

# Capital Markets Report

September 2025

## 1. Executive Summary

Namibia’s capital markets continued to show resilience in Q2 2025, with total funds under management (FUM) expanding to N\$304.9 billion, up from N\$289.9 billion in Q1 2025 and N\$265.2 billion in Q2 2024. Growth was recorded across investment managers, management companies (Mancos), and linked investment service providers (LISPs), underscoring sustained investor confidence. Pension funds (N\$127.8 billion) and unit trust schemes (N\$106.4 billion) remained the largest sources of funds, while contributions from natural persons increased to N\$6.5 billion, reflecting stronger retail participation.

Geographically, domestic investments dominated with N\$156.5 billion allocated locally, but offshore holdings rose notably from N\$35.3 billion to N\$52.4 billion, showing growing diversification beyond Namibia’s borders. Securities trading activity also strengthened, with the volume of securities traded on the NSX reaching 3.78 million in Q2, up from 2.72 million in Q1 and 2.40 million in Q2 2024. Market performance was supported by rising regional indices, with the JSE ALSI climbing to 96,429.70 and the NSX Local Index inching up to 727.20.

Financially, investment managers posted strong results, recording N\$18.7 billion in unrealized gains and N\$4.4 billion in realized gains. This highlights a quarter of robust portfolio performance, driven by both domestic and offshore exposure. The industry remained stable with 66 registered entities, no new entrants, and no de-registrations during the period.

## 2. Overview

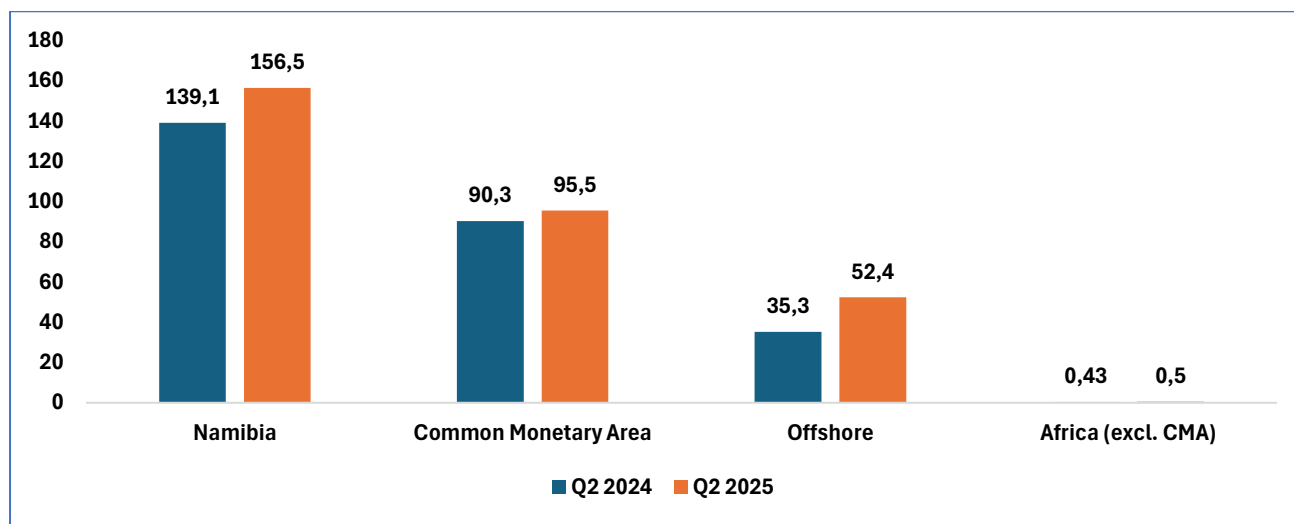
**Table 1: Funds Under Management (Q2 2024 vs Q2 2025)**

Category	Q2 2024	Q1 2025	Q2 2025	% Growth
Investment Managers	N\$265.2 billion	N\$289.9 billion	N\$304.9 billion	15.0%
Management Companies (Mancos)	N\$95.6 billion	N\$108.4 billion	N\$112.3 billion	17.5%
Linked Investment Service Providers (LISPs)	N\$17.1 billion	N\$19.6 billion	N\$20.9 billion	22.2%

Source: NAMFISA

All three segments experienced double-digit growth, with LISPs showing the fastest expansion in percentage terms (22%), highlighting their growing role in the industry. Between Q1 and Q2 2025, Namibia’s capital markets expanded by approximately N\$20 billion in total FUM, driven mainly by institutional flows into pension funds and unit trust schemes. The sector continues to be anchored by large institutional investors, while retail investors are steadily increasing their footprint.

**Figure 1: Geographical Allocation of Assets (N\$ billion) (Q2 2024 vs Q2 2025)**



*Source: NAMFISA*

The bulk of investments remain concentrated in Namibia and the Common Monetary Area (CMA), though the standout growth came from offshore allocations, which increased by nearly 50% year-on-year. This signals diversification to manage currency and market risks while retaining a strong domestic focus.

**Table 2: Source of Funds (Q2 2024 vs Q2 2025)**

Source	Value (N\$ billion)	Value (N\$ billion)	% Growth
Pension Funds	111.8	127.8	14.3%
Unit Trust Schemes	90.6	106.4	17.5%
Long-term Insurance	34.9	36.7	10.5%
Companies	9.7	9.8	0.8%
Natural Persons	5.0	6.5	29.5%
Other (incl. medical aid, short-term insurers)	12.5	15.6	20.6%

*Source: NAMFISA*

Pension funds and unit trusts remained the backbone of the industry, together accounting for over 75% of total funds. Notably, contributions from natural persons grew nearly 30%, reflecting rising retail participation in savings and investments.

### 3. Sentiment

The Q2 2025 results indicate a stable and expanding Namibian capital markets industry. Year-on-year, assets under management grew by 15%, while securities traded increased by nearly 60%, signaling stronger market activity and liquidity. Offshore allocations rose significantly, reflecting prudent diversification strategies, while pension funds continued to anchor the industry, ensuring structural stability.

Nonetheless, the concentration of funds within a few institutional sources and the reliance on domestic markets highlight potential vulnerabilities to local shocks. To strengthen resilience, policymakers may need to broaden retail investor participation, encourage the development of new financial products, and deepen capital market infrastructure.

Overall, the outlook remains positive, supported by strong institutional flows, rising offshore allocations, and improved market liquidity. Addressing structural concentration risks through diversification and retail inclusion will be key to sustaining long-term growth.