



**RFLAUN**

Retirement Fund for Local Authorities  
and Utility Services in Namibia

**NEWSLETTER**

**DECEMBER 2021**



**1.70%**

**Additional Interest Rate  
Allocated To All Members**



**INSIDE**



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RFLAUN Office Closure



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New Participating Employer  
joins the Fund



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## 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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# 1.70% ADDITIONAL INTEREST RATE ALLOCATION TO ALL MEMBERS FUND CREDIT

The Trustees continuously strives to maximize the benefits provided to you as a member of the Fund and with this key objective in mind recently, in consultation with the Fund's actuary, investigated the Fund's existing policy on reserves and surpluses.

These reserves and surpluses are retained in order to ensure the long-term financial viability of the Fund and to also protect you as a member against unforeseen external events that could potentially negatively impact on the benefits currently being offered by the Fund.

Following this investigation the actuary was of the opinion that the current reserves within the Fund can be reduced and that the proceeds thereof can rather be distributed to the members. At a Trustee Meeting held on the 26th of November 2021 the Trustees then approved these recommendations as submitted.

The result of this reserve distribution is that **an additional N\$ 65.474 million will now be allocated to the members of the Fund**. This allocation cannot be paid out in cash and will be distributed by means of **an additional 1.70% interest rate allocation** to your existing Fund Credit which means that every member (active members as at 30 November 2021) will proportionally get an equitable share of the said reserve as it will be based on your existing credit in the Fund as indicated.

A further benefit of the Fund's current healthy financial position is that pensioners in future can also expect a higher than the actual investment return earned on the investment of the Fund. Please be assured that this decision to distribute a portion of the reserves will not now expose the Fund to unnecessary additional risks and that the Trustees obtained expert advice before the decision was taken.

## RFLAUN OFFICE CLOSURE

We would like to inform our stakeholders that our office **will be closed as from Friday, 24 December 2021 to Friday, 7 January 2022** for the festive season. The office will officially be open for business from **Monday, 10 January 2022**. The industry experience has shown us that this is normally a very quiet time with many people being on leave and it affords us the opportunity to allow our staff to recuperate, with hopefully no, or as little as possible disruption or inconvenience to our stakeholders. In case of emergency please contact the office at: 061-423 700 or [info@rflaun.com.na](mailto:info@rflaun.com.na)



# NEW PARTICIPATING EMPLOYER JOINS THE FUND

Join the Fund in welcoming Okakarara Town Council to the RFLAUN family. The new addition of the council tallies the total number of participating employers in the Fund to 51.



## DISABILITY BENEFIT

Should you because of medical reasons become unable to continue doing the work for which you were employed you will receive a monthly disability income equal to 100% of your monthly pensionable salary. If you for example were earning a monthly pensionable salary of say N\$ 5 000, your disability income per month would then also be equal N\$ 5 000 per month.

The payment of the above disability benefit is however subjected to the following very important conditions:

- you are totally and permanently unable to do your own job or a similar job, given your training, education and experience,
- you have not reached your normal retirement age of 60; and
- you have completed a waiting period of 3 consecutive months calculated from the commencement of your absence from work.

The monthly disability income benefit will be paid for as long as the underwriting Insurer recognizes your disability based on medical grounds, you have not died, and you have not reached your normal retire-

ment age. To confirm your continuous state of disablement the Insurer will request you to submit full supporting medical reports every two years once on disability. Failure to submit said medical reports will result in the monthly disability benefit then being immediately suspended.

Whilst on disability you therefor remain a member of the Fund with your contributions towards retirement continuing as well as your Employer's contributions towards retirement on your behalf also continuing. Because you remained a member of the Fund when you then reach the normal retirement age of 60, and you are still in receipt of a monthly disability pension, the monthly disability payment will cease and your retirement benefits (Fund Credit) will become payable.

Should you die whilst on disability, the death benefits as provided by the Fund at that stage will also become payable to your beneficiaries.

The disability income benefit will further annually escalate at the lesser of 5% or the annual change in the Consumer Price Index (inflation).

# INVESTMENTS

The Funds' total assets as at 31 October 2021 amounted to **N\$5,989,016,401**. This is made of the portfolios below:

<b>Market Value Portfolio</b>	N\$5,237,066,453
<b>Capital Protection Portfolio 1</b> (Old Mutual)	N\$200,899,890
<b>Capital Protection Portfolio 2</b> (Old Mutual, Sanlam & Standard Bank)	N\$551,050,058

The table below clearly gives figures on the investment return within the said portfolios from 01 January 2021 till 31 October 2021. See figures in table below.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	YTD 2021
Market Value Portfolio	2.4	2.9	1.0	1.2	-0.2	0.4	1.8	1.0	-0.2	2.5	13.3%
Capital Protection Option 1 (Old Mutual)	0.2	0.2	0.4	0.9	0.9	0.9	0.9	0.9	0.9	0.9	7.5%
Capital Protection Option 2 (Old Mutual, Sanlam & Standard Bank)	0.4	0.5	0.5	0.6	0.6	0.7	0.6	0.6	0.6	0.5	5.7%

## MARKET VALUE PORTFOLIO

At the end of the third quarter, the total market value of the fund stood at N\$5.8 billion. The market value portfolio came in at N\$5 billion and the capital protection portfolio at N\$745 million for the quarter. While the capital account is N\$88.4 million; growth of the assets since the start of the year increased by 10.5%.

Assets increased by N\$682 million over the trailing 12 months which is a clear indication of the rebound we have seen in the market. This however comes from a very low base. Cashflows were positive N\$ 32.2m over the trailing 3 months, despite movements in terms of members reaching retirement age

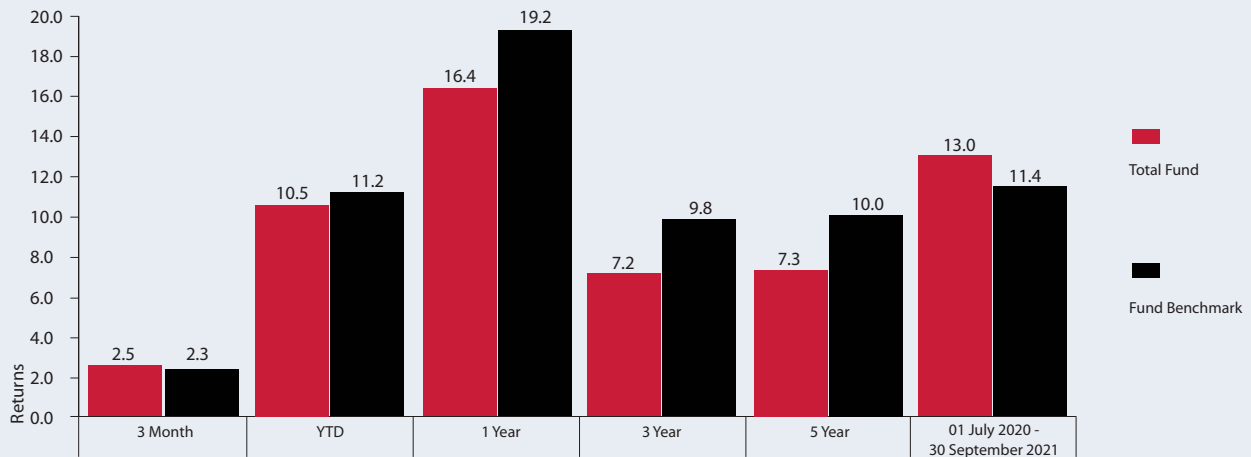
of 55.

Due to retirement, CPP1 had a negative cashflow of N\$7.5 million. In terms of return, the fund outperformed in the month of September 2021 by 2.1%.

Namibia Asset Management performed much better than the other four managers with 13.2%, followed by Prudential (M&G); while Ninety-One is lagging the other managers with a return of 8.4%.

In quarter 3, the fund outperformed the benchmark by 0.2%. while in quarter 2 the fund lagged the benchmark by 1.3%. Year to date, performance is 10.5% vs the benchmark of 11.2%.

### Manager vs Benchmark: Returns



## CAPITAL PROTECTION PORTFOLIO

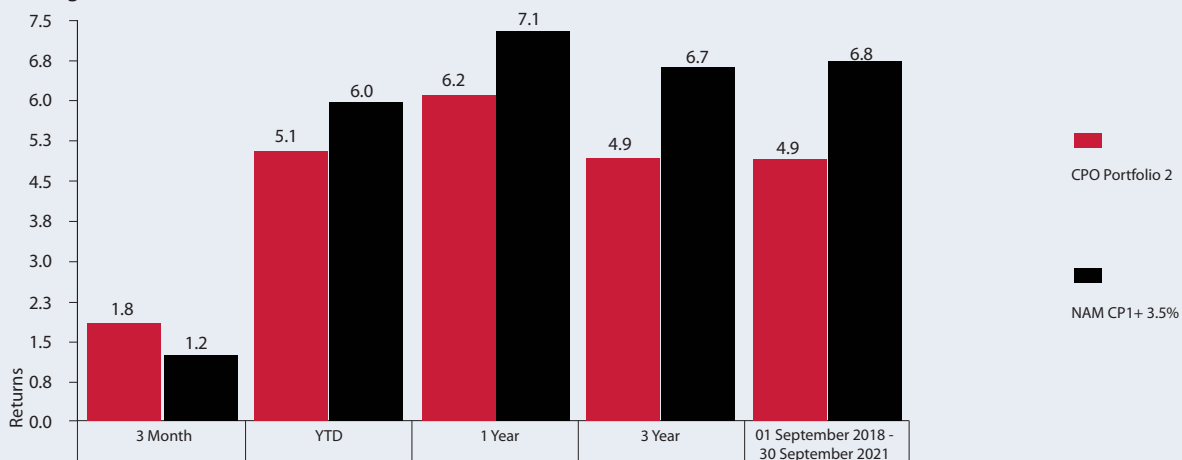
In terms of the CPP 2, the fund has N\$350 million in Old Mutual, N\$280 million in Sanlam Stable Bonus and N\$148.3 million in Stanlib MMF.

In the third quarter, the CPP1, which is made

up of the Old Mutual AGP Secure portfolio, outperformed the benchmark by 1.4%.

CPP 2 return year-to-date is lagging the benchmark by 0.9%. In quarter 3, outperformed the benchmark by 0.6%.

### Manager vs Benchmark: Returns



## MARKET COMMENTARY

Local markets – South Africa’s - JSE All Share Index and the NSX Overall Index in Namibia; closed the third quarter in the red (-3.1%) and (-4.7%) respectively. There is currently a large amount of uncertainty in the market, which can be attributed to refreshed fears around the deadlier Covid Delta variant, increased risk of a global rise in the price of

goods (inflation), Central Banks start raising interest rates sooner and concerns around China’s property crisis and health of their economy.

COVID-19 and the highly transmissible Delta variant have continued to drive uncertainty over the past 3-month period both from a local and global perspective. Namibia’s vac-

ination roll-out has been effective and thankfully seen its active covid cases drop to just over 1000 following the peak of over 25,000 active cases in July.

The third quarter of 2021 saw a continued rise in the cost of consumer goods (inflation). SA and Namibian inflation came in at 4.9% and 3.4% respectively. We can expect that the price for goods will remain higher for longer with oil prices rising to above US\$80 for the first time in three years, up +50% since the beginning of the year. The Bank of Namibia revised their cost of consumer goods (inflation) forecast to average 3.9% in 2021 compared to the previous estimate of 3.6%.

The most concerning news over the quarter has once again come out of China, however, in a change of events, this is not virus related. China has tightened the control of its big technology companies, with multiple rounds of regulations brought against them over the course of the year, in the name of

anti-trust cyber security, essentially wanting to better align corporate goals and national social goals. The end of September also saw a crisis at China's second-largest property developer - Evergrande. Reports emerged that the property developer defaulted on two interest payments and a reason why investors are starting to ask questions about the health of the Chinese economy.

Namibia's economy continued to experience slow growth during the second quarter of 2021 at 1.6%. This news was published in the third quarter of 2021 and the slowdown in economic growth was driven by weak performances in mining, construction and tourism sectors which continued to struggle with the impact of the COVID19 pandemic. The Bank of Namibia revised its projection on economic growth of 3.4% to 1.4% in its February 2021 Outlook report, whereas it kept interest rates unchanged. Unemployment remains to be a challenge among the youth in Namibia.

## NOTIFICATION TO SUSPENDED PENSIONERS OF RFLAUN

The Pensioners below had their monthly pension suspended due to outstanding Certificate of Existence forms. We request that the persons listed contact the Fund to complete the necessary forms in order to be reinstated. Please contact the Fund on Tel: 061 423 700 or email to [info@rflaun.com.na](mailto:info@rflaun.com.na). If you know any of these individuals or family, please inform them.

NO.	TITLE	INITIALS	SURNAME	FIRST NAMES	DATE OF BIRTH	NO.	TITLE	INITIALS	SURNAME	FIRST NAMES	DATE OF BIRTH
1	MS	S	ABRAHAM	SELMA	29-Apr-62	30	MRS	WAJ	BEHM	WILHELMINA ALETTA JACOBA	1-Mar-49
2	MR	SA	ADOLF	SHUUTHENI ADOLF	27-Oct-04	31	MS	MD	BEZUIDENHOUT	MARLENE DIANA	27-Aug-97
3	MRS	E	ALBIN	ESTER	16-Jan-46	32	MR	N	BONIFASIUS	NATANAEL	1-Aug-35
4	MR	T N	ALFEUS	TITUS NANEXO	23-Oct-00	33	MRS	M	CHRISTIAAN	MAGRIET	17-Jun-38
5	MR	T N	ALFEUS	TOBIAS NAKANYALA	6-Mar-98	34	MR	J	DAVID	JACKSON	28-Jan-53
6	MR	P T J	ALFEUS	POPYENIYENI T J	24-Jun-98	35	MR	A	DAVID	AUGUSTUS	16-Oct-54
7	MS	R	ALUANDE	REBECCA	21-Nov-48	36	MR	L	DAVID	LAZARUS	7-Mar-40
8	MRS	AK	ALUGODHI	ANNA K	7-May-71	37	MS	MN	DAVID	MARTHA NAMUTENYA	17-Jun-00
9	MR	A	AMAKALI	ANDREAS	21-Jun-38	38	MR	JS	DILA	JASON SHALUKENI	7-Jul-52
10	MR	E	AMAVILA	ERASMUS	12-Jan-49	39	MS	FH	DIOGENUS	FUNDENI H	15-Nov-00
11	MR	A	AMBUNGA	ANDREAS	2-Sep-41	40	MR	HA	DIOGENUS	HAFFENI A	11-Jun-97
12	MRS	HP	AMON	HENDELINA P	11-Sep-45	41	MR	A	DOESEB	ARON	11-May-41
13	MS	ANN	AMUKWAYA	ANN	10-May-98	42	MR	KN	DRAGOT	KEFAS N	20-May-36
14	MRS	V	AMUNYELA	VERONICA	10-Feb-60	43	MR	K	DREYER	KLAAS	13-Sep-49
15	MR	M	AMUNYELA	MATIAS	20-Feb-59	44	MR	M	DUMENI	MODESTU	27-Jan-40
16	MR	I	AMUTENYA	ISAK	15-Dec-35	45	MRS	M	EISES	MAGRIETHA	9-Sep-41
17	MRS	L	ANDJAMBA	LINDA	28-Aug-47	46	MR	S	EKANDJO	SAKEUS	3-Jun-48
18	MR	HW	ANDREAS	HAINDENGA WILHELM	20-Apr-44	47	MR	F	ELIA	FRANS	1-Jan-46
19	MS	N	ANDREAS	NELAGO	24-Jul-97	48	MR	ET	ELIAS	ET	1-Oct-98
20	MR	L	ANGULA	LEVI	7-Jul-44	49	MR	H	ELIFAS	HLOKWA	17-Jun-57
21	MR	SS	ANSINO	SHITULENI S	21-Jan-02	50	MR	RT	FRANCIS	REINHARD TIGER	24-Sep-58
22	MR	F	ANTON	FRANS	13-Feb-56	51	MS	S	FRANS	SAIMI	12-Oct-49
23	MR	MJW	APRIL	MICHAEL JOEL WILLEM	3-Apr-00	52	MR	S	GABRIEL	SIMON	5-Aug-36
24	MS	M	ARMANDU	MARTA	1-Sep-45	53	MS	KM	GABRIEL	KATRINA MORNING	23-May-00
25	MRS	N	ASHILI	NATALIA	18-May-65	54	MR	G	GAINGOB	GIDION	15-Mar-43
26	MR	JH	ASHIPALA	JOHANNES HITENDE	14-Apr-99	55	MR	F A	GALANDT	FRANCIS A J	30-Jan-98
27	MS	T	ATSINO	TOINI	11-Apr-98	56	MR	S	GIDEON	SARATIEL	7-Jul-37
28	MR	J	AWASEB	JOHANNES	3-Nov-57	57	MRS	W	GOAGOSES	WILLEMINA	10-Jan-39
29	MRS	A	BALI	ALVINA	26-Mar-49	58	MR	N	GOTLIEB	NEHEMIA	12-Jul-43

