

MONTHLY REVIEW OF PORTFOLIO PERFORMANCE TO 30 APRIL 2026

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 April 2026, the average prudential balanced portfolio returned 3.7% (March 2026: -5.2%). The top performer is the Namibia Coronation Balanced Plus Fund, with 4.8%. Allan Gray Balanced Fund, with 2.7%, takes the bottom spot. Allan Gray Namibia Balanced Fund takes the top spot for the three months, outperforming the ‘average’ by roughly 3.3%. The Namibia Coronation Balanced Fund underperformed the ‘average’ by 1.6% 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.)

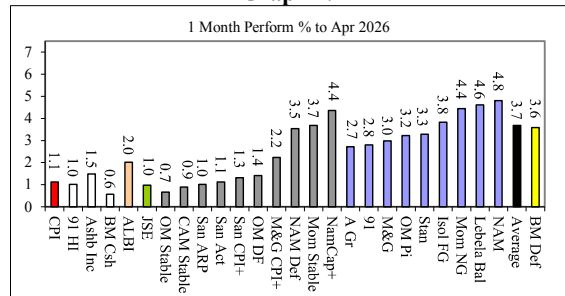
Graphs 1.1 to 1.10 reflect the performance for periods from 1 month to 20 years of a number of the most prominent prudential balanced portfolios (blue bars), ‘special mandate portfolios’ with lower volatility risk (grey bars), fixed interest portfolios (no colour bars), the average of prudential balanced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

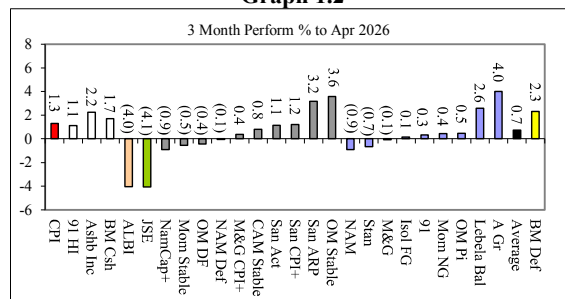
Benchmarks	
Namibian Consumer Price Index	CPI (red)
All Bond Index	ALBI (orange)
JSE Allshare Index	JSE Cum (green)
Benchmark Default Portfolio	BM Def (yellow)
Average portfolio (prudential, balanced)	Average (black)
Special Mandate Portfolios	
Money market	BM Csh (no colour)
NinetyOne High Income (interest-bearing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

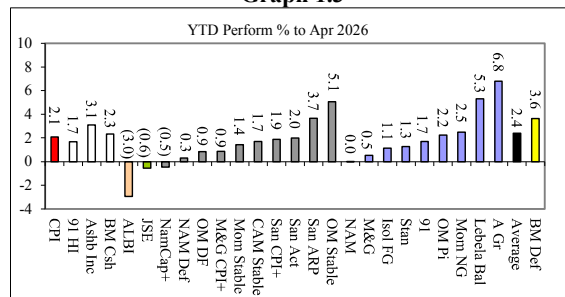
Graph 1.1



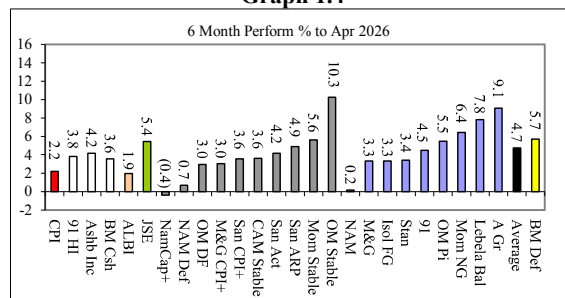
Graph 1.2



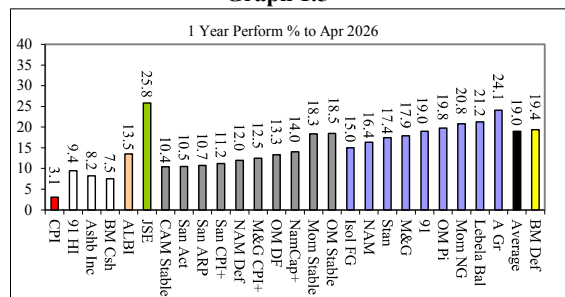
Graph 1.3



Graph 1.4



Graph 1.5

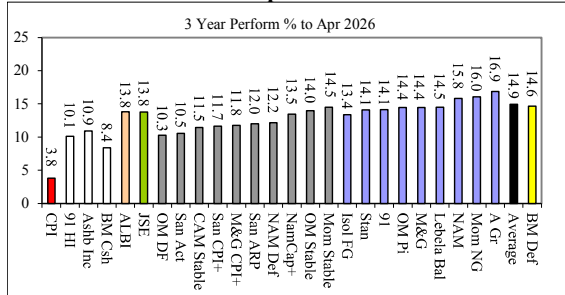


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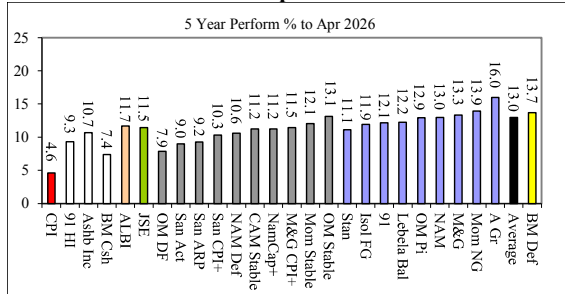
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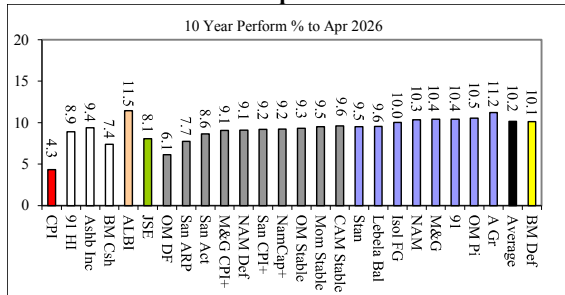
Graph 1.6



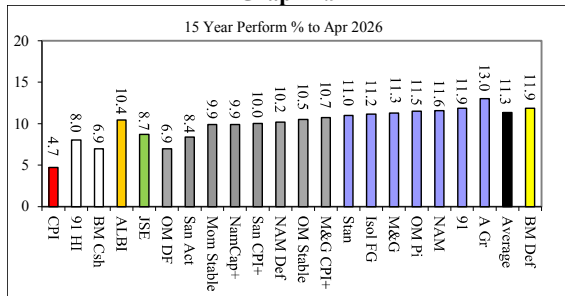
Graph 1.7



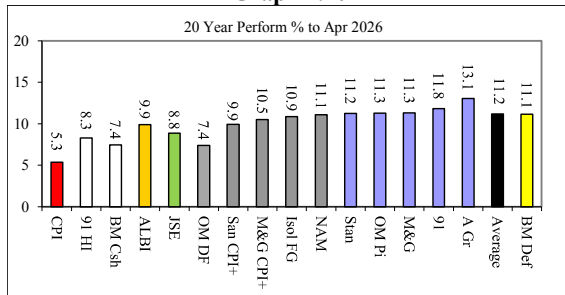
Graph 1.8



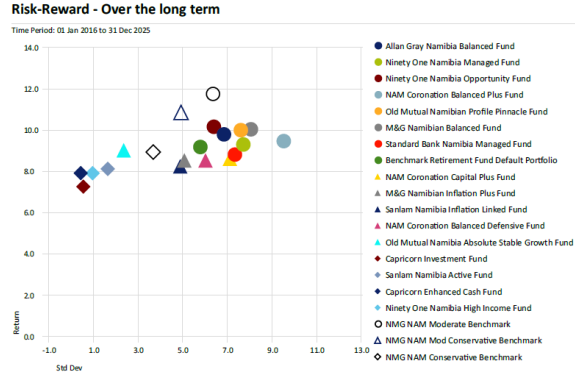
Graph 1.9



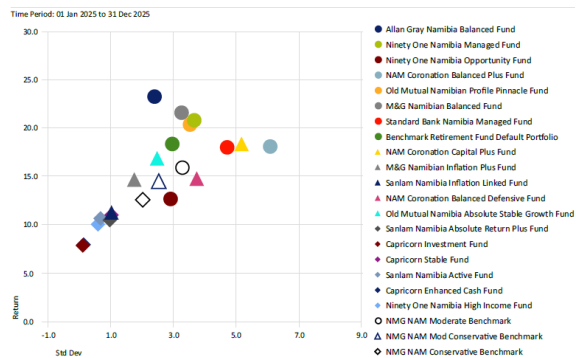
Graph 1.10



Risk/ Return

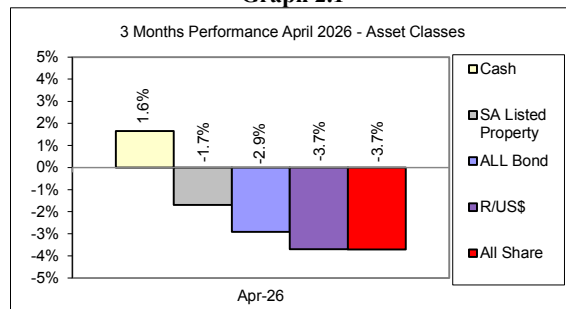


Risk-Reward - Over the short term

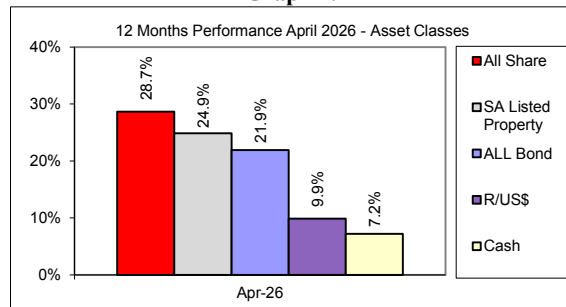


2. Performance of Key Indices (index performance by courtesy of IJG/Deutsche Securities)

Graph 2.1



Graph 2.2

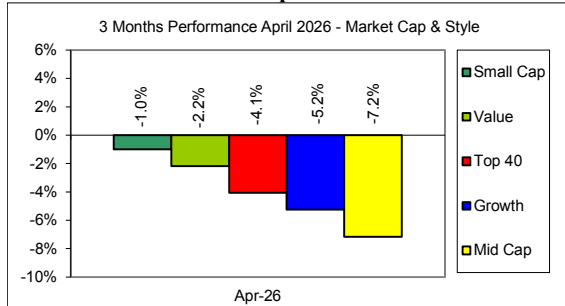


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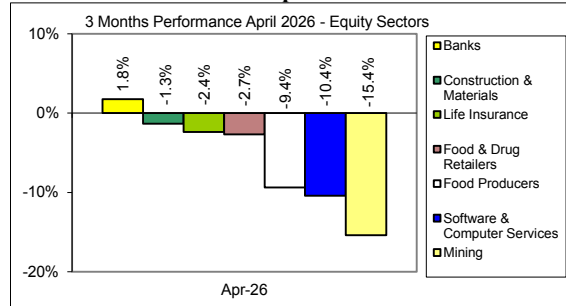
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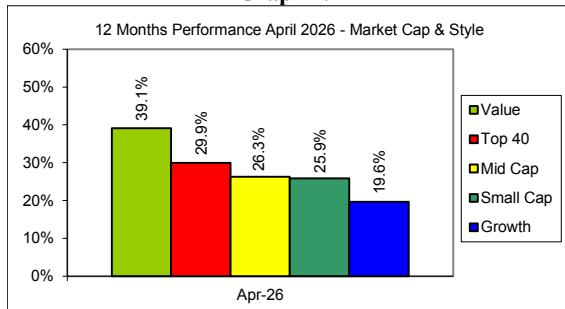
Graph 2.3



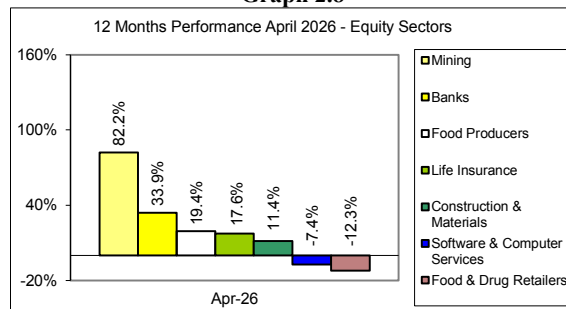
Graph 2.7



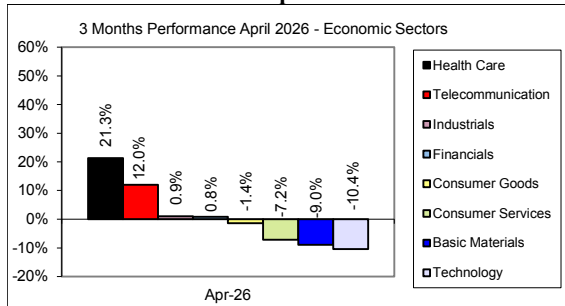
Graph 2.4



Graph 2.8



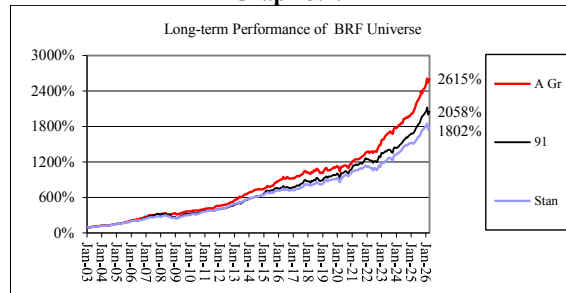
Graph 2.5



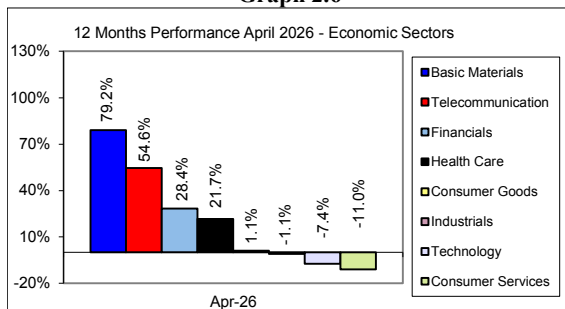
3. Portfolio Performance Analysis

3.1 Cumulative performance of prudential balanced portfolios

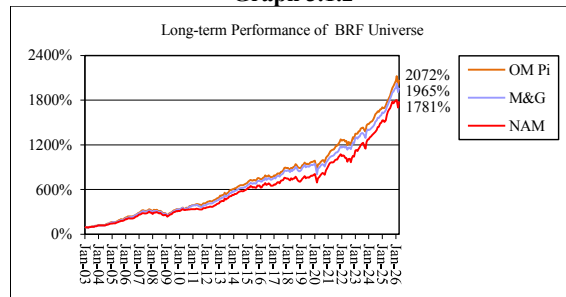
Graph 3.1.1



Graph 2.6



Graph 3.1.2

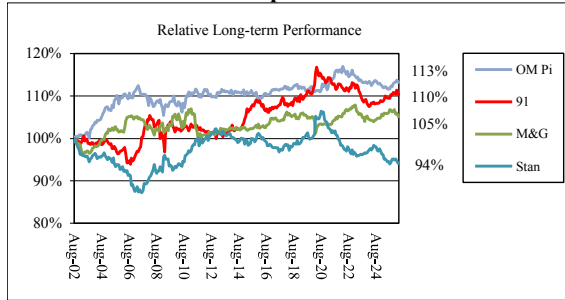


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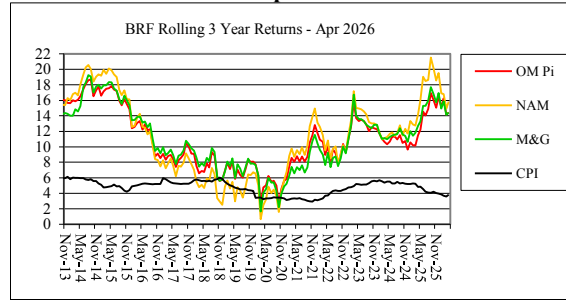
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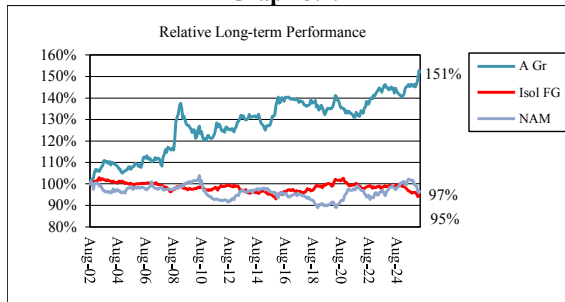
Graph 3.1.3



Graph 3.2.2

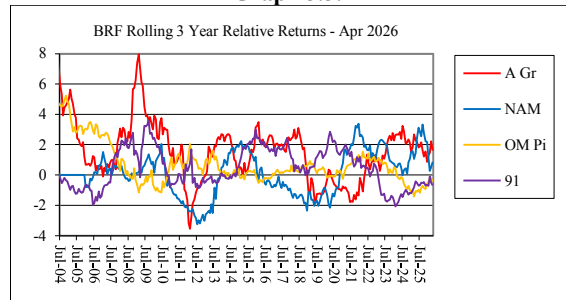


Graph 3.1.4

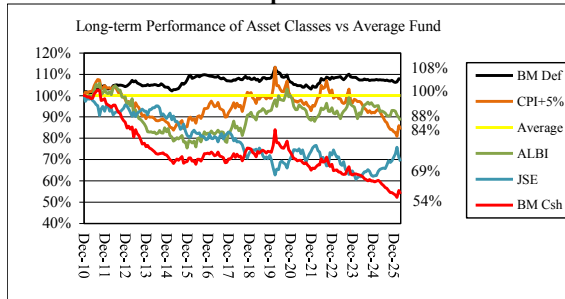


3.3 3-year rolling performance of prudential portfolios relative to the average prudential balanced portfolio on zero

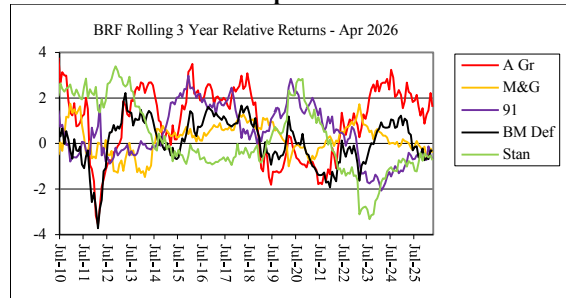
Graph 3.3.1



Graph 3.1.5

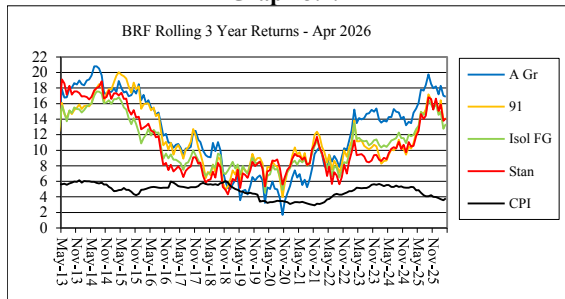


Graph 3.3.2



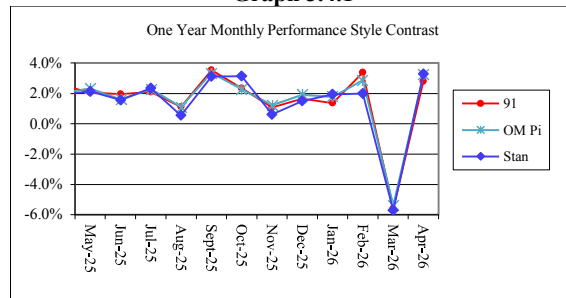
3.2 3-year rolling performance of prudential balanced portfolios relative to CPI

Graph 3.2.1



3.4 Monthly performance of prudential balanced portfolios

Graph 3.4.1

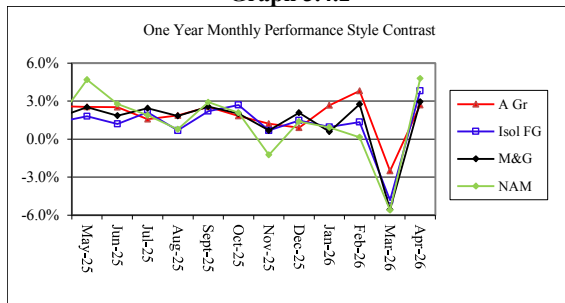


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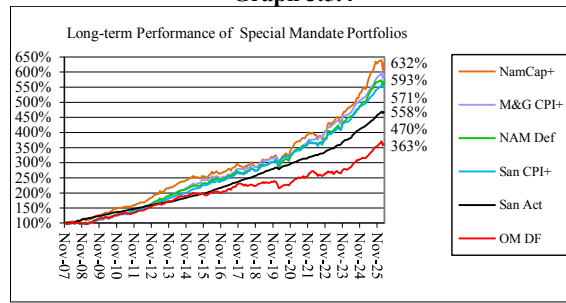
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Graph 3.4.2

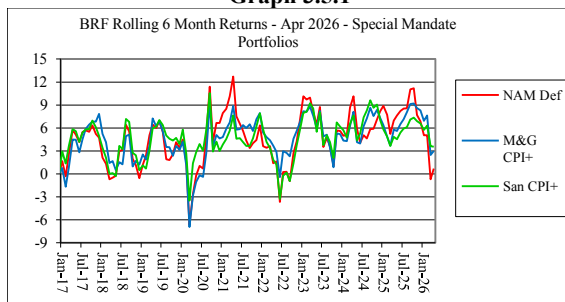


Graph 3.5.4



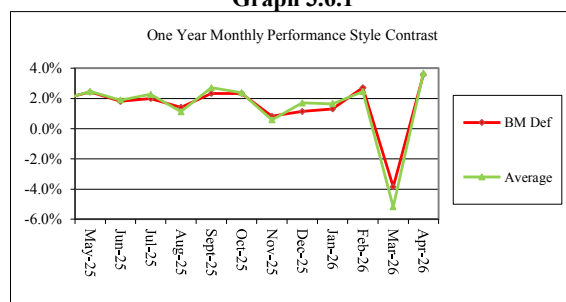
3.5. 6-month rolling and cumulative returns of 'special mandate' portfolios

Graph 3.5.1

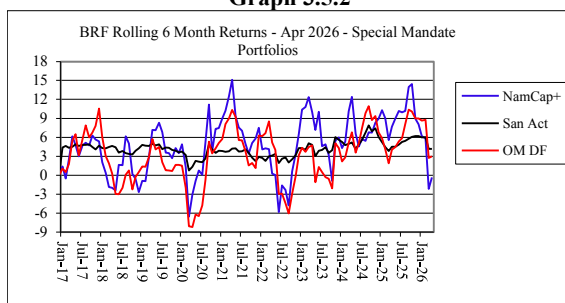


3.6 Monthly and cumulative performance of 'Benchmark Default' portfolio relative to average prudential balanced portfolio

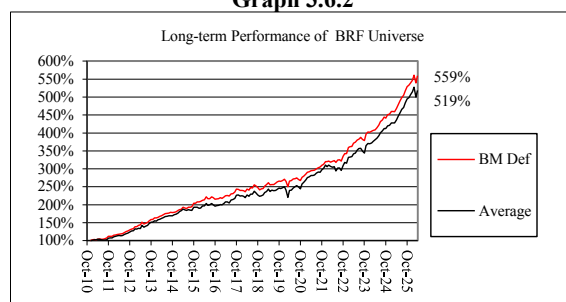
Graph 3.6.1



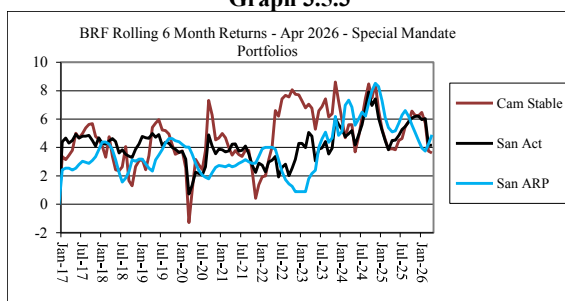
Graph 3.5.2



Graph 3.6.2

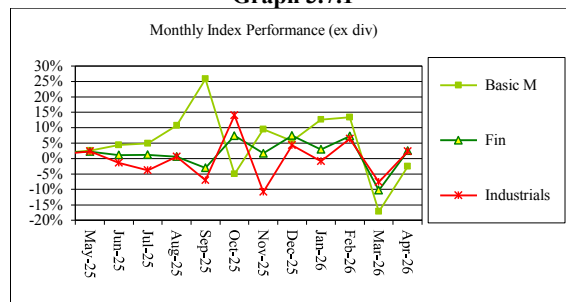


Graph 3.5.3



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

Graph 3.7.1

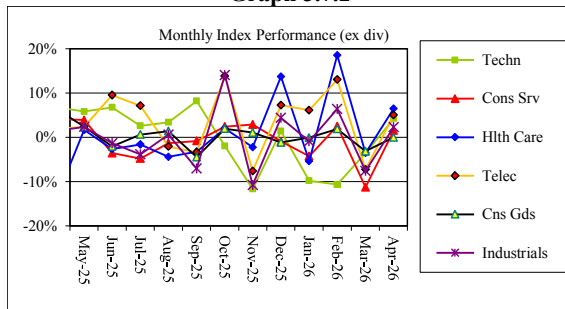


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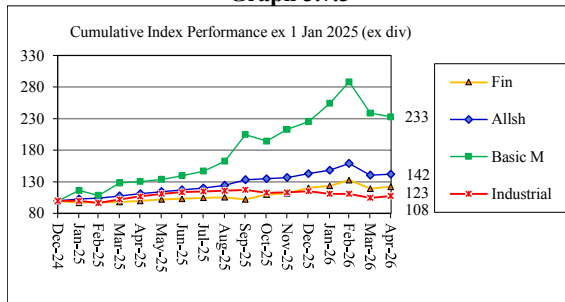
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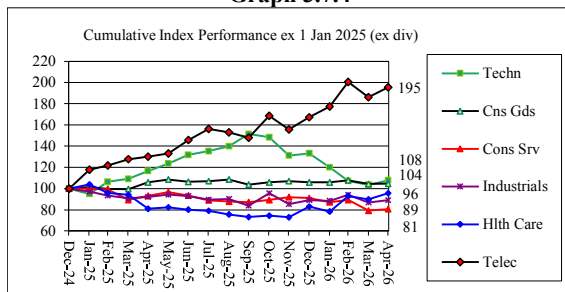
Graph 3.7.2



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.	13.7	13.0
5-year real return - % p.a.	9.1	8.4
Equity exposure - % of the portfolio (quarter ended Dec 2025)	60.5	65.1
Cumulative return ex Jan 2011	459.25	418.71
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 65% exposure.

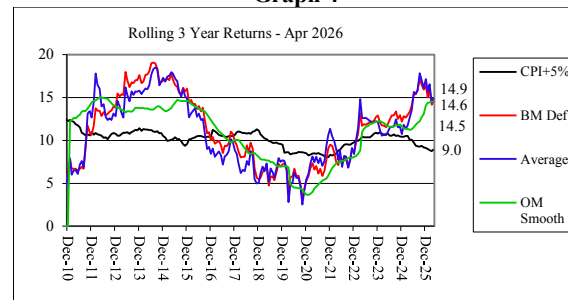
One must read the default portfolio's long-term return in the context of its initially low-risk profile, which the trustees only changed from the beginning of 2011 when they replaced the Metropolitan Absolute Return fund with the Allan Gray balanced portfolio.

Table 4.2

Measure	Money Market	Default Portf	Average Prud Bal
Worst annual performance	5.6%	11.5%	10.5%
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	7.4%	13.4%	13.0%

The table above presents one-year performance statistics. It highlights the performance differences between the three portfolios over the three years from May 2023 to April 2026. 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 April was 14.6%, the average was 14.9% vs. CPI plus 5%, currently on 9.0%.

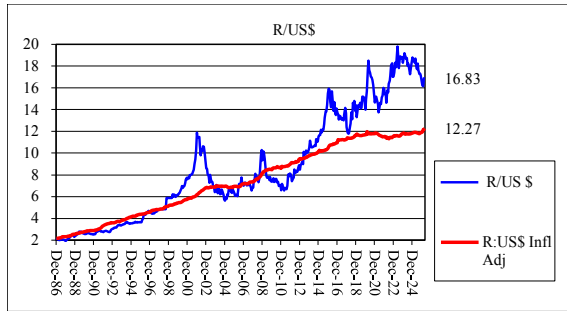
5. Review of Foreign Portfolio Flows and the Rand

Graph 5.1 indicates that the Rand's fair value by our measure is 12.27 to the US Dollar, while it stood at 16.83 at the end of April 2026. Our measure is based on adjusting the two currencies by the respective domestic inflation rates.

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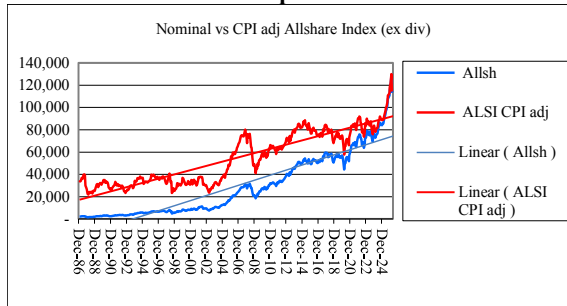
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Graph 5.2 - removed
Graph 5.3 - removed

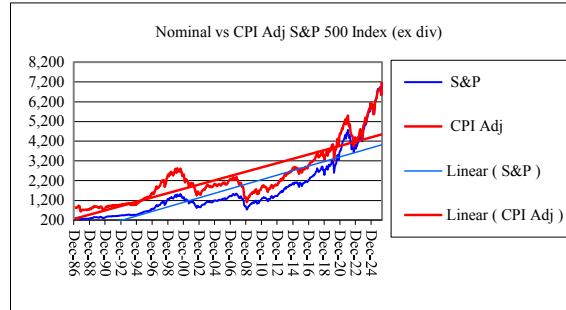
Graph 5.4 reflects the movement of the JSE since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. In nominal terms, the JSE grew by 10.9% per year since January 1987, excluding dividends of 3.2%. Namibian inflation over these 36 years was 7.4% per year. This is equivalent to a growth rate of 3.3% per annum in real terms over this period, excluding dividends, or approximately 6.5% including dividends.

Graph 5.4



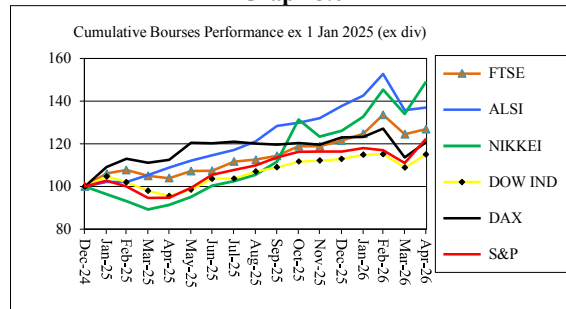
Graph 5.5 reflects the movement of the S&P500 Index since January 1987 in nominal and inflation-adjusted terms, with trend lines for these. Over 38 years since January 1987, the S&P500 Index grew by 8.7% per annum. US inflation over this period was 2.7%. It represents growth in real terms of 5.8% p.a. over 38 years, excluding dividends, or around 8.1% (including dividends).

Graph 5.5



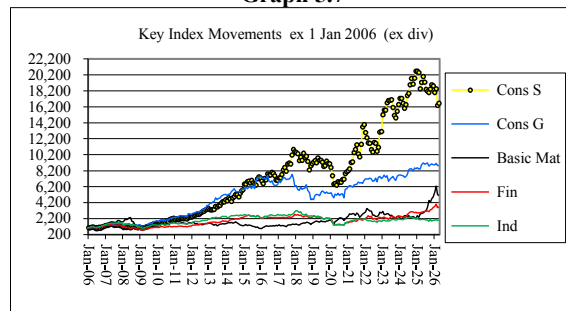
Graph 5.6 provides an interesting overview of some of the major global share indices, showing the ALSI as the top-performing index since the start of 2025.

Graph 5.6



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: 14.9%; Consumer Goods: 11.4%; Financials: 6.6%; Basic Materials: 8.4%; and Industrials: 3.5%.

Graph 5.7



6. Investing at the edge of a new Cold War: A warning to pension trustees

An opinion piece by Tilman Friedrich

For more than three decades, institutional investors operated in a world shaped by a single dominant assumption: that globalisation was irreversible.

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Capital would move freely. Trade routes would remain open. Energy would remain available. The US dollar would remain politically neutral. Global supply chains would become ever more integrated. Markets would increasingly determine outcomes rather than military power or geopolitical confrontation.

That world may now be ending.

What is emerging in its place is not merely ordinary geopolitical tension, but something far more profound: a slow fragmentation of the global economic order into competing geopolitical blocs increasingly willing to weaponise trade, finance, technology, sanctions, shipping routes, reserve currencies and proxy conflicts in pursuit of strategic dominance.

Trustees and investors who continue to invest as though the world of the 1990s and early 2000s still exists may be preparing portfolios for a reality that no longer exists.

The Ukraine war was not merely about Ukraine

From a Western perspective, the war in Ukraine is framed primarily as a defence of sovereignty and the rules-based international order. Much of the Global South sees it differently.

Across Africa, Latin America, the Middle East and parts of Asia, the conflict is often interpreted through a historical lens shaped by colonialism, regime change, economic coercion and great-power intervention.

Within that framework, many observers see the war not simply as a regional European conflict but as part of a broader strategic effort by the Global West to weaken and subordinate Russia economically, militarily, and politically through sanctions, proxy warfare, and financial isolation.

Whether one agrees with that interpretation is almost secondary. Markets react not only to facts but also to how large parts of the world perceive them.

The sanctions regime imposed on Russia demonstrated something that many countries outside the Western alliance had long suspected but perhaps underestimated: that the global financial system itself can be weaponised.

Foreign reserves can be frozen. Payment systems can be restricted. Shipping insurance can be denied. Access to capital markets can be curtailed. Energy exports can be targeted. Banks can be excluded from dollar settlement systems.

For many countries in the Global South, the lesson was unmistakable:

If the global financial system can be used against Russia today, it can potentially be used against others tomorrow.

That realisation is reshaping geopolitics and investment flows.

China is increasingly central to the confrontation

The deeper strategic concern for the United States and its allies appears to extend beyond Russia. Russia, while militarily powerful and resource-rich, lacks the economic scale to challenge Western dominance over the long term. China does.

China is the industrial core of the emerging multipolar order. It is simultaneously:

- the world's manufacturing centre;
- a dominant buyer of commodities;
- a rising technological power;
- an increasingly influential geopolitical actor;
- and a growing challenger to dollar-based financial dominance.

From Beijing's perspective, Russia provides strategic depth, energy security and protection along China's vast northern land frontier.

From Washington's perspective, preventing a durable China-Russia-Iran alignment may therefore have become a strategic priority.

The economic confrontation with China has until now been more gradual and indirect than the confrontation with Russia, but it has intensified steadily through:

- tariffs;
- technology restrictions;
- semiconductor export controls;
- supply-chain restructuring;
- naval pressure in the South China Sea;
- strengthening military alliances in the Pacific;
- expanding support for Taiwan;
- and the remilitarisation of Japan.

Taiwan increasingly resembles what Ukraine represented before 2022: a potential geopolitical flashpoint carrying consequences far beyond its borders.

Energy is becoming a geopolitical weapon again

The real strategic vulnerability of China is not merely trade. It is energy. China remains heavily dependent on imported oil and gas. Historically, important suppliers included:

- Russia;

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- Iran;
- Venezuela;
- and Gulf producers.

The increasing pressure on these energy relationships is therefore highly significant.

The US has intensified sanctions on Iranian oil flows to China and entities facilitating those transactions. At the same time, the broader conflict involving Iran, Israel and the United States has raised fears over the Strait of Hormuz, through which a substantial portion of global energy trade flows.

Many analysts in the Global South increasingly interpret these developments not as isolated regional crises, but as components of a larger strategic contest over energy, shipping routes and geopolitical alignment.

If China's discounted access to Iranian and other sanctioned oil supplies becomes constrained, China's strategic vulnerability increases materially.

But this is where the situation becomes more dangerous and complex.

Russia and China are unlikely to remain passive

The assumption in many Western policy circles appears to be that economic pressure and strategic containment will gradually weaken the opposing bloc. That assumption may prove dangerously simplistic.

Russia and China are not without leverage.

Indeed, many analysts now argue that both countries are increasingly exploiting the Iran conflict itself as a counter-pressure mechanism against the United States and its allies; Russia more overtly, China more cautiously and indirectly.

Russia has increased energy exports to Asian markets, helping cushion global shortages while deepening Asia's dependence on Russian supply.

China, meanwhile, appears to be pursuing a more subtle strategy:

- preserving access to sanctioned energy;
- supporting alternative payment systems;
- deepening bilateral energy arrangements;
- expanding BRICS-related financial structures;
- promoting non-dollar trade settlement;

- and positioning itself diplomatically as a stabilising actor in contrast to what many in the Global South increasingly perceive as Western military escalation.

At the same time, China and Russia continue to deepen cooperation with Iran economically, technologically and diplomatically, even while avoiding direct military confrontation with the West.

This increasingly resembles a new form of systemic confrontation in which major powers avoid direct war with one another while supporting aligned states, proxy theatres and parallel financial systems.

The danger for investors is that markets may still be pricing the world as though this fragmentation is temporary.

It may not be.

The era of permanently cheap energy may be ending

One of the defining economic foundations of globalisation was abundant, reliable and relatively cheap energy.

That assumption is now under strain.

Energy markets increasingly face:

- sanctions disruption;
- geopolitical blockades;
- shipping insecurity;
- strategic stockpiling;
- supply-chain fragmentation;
- and political intervention.

Even when oil prices temporarily retreat, structural volatility remains elevated.

For pension funds, this matters enormously because sustained geopolitical fragmentation is structurally inflationary.

Globalisation was deflationary.

Deglobalisation is inflationary.

That fundamentally changes the long-term investment environment.

What does this mean for markets?

Equities

The biggest long-term risk may not be recession, but valuation compression.

Many developed-market equities, particularly in the United States, remain priced for a continuation of the post-1990 globalisation era.

That assumption may prove flawed if:

- supply chains fragment;

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By Staff Writer – RFS Fund Administrators (Pty) Ltd

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- defence spending rises structurally;
- energy costs remain elevated;
- inflation proves persistent;
- and geopolitical risk premiums rise.

This does not mean equities become uninvestable. It means investors may need to become far more selective.

The era of indiscriminately buying global index exposure and assuming that multiples will rise permanently may be ending.

Bonds

Geopolitical fragmentation materially complicates the bond outlook.

Governments are simultaneously:

- rearming;
- subsidising strategic industries;
- defending currencies;
- and carrying historically elevated debt burdens.

That combination is not naturally favourable for long-duration bonds.

Persistent inflation and fiscal deterioration may continue to pressure sovereign debt markets globally, leading to systemically elevated interest rates.

Gold

Gold may increasingly re-emerge not merely as an inflation hedge, but as a geopolitical hedge. Central banks have been aggressively increasing gold purchases in recent years. This is unlikely to be accidental.

Gold carries no counterparty risk. Another state cannot sanction it once it is held physically. It sits outside the dollar-based financial architecture.

In a fragmenting world, those characteristics become increasingly valuable.

Commodities and strategic minerals

Southern Africa may become strategically more, rather than less, important.

A fragmented world requires:

- secure mineral supply;
- diversified commodity access;
- uranium;
- copper;
- lithium;
- rare earths;
- PGMs;

- manganese;
- and energy infrastructure.

Namibia, in particular, sits in a potentially advantageous position because of:

- uranium;
- emerging oil potential;
- green hydrogen ambitions;
- political stability relative to many peers;
- and strategic positioning between major powers.

But opportunity will come with volatility.

What should Southern African pension trustees do?

Trustees should avoid ideological investing. Pension funds are not vehicles for geopolitical activism.

But trustees also cannot afford geopolitical naivety. The world is changing too rapidly.

At a minimum, trustees should seriously consider:

1. Greater diversification

Overconcentration in any single geography, reserve currency or market narrative may become dangerous.

2. Inflation resilience

Funds heavily exposed to long-duration fixed-income assets may face persistent pressure if fragmentation keeps inflation elevated.

3. Real assets

Infrastructure, commodities, strategic minerals and selected real assets may become increasingly important portfolio stabilisers.

4. Gold exposure

Many institutional portfolios remain structurally underexposed to gold relative to their exposure to geopolitical risk.

5. Energy security themes

The world may be entering a prolonged period where energy security again becomes central to economic policy.

6. Liquidity and resilience

Trustees should stress-test portfolios for:

- sanctions risk;
- market closures;
- shipping disruption;
- currency shocks;
- and global risk-off events.

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7. Reassessing “risk-free” assumptions

The biggest lesson of recent years may be that assets previously considered politically neutral are not necessarily neutral at all.

Conclusion

The world appears to be moving away from the relatively stable unipolar order that shaped global markets for more than thirty years. What replaces it may not be a conventional Cold War, but something more economically integrated, financially weaponised and strategically unpredictable.

For Southern African pension funds, the danger lies not only in market volatility, but in failing to recognise that the underlying structure of the global system itself may be changing. History suggests that periods of geopolitical transition are rarely smooth.

Empires resist decline. Rising powers resist containment. Energy becomes strategic. Trade becomes political. Finance becomes weaponised.

Trustees do not need to predict every geopolitical outcome correctly. But they do need to recognise when the assumptions underpinning yesterday’s investment strategies may no longer hold tomorrow.

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