

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

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 2024, the average prudential balanced portfolio returned 1.7% (May 2024: 1.2%). The top performer is Momentum Namibia Growth Fund, with 2.8%, while Allan Gray Balanced Fund, with 0.01%, takes the bottom spot. Momentum Namibia Growth Fund took the top spot for the three months, outperforming the ‘average’ by roughly 1.3%. Allan Gray 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.)

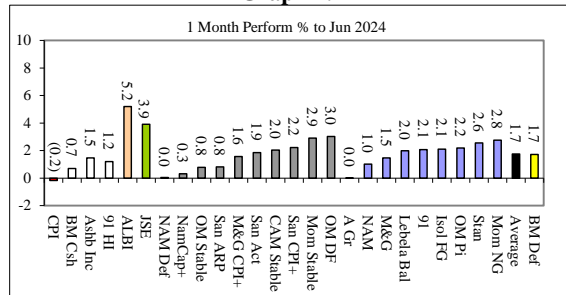
Graphs 1.1 to 1.10 reflect the performance for periods from 1 month to 20 years of a number of the most prominent prudential balanced portfolios (blue bars), ‘special mandate portfolios’ with lower volatility risk (grey bars), fixed interest portfolios (no colour bars), the average of prudential balanced 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 Allan Gray Namibia Balanced, Ninety-One Namibia Opportunity, M&G Inflation Plus Fund, Sanlam Inflation Linked Fund and 20Twenty Credit Solutions.

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

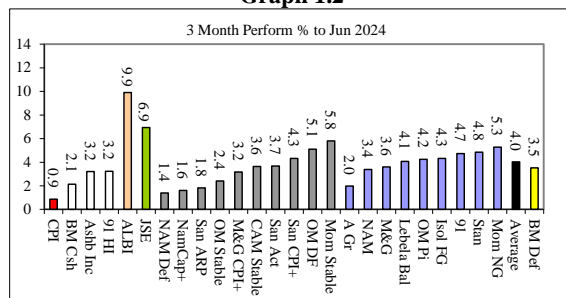
Benchmarks	
Namibian Consumer Price Index	CPI (red)
All Bond Index	ALBI (orange)
JSE Allshare Index	JSE Cum (green)
Benchmark Default Portfolio	BM Def (yellow)
Average Portfolio (prudential, balanced)	Average (black)
Special Mandate Portfolios	
Money market	BM Csh (no colour)
NinetyOne High Income (interest-bearing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

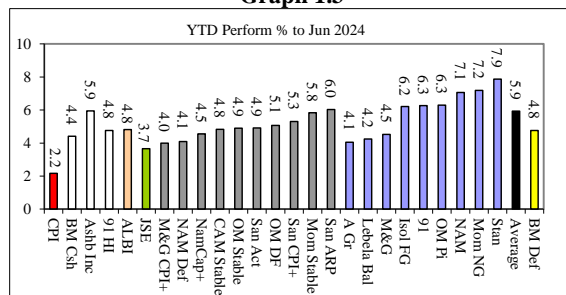
Graph 1.1



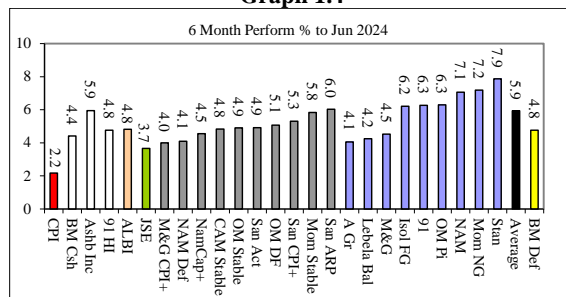
Graph 1.2



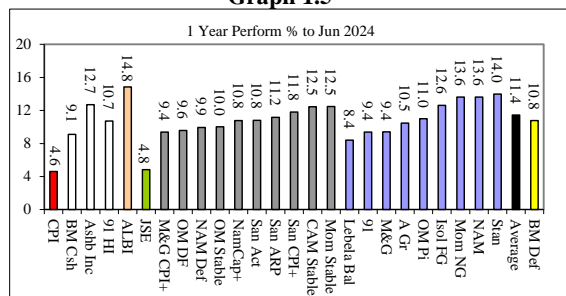
Graph 1.3



Graph 1.4



Graph 1.5

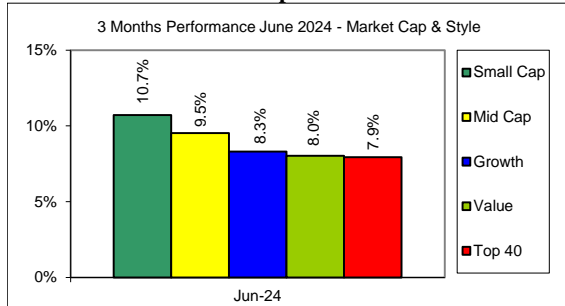


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

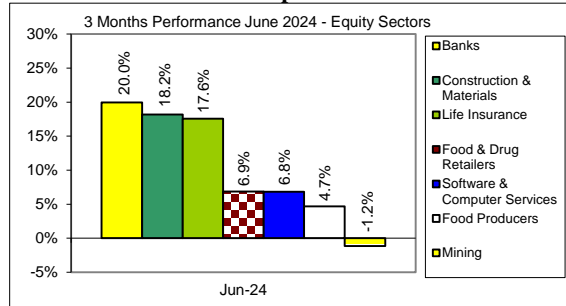
By Staff Writer – RFS Fund Administrators (Pty) Ltd

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

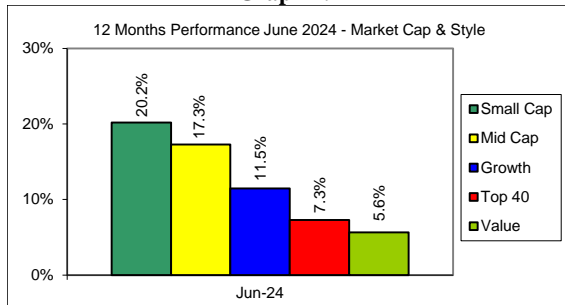
Graph 2.3



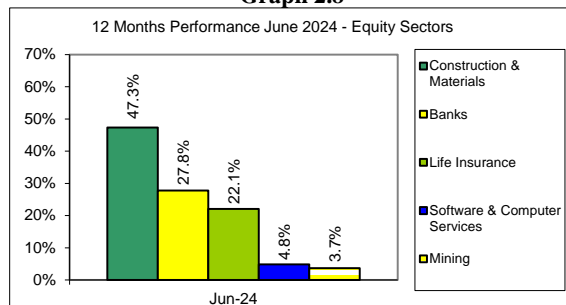
Graph 2.7



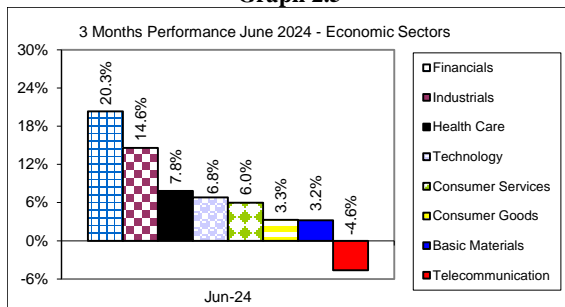
Graph 2.4



Graph 2.8



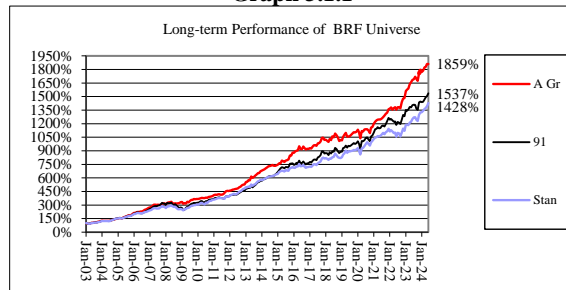
Graph 2.5



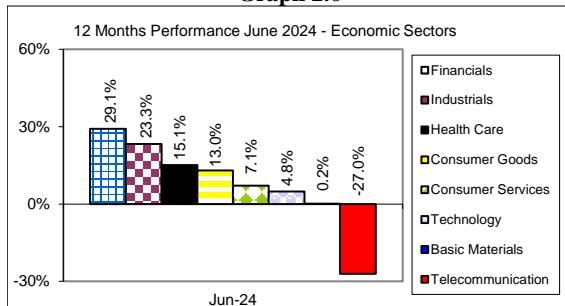
3. Portfolio Performance Analysis

3.1 Cumulative performance of prudential balanced portfolios

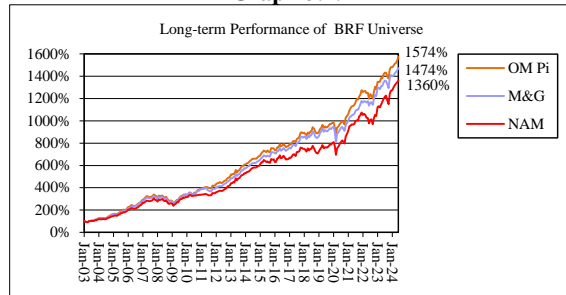
Graph 3.1.1



Graph 2.6



Graph 3.1.2

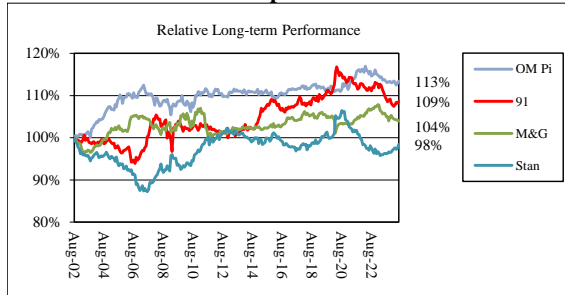


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

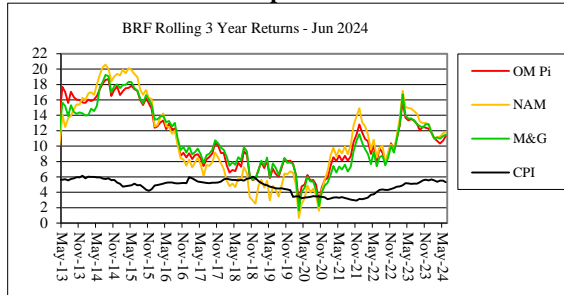
By Staff Writer – RFS Fund Administrators (Pty) Ltd

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

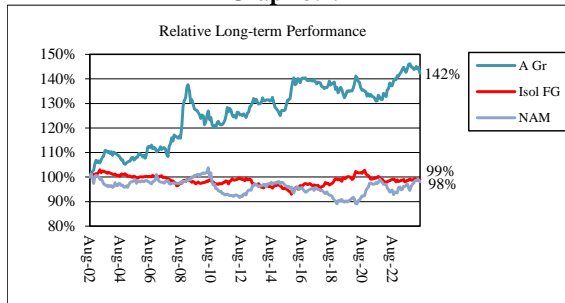
Graph 3.1.3



Graph 3.2.2

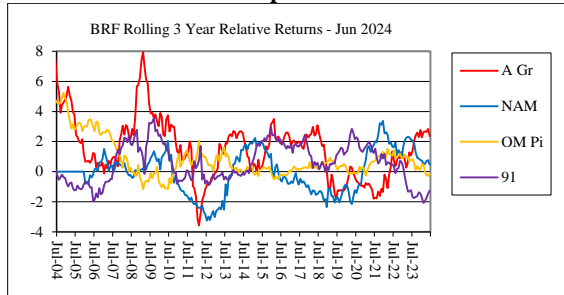


Graph 3.1.4

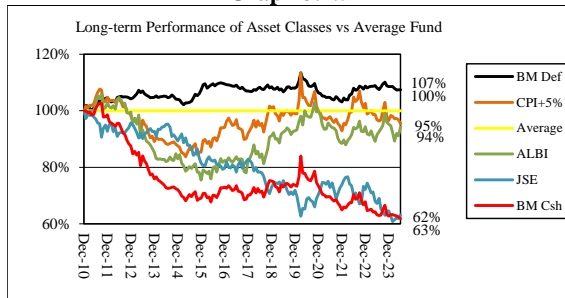


3.3 3-year rolling performance of prudential portfolios relative to the average prudential balanced portfolio on zero

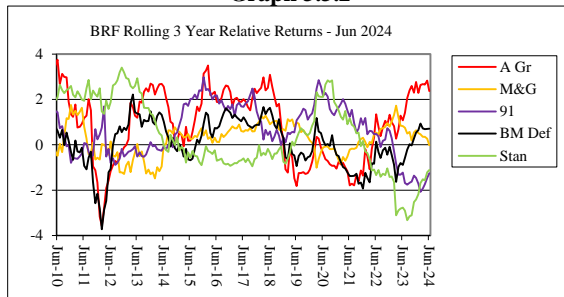
Graph 3.3.1



Graph 3.1.5

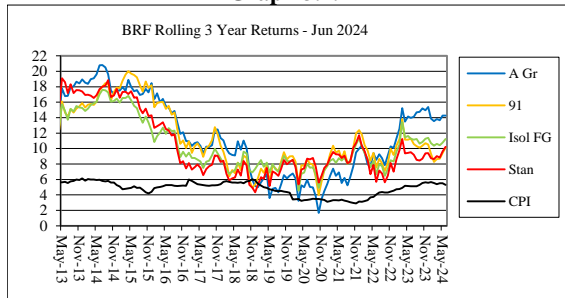


Graph 3.3.2



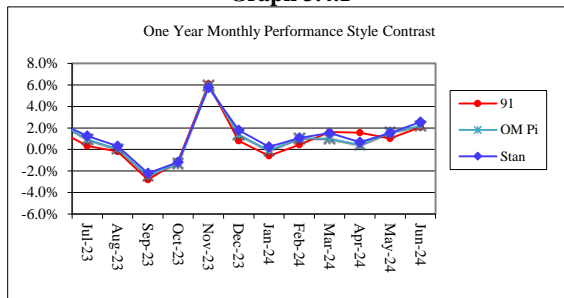
3.2 3-year rolling performance of prudential balanced portfolios relative to CPI

Graph 3.2.1



3.4 Monthly performance of prudential balanced portfolios

Graph 3.4.1

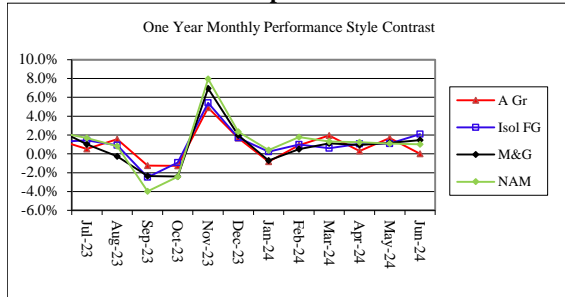


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

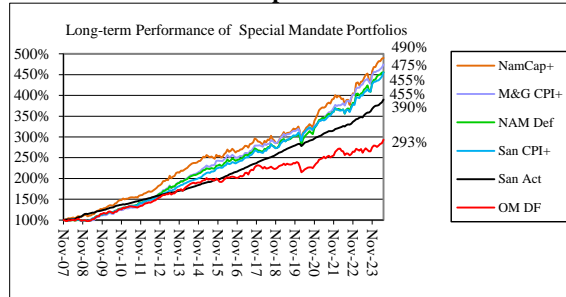
By Staff Writer – RFS Fund Administrators (Pty) Ltd

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

Graph 3.4.2

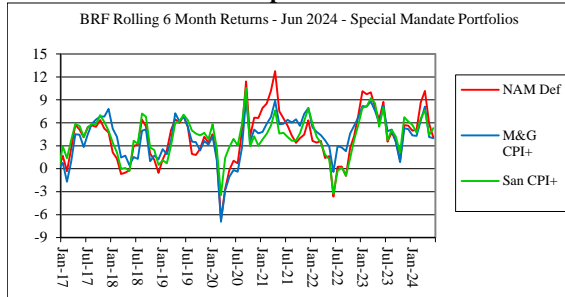


Graph 3.5.4



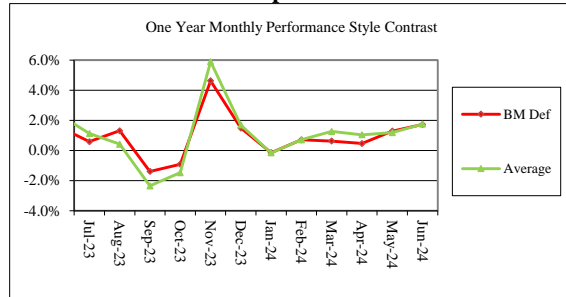
3.5. 6-month rolling and cumulative returns of 'special mandate' portfolios

Graph 3.5.1

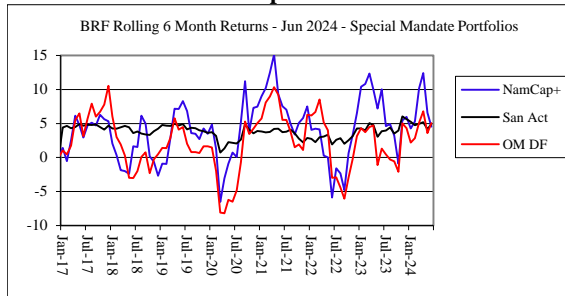


3.6 Monthly and cumulative performance of 'Benchmark Default' portfolio relative to average prudential balanced portfolio

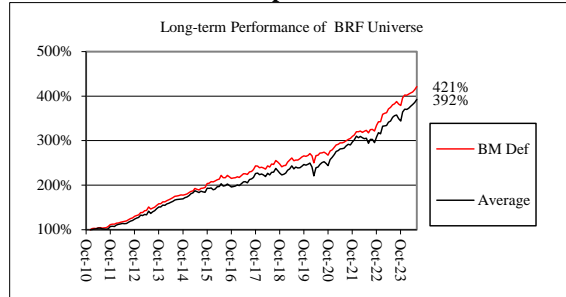
Graph 3.6.1



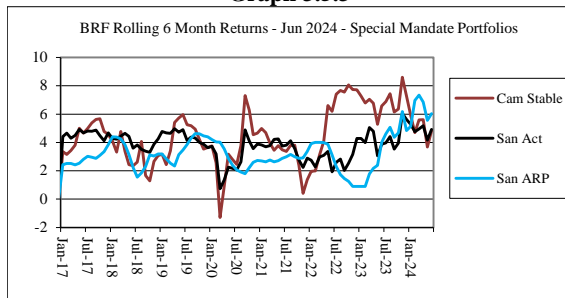
Graph 3.5.2



Graph 3.6.2

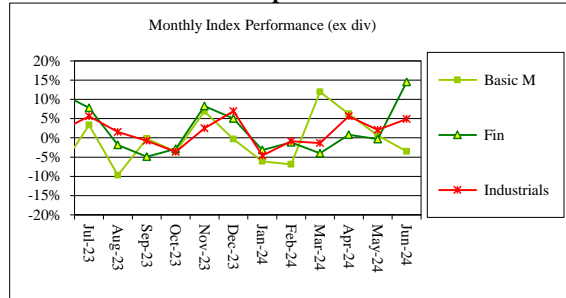


Graph 3.5.3



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

Graph 3.7.1

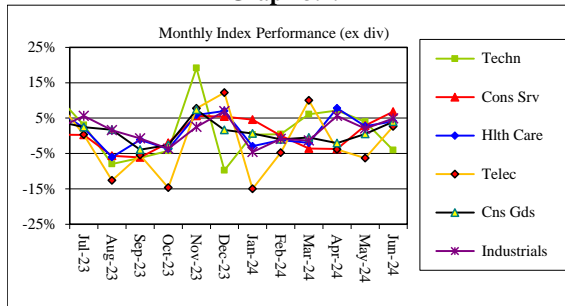


MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

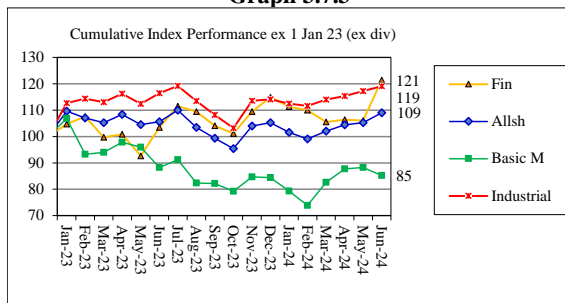
By Staff Writer – RFS Fund Administrators (Pty) Ltd

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

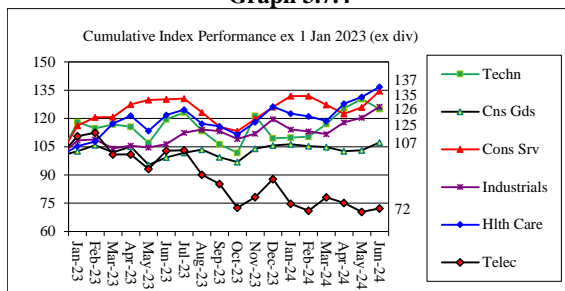
Graph 3.7.2



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.	10.4	10.3
5-year real return - % p.a.	6.0	5.9
Equity exposure - % of the portfolio (quarter ended March 2024)	45.2	52.0
Cumulative return ex Jan 2011	314.3	285.7
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 more

conservative structure with an equity exposure of only 45% compared to the average prudential balanced portfolio's more than 50% exposure.

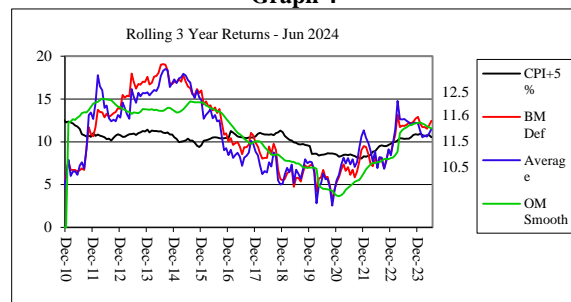
One must read the default portfolio's long-term return in the context of its initially low-risk profile, which the trustees only changed from the beginning of 2011 when they replaced the Metropolitan Absolute Return fund with the Allan Gray balanced portfolio.

Table 4.2

Measure	Money Market	Default Portf	Average Prud Bal
Worst annual performance	5.5%	5.9%	6.8%
Best annual performance	7.2%	13.2%	14.8%
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	6.0%	9.9%	10.2%

The table above presents one-year performance statistics. It highlights the performance differences between the three portfolios over the three years from July 2021 to June 2024. 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 12.5%, the average was 11.5% vs. CPI plus 5%, currently on 10.3%.

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

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.

5. Review of Foreign Portfolio Flows and the Rand

Graph 5.1 indicates that the Rand's fair value by our measure is 11.75 to the US Dollar, while it stood at 18.04 at the end of June. Our measure is based on adjusting the two currencies by the respective domestic inflation rates.

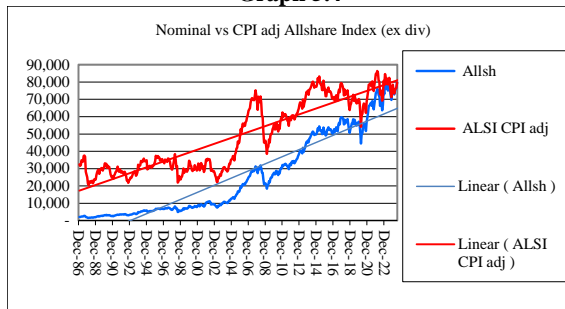


Graph 5.2 - removed

Graph 5.3 - removed

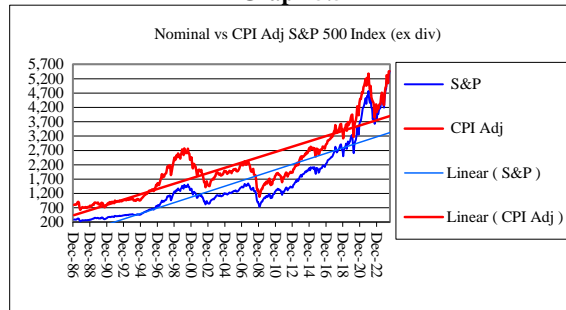
Graph 5.4 reflects the movement of the JSE since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. In nominal terms, the JSE grew by 10.4% per year since January 1987, excluding dividends of 3.2%. Namibian inflation over these 36 years was 7.5% per year. It is equivalent to growth in real terms of 2.6% p.a. over this period, excluding dividends, or around 5.8%, including dividends.

Graph 5.4



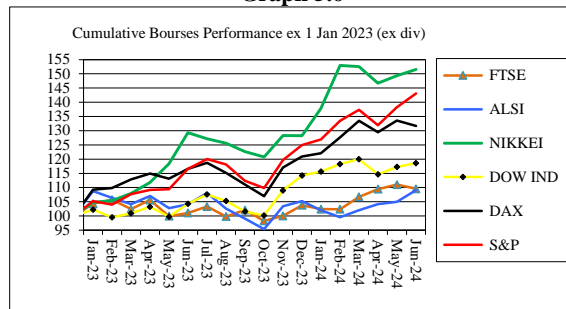
Graph 5.5 reflects the movement of the S&P500 Index since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. Over 37 years since January 1987, the S&P500 Index grew by 8.3% per annum. US inflation over this period was 2.8%. It represents growth in real terms of 5.3% p.a. over 37 years, excluding dividends, or around 7.6% (including dividends).

Graph 5.5



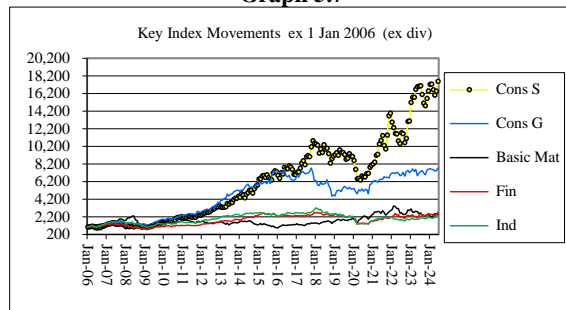
Graph 5.6 provides an interesting overview of some of the major global share indices, showing the NIKKEI as the top-performing index since the start of 2023.

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: 16.8%; Consumer Goods: 11.7%; Financials: 5.6%; Basic Materials: 5.0%; and Industrials: 4.6%.

Graph 5.7



MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 JUNE 2024

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.

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 does not guarantee or warrant the accuracy, 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.