

DISCLOSURE REPORT
DECEMBER 2024

OLDMUTUAL



OLD MUTUAL WITH-PROFIT ANNUITIES



CORPORATE

DO GREAT THINGS EVERY DAY

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1. INTRODUCTION

This Disclosure Report contains details of the structure of the portfolio of assets underlying the Old Mutual Life Assurance Company (South Africa) Limited's (Old Mutual) With-Profit Annuity products as at 31 December 2024, as well as the returns generated by the underlying assets until this date.

This report also includes information on the Bonus Smoothing Reserve (BSR) levels, the internal processes and philosophies of the With-Profit Annuity products pertaining to annuity increase declarations, as well as the level of capital Old Mutual holds to back portfolios with guaranteed benefits. Finally, notes on the fees and cost structures are provided.

An overview of aspects and practices relating to the management of our With-Profit Annuity products is also provided. The nature, frequency, timing and format of disclosure may be reviewed in the future. This report is not intended to provide a comprehensive explanation of contractual terms and conditions. Contractual policy conditions will always prevail.



In support of improved disclosure on the management of our With-Profit Annuity products, the Disclosure Report is available on Old Mutual's website.

Also available on our website are details of the Principles and Practices of Financial Management (PPFM) that are applied in the management of its discretionary participation business.

The Disclosure Report and PPFM document are available at www.oldmutual.co.za/corporate/employees/annuity-solutions/platinum-pension-2003/ or they can be obtained in hard copy on request, using the contact details at the end of this report.

2. UNDERLYING INVESTMENT PORTFOLIOS

This section of the Disclosure Report provides information about the structure and performance of the investment portfolios underlying the With-Profit Annuity products.

Old Mutual Investment Group had an organisational restructure in 2021, and now comprises a holding company named Old Mutual Investments (OMI) with, amongst others, the following subsidiaries: Old Mutual Investment Group (OMIG), Old Mutual Alternative Investments (OMAI) (held through Old Mutual Alternative Investment Holdings) Futuregrowth Asset Management, Old Mutual Specialised Finance (OMSFIN) and Marriot Asset Management.

Within the operational framework of Old Mutual, Old Mutual Life Assurance Company South Africa (OMLACSA), serves as the life insurer, providing product and investment policy provisions. It is responsible for collecting premiums from policyholders and deciding the mandates for these collected funds. This strategic decision-making role is integral to the group's functioning and investor satisfaction. OMI serves as the group's dedicated asset management entity. OMLACSA passes the investment mandates to OMI, thereby entrusting the critical task of managing these assets. This division of roles aligns the management of assets with policyholders' long-term goals, ensuring value generation for policyholders.

All investment returns shown in this document are annualised time-weighted rates of return and gross of underlying asset management fees, except for the Local Alternative Assets portfolio where investment returns are stated net of asset management fees. The information provided in this document is in respect of funds for untaxed investors, such as retirement funds.

2.1 WITH-PROFIT ANNUITY PORTFOLIOS

The assets underlying Old Mutual's With-Profit Annuity products have a portion allocated to matched assets, which are intended to provide cash flows expected to match a proportion of future annuity payments, and the remaining portion is allocated to unmatched assets, which are focused on delivering growth to enhance future increases.

The asset allocation of each category varies because of differences in investment guarantees and demographic profiles.

ASSET ALLOCATIONS PER PRODUCT

The assets underlying the With-Profit Annuity products are managed in a designated annuity portfolio. The products are further split into separate asset pools, each with its own asset mix. The asset pools each accommodate products and post-retirement interest rate (PRI) categories. The significance of this unique investment strategy is that it recognises the different levels of investment guarantees inherent in the various products and categories.

The matched assets (percentage allocation to matching assets) differ between the asset pools. The portfolio's matched asset holding is set equal to the matched liability. In other words, the holdings are set as a percentage of the future expected cash flows (including future increases) to pensioners in that product and post-retirement interest rate category, which in turn is dependent on market yields, the locked-in yield (LIY) and other elements in the valuation basis, e.g. mortality.

The remaining (unmatched) assets are invested in a portfolio primarily composed of a suitable combination of growth assets. The PRI categories of all the products share the same unmatched asset strategy.

Table 1 below shows the actual asset allocations of the With-Profit Annuity products as at 31 December 2024.

Table 1: Actual asset allocations of the With-Profit Annuity products

Asset Class		Pensions OptiPlus	Platinum Pension			Platinum Pension 2003		
			All	3.5% & 4.0%	4.5% & 5.0%	5.5% & 6.0%	3.25% & Less	3.5% & 4.0%
PRI Category								
Local Matched Bonds		45.7%	67.2%	49.5%	39.4%	26.7%	42.9%	44.4%
LOCAL	Equity	16.3%	9.9%	15.0%	18.2%	21.8%	17.4%	17.5%
	Bonds & Cash	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Property	6.4%	3.8%	6.0%	7.1%	8.7%	6.7%	6.4%
	Alternative Assets	8.5%	5.1%	7.9%	9.5%	11.5%	8.9%	8.5%
GLOBAL	Equity	16.7%	10.1%	15.7%	18.7%	22.7%	17.5%	16.8%
	Bonds & Cash	0.2%	0.1%	0.2%	0.2%	0.3%	0.2%	0.2%
	Alternative Assets	5.3%	3.2%	4.9%	5.9%	7.1%	5.5%	5.3%
	Africa	0.8%	0.5%	0.7%	0.9%	1.1%	0.8%	0.8%

UNMATCHED ASSETS: STRATEGIC ASSET ALLOCATIONS

The unmatched assets are managed in a single strategy that is accessed by all With-Profit Annuity products. Within the unmatched assets, Old Mutual Investment Group (OMIG) manages the tactical asset allocation of the underlying portfolios in accordance with the strategic (long-term) asset allocations described below. OMIG also applies tactical asset allocation tilts around these strategic allocations based on its views of the prospects for the asset classes in which the portfolios invest.

Table 2 below shows the strategic asset allocations of the unmatched portfolios for the With-Profit Annuity products as at 31 December 2024.

Table 2: Strategic asset allocations of the unmatched portfolios for the With-Profit Annuity products

Asset Class		Unmatched Portfolio Strategic Asset Allocations
		With-Profit Annuity Portfolios
Growth asset exposure in the long term		95% +
LOCAL	Equity	31%
	Bonds, Money Market & Cash	1%
	Property	13%
	Alternative Assets	14%
GLOBAL	Equity	32%
	Bonds, Money Market & Cash	0%
	Alternative Assets	7%
	Africa	2%

RISK MANAGEMENT

Investment mandates with portfolio managers include specific restrictions and limitations designed to manage risk.

The most important of these risk management measures are as follows:

- The overweight or underweight positions (tilts) that can be taken towards or away from an asset class's strategic weight are restricted within specified ranges. These ranges are consistent across funds. In general, the maximum tilts are less than 10% for larger asset classes (those with a strategic allocation above 10%) and less than 5% for smaller asset classes (those with a strategic allocation below 10%).
- The portfolio cannot include more than 45% in offshore assets according to South African Reserve Bank (SARB) requirements. Based on the updated Regulation 28, there is no longer a distinction between global assets and African assets. Thus, the 45% limit has been collapsed into a single increased limit.
- In addition, the updated Regulation 28 includes a new asset class called "infrastructure", which carries an exposure limit of 45%.
- Within the matched portfolios, asset types are limited to interest-bearing instruments. Interest rate risk control mechanisms are set for the portfolio as a whole and for groups of policies with similar characteristics.
- A significant portion of the listed equity portfolio is allocated to portfolio managers that are bound by tracking error limits relative to their benchmarks.
- The local equity portfolio cannot invest more than 10% of its assets in shares with a market capitalisation of R2 billion or less. For larger market capitalisation shares, the local equity portfolio cannot invest more than 15% of its assets in any one share. Investment in any single company may not exceed 20% of that company's issued share capital or voting shares without prior approval by Old Mutual Life Assurance Company (South Africa) (OMLACSA).
- Derivative instruments can only be used for the purposes of investment risk reduction, efficient portfolio allocation and yield enhancement. Derivatives may not be used for speculative purposes. Asset class exposure is shown after taking account of derivatives, i.e. effective exposure is reflected.
- Bond and money market assets are assigned an internal credit rating by the portfolio manager. There are exposure limits per counterparty and rating category, and minimum credit ratings at a portfolio level.
- The alternative assets portfolio has diversified exposure to different types of alternative investments. An example would be investing in different types of infrastructure, such as renewable energy and toll roads. This allows for increased diversification across different geographies, industries, markets and other risk factors.
- Old Mutual may, from time to time, invest in newly established portfolios where the intention is to include the portfolio in the mainstream investment strategy once it has developed a satisfactory track record. The amount that can be invested in these types of portfolios is restricted, both in aggregate and per portfolio.

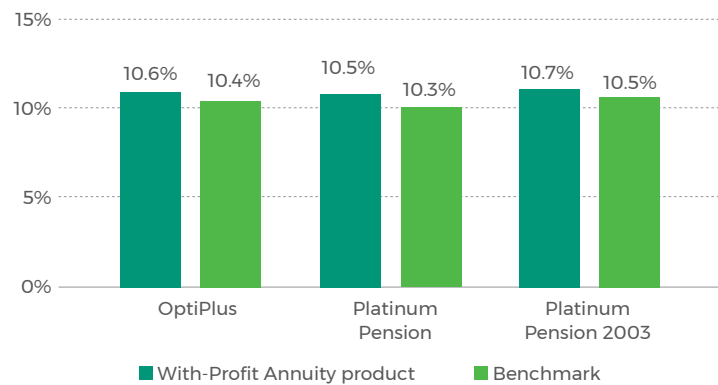
PERFORMANCE

Over the three-year period to the end of December 2024, the annuity portfolio returns ranged between 10.5% p.a. and 10.7% p.a. and outperformed the benchmark.

The benchmarks of the portfolio are composites of the underlying asset class benchmarks. Differences in returns between these portfolios are primarily due to the different allocations between matched and unmatched assets within each portfolio.

Further details about the performance of each asset class (including the matched bond portfolio) against their respective benchmarks are provided in the relevant sections of this report.

Figure 1: Three-year annualised returns for With-Profit Annuity products as at 31 December 2024



Over the three-year period ending 31 December 2024, OMIG's tactical asset allocation calls generated alpha of 0.2% p.a. The most significant positive contributor was the portfolio's underweight position in global bonds. Additional value was added through an underweight allocation to money market instruments and an overweight allocation to global alternatives. The primary detractor from performance was the underweight position in global equities, which continued to deliver strong returns despite high valuations and rising interest rates. Other long-term detractors included allocations to South African equities and African markets.

2.2 LOCAL EQUITY PORTFOLIO

PORTFOLIO MANAGEMENT

The local equity portfolio is designed to deliver long-term inflation-beating returns relative to the Capped SWIX benchmark over time, by utilising the skills of specialist boutique equity portfolio managers within Old Mutual Investments (OMI). The portfolio also invests in external managers via the Old Mutual Multi-Managers capability where appropriate.

The local equity portfolio is a multi-strategy portfolio that combines a passive ("index tracking") portfolio with active management. The active part of the portfolio is further split between different investment styles in order to provide a smoother return profile, making the portfolio less dependent on specific market cycles for performance.

The table below provides the portfolio line-up, including the strategic weights in each of the portfolios as at 31 December 2024:

Table 3: Local equity portfolios and their strategic weights

Strategy	Portfolio	Allocation %
PASSIVE	Index Tracking	32.5%
ACTIVE	Fundamental Equity	32%
	Double Alpha	2.5%
	Managed Alpha	14%
	Premium Equity	9%
	Old Mutual Multi-Managers	10%
TOTAL		100%

The OMIG team manages the Fundamental Equity portfolio. This is an actively managed portfolio that invests in undervalued shares, based on fundamentals that are expected to outperform the market over the medium to long term. The portfolio aims to achieve its performance objectives primarily through stock selection, combining this with a strong emphasis on ensuring that its portfolios are well diversified by employing a rigorous portfolio construction process.

OMIG manages the Index Tracking, Double Alpha, Managed Alpha and Premium Equity portfolios.

The Index Tracking portfolio is an important component of the overall solution and provides stability during times when active managers underperform the benchmark.

The Double Alpha portfolio utilises derivatives to track an underlying index. The use of derivatives creates opportunities for the manager to deliver benchmark-beating returns.

The Managed Alpha portfolio is a quantitatively driven investment strategy that evaluates the relative attractiveness of shares through the systematic analysis of fundamental, risk, economic and market data. The portfolio is designed to adapt to different market conditions by investing in themes that are currently driving the market. Managed Alpha aims to provide additional diversification relative to other more traditional, fundamentally based active strategies.

The Premium Equity portfolio employs a unique risk-controlled equity strategy that exploits opportunities within the equity derivative market. This strategy has successfully outperformed its benchmark and provided less correlated returns over the nearly eight years since it was included in the local equity portfolio.

Old Mutual Multi-Managers (OMMM) manages a portfolio of external managers for the local equity portfolio. This strategy provides further diversification within the portfolio by investing with a range of investment managers that are not part of the Old Mutual Group, with a specified allocation to black managers.

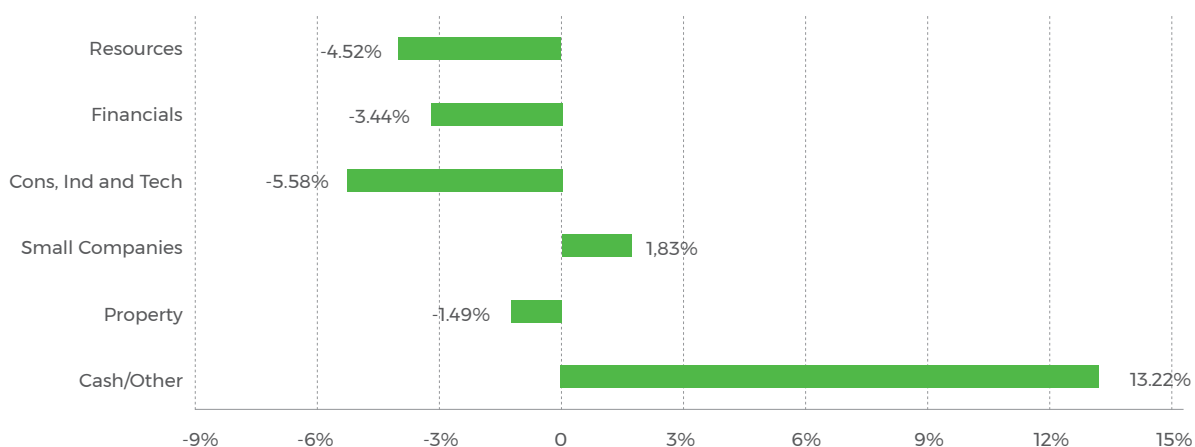
BENCHMARK

The performance benchmark for the local equity portfolio is the Capped SWIX Total Return Index.

SECTOR ALLOCATION

Allocations across sectors are an outcome of the blend of manager strategies. The sector tilts relative to the benchmark as at 31 December 2024 were as follows:

Figure 2: Tilts towards or away from the local equity strategic sector allocation as at the end of December 2024



*Other includes OMMM allocation to sectors

TOP 10 LOCAL EQUITY HOLDINGS

The local equity portfolio's top 10 holdings as at 31 December 2024 are shown in the table below. The portfolio exposure represents the stock holding as a percentage of the local equity portfolio and includes external equity managers.

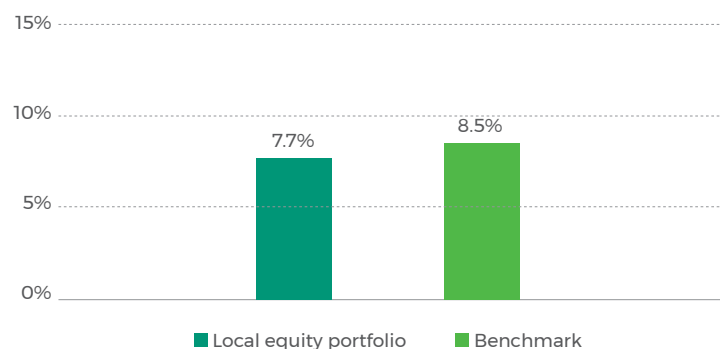
Table 4: Top 10 local equity holdings as at 31 December 2024

Stock	Portfolio Exposure	Benchmark Exposure
Naspers Ltd	9.64%	8.90%
FirstRand	6.38%	6.28%
Standard Bank	5.32%	4.84%
Prosus	4.00%	2.87%
Capitec	3.37%	4.36%
Anglo American plc	3.28%	3.39%
British American Tobacco	3.23%	2.61%
Absa Group Limited	3.14%	2.57%
Compagnie Financière Richemont SA	2.86%	2.39%
Nedbank Group Ltd	2.86%	2.10%
Total	44.08%	40.31%

PERFORMANCE

The local equity portfolio delivered a return of 7.7% p.a. over the three-year period to December 2024, underperforming the benchmark by 0.8% p.a.

Figure 3: Three-year annualised returns for local equity portfolio as at 31 December 2024



The **Fundamental Equity portfolio** underperformed the benchmark by 1.24% delivering a return of 7.26% over the three-year period ending 31 December 2024. Overweight positions in SA banks and clothing retailers contributed positively to performance as interest rates peaked. WBHO stood out among smaller companies, gaining 109% over three years following the closure of its Australian operations and an improving infrastructure outlook. The chief detractors during the three-year period were Transaction Capital, Naspers, Northam Platinum and BHP. In particular, Transaction Capital suffered as its taxi financing business failed to recover post Covid. The holding was sold out, as the outlook for car sales is poor and the revival of SA Taxi is dependent on support from the funding banks.

The **Managed Alpha portfolio** underperformed the benchmark by 2.3% p.a. over the three-year period. The main detractors from alpha were the underweight position in quality factors and overweight positions in volatility and value factors, while an overweight position in momentum factors contributed positively. Sector-wise, underperformance was driven by an overweight position in consumer discretionary shares and underweight positions in materials and

communication services, while financial shares contributed positively. At a stock level, the portfolio benefited from underweight positions in Sasol and Impala Platinum and an overweight position in Investec plc. The biggest stock detractors were overweight positions in Mondi plc and Richemont and an underweight position in Gold Fields.

The **Premium Equity portfolio** underperformed the benchmark by 0.2% delivering a return of 8.3% over the three-year period ending 31 December 2024. Losses over this period were largely due to losses on the option positions. The portfolio maintains a moderate holding in options and is still well positioned to do similar trades in the future, as uncertainty continues to weigh heavily on market sentiment.

Over the last three years, the **Old Mutual Multi-Managers (OMMM)** external manager portfolio underperformed its benchmark by 0.1% delivering a return of 8.4% over the three-year period ending 31 December 2024. Underperformance was driven by Aeon, Ninety-One and Sentio. However, this was tempered by positive performance from M&G and Coronation. The primary detractor for Ninety-One was exposure to gold. The institutional boutique portfolio (Aeon, Camissa, Excelsia and Sentio) underperformed the benchmark due to the performance of SA Inc and resource exposure to the platinum sector.

2.3 LOCAL UNMATCHED INTEREST-BEARING PORTFOLIO

PORTFOLIO MANAGEMENT

The local unmatched interest-bearing portfolio consists of a 1% strategic allocation to cash. The portfolio also has the ability to allocate towards local bonds and money market instruments. The unmatched interest-bearing assets are managed by OMIG's Futuregrowth boutique.

The money market portfolio aims to generate returns through the active management of short- to medium-term interest-bearing instruments.

The bond strategy comprises a combination of a core bond and a yield-enhanced bond portfolio. The core bond portfolio aims to generate returns primarily through the management of interest rate risk. In addition to asset allocation and active interest rate management, the yield-enhanced portfolio aims to generate additional returns through investing in other listed and unlisted credit instruments.

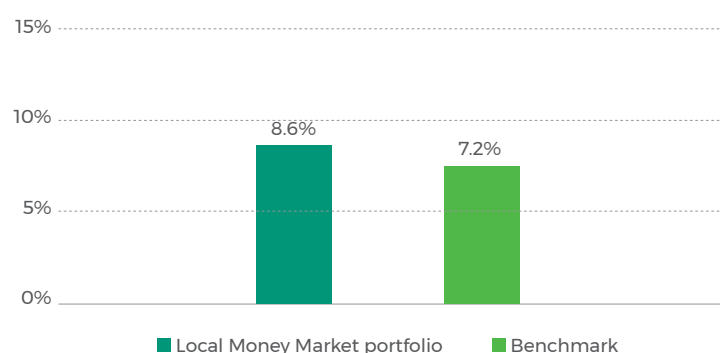
BENCHMARK

The performance benchmarks for the bond and money market portfolios are the All Bond Index (ALBI) and Short-Term Fixed Interest (STeFI) Composite Index respectively. The bond portfolio is at all times limited to an average modified duration within one year of the average modified duration of the benchmark.

PERFORMANCE

Over the three-year period to 31 December 2024, the unmatched interest-bearing asset portfolio outperformed the STeFI benchmark by 1.4% p.a.

Figure 4: Three-year annualised returns for local Money Market portfolio as at 31 December 2024



2.4 LOCAL MATCHED INTEREST-BEARING PORTFOLIO

PORTFOLIO MANAGEMENT

OMIG's Liability Driven Investments (LDI) boutique manages the local matched interest-bearing asset portfolio.

BENCHMARK

The investment objective for the portfolio is to match a fixed proportion of the guaranteed annuity and future increases. The asset manager also aims to earn additional yield spread above the South African government bond yield curve, subject to staying within defined risk control limits (such as interest rate risk and credit risk).

MATCHING STRATEGY

The fixed-interest assets backing With-Profit Annuities are invested to match the pattern of expected annuity payments. The assumed future increases are based on yields secured at the time of matching. The matching assets provide an overall rate of return per annum known as the locked-in yield. This provides valuable stability to the With-Profit Annuity portfolios. Interest rate volatility (and the resultant fluctuations in capital values) is thus largely controlled.

The asset manager is required to ensure that the value of the assets moves as closely as possible in line with movements in the value of the liabilities. The benchmark performance is the value of the liability, which is affected by factors such as mortality, and thus cannot easily be hedged by the asset manager. We therefore do not compare the performance of this portfolio against the benchmark in this report. The portfolio is rebalanced quarterly.

Table 5: Exposure by asset duration of the With-Profit Annuity products as at 31 December 2024

Duration	Exposure by asset duration						
	OptiPlus	Platinum Pension			Platinum Pension 2003		
	All PRIs	3.5% & 4.0% PRI	4.5% & 5.0% PRI	5.5% & 6.0% PRI	3.25% PRI & Less	3.5% & 4.0% PRI	4.5% & 5.0% PRI
0-3 YEARS	12.06%	9.21%	11.20%	12.51%	10.87%	8.38%	12.39%
3-7 YEARS	43.72%	33.90%	39.85%	38.31%	33.85%	32.46%	40.24%
7-12 YEARS	23.22%	21.77%	22.43%	21.43%	24.11%	19.98%	23.23%
12+ YEARS	34.98%	51.50%	40.75%	41.69%	41.86%	52.87%	35.59%
CASH	0.54%	1.78%	0.74%	1.63%	2.13%	0.95%	1.72%
INTERNAL UNIT	11.43%	9.83%	10.93%	11.80%	8.79%	9.27%	11.67%
REPO	-25.95%	-27.99%	-25.90%	-27.37%	-21.61%	-23.91%	-24.84%

2.5 DIRECT PROPERTY PORTFOLIO

PORTFOLIO MANAGEMENT

The direct property portfolio invests in a diversified range of unlisted properties, with exposure across the retail, office and industrial property sectors. While the majority of the portfolio's assets are located within South Africa, the portfolio has also diversified its exposure into other countries and regions such as Kenya, the United Kingdom and Eastern Europe where suitable opportunities exist. The portfolio is managed by Old Mutual Property Management Services.

BENCHMARK

The performance benchmarks for property investments are:

- Developed properties: SAPOA/IPD¹ South African Property Total Return Index. This index is compiled annually and published with up to a six-month lag. Actual performance of the portfolio is used to estimate the benchmark portfolio performance until the latest IPD figures are available. Benchmark performance is then updated retrospectively.
- Properties that are under development, and vacant land: South African Consumer Price Inflation (CPI).

¹Investment Property Databank (IPD) is a leading global provider of real estate analysis.

EXPOSURE BY TYPE AND REGION

The direct property portfolio is dominated by large retail shopping centres. Large industrial properties and selected office space also form part of the broader strategy, as well as pockets of land strategically held for development.

As at 31 December 2024, the exposure of the property portfolio to the various property sectors was as follows:

Table 6: Direct property exposure by country and sector as at 31 December 2024

Country	Sector	Exposure
South Africa	Retail	68.8%
	Industrial	11.9%
	Office	0.0%
	Land	0.1%
Kenya	Retail	0.0%
United Kingdom	Office	1.4%
Eastern Europe	Office	17.8%

The largest properties in the portfolio include Gateway Shopping Centre (Durban), Cavendish Square (Cape Town), Bedford (Johannesburg) and The Zone (Johannesburg).

The table below shows the portfolio exposure by country and province:

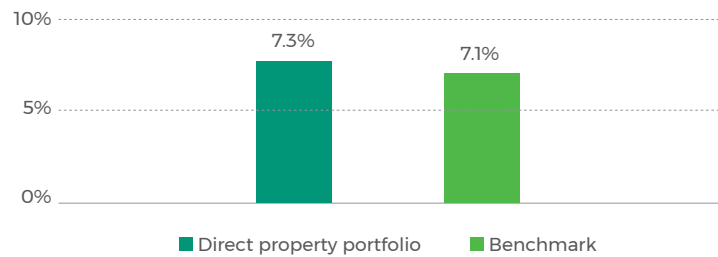
Table 7: Direct property exposure by location as at 31 December 2024

Country	Province	Exposure
South Africa	KwaZulu-Natal	37.8%
	Gauteng	19.6%
	Western Cape	16.0%
	Mpumalanga	3.3%
	Eastern Cape	4.0%
Kenya		0.1%
United Kingdom		1.4%
Eastern Europe		17.8%

The high exposure to KwaZulu-Natal is primarily due to the investment in the Gateway Shopping Centre, which is the largest single property in the portfolio.

PERFORMANCE

Figure 5: Three-year annualised returns for direct property as at 31 December 2024



A large proportion of the SA direct property portfolio is retail, predominantly large regional and superregional centres. The 2024 turnover increased by 3.9% year on year. Annualised trading densities grew 3.5%, with gains at The Zone@Rosebank (+6.0%) and Cavendish (+7.9%) offsetting a 0.5% decline at Gateway due to store revamps. Cavendish now has the highest trading densities in the portfolio, exceeding superregional benchmarks.

Portfolio vacancies increased by 0.2 percentage points to 4.5%, as a decline in retail vacancies was offset by increased office and industrial vacancies. Steps are underway to convert part of Bedford Centre's office tower to residential and lease out a 6 000 m² industrial space, both expected to improve vacancy levels.

Rental reversions (i.e. change in rentals on renewals) for 2024 were -2.3%, signalling that the property sector may be nearing the end of its reversionary cycle.

NON-SA ASSETS

The largest component of the non-SA exposure is the investment in Lions Head, an Eastern European office platform. The Non-SA portfolio is on budget. Other positive contributors were key performance indicators including low vacancies of 6.9%, strong collections of 99% of rental income and positive rental growth.

2.6 LOCAL ALTERNATIVE ASSETS PORTFOLIO

PORTFOLIO MANAGEMENT

The local alternative assets portfolio includes:

- Private equity investments (shares in unlisted companies). Infrastructure investments in commercially viable development projects predominantly within South Africa, including renewable energy, toll roads, utilities and prisons. Impact funds, which mainly consist of assets that meet the definition of targeted investments in the Financial Sector Charter (FSC). This includes investments in affordable housing and schools, as well as in companies that provide end-user finance to low- to middle-income earners. Agricultural investments, which comprise South African agricultural land and associated infrastructure.

The portfolios are predominantly managed by the Old Mutual Alternative Investments (OMA) boutique. Futuregrowth manages the agricultural investments as well as certain residential housing investments.

BENCHMARK

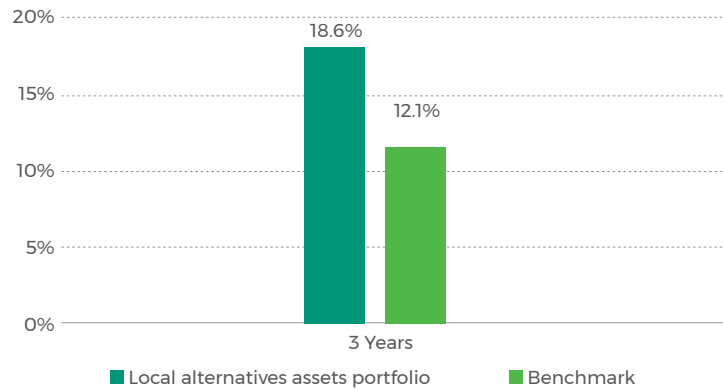
The overall performance benchmark for the local alternative assets portfolio is a composite including an inflation-linked component and a Jibar-linked component, which is assessed over rolling three-year periods. Asset strategies within this class are also managed according to their own individual benchmarks.

Over the short to medium term, performance relative to the inflation-linked benchmark might not reflect the skill of the asset manager. Therefore, consideration is given to the market and inflation environment when assessing relative performance over three-year periods.

PERFORMANCE

Performance figures shown below for the local alternative assets portfolio are reflected net of investment management fees.

Figure 6: Three-year annualised returns for local alternative assets portfolio as at 31 December 2024



The local alternative assets portfolio outperformed its benchmark by 6.5% p.a. over the three-year period. The portfolio invests in growth assets, namely private equity and impact fund subclasses that are linked to the local economy.

Strong performance on local alternatives has been particularly driven by private equity investments, with key highlights as follows:

- Old Mutual Private Equity (OMPE) Fund II – Key contributors included the recovery in Actom and Tourvest, and the value unlock from the sale of Consol. Overall, the fund is up significantly.
- OMPE Fund IV – Value unlock is expected over the next 24 months as the portfolio exits underlying assets (including Ti-Auto and 10X).
- OMPE Fund V – All portfolio investments have performed well due to the successful execution of initiatives by aligned and incentivised management teams. Strong performances from Holdsport and Actom have supported the significant outperformance resulting in the fund being ahead of the target return over a three-year period.

Despite a tough macro environment, troubled by low growth and rising interest rates, the vast majority of the underlying businesses across the OMPE funds delivered strong earnings growth.

2.7 GLOBAL EQUITY PORTFOLIO

PORTFOLIO MANAGEMENT

The global equity portfolio is invested in OMIG's Multi-style Global Equity portfolio, which aims to generate returns above the benchmark by allocating funds to underlying offshore asset managers. This is an actively managed strategy that blends different managers and investment styles aiming to achieve a relatively stable performance outcome. The majority of the underlying portfolios allow managers to invest in both developed and emerging markets.

Table 8 provides the latest Multi-style portfolio line-up, including the strategic weights in each of the portfolios as at 31 December 2024:

Table 8: Global equity strategic weights per portfolio as at 31 December 2024

Manager	Strategy	Strategic Allocation
OMIG	MSCI Climate Paris Aligned Index	40%
OMIG	Global Managed Alpha (Quant)	10%
Acadian	Global Quant	28%
Barrow Hanley	Global Value	16%
Fiera Capital	Global Growth	6%
Baillie Gifford		

UNDERLYING PORTFOLIOS

Acadian: Acadian Asset Management LLC specialises in global quantitative equity strategies. Acadian seeks to capture the fundamental drivers of stock return, exploiting market inefficiencies through a quantitative investment process.

Barrow, Hanley, Mewhinney & Strauss: The manager provides value-oriented investment strategies across various international markets. Their equity portfolios are designed from the bottom up with a strong value underpin and tend to exhibit below-market price-to-earnings ratios, below-market price-to-book ratios, and above-market dividend yields, regardless of market conditions.

Baillie Gifford: The manager uses fundamental analysis and proprietary research in order to identify companies that it believes will deliver above-average profit growth over the long term. The manager constructs portfolios on a bottom-up basis with the objective of outperforming its benchmark over the long term.

Fiera Capital: This is a quality and growth-oriented manager that seeks to exploit opportunities in long-term quality growth companies with high returns and supportive intrinsic valuations. Investments are made with a long-term horizon, which leads to low portfolio turnover.

MSCI Climate Paris Aligned Index: Climate change can pose profound risk to portfolio companies and create vast opportunities for institutional investors. This benchmark aims to minimise the exposure to these risks and maximise exposure to sustainable investment opportunities. The Climate Paris Aligned Index is designed to help investors transitioning to a net-zero economy build resilient portfolios aligned with the 1.5°C temperature-rise scenario of the Paris Agreement. The index methodology aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the requirements of the EU Paris Aligned Benchmark, methodology standards established by the European Commission.

Global Macro Equity: The Global Macro Equity portfolio is an active equity portfolio which applies top-down views in order to generate outperformance relative to the global equity benchmark. Active positions are taken predominantly in regions, countries, sectors and currencies. The portfolio is run by OMIG.

Global Managed Alpha (Quant): The Global Managed Alpha Equity portfolio aims to generate a total return that outperforms the equity market by systematically exploiting behavioural biases through investing in the themes that are current market drivers.

BENCHMARK

The performance benchmark for the global equity portfolio is the total return of the MSCI All Country World (net of dividend withholding tax) measured in South African rands.

The underlying portfolios within the Global Equity portfolio have the following benchmarks:

- Acadian – Morgan Stanley Composite Index (MSCI) All Country World
- Barrow Hanley Mewhinney & Strauss – MSCI All Country World Value
- Ballie Gifford & Fiera Capital – MSCI All Country World Growth
- MSCI ACWI Climate Paris Aligned Index
- Global Managed Alpha (Quant) – MSCI All Country World

STYLE ALLOCATION

Figure 7: Global equity style allocation as at 31 December 2024

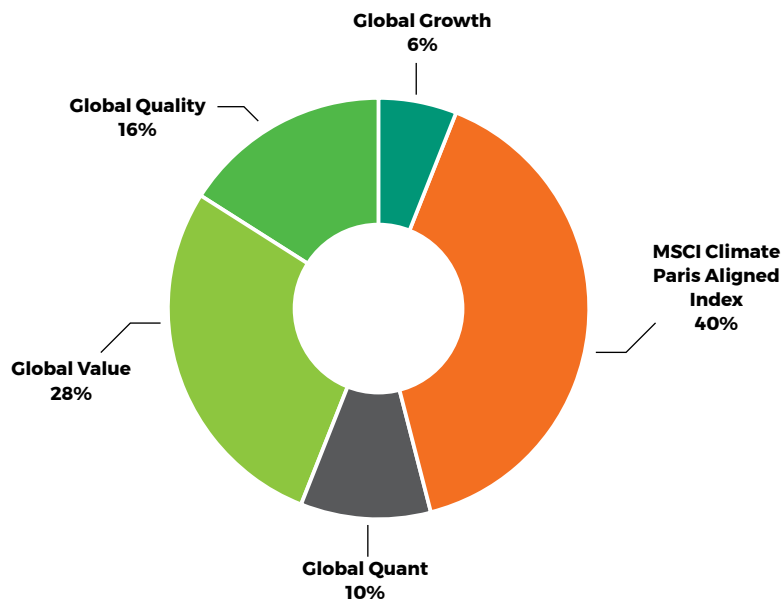
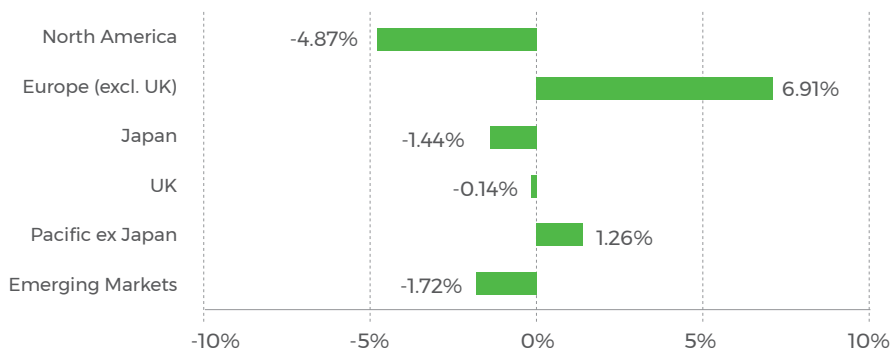
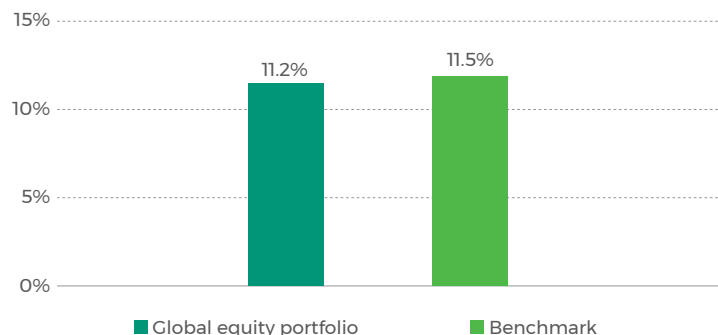


Figure 8: Tilt from the global equity strategic weights as at 31 December 2024



PERFORMANCE

Figure 9: Three-year annualised returns for global equities portfolio as at 31 December 2024



The global equity portfolio underperformed by 0.3% relative to its benchmark, resulting in a three-year return of 11.2% p.a.

The externally managed multi-factor strategy demonstrated good performance in the last quarter of the year. The value strategy performed approximately in line with the value index, although it lagged behind the standard market pace. Both the growth and quality strategies underperformed relative to the broader index and their respective style-specific benchmarks. The Paris Aligned Index slightly trailed the standard ACWI benchmark and experienced a tough quarter, forfeiting all gains from earlier in the year. The internally managed multi-factor quantitative strategy slightly outperformed the benchmark for the quarter but remained below the benchmark for the year. Consequently, the five-year return on the multi-style strategy has dipped marginally below the benchmark return. However, relative to peers, the fund is just outside the top quartile over this period. Over a 7-10 year horizon, the fund remains in the top quartile and above the benchmark.

2.8 GLOBAL INTEREST-BEARING PORTFOLIO

PORTFOLIO MANAGEMENT

The global interest-bearing portfolio consists of global bond and global cash assets. The global bond and global cash assets are managed by Russell Investments..

BENCHMARK

The performance benchmark for the global bond fund is the Bloomberg Barclays Global Aggregate Credit Index.

The performance benchmark constituents for the global cash portfolio are as follows:

- 40% GOB1 – Bloomberg Barclays US Treasury Bills 1-3 month
- 35% LEB2TREU – Bloomberg Barclays Euro Treasury-Bills 0-3 month
- 15% GOYA – ICE Bank of America Japan 0-1 year Government Bill
- 10% G3BB – ICE Bank of America Sterling 3-month Government Bill
- Unhedged in USD (“the Benchmark Index”)

PORTFOLIO POSITIONING

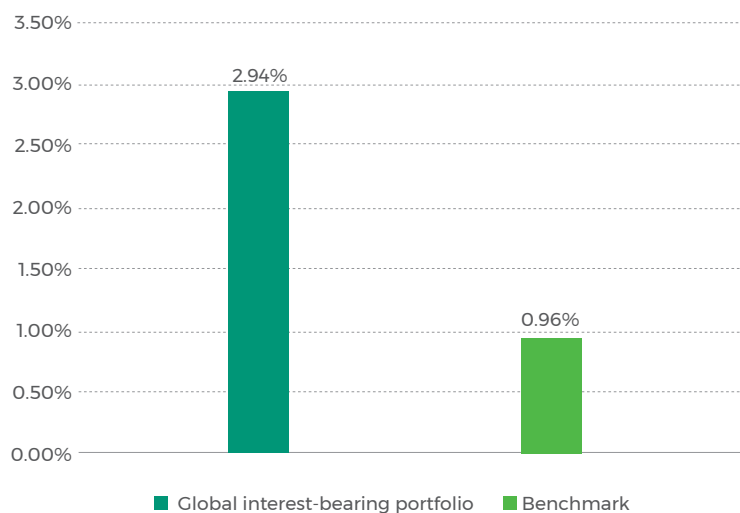
Overall, the long strategic and actual duration overweights provide protection as part of the diversified positioning. Russell is currently holding credit risk levels which have been underweight to strategic overweight levels, with consideration for tactical adding at attractive valuations.

PERFORMANCE

The global interest-bearing portfolio outperformed its benchmark by 1.98% p.a. over three years. The main drivers of performance were the following:

- The negative credit positioning. Underweight exposure to investment grade in the US and Canada (industrials, utilities) and in the UK detracted while an overweight exposure to European credit contributed positively. In hard currency emerging market debt, the negative impact from underweights in Asia and the Middle East was partly offset by an underweight in Europe.
- Rates positioning was negative with allocations to US Treasuries and UK gilts detracting.
- Currency positioning was positive, helped by underweight exposures to the Australian dollar, Swiss franc and Swedish krona. An overweight exposure to the US dollar was also rewarded.

Figure 10: Three-year annualised return for global interest-bearing portfolio to 31 December 2024



2.9 GLOBAL ALTERNATIVE ASSETS PORTFOLIO

PORTFOLIO MANAGEMENT

The global alternative assets portfolio is managed by the Old Mutual Alternative Investments (OMAI) boutique and a portion is also invested in direct property, which is co-managed by Old Mutual Property Management Services.

The portfolio primarily consists of:

- Private equity investments, held via a fund of funds (FoF) structure managed by OMAI
- Infrastructure investments, which are also managed by OMAI
- Direct property investments in India, managed by Old Mutual Property Management Services, and
- African private equity and infrastructure investments, which are also managed by OMAI.

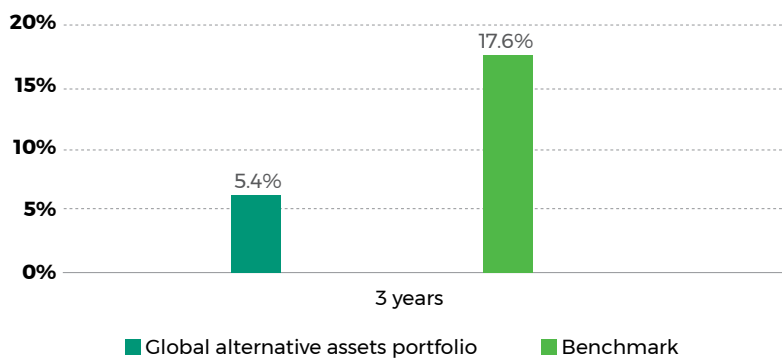
BENCHMARK

The performance benchmark for the global alternative assets portfolio is US CPI + 5% p.a. in US dollars (before charges and tax). Asset strategies within this portfolio are managed according to their own individual benchmarks.

Over the short to medium term, performance relative to the inflation-related benchmark might not accurately reflect the skill of the asset manager, and therefore the market and inflation environment should also be considered when assessing relative performance over these periods.

PERFORMANCE

Figure 11: Three-year annualised returns for global alternative assets portfolio as at 31 December 2024



The global alternative assets portfolio underperformed the benchmark by 12.2% p.a. over the three-year period. The objective of this portfolio is to deliver long-term real returns that exceed US CPI + 5% (in rand terms). It is worth noting that a US CPI + 5% based benchmark is not directly investable (i.e. there is no asset that can be held to deliver US CPI + 5% with certainty). Hence, at 17.6%, it has been a really tough benchmark to beat.

Performance over three years has been strained due to tough market conditions including sticky high inflation and high interest rates, so purchasers of underlying assets have been limited. In addition, over the short term, private equity investments do experience a J-curve (negative/muted returns in early years, followed by exponential returns thereafter). This means three-year performance will be materially impacted by this phenomenon. Given recent portfolio performances, we do expect the gap to the benchmark to improve.

Some key highlights per fund include the following:

Fund of Funds (FOF) I is now made up of several public exposures and the net asset value (NAV) is exposed to the volatility in global public markets. However, the fund is nearing the end of its life and the since-inception return is largely locked in, having outperformed the listed comparable benchmark.

FOF II has delivered steady performance with the since-inception performance above the listed comparable benchmark. The portfolio funds' fundamentals remain healthy and the majority of funds are delivering double-digit internal rates of return (IRRs).

FOF IV is performing as expected. The fund has come through the J-curve, and the since-inception return has now turned positive. Fund IV still has a material portion to be invested in underlying portfolio companies and Q4 of 2024 saw an increase in activity around capital calls in this regard.

FOF V is currently in its deployment phase with no significant performance data yet.

AFOF, which focuses on African funds, has underperformed expectations but has maintained its outperformance against the listed comparable benchmark since inception.

2.10 AFRICAN LISTED EQUITY PORTFOLIO

PORTFOLIO MANAGEMENT

The African listed equity portfolio is currently managed by OMIG, which is a boutique within OMI. The portfolio is an actively managed fundamental equity portfolio which aims to outperform its benchmark over the long term.

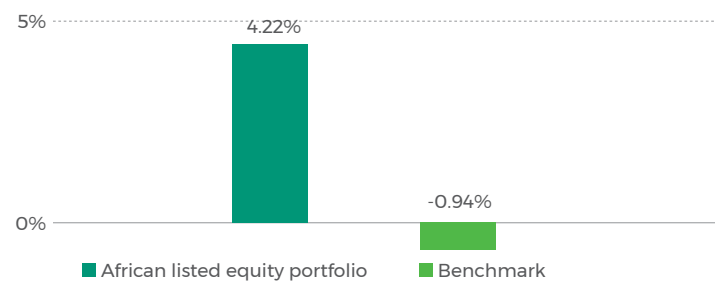
Exchange control regulations and Regulation 28 of the Pension Funds Act allow retirement funds to invest up to 45% in offshore assets, including African assets.

BENCHMARK

The African listed equity portfolio benchmark is the MSCI Emerging Frontier Markets Africa Index (with a component excluding South Africa).

PERFORMANCE

Figure 12: Three-year annualised returns for African listed equity portfolio as at 31 December 2024



The African listed equity portfolio outperformed the benchmark by 5.16% p.a. over the three-year period to 31 December 2024. Significant contributors to alpha were the underweight positions in Safaricom and CIB, as well as the overweight position in Sonatel. The top detractors from alpha were the underweight position in Marsa Maroc and the overweight positions in Integrated Diagnostics Holdings (IDH) and Egypt Kuwait Holdings (EKH).




2.11 OTHER ASSET STRATEGIES

DERIVATIVE STRATEGIES

Derivative instruments are used to enhance the portfolio, and not for speculative purposes. Portfolio managers are not allowed to use derivatives for speculation and may not borrow money to fund derivative positions. The investment mandates limit the use of derivatives to:

- enhancing the efficiency of asset allocation, including the equitisation of cash;
- adjusting the duration of interest-bearing portfolios, provided it is within mandated risk limits;
- reducing investment risk via hedging, which provides insurance against specific events or reduces the tracking error; and
- enhancing yield through derivative price anomalies.

RESPONSIBLE INVESTMENT

OUR APPROACH TO RESPONSIBLE INVESTMENT		
<p>Our core objective is to generate long-term, risk-adjusted returns through a responsible investment approach that supports a just transition - ensuring the shift to a low-carbon economy is inclusive, equitable and aligned with the broader interests of society, while driving real-world outcomes.</p>		
 ACTIVITES	 OUTCOME	 IMPACT
<ul style="list-style-type: none"> Integrating Responsible Investment (RI) practices into investment decisions Being an active owner Exercising responsible stewardship Promoting RI and aligning with global RI standards Regular public disclosure Measuring and monitoring our impact on real-world outcomes 	<p>Integrating RI principles into our core investment strategy</p>	<p>An investment approach that supports a just transition and is aligned to the broader interests of society, addressing long-term systemic risk, whilst generating long-term, risk-adjusted returns for our customers</p>

STRATEGIC IMPERATIVE

Our Responsible Business approach is set at a group level and aligns with, and supports, the group strategy. It is informed by an understanding of the expectations of our customers and the societies and communities we operate in, along with an awareness of the growing environmental and social crises our planet is facing. Our Responsible Business efforts are embedded in all facets of the business - including Responsible Investment through offering customers access to unique investments that address key global issues, such as climate change, energy scarcity, agriculture, infrastructure and education, while also delivering sustainable risk-adjusted returns.

We engage in Responsible Investment because we understand the expectations society has of our business and our role in addressing growing environmental and social crises. Our values guide our actions and behaviours, and we acknowledge the need to recognise, evaluate and incorporate material ESG risks and opportunities into our investment and ownership decisions.

Our approach to Responsible Investment is founded on an understanding of the investment and systemic risks posed by sustainability issues. Therefore, our Responsible Investment practices complement our activities in that we aim to pursue long-term, risk-adjusted returns for our customers, while aligning with the broader interests of society. As a long-term investor, we believe that it is in the interests of all participants in the financial ecosystem to play a proactive role in creating long-term sustainable outcomes for all stakeholders. Fundamental alignment on these issues creates a virtuous cycle that connects the aspirations of our customers with the long-term sustainability strategies of the firms in which we invest.

 <p>PLANET</p>	 <p>PEOPLE AND PROSPERITY</p>	 <p>GOVERNANCE</p>
<p>Mitigating impacts on the environment and resultant societal harm by responding to material business risks and opportunities</p>	<p>Increasing customer value through value drivers associated with economic and social prosperity</p>	<p>Achieving long-term value by aligning and driving both financial and societal performance, innovating, ensuring accountability and building legitimacy with stakeholders</p>

CLIMATE CHANGE COMMITMENTS

Our climate change commitments, outlined in the OML Asset Owner Climate Change Action Statement (CCAS) and the Climate Report (for the year ending 31 December 2024), signify a comprehensive strategy towards addressing climate change impacts. We set the ambitious target of becoming net zero by 2050 and have been a member of the Net-Zero Asset Owner Alliance (NZAOA) since 2022. We continue to set interim net-zero targets to track our progress towards achieving long-term decarbonisation results for our investment portfolio. Building on our 2025 net-zero interim targets, we have set and extended sub-asset class decarbonisation and engagement targets to 2030.




We have set a position on thermal coal as well as oil and gas private market infrastructure investments, as we progress on our journey to decarbonise our investment portfolio. This includes our commitment not to invest in new greenfield thermal coal production facilities or new greenfield coal-fired power plants. Within our private market infrastructure investments, we commit to excluding new direct investments in greenfield oil and gas infrastructure. To support a just transition, we will continue to engage our existing oil and gas infrastructure investments to encourage and monitor net-zero or carbon reduction plans. Additionally, we maintain our drive to actively invest in renewable energy and low-carbon technologies.





We continue to prioritise engagement activities with companies responsible for 80% of carbon emissions across our listed equity portfolio. We have also developed an Old Mutual Asset Owner Active Ownership Framework that strengthens our outcomes-driven approach to engage rather than disinvest, whilst ensuring real-world impacts with sustainable long-term financial value creation.

As part of our RI operational processes, we regularly track transition risks within the portfolio, which are categorised by companies exposed to stranded assets, or those requiring operational or product level transitions to become more resource efficient. Weather-related physical risks are investigated through geolocation mapping of our investments, identifying the potential for climate-related hazards and allocating risk scores.

We are progressively aligning our global equity assets with decarbonisation benchmarks, while gradually scaling up our renewable energy exposure within our private market portfolio.

Old Mutual's commitment to climate action extends beyond portfolio management, as evidenced by its active participation in advocacy through NZAOA working groups and the Alliance's Steering Group. This multifaceted approach underscores Old Mutual's dedication to addressing climate change risks and contributing to a sustainable future.

OUR COMMITMENT TO RESPONSIBLE INVESTMENT		
<p>We have been a signatory to the PRI since 2012. Through our membership of the PRI Asset Owner Technical Advisory Committee during 2021 we were able to support the PRI in empowering Asset Owners as responsible investors.</p>	<p>We are committed to aligning our Responsible Investment approach with the Code for Responsible Investing in South Africa (CRISA).</p>	<p>We remain committed to contributing to the United Nations Sustainable Development Goals (SDGs) through our Responsible Investment actions.</p>
		

CLIMATE CHANGE COMMITMENTS	
<p>UN-convened Net Zero Asset Owner Alliance We joined the UN-convened Net Zero Asset Owner Alliance, demonstrating a commitment to achieving carbon neutrality across our investment portfolios by 2050 or sooner.</p>	
<p>“We share the conviction of the Alliance that containing the global climate crisis requires commitment and collective effort from every sector, both public and private. We are committed to positively contributing to the global transition by decarbonising our proprietary investment holdings in a responsible and fair manner, aligned to improving real world outcomes. We understand the fundamental role that we must play as an asset owner through influence, capital allocation and collaboration, and we pledge to further our efforts in all of these areas in pursuit of real-world emissions reduction aligning with the 1.5°C Paris Agreement goal.” - Iain Williamson, CEO, Old Mutual Limited</p>	
<p>Task Force on Climate-related Financial Disclosures (TCFD) We support the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) recommendations. These recommendations enable us to incorporate climate-related factors into our long term investment strategy. The Climate Report informed by the recommendations is available: here</p>	
<p>CDP Disclosure We continue to disclose Greenhouse Gas emissions (GHG) to the CDP. We achieved a B score in 2021, improving on a C score in the prior year.</p>	
<p>Collaboration with our Asset Managers We have established a dedicated climate change workstream focused on our role as a responsible investor. Members of the workstream are comprised of asset owner and asset manager representatives from across the Group. Mandate: Driving collaborative efforts towards the decarbonisation of our investment holdings, identifying new green economy growth opportunities and overseeing the alignment of investment metrics and targets across the Group.</p>	

3. ANNUITY INCREASES

The surplus attributable to With-Profit Annuity policies (generally, the net investment return earned on these assets) is credited to a Bonus Smoothing Reserve (BSR), from which annuity increases are declared.

The BSR is the excess of the market value of the assets over the value of the liabilities. It is split into a long-term BSR (LT-BSR) and a short-term BSR (ST-BSR).

The LT-BSR is the difference between the value of the cash flows that are matched, and the market value of said matching assets. This difference is released gradually over the full lifetime of the annuitants.

The level of the ST-BSR is significantly impacted by the net investment returns earned on the unmatched portfolio and the locked in yield referred to earlier. It is the level of this ST-BSR that is the most relevant for determining the increase that can be declared.

These annuity increases usually differ from the actual net (of charges and PRI) investment return earned in a year, so as to reduce the impact of short-term volatility of returns on policyholders. The post-retirement interest rate (PRI) is deducted from the investment return earned in determining the surplus available for annuity increases, as this has already been taken into account in determining the annuity amounts, or the premium for known annuity amounts.

In years when above-average investment returns are earned, the increases tend to be lower than the net investment return earned. And in years when below-average investment returns are earned, the increases tend to exceed the net investment return earned.

A positive BSR balance represents a surplus attributable to With-Profit Annuity policyholders that has not yet been declared as increases, and that will be used to support subsequent increases. A negative BSR balance means that more has been declared as increases to policyholders than has been earned to that date (as a consequence of the smoothing process). This deficit will be recovered by declaring future annuity increases that are lower than the future net investment returns earned.

The BSR is increased by a surplus in years of favourable experience and decreased in years of unfavourable experience.

The BSR is reduced further by the cost of the declared increases, the charge for investment guarantees (i.e. the capital charge), the cost of the PRI on benefit payments, and investment management charges.

It is important to note that the BSR is used to declare increases for the benefit of With-Profit Annuity policyholders only and cannot be accessed by Old Mutual shareholders.

SOURCES OF PROFIT

Annuitants participate in the investment and mortality profits/losses generated by the assets underlying the with-profit annuity products, through the increases.

Investment profits are attributed to each PRI category only if the net returns earned on the underlying assets are in excess of the PRI. Mortality profits will arise if annuitants do not live as long as expected. Mortality losses will arise if annuitants live longer than expected. The main source of profits is likely to be investment profits.

Annuity increases, once granted, are guaranteed and can never be removed. The level of future increases is, however, not guaranteed.

ANNUITY INCREASE DECLARATION PROCESS

Annuity increases are declared annually in arrears, based on the financial position of each product at its year-end. The increases are declared at the discretion of the Board of Old Mutual and are based on the recommendation by its chief actuary. In assessing the amounts to declare, the Board will look primarily at the size of the relevant BSR. The long-term average level for the ST-BSRs is expected to be in the 0% to 5% range. The level of the ST-BSRs can vary outside this range, depending on market conditions.

In determining a minimum BSR level, the criterion applied is that any negative BSR should be capable of being recouped within, at most, three years. If recoupment is not possible within three years, shareholder funds are used to rectify the situation. In determining the maximum level, consideration is given to the maintenance of equity between different generations of annuitants.

Some of the additional factors considered by the Board when determining the increases to be declared include the following:

- The reasonable expectations of annuity policyholders as to the size of the increase.
- The impact of an extremely negative market environment on increases. In such an environment, increases will be affected by the need to ensure that the BSR does not become too negative, as this would adversely affect subsequent increase declarations.
- Old Mutual's competitive position against the bonus/increase declarations of With-Profit Annuity products offered by other providers.

ALLOWANCE FOR MANAGEMENT ACTION IN ADVERSE CIRCUMSTANCES

As previously mentioned, the long-term target level for the BSR is within the range of 0% to 5% of the liabilities. Tolerance for BSR levels outside this range reduces as the absolute levels move further away from it. The tolerance for a particular level of smoothing reserve also depends on the prevailing investment and economic conditions, and the outlook for such conditions.

The focus is particularly on a three-year time horizon, in line with the guidelines of the Actuarial Society of South Africa as described in this section. While Old Mutual has some internal guidelines, there are no absolute levels set at which particular management actions are automatically taken. Such an approach could be imprudent, as it may not consider all the factors involved at the time. However, if the BSR trends away from the long-term average, the extent of management action will become more pronounced, taking due cognisance of the economic and investment environment at all times.

BSR CHARGES

The following costs are deducted from the BSRs:

• INVESTMENT MANAGEMENT CHARGE

The investment management charge is currently approximately 0.75% to 0.85% of assets per annum. In any given year, this percentage can change as the asset allocation varies, and as asset manager performance varies relative to benchmark. Fees can be above this level from time to time, due to short-term tactical allocations away from the benchmark or outperformance by asset managers. Annuity increases are declared net of this charge.

• THE COST OF PROVIDING GUARANTEES

Old Mutual guarantees that existing annuities will be paid for the life of each annuitant, and that any increase, once

granted, will also be guaranteed for the annuitant's life. The price that Old Mutual levies for these guarantees is the capital charge.

Capital charges are levied monthly in arrears on the assets of each product's underlying portfolio. Thus, any increases declared are net of these charges. The current capital charges in respect of the various With-Profit Annuity products are set out in the document Capital Charges applying to Discretionary Participation Business on Old Mutual's website. It is also available in hard copy on request.

4. FEE STRUCTURE

As at 31 December 2024, the administration fees for new business were as follows:

INITIAL ONCE-OFF ADMINISTRATION FEES

- R800 for the first annuitant in the family unit; plus
- R400 for each additional annuitant

These initial administration fees are included in the premium and will not be deducted from future pension increases

RENEWAL ADMINISTRATION FEES

As at December 2024, the renewal fee was R95 per annuitant per month, capitalised and included in the premium.

For other charges relating to the management of these products, please refer to the Annuity Increases section of this report.

5. BONUS SMOOTHING RESERVE LEVELS

The BSRs for Old Mutual's With-Profit Annuities were within the following bands:

DATE	Platinum Pension		Platinum Pension 2003		Pensions OptiPlus	
	ST-BSR	LT-BSR	ST-BSR	LT-BSR	ST-BSR	LT-BSR
31 December 2023	0% to 5%	-5% to 0%	0% to 5%	-10% to -5%	0% to 5%	-5% to 0%
31 December 2024	0% to 5%	0% to 5%	0% to 5%	-10% to -5%	0% to 5%	-5% to 0%

Old Mutual is required to disclose Short-term Bonus Smoothing Reserve (ST-BSR) levels below -7.5% for With-Profit Annuity products.

As at 31 December 2024, the ST-BSR levels for all the With-Profit Annuity products issued by Old Mutual were greater than the stated level of -7.5% of the value of the liabilities of that product.

6. PRODUCT PORTFOLIO SIZE

As at 31 December 2024, the sizes of the With-Profit Annuity portfolios were approximately as follows:

Assets Under Management	31 December 2024
Pensions OptiPlus	R11.1 billion
Platinum Pension	R9.4 billion
Platinum Pension 2003	R15.0 billion

Please note that these amounts include the BSR values.

7. RINGFENCING

Old Mutual's With-Profit Annuities are managed in accordance with a specific mandate as described earlier in this document.

The portfolios of underlying assets that support the various With-Profit Annuity products are all managed separately from each other, as well as from the assets of other products (both policyholder and shareholder portfolios). This separation extends to the individual BSRs that form an integral part of the portfolios of underlying assets that support each product. Although the assets are managed separately, they are not housed in a separate legal entity. They remain the registered property of Old Mutual.

All fees and charges are transferred from these portfolios to shareholder fund portfolios.

Transfers of assets between different portfolios occur in the normal course of events. Such transfers could reflect normal trading between two portfolio managers with different investment mandates and investment views, or the transfer of a pool of assets where Old Mutual permits a client to move an investment from one portfolio to another.

The principle that applies to any such transfer is that any assets accepted into the portfolio must not alter the portfolio in such a way that compliance with the investment mandate is compromised.

The transfer of BSRs between different With-Profit Annuity product portfolios is not precluded but will only happen in specific circumstances. For instance, when a mature product portfolio diminishes in size over time, a stage may be reached where the size of such portfolio is less than optimal for the smoothing of returns to be effective. At such a point, the mature portfolio could be combined with a larger portfolio, with a corresponding BSR transfer taking place. The aim is to ensure, as far as possible, that the BSR percentages of both portfolios after such a transfer are similar to what they were before the transfer.

8. COMPANY SOLVENCY

The guarantees on benefit payments offered in With-Profit Annuity products are backed by the capital of Old Mutual and shown below.

	December 2023	December 2024
Eligible Own Funds* (R'bn)	59.1	55.0
Solvency Capital Requirement (SCR)(R'bn)	29.1	29.4
Solvency Ratio	203%	187%

*Net of inadmissible assets and other regulatory adjustments

By law, South African insurers must hold funds of sufficient quality and quantity to absorb significant unforeseen losses arising from the risks associated with their activities. The level of capital required for regulatory purposes should address the risk areas to which insurers are exposed and should be proportionate to the nature, scale and complexity of the business involved. As at the end of December 2024, Old Mutual had 1.87 times as much capital as was required.

Due to the fact that risks inherent in the different products that Old Mutual offers are correlated (whether negatively or positively), the amount of capital set aside to back all guarantees cannot be separated out for each individual product; hence the figures shown above apply to the whole of Old Mutual.

FOR MORE INFORMATION

Email: corporateinvestments@oldmutual.com

Visit the Corporate website: www.oldmutual.co.za/corporate

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