



RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

September 2026

Newsletter



DISCLAIMER

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Editor's Desk

Mr. Julianus Rukamba - Editor



Welcome to the September 2026 edition of the RFLAUN newsletter.

This issue comes at an important time as the Fund, its participating employers and members continue adapting to the requirements introduced under the Financial Institutions and Markets Act, 2021 (FIMA).

At this juncture, we remind employers that the timely payment of monthly contributions and submission of complete contribution schedules are essential to protecting members' retirement savings and maintaining full regulatory compliance.

This year was a first in the Fund's history that our pensioners were given the opportunity to elect their own representative to the Board of Trustees. We sincerely thank every pensioner who nominated, seconded and voted. **We congratulate Mr Josef /Urib on being elected as the Pensioner Representative Trustee.** This milestone strengthens good governance and ensures that pensioners' voices are heard where decisions are made.

We are also pleased to welcome Onandjaba Village Council as the Fund's 59th participating employer. This milestone reflects the continued growth of the RFLAUN family and our shared commitment to securing the financial futures of employees across local authorities and utility services.

There is positive news for both pensioners and active members in this publication. These enhancements were made possible by the Fund's strong 2025 investment performance and reflect the Trustees' commitment to sharing positive outcomes responsibly while safeguarding the

Fund's long-term sustainability. Our audited Annual Financial Statements for 2025 are now available on our website for anyone who would like to read more.

This edition also provides an update on the temporary moratorium on direct housing loans while the Fund awaits feedback from the regulator on its exemption application. We recognise the importance of this facility and appreciate members' patience as the Fund continues pursuing a practical solution. In addition, our investment update explains how diversified and prudent management has helped the Fund remain resilient amid global market uncertainty and domestic economic pressures.

I encourage you to read each article carefully and stay informed through the Fund's official communications.

Enjoy the read...

Congratulations

and welcome to our
Pensioner Representative Trustee

Mr. **Josef /Urib**



Note to the Employer - Monthly Contributions

Following the commencement of the FIMA on 1 May 2026, all participating employers are reminded of their statutory obligations regarding the monthly payment of retirement contributions to RFLAUN. Contributions must be paid into the Fund's bank account within 7 days after the end of each month, and the FIMA-compliant contribution schedule, containing the full prescribed member data, must be submitted to the Fund administrator within 15 days after month-end.

Late or non-payment now attracts automatic penalty interest at the Bank of Namibia repo rate plus 4% (currently $\pm 10.75\%$), calculated daily until the contribution is received, with the interest credited directly to the affected member's account. In addition, NAMFISA may impose administrative penalties of up to N\$5 million or 10 years imprisonment or both for non-compliance with the Act and its standards.

Importantly, liability under FIMA is no longer confined to the employer as a legal entity. Councillors, Directors, Trustees, Partners and senior officials responsible for authorising payroll and contribution payments may be held personally liable for any unpaid contributions and the interest thereon. Non-compliance will also be transparent: in line with Standards R.F.S.5.17 and R.F.S.5.3, the Fund will report monthly and quarterly to members, the Board of Trustees and NAMFISA on contribution compliance, and will notify affected members directly of any late payments.

Participating employers are therefore urged to diarise the relevant deadlines, update payroll and HR systems to capture all FIMA-required member data, brief Councillors/Directors and senior managers on their personal liability, and engage RFLAUN promptly should any cash-flow or system challenges threaten timely payment. The Fund remains committed to supporting employers through this transition, but contribution compliance is non-negotiable.

New **PARTICIPATING EMPLOYER JOINED THE FUND**

Please join us in welcoming **Onandjaba Village Council** to the RFLAUN family. The council joined the Fund on 1 September 2026. The new addition of the council tallies the total number of participating employers in the Fund to 59.

Direct Housing Loans Update



The Fund wishes to update members on the current status of the direct housing loan facility, particularly following the implementation of the Financial Institutions and Markets Act, 2021 (FIMA), and the exemption application submitted by the Fund to NAMFISA.

As members are aware, the Fund's direct housing loan arrangement has historically enabled qualifying members to borrow a portion of their accrued Fund Credits for approved housing purposes. This facility has provided an affordable and practical way for members, including those who may not have had access to similar funding through the formal banking sector, to acquire homes or make permitted improvements to their residences.

The facility remains subject to strict terms and conditions to ensure that loans are used for housing purposes only and that the integrity of the Fund is protected at all times.

Following the implementation of FIMA, however, certain new requirements now apply to direct housing loans. **In particular, Section 282(2) requires such loans to be secured by first mortgages over immovable property.** This creates practical challenges especially for members who wish to build or renovate in un-proclaimed areas, where mortgage bonds cannot be registered.

In order to protect members' interests and to seek a practical regulatory solution, the Fund followed all required steps and submitted a formal exemption application to NAMFISA. The exemption sought would allow the Fund to continue granting direct housing loans to members in accordance with the existing terms and conditions, without the requirement for a mortgage bond to be registered over such properties. Despite the Fund having complied with the required process and having engaged NAMFISA on the matter, NAMFISA has not yet responded to the Fund's exemption application. As a result, and until such time as NAMFISA provides the necessary response or guidance, the current moratorium on the granting of direct housing loans will unfortunately have to remain in place. The Fund understands the importance of this facility to members and appreciates the frustration and inconvenience that the continued moratorium may cause. Please be assured that the Fund continues to follow up with NAMFISA and remains committed to resolving the matter as soon as possible.

Members will be informed of any further developments once feedback is received from NAMFISA.

We thank members for their patience and understanding.

4.4% *Pensioner* Increase



Good news for our pensioners:

Following the Fund's excellent investment performance for the year ended 31 December 2025, and after considering the recommendation of the Fund's actuary, the Trustees approved a **4.4%** pension increase from 1 July 2026. Pensioners will also receive a **once-off 13th payment** in December 2026, equal to one month's pension.

This additional payment is possible because of the Fund's strong investment results during 2025. A similar bonus was paid in 2024, and the Trustees are pleased that the Fund's financial position again allows pensioners to share in the benefit of favorable performance.

Each year, the Trustees review the Fund's financial position and consider advice from the Fund's actuary before approving any pension increase or additional payment. Their decision must balance what the Fund can afford now with the need to keep members' benefits secure over the long term. For this reason, the 13th payment is a once-off bonus for 2026 and should not be expected every year. Any future bonus will depend on the Fund's performance, affordability and financial position at the time.

Additional 0.25% *Allocation*

Good news for our active members:

The Fund's strong investment performance also strengthened its overall financial position, allowing active members to also share in the benefit.

Following the completion of the Fund's actuarial valuation and after considering the Fund actuary's recommendation, the Trustees approved an additional **25-basis-point (0.25%) enhancement to the Fund values of all active members**, funded from the Fund's available reserves.

In practical terms, this means that each active member's Fund Credit value receives an extra allocation equal to 0.25% of that value, another example of the Trustees' ongoing commitment to enhancing member benefits while maintaining the Fund's long-term financial security.

We then also urge you to diligently please read all communiques issued by the Fund which contain very important information.



Annual Investment Returns

The Funds' total assets as at 31 August 2026 amounted to N\$9 718 517 672 which comprises of the portfolios below:

- **Market Value Portfolio N\$ 8 877 122 938**
- **Capital Protection Portfolio (CPO 1) (Old Mutual) N\$ 3 210 162**
- **Capital Protection Portfolio (CPO 2) (Sanlam, Old Mutual, Momentum) N\$ 838 184 572**

The table below provides an indication of the monthly investment returns earned on the respective portfolios for the Fund year from 1 January 2026 to 31 August 2026.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD 2026
Market Value Portfolio	1.3	2.4	-4.7	3.1	0.5	-0.5	1.0	1.5	4.5%
CPO 1	0.8	0.9	0.6	0.5	0.6	0.6	0.5	0.6	5.4%
CPO 2	1.0	1.1	0.9	1.1	0.9	0.9	0.8	0.8	7.5%



The Fund continues to operate in an environment marked by heightened uncertainty, including the escalating conflict between the United States and Iran, severe disruption to energy supply routes, volatile oil prices, inflationary pressures, changing interest-rate expectations and currency movements.

The turmoil surrounding the Strait of Hormuz, normally one of the world's most important oil-shipping corridors, has sharply constrained the movement of crude oil from the Gulf and forced exporters to rely more heavily on alternative routes and depleting reserves. The risk has however now spread beyond the Strait of Hormuz itself with recent Houthi attacks expanding into Saudi territory threatening energy facilities as well as alternative shipping routes through the Red Sea.

Most significant of these attacks by the Houthis was the damaged done to the infrastructure on Saudi Arabia's strategic East–West Pipeline. This pipeline, which carries crude from the kingdom's eastern oilfields to the Red Sea port of Yanbu, had been

moving approximately 4 million to 5 million barrels per day and was a critical bypass used to offset part of the shortfall caused by disruption in the Strait of Hormuz.

Its precautionary shutdown removed an important supply-route buffer at the same time that normal Gulf exports remained constrained, increasing fears of a more persistent global supply deficit resulting in persistent higher oil prices. This combination of restricted production flows, reduced transport capacity, higher shipping and insurance costs, and the possibility of further attacks has added a substantial geopolitical risk premium to crude prices and pushed fuel costs higher.

For Namibia, which imports refined petroleum products, sustained increases in international oil prices can feed through to higher pump prices, transport and distribution costs, food prices and broader inflation. These pressures may in turn keep interest rates higher for longer, increase borrowing costs, weaken household disposable income and contribute to short-term volatility across investment markets, thereby affecting members' broader financial circumstances.



Namibian consumers are going to continue to remain under severe pressure as the latest energy shock works its way through the economy. In South Africa, the September 2026 adjustment increased petrol prices by about R1.29 per litre and diesel prices by more than R2.90. Given the close integration of the Namibian and South African economies, their shared currency arrangements and broadly similar exposure to imported petroleum products, Namibia is also vulnerable to a sizeable upward fuel-price adjustment.

Higher fuel prices will add to inflation directly through the transport component of the consumer price index and indirectly through higher freight, distribution, agricultural and production costs. The burden will be felt most acutely by households that already spend a large share of their income on transport, food, electricity and debt repayments, leaving less disposable income for other essentials.

The South African Reserve Bank has already raised its policy rate by 25 basis points in September, increasing the likelihood that the Bank of Namibia could follow with a similar increase at its October monetary policy meeting to help preserve the currency peg and contain inflationary and capital-flow risks. A 25-basis-point increase is therefore a credible near-term expectation, although it remains subject to the Bank's assessment of domestic inflation, economic activity and foreign-exchange reserves.

We should also prepare ourselves for the possibility of further tightening before year-end if oil prices remain elevated, the Namibia dollar weakens with the rand, or the regional and global supply shock intensifies.



Namibia received further unwelcome economic news during September. Industry reporting indicates that the final investment decision on TotalEnergies' Venus offshore oil development may slip into 2027 because commercial and fiscal discussions remain unresolved.

Worst of all for the Country was the confirmation on 23 September 2026 of a foot-and-mouth disease outbreak on a commercial farm in the Karasburg area.

The immediate nationwide suspension of the movement, marketing, import and export of cloven-hoofed animals and related products could severely disrupt farmers, auctions, abattoirs, meat processors, exporters, transporters and rural communities.

With agriculture estimated to contribute approximately N\$8 billion directly to gross domestic product and around N\$15 billion when wider value-chain activity is included, a prolonged outbreak could have a potentially catastrophic effect on the economy through lost livestock and meat sales, reduced export earnings, weaker farm incomes, pressure on food supply chains and employment losses.

The ultimate impact will largely depend on how quickly the outbreak is contained and Namibia's disease-free status and access to premium export markets are restored.

From an investment-performance perspective, the **Retirement Fund for Local Authorities and Utility Services** was not immune to the prevailing market uncertainty and volatility. These challenging conditions were reflected in more subdued investment performance, with the Fund's market value portfolio recording a return of 4.5% for the first eight months of 2026.

Although the Fund's return remained positive amid heightened geopolitical risk, volatile commodity and currency markets, changing interest-rate expectations and weaker investor sentiment, its resilience again demonstrates the value of a prudent, diversified investment strategy across asset managers, investment styles, asset classes and geographic regions which has also helped it navigate previous shocks such as the technology-bubble collapse, the September 2001 attacks, the 2008 global financial crisis and the COVID-19 pandemic.

RFLAUN ELSEWHERE

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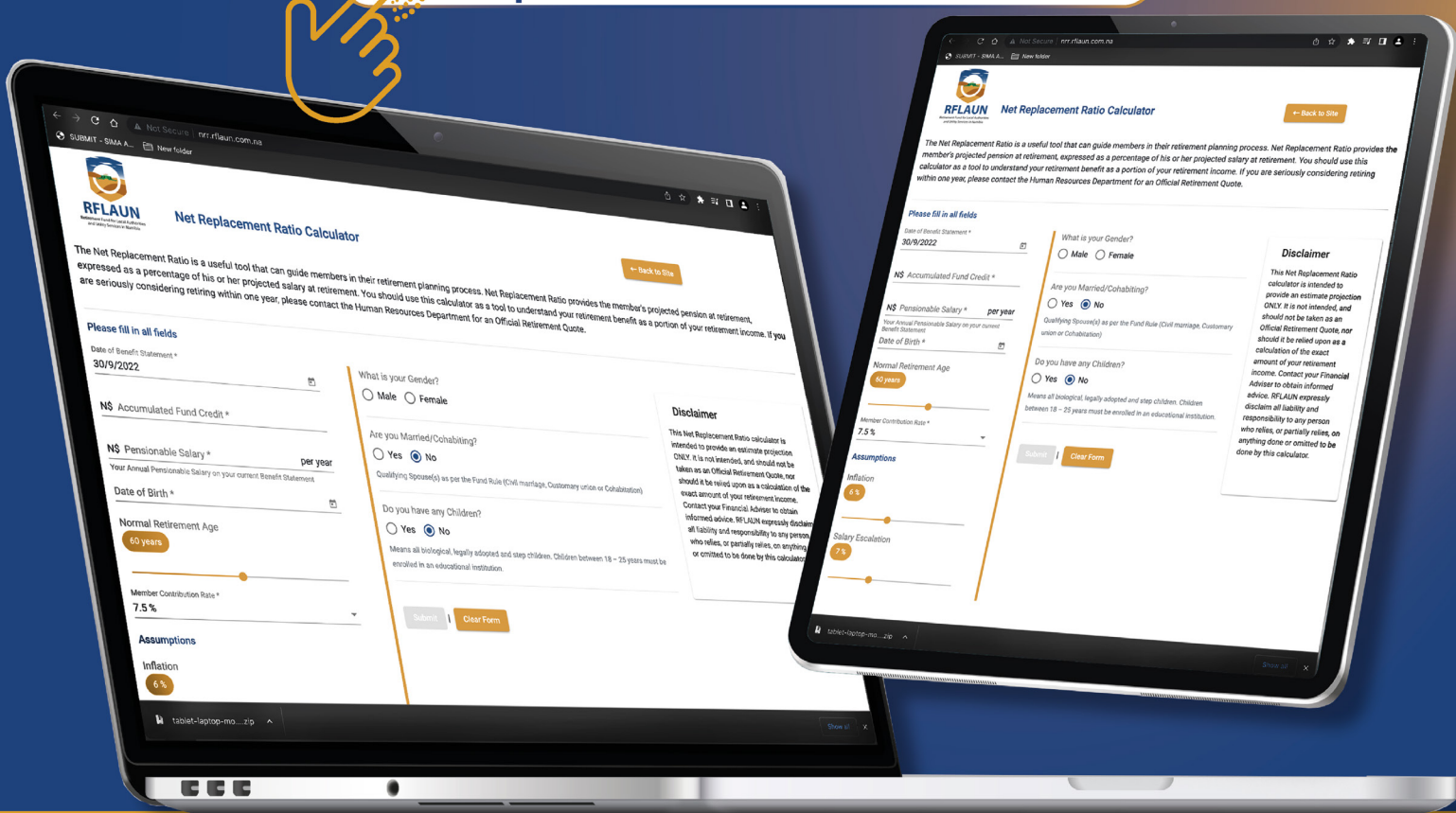
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NET REPLACEMENT RATIO CALCULATOR

The Net Replacement Ratio is a useful tool that can guide members in their retirement planning process. Net Replacement Ratio provides the member's projected pension at retirement, expressed as a percentage of his or her projected salary at retirement. Visit our website.



<http://nrr.rflaun.com.na/>



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Net Replacement Ratio Calculator

The Net Replacement Ratio is a useful tool that can guide members in their retirement planning process. Net Replacement Ratio provides the member's projected pension at retirement, expressed as a percentage of his or her projected salary at retirement. You should use this calculator as a tool to understand your retirement benefit as a portion of your retirement income. If you are seriously considering retiring within one year, please contact the Human Resources Department for an Official Retirement Quote.

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Please fill in all fields

Date of Birth *
30/9/2022

N\$ Accumulated Fund Credit *

N\$ Pensionable Salary *
per year
Your Annual Pensionable Salary on your current Benefit Statement

Date of Birth *

Normal Retirement Age
60 years

Member Contribution Rate *
7.5 %

Assumptions

Inflation
6 %

What is your Gender?
☐ Male ☒ Female

Are you Married/Cohabiting?
☐ Yes ☒ No

Qualifying Spouse(s) as per the Fund Rule (Civil marriage, Customary union or Cohabitation)

Do you have any Children?
☐ Yes ☒ No

Means all biological, legally adopted and step children. Children between 18 - 25 years must be enrolled in an educational institution.

Disclaimer

This Net Replacement Ratio calculator is intended to provide an estimate projection ONLY. It is not intended, and should not be taken as an Official Retirement Quote, nor should it be relied upon as a calculation of the exact amount of your retirement income. Contact your Financial Adviser to obtain informed advice. RFLAUN expressly disclaims all liability and responsibility to any person who relies, or partially relies, on anything done or omitted to be done by this calculator.

Assumptions

Member Contribution Rate *
7.5 %

Normal Retirement Age
60 years

Inflation
6 %

Salary Escalation
7.5 %

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This newsletter has a dual purpose, firstly to keep the members up to date on the developments of the Fund and secondly, it serves as an educational tool. As a member or pensioner of the Fund, you are invited to forward comments, suggestions and contributions to Marketing@rflaun.com.na.