RFLAUN

Retirement Fund for Local Authorities and Utility Services in Namibia

Newsletter

June 2026

Second Edition

Editors Desk

Mr. Julianus Rukamba

Editor

*The Fund recovered strongly with **3.1%** in April,*

Welcome to the second edition of our 2026 newsletter.

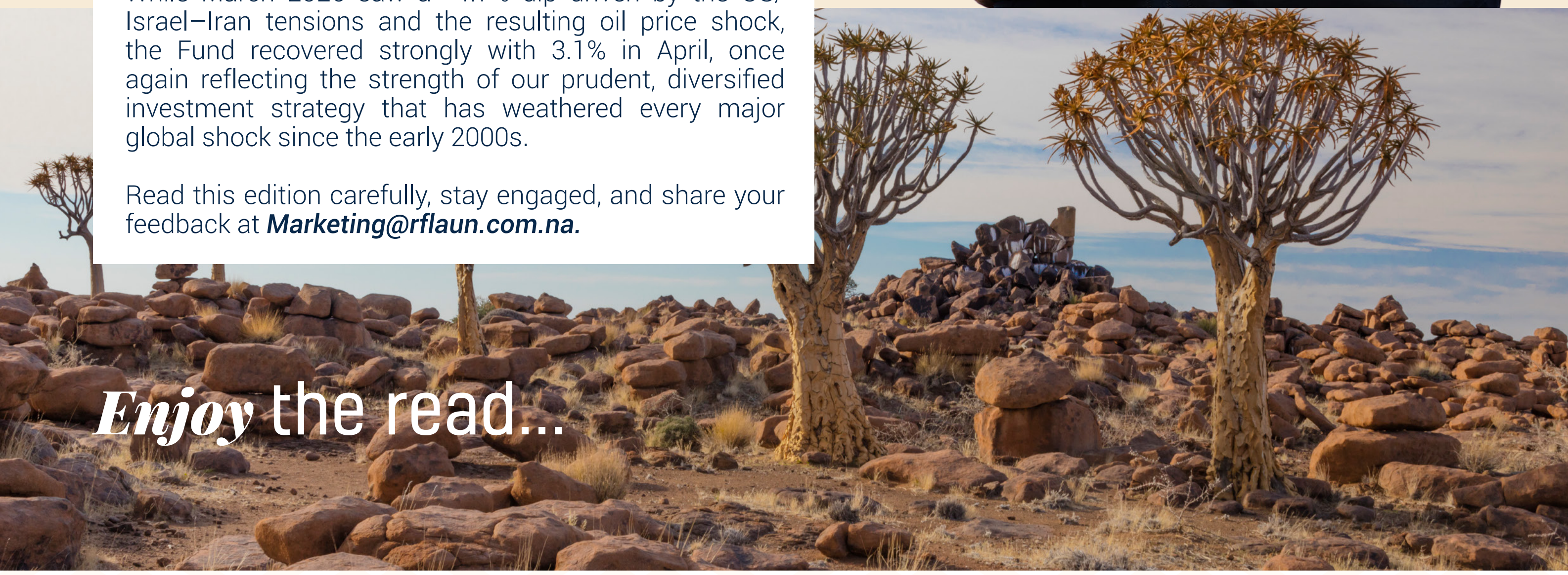
The first half of 2026 has been a defining moment for Namibia's retirement fund industry. The Financial Institutions and Markets Act, 2021 (FIMA) was gazetted on 30 April 2026 and came into operation on 1 May 2026. Importantly, FIMA has been implemented without the contentious Compulsory Preservation clause.

In this edition we unpack the key changes including the annual Beneficiary Nomination Form, t he s tricter monthly contribution obligations for employers, and the revised rules on deductions under section 277. We also remind pensioners to submit their annual Proof of Life (Certificate of Existence) to avoid any suspension of payments.

Despite a turbulent global environment, the Fund continues to perform strongly. As at 31 May 2026, total assets under management stood at N$9.542 billion, with year-to-date returns of 2.4% (Market Value Portfolio), 3.7% (CPO 1) and 4.8% (CPO 2).

While March 2026 saw a -4.7% dip driven by the US/Israel–Iran tensions and the resulting oil price shock, the Fund recovered strongly with 3.1% in April, once again reflecting the strength of our prudent, diversified investment strategy that has weathered every major global shock since the early 2000s.

Read this edition carefully, stay engaged, and share your feedback at ***Marketing@rflaun.com.na.***



Enjoy the read...

Financial Institutions and Markets Act (FIMA)

The Financial Institutions and Markets Act, 2021 (FIMA) is Namibia's consolidated, principles-based regulatory framework for the country's non-banking financial sector, administered by NAMFISA, which came into operation on 1 May 2026 and repealed the long-standing Pension Funds Act, 24 of 1956 (together with several other sector-specific laws). Retirement funds are regulated under Chapter 5 of the Act, supported by Standards (RF.S.) and Regulations (RF.R.) issued thereunder, currently comprising 17 Standards and 4 Regulations specific to retirement funds, which together prescribe the detailed governance, prudential and member protection requirements. In essence, FIMA is designed to modernise, harmonise and strengthen the regulation of pension funds, insurers, medical aid funds, capital markets and related institutions, with a clear focus on good governance, financial soundness, transparency and the protection of members and consumers of financial services in Namibia.

The Financial Institutions and Markets Act (FIMA) was after many years of anticipation, and numerous stakeholder engagements, finally Gazetted on the 30 April 2026 with an implementation date of 1 May 2026.

It is important to note that FIMA has now been implemented **WITHOUT the contentious Compulsory Preservation clause, and at retirement, you will still be able to take your one-third lump sum portion tax-free.** These two key concerns were among the reasons FIMA's implementation was initially delayed, but following further engagement between stakeholders and NAMFISA, they have now been addressed for the benefit of fund members.

FIMA significantly changes the regulatory landscape from a compliance-based framework to a risk-based framework.

What THIS MEANS FOR YOU

- The Fund will continue to operate as normal.
- Your benefits and membership remain secure.

A number of issues pertaining to FIMA however still require clarity with the Industry engaging NAMFISA on a regular basis in terms of clarifying said issues. Any further changes that might have an impact on the benefits currently provided by the Fund will be communicated.

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

Compulsory Beneficiary Nomination Form

The FIMA which has now commenced and replaces the long-standing Pension Funds Act, 1956, introduces a modernised, outcomes-based framework for the regulation of retirement funds in Namibia. Among its many provisions is **Standard RF.S.5.9,** which deals specifically with the Beneficiary Nomination Form and the obligations placed on funds and their members in this regard.

For members of the Retirement Fund for Local Authorities and Utility Services in Namibia (RFLAUN), this brings one important change you need to be aware of: **the beneficiary nomination form is no longer a "once-off" exercise. It must now be updated and submitted every year.**

Under FIMA, you will from now on be required on an annual basis, before the 30th of January each year, to provide the Fund with an updated Beneficiary Nomination form. Within the next couple of months you will be requested by your Human Resources Practitioners to submit said updated forms which will be provided for completion. The forms are also available on our website at ***www.rflaun.com.na.***

The Fund, your employer and you as a member all have a role to play in making this work. We urge you to please adhere to these requests and cooperate in meeting submission deadlines in this regard as would be indicated.

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 ±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 RF.S.5.17 and RF.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.

RFLAUN *Pensioner* Proof of Life

Why is this important? The Certificate of Existence is used to confirm that pensioners are still alive, helping the Fund ensure that benefits are paid out to the right people. If the form is not received, pension payments may unfortunately be suspended.

Pensioners should have received their forms in the mail by March 2026. If you haven't received yours yet, please contact the Fund's office or download a copy directly from our website at ***www.rflaun.com.na.***

As part of our commitment to excellent customer service, we encourage younger family members and friends to help spread the word and assist pensioners in completing and submitting their forms on time.

Together, we can make sure that every pensioner continues to receive the support they've earned.

Deductions From Pension Benefits Under FIMA: *What Has Changed*

The commencement of the Financial Institutions and Markets Act, 2021 (FIMA) has materially changed the law on what a retirement fund may, and may not, deduct from a member's pension benefit.

Under section 277 of FIMA, only a closed list of specifically regulated deductions is now permitted from a member's pension benefit. These are limited to tax obligations, prescribed loans, guarantees linked to such loans, maintenance orders, medical aid subscriptions, funeral expenses and certain insurance premiums. This narrow position is reinforced by section 274, which expressly protects pension benefits from reduction, transfer, attachment or execution except where permitted by law.

What can no longer be deducted is equally important. Under section 37D of the repealed Pension Funds Act, 1956, a retirement fund could deduct amounts owed by a member to an employer where the loss arose from theft, dishonesty, fraud or misconduct, provided the employee had either admitted liability in writing or the employer had obtained a court judgment. In practice, an internal acknowledgment of debt signed during a disciplinary hearing, was enough for an employer to recover its losses directly from the employee's retirement savings.

FIMA does away with that mechanism entirely. There is no provision in section 277 permitting deductions for theft, fraud, dishonesty or misconduct based on internal acknowledgements of debt, written admissions of liability, disciplinary findings or similar employer-driven processes. Employers therefore no longer have statutory authority to recover alleged losses directly from a member's pension benefit. Any such recovery must now be pursued through independent legal proceedings before a competent court, separate and distinct from the administration of the member's pension benefit.

Annual Investment Returns

The Funds' total assets as at 31 May 2026 amounted to **N$9 542 640 256** which comprises of the portfolios below:

- **Market Value Portfolio N$ 8 633 319 878**
- **Capital Protection Portfolio (CPO 1) (Old Mutual) N$ 3 104 504**
- **Capital Protection Portfolio (CPO 2) (Sanlam, Old Mutual, Momentum) N$ 906 179 847**

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 May 2026.

	Jan	Feb	Mar	Apr	May	**YTD 2026**
Market Value Portfolio	1.3	2.4	-4.7	3.1	0.5	**2.4%**
CPO 1	0.8	0.9	0.6	0.5	0.6	**3.7%**
CPO 2	1.0	1.1	0.9	1.1	0.9	**4.8%**

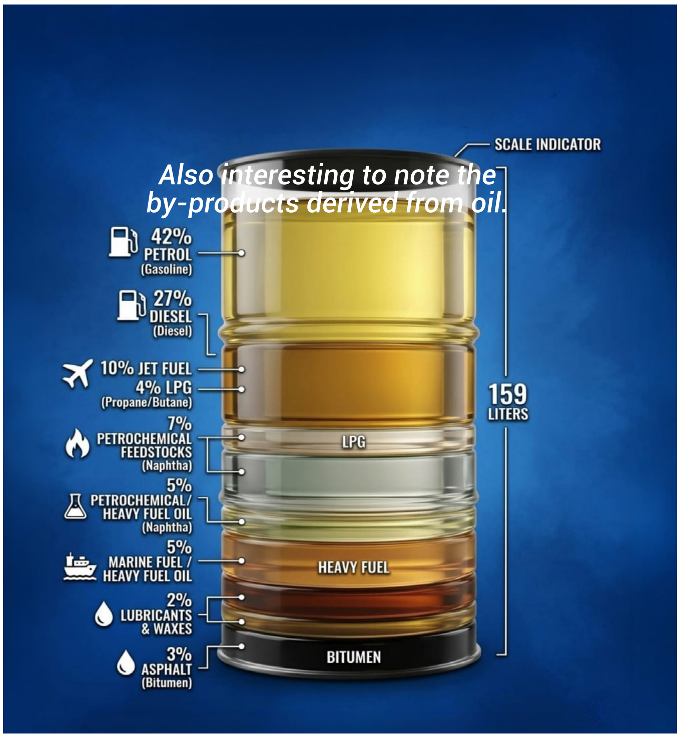
Market *Commentary* Q2 2026

Since the 28th of February 2026 the news headlines were dominated by one theme and that was the attacks launched by the United States / Israel on Iran.

Iran retaliated and launched similar missile attacks on USA interest in the Middle -East including military basis in Kuwait, Qatar and the United Arab Emirates. These events had an immediate negative impact with the price of oil increasing from about 73 US $ per barrel to close to 120 US $ per barrel mid March 2026. As a result of the turmoil the US$ then also again became a safe haven that severely impacted positive emerging market sentiment prior to President Trump`s operation "Epic-Fury" launched on the 28th of February 2026.

When Iran then closed the Strait of Hormuz it created further challenges considering that 20% (approximately 20 million barrels of oil per day) of the World`s oil production is transported through this particular sea passage. All of us can attest to the impact the increase in the price of oil had on our pockets with the price of fuel subsequently increasing significantly the last couple of months.

The increase in the price of fuel resulted in upwards pressure on inflation with the Bank of Namibia having to increase the Repo Rate by 25bp at its last monetary policy meeting on the 16th of June 2026.

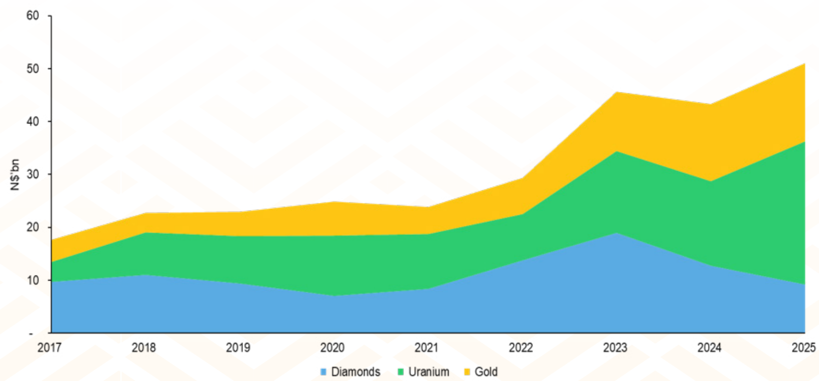


In case you ever wondered what constitutes one barrel of oil.

At the beginning of 2026 two interest rate cuts were expected during the course of the year considering that inflation was within its targeted range. These events over the last couple of months has however drastically changed this initial outlook with another interest rate increase expected before year-end. This on the premise that there is not a further deterioration in the current situation.

A fragile agreement between Iran and the United States has now been reached and at least they are now negotiating to reach a more permanent solution. How long this will last, and what the final outcome of the negotiations will be however remain to be seen and will continue to have a significant impact on markets over the foreseeable future.

As Namibian consumers we will remain under pressure with higher energy prices, inflation ticking up and increased interest rates. Our disposable income at the end of each month will continue to remain under pressure considering that we need to pay more to fill up cars at the petrol pumps, are able to by less and less with our N$ 100 and need to pay more to services our monthly debt.



From an investment performance perspective, **Retirement Fund for Local Authorities and Utility Services** was not immune to these developments and for the month of March 2026 the Fund`s market value portfolio had a negative return of -4.7%. Markets however recovered significantly in April 2026 with a return of 3.1%. For the four-month period from 1 January 2026 to 30 April 2026 the Fund`s total market value return was 1.9%.

Just again highlighting the Fund`s prudent investment approach where it was able to AGAIN weather ANOTHER storm (IT bubble / September 11 in 2001, global financial crisis in 2008 and COVID) by having a diversify investment strategy with different styles of asset managers investing the Fund`s assets, invested in different asset classes (equities, bonds, listed property and cash) as well as different geographical areas (Namibia, South Africa and Internationally).

In terms of developments in Namibia optimism regarding the oil finds along our coast remain with further formal announcements in this regard expected later the year. Stumbling blocks at this stage appear to be clear Government Policy directives in this regard.

Namibia is further also in the advantageous position that our economy has a diversified commodity base and are not as severely impacted, like our neighbours in Botswana for instance, to the collapse in diamond prices due to the impact of synthetic lab-grown diamonds.

RFLAUN ELSEWHERE

Stay up to date on the latest ***events, news, and fund-related information***. We also answer any ***questions or queries*** you may have via our ***Facebook and Twitter*** pages.

Follow us on:

Contact us via email
marketing@rflaun.com.na

Visit our website:
www.rflaun.com.na

THESE ARE YOUR CANDIDATES.

The nominations are in and the verification process is completed. We introduce you to the contesting candidates for the **Pensioner Representative Trustee Elections**.

Mr. Chris Katjitundu

Qualifications and Experience

Higher Diploma: Electrical Engineering Technician
Former CAD/GIS Operator/Community Liaison Officer at City of Windhoek
RFLAUN Board of Trustee 2014 - 2022
Chairperson of RFLAUN Board
Chairperson of RFLAUN Death Claims Committee

Mr. Josef Urib

Qualifications and Experience

National Diploma: In Accounting & Finance
Former Chief Executive Officer of Outjo Municipality
RFLAUN Board of Trustee 1998 - 2020
Chairperson of RFLAUN Investment Committee
CENORED Board of Director 2005 - 2022

Election process will be announced soon.

For enquiries, contact us : info@rflaun.com.na

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.***