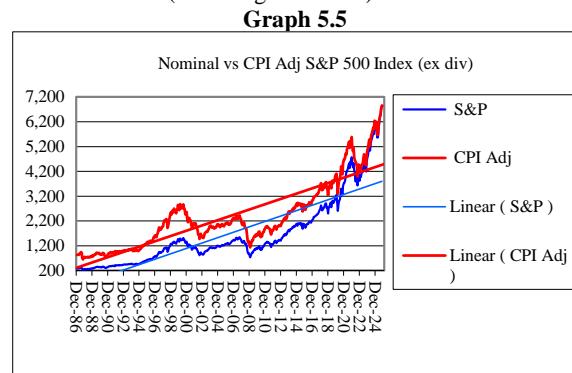
Graph 5.2 - removed

Graph 5.3 - removed

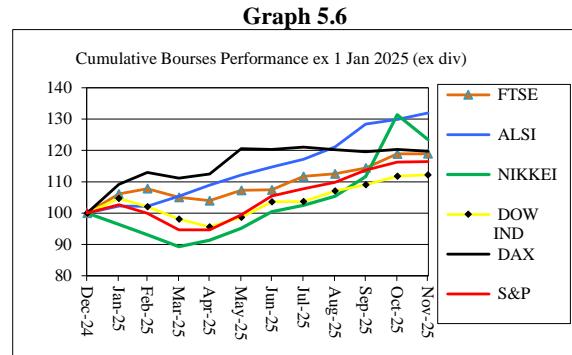
Graph 5.4 reflects the movement of the JSE since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. In nominal terms, the JSE grew by 10.9% per year since January 1987, excluding dividends of 3.2%. Namibian inflation over these 36 years was 7.4% per year. This is equivalent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



Graph 5.5 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 5.6 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.

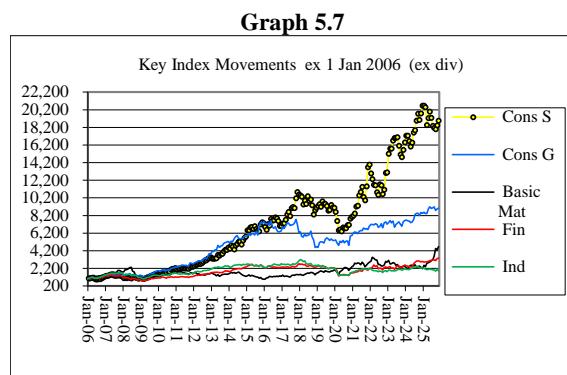


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Graph 5.7 provides an overview of the relative movement of the key equity sectors on the FTSE/JSE since December 2005, when the JSE introduced these indices. The investor can deduce from this graph which sectors offer better and poorer value based on fundamentals. Annualised returns for these indices since the beginning of 2006 were: Consumer Services: 16.0%; Consumer Goods: 11.7%; Financials: 6.3%; Basic Materials: 8.1%; and Industrials: 3.4%.



6. Hedge Funds in a World on Edge – A Namibian Investor's View

By Tilman Friedrich

The recent Laurium Capital article, “Why South African Investors Should Be Considering Hedge Funds Right Now,” argues that hedge funds can protect capital and enhance returns after an extraordinary run in equity markets. While that argument holds merit in a conventional business cycle, today’s global setting is anything but conventional.

1. A Market Buoyed by Optimism – and Fragile Foundations

Local and global equity markets have rallied spectacularly. The JSE rose 33% year-to-date to end-October, and the MSCI World Index nearly 20% in USD terms. Laurium is correct that such returns are unsustainable. Yet the more significant question is why markets are elevated. Global liquidity injections, speculative technology valuations, and short-term optimism around disinflation have combined to mask deeper structural tensions.

Behind this exuberance lies a brewing contest for global dominance boosted by the onshoring and ‘friendshoring’ of critical supply chains. The United States is working to secure critical mineral supply chains, negotiating a one-year deferment on China’s export ban of rare earths while accelerating sourcing from Australia and allied nations. Europe, for its part, is preparing for heightened confrontation, stockpiling essential supplies and revisiting conscription laws. Such developments hint at an uneasy three-year horizon of geopolitical escalation.

2. Hedge Funds: Protection or Illusion of Safety?

Hedge funds claim to reduce volatility and preserve capital through tactical flexibility. That can hold true if markets remain liquid and correlations behave as expected. But in a genuine geopolitical shock, liquidity can vanish, correlations converge toward one, and even supposedly market-neutral strategies suffer.

Most hedge funds also depend heavily on derivatives and short positions, which are sensitive to margin calls and counterparty stability. In a world where sanctions, currency realignments, or sudden trade freezes are plausible, “hedged” may not mean “safe.” The very instruments used for protection can become vulnerabilities.

3. A Namibian Investor's Lens

For Namibian institutional investors and pension funds, the hedge fund proposition must therefore be tested through three filters:

- **Sovereign risk and contagion:** South African-domiciled hedge funds are exposed to local liquidity constraints and potential capital controls should regional instability rise.
- **Global supply chain exposure:** Strategies relying on global equities or commodities could suffer if trade restrictions, tariffs, or resource nationalisation disrupt pricing mechanisms.
- **Currency dynamics:** The rand and Namibian dollar remain joined at the hip; any dislocation in South Africa’s balance-of-payments or political stability directly affects returns converted to hard currency.

4. My Current Stance

Given these realities, I would not dismiss hedge funds, but I would approach them with prudence and selectivity:

- **Market-neutral or absolute-return funds** with low gross exposure and real liquidity merit limited inclusion for diversification, not return chasing.
- **Highly leveraged or directional funds** tied to equity momentum should be avoided in the near term.
- **Local allocations** should be capped and paired with hard-currency offshore exposure to high-quality, income-generating assets (e.g., infrastructure debt, energy transition projects, or essential-commodity producers).
- Within Namibian and South African portfolios, cash equivalents and short-duration bonds deserve greater emphasis until the geopolitical fog clears.

5. Looking Ahead

If the anticipated “one-year window” before rare-earth decoupling closes is indeed real, we may be entering a volatile transitional phase. In such a world, preserving purchasing power, not chasing alpha, becomes the rational investor’s priority.

Hedge funds can form part of that defensive toolkit, but they are not a substitute for sound macro judgment. As stewards of Namibian retirement savings, we must think

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beyond product marketing cycles and position our portfolios for resilience in a multipolar, uncertain future.

You can access the Laurium Capital article in BusinessTech of 5 November 2025 [here](#).

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