



TRANSFORMATION AND RESILIENCE OF THE OLD MUTUAL ABSOLUTE GROWTH PORTFOLIO

The Old Mutual Absolute Growth Portfolio (AGP) is Old Mutual's flagship smoothed bonus fund. The portfolio has grown to **R133bn** in assets under management as at 31 July 2020 making it the largest smoothed bonus fund in South Africa by far. AGP caters to a range of investors with different risk-return preferences by offering a selection of return targets and guarantees, while providing investors with access to a diverse range of asset classes including alternative assets.

In addition to ensuring that AGP effectively targets optimal outcomes for a wide range of investors, Old Mutual has made transformation and empowerment an integral part of AGP's value proposition. Throughout the process of selecting underlying asset managers for AGP, strong focus is placed on their tactical and strategic transformation agendas.

The primary asset managers underlying AGP are:

- Old Mutual Investment Group (OMIG)
- Futuregrowth
- Old Mutual Multi-Managers (OMMM)

Sometimes numbers speak louder than words. For that reason, the transformation and empowerment agendas of the AGP asset managers are summarised in numbers below.

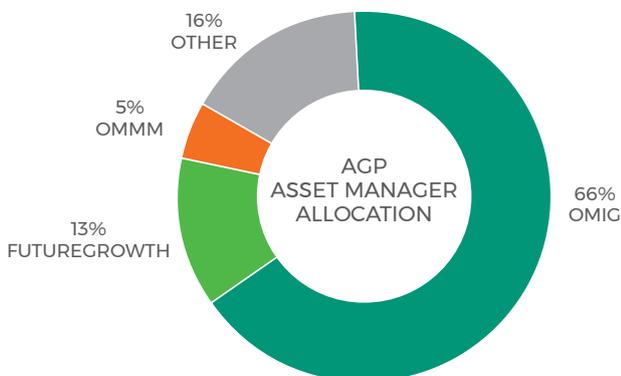
OLD MUTUAL INVESTMENT GROUP

We have been independently recognised as industry leaders in Responsible Investing in South Africa by Kigoda consulting, an independent consultancy that offers specialist political risk and responsible investment advisory services in sub-Saharan Africa.

This accolade positions OMIG at the front of the pack in the transformation and RI movement, which it drives in the following ways:

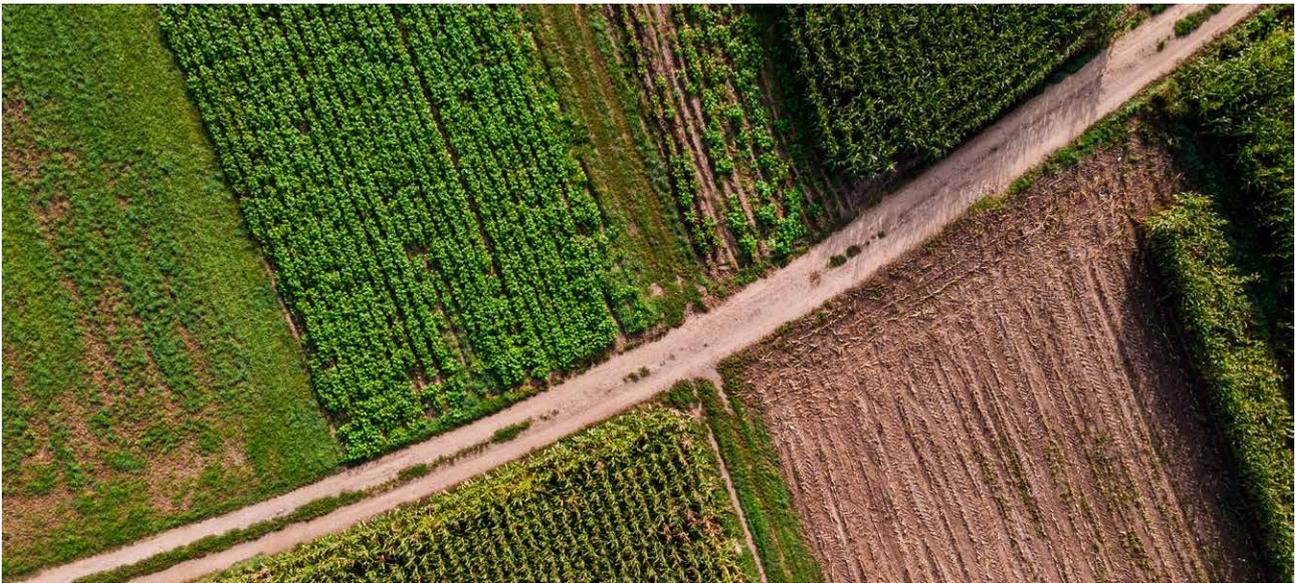
DEVELOPMENT AND REPRESENTATION OF BLACK TALENT

- Level 2 B-BBEE contributor for 4 consecutive years.
- Percentage of black employees hired: **79%** in 2014, **88%** in 2015, **88%** in 2016, **94%** in 2017, **98%** in 2018, **94%** in 2019 and **95%** in 2020
- **138** investment professionals of which **57%** are Employment Equity (EE) individuals



CORPORATE

DO GREAT THINGS EVERY DAY



- 55% of OMIG's total skills development expenditure for investment professionals has been allocated to EE staff
- 82 EE individuals have been trained in the Graduate Acceleration Programme and the Investment Analyst Programme, with a 95% success rate of permanent employment after completion
- R3.25 million invested in the full scholarship of black beneficiaries via the Imfundo Trust

INVESTING IN RESPONSIBLE AND EMPOWERING INVESTMENTS

Affordable housing

- >R8 billion committed to the acquisition and construction of homes for the lower and middle income markets
- 17 200 affordable houses built; 8 000 rental units; 9 900 student accommodation units
- 8 300 mortgage loans granted

Renewable energy

- 28 renewable energy facilities including 10 wind farms, 15 solar PV farms, one hydropower station and two solar off-grid companies
- Clean power generation capacity of 3141 GWh
- 15 connected to the power-grid that can power ±1 000 000 low-income households p.a.

Affordable education

- 23 600 learners enrolled across 40 schools as at 30 June 2020

Agriculture

- 4 682 permanent and seasonal workers, many of whom are provided with housing and prepaid healthcare
- 1 700 workers receiving adult education, management and agricultural training

OLD MUTUAL MULTI-MANAGERS (OMMM)

OMMM has developed a powerful transformation policy to support B-BBEE asset managers with incremental targets for black asset manager inclusion.

- Appointments of B-BBEE asset managers Mazi Asset Management, Sentio Capital and Aeon Investment Management have led to R1.8 billion of OMMM's funds being managed by black-owned asset managers
- OMMM has exceeded their transformation policy targets to date and remain committed to achieving the incremental targets of their policy going forward

FUTUREGROWTH

- Level 2 B-BBEE contributor with a score of 98 out of 100
- 28.12% black ownership
- 95 employees, of which 77 are Previously Disadvantaged Individuals (PDI) and of those 47 are female PDI
- Of the 79 appointments since 2013, 73 have been PDIs, and of these 34 were Black African. Since 2015, 100% of new appointments were PDIs
- R48bn invested in infrastructure & developmental investments such as roads, healthcare, affordable housing, agriculture and shopping centers in township and rural areas

As attested by these numbers, AGP has made it a priority to appoint asset managers who have demonstrated passion and a tangible commitment to driving transformation and empowerment across South Africa. With this overview, it's clear to see that investing in AGP is a direct investment in South Africa's environmental and socio-economic transformation.

For more content relating to ESG and Responsible Investment (RI), please click on the following link [STEWARDSHIP REPORT](#)

