



RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

NEWSLETTER

JULY 2021



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RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

RFLAUN STRATEGIC PLAN

MANDATE OF RFLAUN

To control, manage and administer the Fund in accordance with the Rules.

Vision

To be the leading pension fund in Namibia that meets members' expectations.

Mission

To administer and provide competitive pension related benefits that ensure sustainable and dignified living standards to the members and dependents.

Values

Accountability
Integrity
Sustainability
Teamwork
Service Excellence

DISCLAIMER

While every effort has been made to ensure the accuracy of the information in this newsletter, if any discrepancy occurs between the Rules of RFLAUN and any information or statement in this publication, the Rules of RFLAUN will prevail. The articles and topics discussed in this publication are for information purposes only and are not intended to be and do not constitute, nor should they be interpreted as financial advice.

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PAYMENT OF PENSION CONTRIBUTIONS TO PENSION FUNDS

The Fund has been experiencing late payment and non-payment of contributions from certain participating employers lately. The pandemic at hand could be the primary contributor of this act but this is against the law and it is illegal.

In terms of section 13A of the Pension Fund Act, “any contribution payable in respect of any member to the fund shall be paid directly to the fund by or on behalf of the member within a period of seven (7) days after the expiration of the period in respect of which the contribution is being paid”.

The consequences of late or non-payment of pension contributions

- Delays in payment of Risk benefits (Funeral and Death benefits) and other benefits;

- Reduction in the growth of members benefits;
- If the contributions are not paid to the Fund as required by the Act, the Employer shall be required to pay late payment interest on any outstanding contributions at the greater of the prime-lending rate charged by the financial institution of the Fund or interest rate reflected in the last audited financial statements reflecting the growth of the Fund;
- Furthermore, the Fund can further take step as stipulated above which include legal action and suspension or termination of the Participating Employer.

Participating Employers are urged to familiarise themselves with the Pension Fund Act and the Fund Rules to avoid contravening the law, regulations and rules set out.

INVESTMENT RETURNS

The Funds’ total assets as at 30 June 2021 amounted to **N\$5,673,806,302**. This is made of the portfolios below:

φMarket Value Portfolio	N\$5,005,662,347
†Capital Protection Portfolio 1 (Old Mutual)	N\$201,045,202
†Capital Protection Portfolio 2 (Old Mutual, Sanlam & Standard Bank)	N\$467,098,753

The table below clearly gives figures on the investment return within the said portfolios from 01 January 2021 till 30 June 2021. See figures in table below.

	Jan	Feb	Mar	Apr	May	June	YTD 2021
Market Value Portfolio	2.4	2.9	1.0	1.2	-0.2	0.4	7.8%
Capital Protection Option 1 (Old Mutual)	0.2	0.2	0.4	0.9	0.9	0.9	3.7%
Capital Protection Option 2 (Old Mutual, Sanlam & Standard bank)	0.4	0.5	0.5	0.6	0.6	0.7	3.3%

MARKET COMMENTARY

As we passed the halfway mark of 2021, the Covid pandemic is still dominating our daily lives with the third wave currently putting immense pressure on the Namibian healthcare system as both private and state hospitals are unable to deal with the exponential increase in cases.

During this third wave it seems people are also getting a lot sicker as a result of the virus and require intensive care for longer periods of time with the mortality rate then unfortunately also a lot higher than before. Considering that less than 2% of the Namibian population got vaccinated thus far, we as a Country still has got a very long way to go in terms of getting

“herd immunity” and as a result will probably face this enemy for a while to come.

At least there are some positive news in terms of the Fund’s investment performance over the last couple of months with exceptional returns being achieved during these very volatile and unprecedented times.

Looking back over the last 12 months we saw volatility picking-up during the last quarter of 2020 in the run-up to the United States elections as well as the second COVID 19 wave picking up pace towards year-end. Following the outcome of the US elections, as well as vaccinations being made available by Moderna and Pfizer in November 2020, calmness returned to markets resulting in very strong performance from risk assets since then.

That momentum continued with the best performing asset classes for the year ending 31 March 2021 being the All Share Index that returned 53.98% over the 12 month period (predominantly driven by the Resources sector with a return of 92.52%), South African Listed Property returned 34.44%, South African Bonds returned 16.96%, Namibian Bonds 19.77% and International Equities returned 28.09% over the same period. The only detractor to performance from an asset class perspective was Namibian locally listed stocks that returned -17.78% over the one-year period.

From a global economic perspective, growth remained very



strong through 2021 and 2022 with policy makers keeping fiscal policy at ultra-aggressive levels. Interest rates should also remain low although rising US treasury yields could be an early warning of market nervousness around higher inflation and a fear that central banks could act too late. On the South African macro-economic environment, decent growth recovery is expected in 2021 supported by strong commodity prices. The South African Reserve Bank is further expected to keep interest rates at very low levels considering that inflation is well behaved and a consumer that remained under pressure.

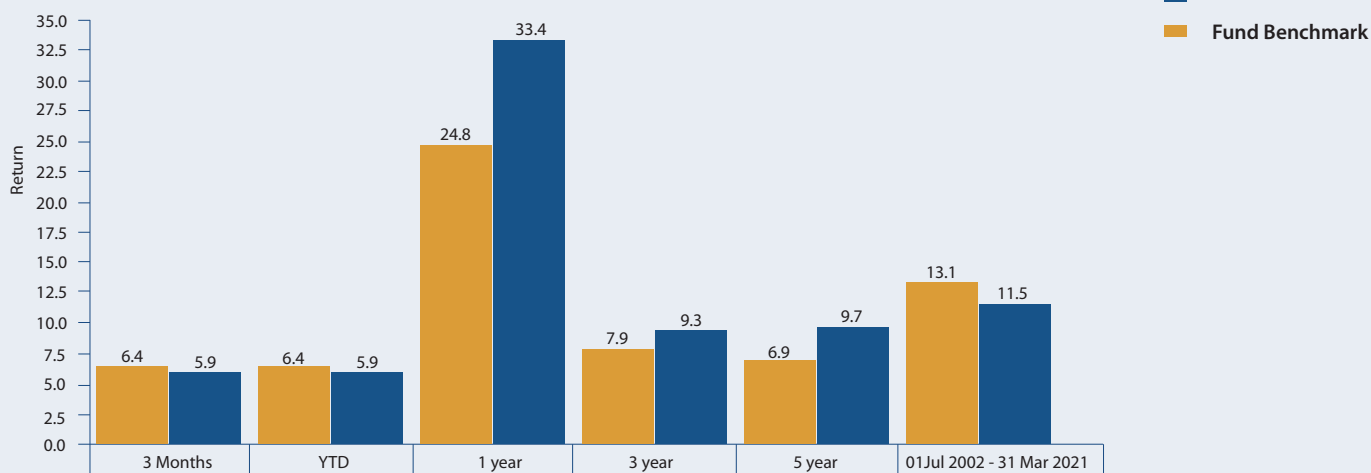
The recession over the last 6 years had a devastating impact on Namibian businesses and households with the economy contracting by 50% over this period. Any recovery will likely rely on a revival of global tourism and trade as well as a recovery in specific commodity prices.

FUND’S INVESTMENTS

The Fund value has increased from N\$ 5.3 billion as at the 31st of December 2020 to N\$ 5.6 billion as at 31 March 2021, resulting in a nett growth of approximately N\$ 300 million for the quarter.

Year to date the Fund returned 6,4% on its underlying market value portfolio beating the benchmark of 5.9% over the same period.

Manager vs Benchmark Return



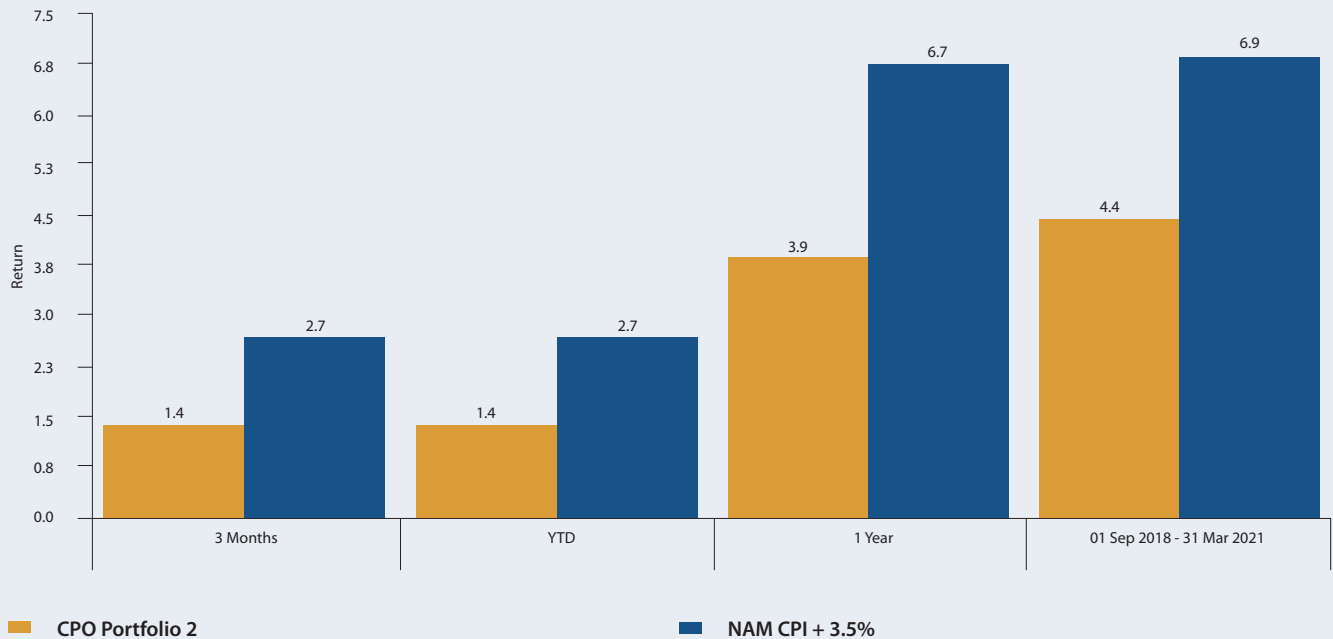
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CAPITAL PROTECTION OPTION (CPO)

The Capital Protection portfolios also provided decent returns during the quarter with the CPO portfolio returning 0.9%, and the CPO 2 returned 1.4%. The underlying assets of the Old

Mutual AGP portfolios are more exposed to growth assets (equities in particular), and therefore it is expected that future returns should also start improving.

Manager vs Benchmark: Return



The Fund's ability to absorb the financial impact of the COVID 19 crisis the last couple of months is testament that the current investment strategy of having a diversified portfolio of different asset classes invested across different geographical areas and managed by different styles of investment manag-

ers are able to protect members' retirement savings. We want to however again caution members that future return expectations should be realistic, especially in a low inflationary environment we are currently in and the continued uncertain impact of the Covid pandemic.

PROOF OF LIFE FOR PENSIONERS

For the Fund it is extremely important to always ensure that the benefits paid reaches the intended beneficiaries and with pensioners even more so. To ensure that the payment of monthly pensions to pensioners are efficiently administered and correctly managed, and to also protect especially the more vulnerable pensioners, they are required to verify their existence annually by completing a "Certificate of Existence" form.

The Fund has already distributed said "Certificate of Existence" forms to all the pensioners to their respective postal addresses. It is important that the form is completed and submitted before the 30th June every year. Should you not have completed your "Certificate of Existence" form already, please do so

as a matter of urgency since failure to submit adequate proof of your existence as required by the Fund will result in the suspension of the monthly pension payment.

The Fund further also encourages pensioners to ensure that their latest banking details and postal address are confirmed and recorded correctly on the Fund's administration system as part of this exercise. The Certificate of Existence is also available on the Fund's website (www.rflaun.com.na) and please also remember to update your Beneficiary Nomination form during this exercise as well.

The Fund encourages the regular reader of the Newsletter to please help out by spreading the message to our pensioners for them to complete their certificates of existence.

NEW PARTICIPATING EMPLOYERS JOINS THE FUND

The Fund would like to welcome Koes Village Council, Kamanjab Village Council and Rundu Town Council to the RFLAUN family. With the addition of the new councils, the total number of participating employers has increased to 50.

Arandis Town Council
Aranos Town Council
Aroab Village Council
Bethanie Village Council
CENORED
City of Windhoek
Divundu Village Council
Eenhana Town Council
Gobabis Municipality
Grootfontein Municipality
Helao Nafidi Town Council
Kalkrand Village Council
Kamanjab Village Council
Karasburg Town Council
Karibib Town Council
Katima Mulilo Town Council
Keetmanshoop Municipality

Khorixas Town Council
Koes Village Council
Leonardville Village Council
Luderitz Town Council
Municipality of Henties Bay
Municipality of Otjiwarongo
Nkurenkuru Town Council
Okahandja Municipality
Okahao Town Council
Okongo Village Council
Omaruru Municipality
Omuthiya Town Council
Ondangwa Town Council
Ongwediva Town Council
Oniipa Town Council
Oranjemund Town Council
Oshakati Town Council

Oshikuku Town Council
Opuwo Town Council
Otavi Town Council
Otjinene Village Council
Outapi Town Council
Outjo Municipality
Rehoboth Town Council
RFLAUN
Ruacana Town Council
Rundu Town Council
Swakopmund Municipality
Tsandi Village Council
Tsumeb Municipality
Usakos Town Council
Walvis Bay Municipality
Witvlei Village Council



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and Utility Services in Namibia

STAY HOME! STAY SAFE!

CONTACT US AT: +264 61 423 700 | info@rflaun.com.na



KNOW YOUR TRUSTEES

EMPLOYER REPRESENTATIVES



Cllr Gaudentia Krohne
Chairperson
//Karas



Cllr Samuel !Oe-Amseb
Trustee
Kunene



Cllr Naemi Amuthenu
Trustee
Oshana



Cllr Christoph Kupembona
Trustee
Kavango East



Cllr Cornelius Tjizoo
Trustee
Omaheke



Cllr Erastus Mashina
Trustee
Omusati



Cllr Jafet M Muti
Trustee
Kavango West



Cllr Risto Kapenda
Trustee
Erongo



Joseph Uapingene
Trustee
Khomas



Else Illse Keister
Trustee
Khomas



Godhard Hoko
Trustee
Otjozondjupa



Mateus Hangula
Trustee
Oshikoto

MEMBER REPRESENTATIVES



Mr Chris U. Katjitundu
Vice Chairperson
Khomas



Mr. Immanuel Tjipura
Trustee
Kunene



Mr. Julius G. Gaeseb
Trustee
Oshikoto



Ms. Rachel Engelbrecht
Trustee
Otjozondjupa



Ms Ester Haihambo
Trustee
Erongo



Ms Anna Iiyambo
Trustee
Khomas



Ms Thandi P. Shindi
Trustee
//Karas



Mr Damian I. Hamunyela
Trustee
Oshana



Mr Godfrey M. Sitwala
Trustee
Zambezi



Ms Tuwiliika Ndjendja
Trustee
Ohangwena



Mr Frederick Ueitele
Trustee
Omaheke



Mr Petrus S. Sindimba
Trustee
Kavango West



Mr Ronald R. Windswaai
Trustee
Hardap



Mr Oskar Kanime
Trustee
Omusati



Mr Athanasius Maghumbo
Trustee
Kavango East

PENSIONER REPRESENTATIVES



Mr Deon Gerber
Pensioner Trustee



Mr Gabriel Fryer
Pensioner Trustee



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WE CARE

WE STILL HOLD YOU DEARLY EVEN
DURING THESE DIFFICULT TIMES

Reach out to us at your convenience.



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www.rflaun.com.na



Online Benefit Statements



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@RFLAUN



11/22

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 info@rflaun.com.na.