



OLDMUTUAL

PLATINUM PENSION 2003

INCREASE ANNOUNCEMENT 2026



CORPORATE

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PLATINUM PENSION 2003 INCREASE ANNOUNCEMENT

The Board of Old Mutual Life Assurance Company (South Africa) Limited (OMLAC(SA)) has approved the following Platinum Pension 2003 increases, effective for increase dates from 1 April 2026 to 31 March 2027:



Profit Category	Post-Retirement Interest Rate (PRI)	2026 Increase ¹	CPI ²
1.5%	1.5%	7.5%	3.6%
2.0%	2.0%	7.0%	
2.5%	2.5%	6.5%	
3.0%	3.0%	6.0%	
3.25%	3.25%	5.75%	
A	3.5%	5.5%	
B	4.0%	5.0%	
C	4.5%	4.5%	
D	5.0%	4.0%	

1. Applicable to Platinum Pension 2003 annuitants only.
2. Year-on-year increase in the Consumer Price Index (CPI) as of December 2025

This note provides an understanding of the factors considered in this increase declaration. It also provides some insights into the investment markets leading up to the declaration, and the security of Old Mutual's Corporate With-Profit Annuity range.

Communication to individual annuitants will be distributed during the month in which their increase becomes effective.

PLATINUM PENSION 2003 INCREASE ANNOUNCEMENT 2026

In support of improved disclosure on the management of your Platinum Pension 2003 investment, we will continue to make available reports for Old Mutual Corporate's With-Profit Annuity portfolios (which include Platinum Pension 2003). These include the:

- [With-Profit Annuities Disclosure Report](#)
- [Principles and Practices of Financial Management \(PPFM\)](#)

The above Platinum Pension 2003 reports are available on Old Mutual's website at:
<https://www.oldmutual.co.za/corporate/platinum-pension-2003>



INVESTMENT STRUCTURE

Platinum Pension 2003 increases declared in 2026 are based primarily on investment returns for the year from 1 January 2025 to 31 December 2025 (the investment year). Before analysing the underlying performance of some of the asset classes over the investment year, it is useful to understand how the assets underlying Platinum Pension 2003 with-profit annuities are structured.

Platinum Pension 2003 annuitant assets are split between three funds, with each of these funds accommodating certain PRI categories. Each of these individual funds has its underlying assets split between a matched Interest-Bearing Asset (IBA) portfolio and a portfolio of growth assets.

The table below details the strategic split between the matched assets and the unmatched portfolio (or growth portfolio), for each of the Platinum Pension 2003 funds:

	Fund 10	Fund 11	Fund 12
PRI Category	1.5% - 3.25%	3.5% & 4%	4.5% & 5%
Matched Portfolio	37%	47%	57%
Unmatched Portfolio	63%	53%	43%
Total	100%	100%	100%

Note:

The actual split between the matched and unmatched portfolios fluctuates from time to time, as the market values of the underlying assets change.

The matched IBA portion of the portfolio is made up of holdings in investment grade South African bonds, as well as interest-bearing instruments known as “swaps”. The purpose of the matched portfolio is to enhance stability by investing in assets that provide an income cash flow that exactly matches a specified proportion of future expected cash outflows (annuity payments). The locked-in yield (LIY) is the rate at which returns from the matched portfolio are released for increase purposes.

It is the performance of the unmatched portfolio or “growth portfolio”, together with the LIY, that is used to support the increases.



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INVESTMENT MARKETS IN PERSPECTIVE AND FUTURE OUTLOOK

GLOBAL

Upward revisions to global GDP for 2025 have mechanically lifted the forecast for 2026, with world economic growth now expected at 2.8%. The broader outlook remains unchanged: following a subdued end to 2025, we anticipate steady – though not exceptional – GDP growth over the course of this year. The softer finish to 2025 is primarily driven by slowdowns in both the US and China. However, we believe this late year weakness is temporary and does not indicate a shift toward materially lower long term growth paths for either economy.

Events in Venezuela and recent comments from US policymakers concerning Greenland suggest that 2026 may bring another year of elevated global uncertainty. However, the economic impact of geopolitical tensions is often overstated. Over the past several years, global GDP growth has remained relatively stable despite repeated geopolitical shocks and persistent uncertainty.

However, recent US and Israeli military actions against Iran have escalated into a regional conflict in an area that produces roughly one third of the world's oil. The geography of the region creates a strategic chokepoint at the Strait of Hormuz – a narrow passage through which about 20% of global oil and gas shipments flow. With the Strait currently closed, Brent crude prices have surged above USD 100 per barrel for the first time since 2022. The implications for the global economy and financial markets will depend on the duration of the conflict and the extent of damage to energy infrastructure. Sustained oil prices at these levels would weigh on global growth and push

inflation higher. However, today's USD 100 oil is less damaging than in previous years, owing to higher incomes and improved energy efficiency. For example, electric vehicles represented 20% of global new car sales in 2025, compared with just 4% in 2020.

The spike in oil prices has triggered a negative reaction in financial markets as investors reassess the impact on company earnings and interest rate expectations. While some firms and countries may benefit, most companies face weaker top line revenue and higher input costs, putting pressure on profit margins. Again, the ultimate effect will depend on how long the conflict persists. Emerging market currencies, including the rand, have weakened, although the depreciation has not been extreme.

LOCAL

South Africa's consumer price inflation measured 3.6% in December 2025, slightly higher than the 3.5% recorded in November. Housing and utilities, together with food and non-alcoholic beverages, remained the biggest contributors to the annual inflation rate. Encouragingly, the latest inflation expectations survey indicates that expectations for 2026 and 2027 have improved compared to the third quarter.

South African assets, including the rand, have been among the strongest performers in emerging markets over 2025. However, given the high level of global financial market integration, the country is also vulnerable to a swift reversal should global conditions deteriorate. Such a correction could trigger capital flow volatility and result in pressure on both the exchange rate and sovereign bond yields.

On interest rates, it is important to remember that central banks generally look through the direct effect of higher fuel prices on inflation. Petrol accounts for around 6% of South Africa's CPI basket, which means an increase in fuel prices will temporarily raise headline inflation. The Reserve Bank will instead monitor whether firms respond to higher input costs by lifting their selling prices – known as the “second-round effect.” Although the interest rate cuts previously expected in the first half of the year are likely to be delayed, it remains too early to assess the likely timing of any adjustment.

PORTFOLIO PERFORMANCE

Investment returns performed well for 2025, with strong performance from Local Equities and African Equities. The table below outlines the gross investment returns per asset class underlying the unmatched investment portfolio for period ended 31 December 2025. Also provided is the actual asset allocation as of 31 December 2025.

Asset Class	One-Year Return ¹	Three-Year Return (Annualised)	Actual Asset Allocation ²
Local Interest-Bearing Assets	7.14%	7.61%	0.10%
Global Interest-Bearing Assets	-11.76%	-0.29%	0.03%
Local Equities	40.26%	18.79%	22.25%
Global Equities	5.45%	17.75%	34.45%
Direct Property	13.65%	8.44%	16.22%
Local Alternatives	12.40%	18.98%	16.37%
Global Alternatives	-3.70%	4.49%	8.89%
African Equities	34.51%	25.62%	1.69%
Total Unmatched Portfolio	15.05%	15.27%	100.00%

1. The returns shown are gross of asset manager fees. Returns shown for global assets are in rand terms.
2. The actual asset allocations are reflected as a proportion of the unmatched portfolio.

INCREASE DECLARATION RELATIVE TO INVESTMENT RETURNS

The Bonus Smoothing Reserves (BSRs) for Platinum Pension 2003 as of the end of 2024 and 2025 were within the following bands:

Date	ST-BSR	LT-BSR
31 December 2024	0% to 5%	-10% to -5%
31 December 2025	0% to 5%	-5% to 0%

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

The short-term BSR (ST-BSR) is the difference between the value of the remaining liabilities and the market value of the remaining assets. The level of the ST-BSR is significantly impacted by the net investment returns earned on the unmatched portfolio and the LIY referred to earlier. It is the level of this ST-BSR that is the most relevant for determining the level of increase that can be afforded.

It is useful to review how the ST-BSR changed over the period, as a result of the experience over the investment year and the impact of the declared increases. The table below outlines how the ST-BSR movements can be estimated for the Platinum Pension 2003 portfolio as a whole.

Platinum Pension 2003	
Opening ST-BSR range as of 31 December 2024	0% to 5%
Plus: Investment Return ¹	11.9%
Less: Charges and Fees	1.5%
Less: PRI ²	3.6%
Less: Increase Declared ³	5.4%
Less: Other ⁴	1.3%
Closing ST-BSR range as of 31 December 2025	0% to 5%

1. This is the gross return, for the year ended 31 December 2025, into the ST-BSR. This includes the return on the growth assets and the contribution from the LIY on the matched bonds. The difference between this return and the total return earned on- the portfolio would have an influence on the level of the LT-BSR.
2. "PRI" is the Post-Retirement Interest rate. It represents the amount of credit for future investment returns that is given to the annuitant at the outset of the contract. The PRI deduction of 3.6% in the table above represents the weighted average PRI across all the categories.
3. This is the weighted average cost of annuity increases across all the categories.
4. "Other" includes smaller items like underwriting profit/loss, client cash flows, economic assumption differences, basis and model changes and process adjustments.



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LONG-TERM ANNUITY INCREASE SCENARIOS

The level of increases that can be expected over the long term depends on the South African and global investment and economic environments. This is because the investment returns earned on the Platinum Pension 2003 portfolio are dependent on these environments and, in particular, how they change over time, which may result in a wide range of outcomes for investment returns.

Once granted, annuity increases are guaranteed. However, future annuity increases depend on unknown future market performance and are therefore not guaranteed.

Below we outline a few of the potential future scenarios for Platinum Pension 2003. These scenarios are not exhaustive but represent some of the more likely scenarios over the long term.

The table below shows the level of inflation protection from annuity increases, given various levels of portfolio real returns. The 3% column in green is the central long-term average expectation.

PRI Category	Portfolio Net Real Return (p.a.)		
	2%	3%	4%
1.5%	CPI + 0.5%	CPI + 1.5%	CPI + 2.5%
2%	CPI	CPI + 1%	CPI + 2%
2.5%	CPI - 0.5%	CPI + 0.5%	CPI + 1.5%
3%	CPI - 1%	CPI	CPI + 1%
3.5%	CPI - 1.5%	CPI - 0.5%	CPI + 0.5%
4%	CPI - 2%	CPI - 1%	CPI
4.5%	CPI - 2.5%	CPI - 1.5%	CPI - 0.5%
5%	CPI - 3%	CPI - 2%	CPI - 1%

Note:

The scenarios above show a range of expected average increases for Platinum Pension 2003 over the long term. It is important to note, however, that performance achieved in the future may differ, especially in the short term. The worst-case scenario is that annuities stay level with no increase in a given year.



ANNUAL INCREASE HISTORY AND INFLATION PROTECTION

The table below shows the historical annuity increases that have been declared for the various PRI categories. It also shows the annualised figures over three-, five- and ten-year periods, where applicable, as well as a comparison of these increases against CPI inflation over the same three-, five- and ten-year periods.

Year	CPI*	PRI Category								
		1.5%	2.0%	2.5%	3.0%	3.25%	3.5%	4.0%	4.5%	5.0%
Annual increases declared										
2017	6.8%	8.5%	8.0%	7.5%	7.0%	6.75%	5.0%	4.5%	3.5%	3.0%
2018	4.7%	8.0%	7.5%	7.0%	6.5%	6.25%	4.5%	4.0%	3.0%	2.5%
2019	4.5%	6.5%	6.0%	5.5%	5.0%	4.75%	3.5%	3.0%	2.5%	2.0%
2020	4.0%	4.5%	4.0%	3.5%	3.0%	2.75%	1.5%	1.0%	1.0%	0.5%
2021	3.1%	5.0%	4.5%	4.0%	3.5%	3.25%	2.5%	2.0%	2.0%	1.5%
2022	5.9%	9.0%	8.5%	8.0%	7.5%	7.25%	7.0%	6.5%	6.0%	5.5%
2023	7.2%	7.5%	7.0%	6.5%	6.0%	5.75%	5.5%	5.0%	4.5%	4.0%
2024	5.1%	10.0%	9.5%	9.0%	8.5%	8.25%	8.0%	7.5%	7.0%	6.5%
2025	3.0%	9.0%	8.5%	8.0%	7.5%	7.25%	7.0%	6.5%	6.0%	5.5%
2026	3.6%	7.5%	7.0%	6.5%	6.0%	5.75%	5.5%	5.0%	4.5%	4.0%
Annualised figures over 3, 5 and 10 years										
3 years	3.9%	8.8%	8.3%	7.8%	7.3%	7.08%	6.8%	6.3%	5.8%	5.3%
5 years	4.9%	8.6%	8.1%	7.6%	7.1%	6.85%	6.6%	6.1%	5.6%	5.1%
10 years	4.8%	7.5%	7.0%	6.5%	6.0%	5.79%	5.0%	4.5%	4.0%	3.5%

* The CPI rates are the year-on-year figures that correlate with the corresponding investment year/period, i.e. they are the year-on-year figures to December of the previous year.

Note:

Care should be taken when comparing Platinum Pension 2003 increase histories with increase histories of other products. Different with-profit annuity products may function quite differently from each other, e.g. some offer higher starting annuities while others offer higher increases over time.

As per the table in section 6, the 3% PRI category is expected to deliver, on average, CPI inflation increases over the long term. This category has historically exceeded CPI inflation over the long term, as can be seen when comparing the average increase in this category over the last ten years, of 6.0% with the comparative average CPI inflation figure of 4.8%.



SECURITY IN TURBULENT TIMES

Assets backing Old Mutual's annuitant liabilities, including bonus smoothing reserves, are held in policyholder funds – these funds are not accessible by shareholders. Shareholder capital is separate from, and over and above, policyholder funds. Shareholder capital has no impact on the level of annuity increases. It does, however, represent the security backing the annuity guarantees offered by Old Mutual.

The assets backing annuitant liabilities (policyholder funds) have to be in the name of the insurer and may not be encumbered. This means that no outside party may have a claim on those assets. They are for the benefit of the annuitants only.

OMLAC(SA) has an insurer financial strength of BB+ (with a positive outlook) from S&P Global Ratings, which is higher than the overall South African sovereign debt rating. This rating is a measure of the security Old Mutual provides to its policyholders. OMLAC(SA) also remains very well capitalised with a cover ratio of 1.66 times the statutory adequacy capital requirement as of the end of December 2025.

**IN SUMMARY, ANNUITANTS
MAY REST ASSURED THAT THE
GUARANTEES FROM OLD MUTUAL
CAN BE RELIED UPON.**



FOR MORE INFORMATION

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