TRANSFORMATION MATTERS 2025

OLDMUTUAL

INVESTMENT GROUP

CONTENTS

DELIVERING ON OUR

DIVERSITY, EQUITY AND INCLUSION TARGETS

TEBOGO NALEDI,
MANAGING DIRECTOR

The South African (SA) asset management industry continues to undergo significant transformation, reflecting a broader societal shift towards greater diversity, equity and inclusion.

The historical context of SA and the ongoing socio-economic disparities have created a landscape where diversity and inclusion are essential for sustainable growth. A transformed asset management industry that reflects the demographics of the population would be better positioned to understand the unique needs and aspirations of its clients, fostering trust and loyalty. Moreover, the global shift towards sustainable investing and ethical business practices has amplified the need for a diverse workforce that can navigate complex social and environmental issues.

As Old Mutual Investment Group, we believe that this transformation is a strategic imperative for long-term success. And when it comes to diversity, equity and inclusion (DEI), we have been intentional in delivering on our objectives across the business.

OUR APPROACH TO DIVERSITY, EQUITY AND INCLUSION

Our multifaceted transformation strategy, which is overseen by our Executive Transformation Committee, focuses on these five pillars:

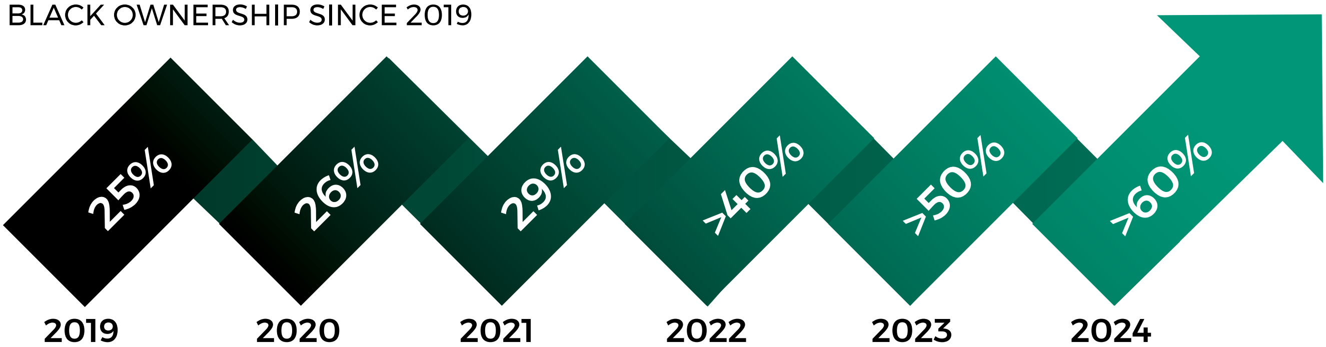
- **Leadership diversity:** We have increased black and female business leaders substantially over the years.
- **Investment professional representation:** We grow and support black and female investment decision makers within our business.
- **Meaningful ownership:** We believe in broad-based majority black ownership with meaningful equity held by senior staff.
- **Value chain transformation:** We believe in the transformation of the full asset management value chain through our procurement practices.
- **Active stewardship:** Transforming our society through active stewardship that drives DEI in the companies that we invest in on behalf of our clients is key for our business.

OWNERSHIP UPDATE

In our last report in 2023, we had committed to exceeding 50% black ownership. Over the past two years, we have made significant strides in increasing our black ownership from 55% in 2023 to 65% in 2024. This, among a range of other criteria (discussed on the following page), also contributed to us being recognised as the top-ranking asset manager out of 15 firms in the large asset manager category (above R100 billion assets under management) in the inaugural 27four DEInvest Annual Survey 2024*, which ranks companies based on their DEI. This achievement is a testament to the deliberate and intentional strategies we implemented over the past several years.

Our transformation strategy, implemented by an executive team comprising 88% black and/or female individuals, has delivered an outcome that we are proud of. Not only are we a 65% black-owned business, but 32% is black women-owned.

BLACK OWNERSHIP SINCE 2019

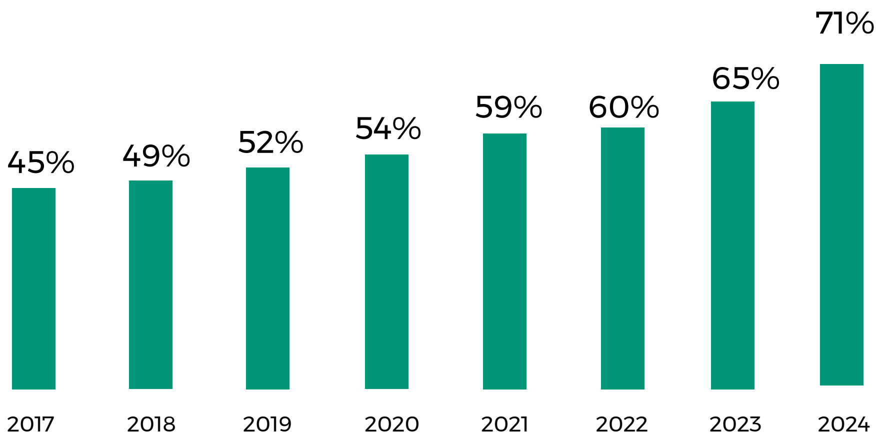


*The 27four DEI Index framework offers a comprehensive approach to measuring diversity, equity and inclusion (DEI) in South Africa's asset management industry. It assesses asset managers across five key dimensions that drive transformation: ownership, representation, equity, impact and governance.

DIVERSITY DRIVES SUCCESS

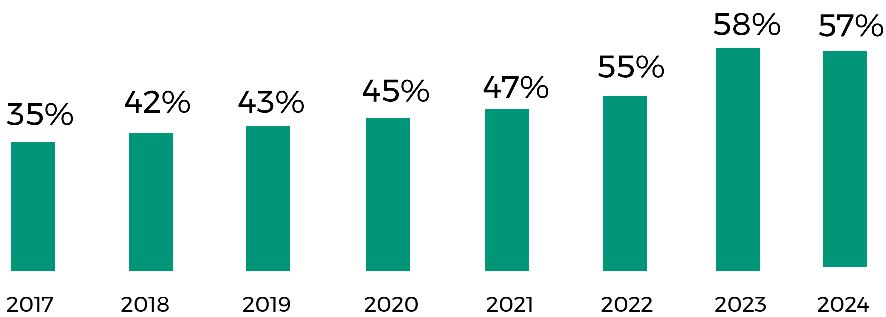
We strongly believe that diversity can drive success. That is why today we celebrate the diversity that exists across the entire business and not only at certain levels or teams. In the Investment Team, for example, which is led by Chief Investment Officer Siboniso Nxumalo, 71% of investment professionals are black and/or female. Our training programme is also firmly focused on transformation progress, with 41 black investment analysts having been trained over the past 11 years

BLACK EMPLOYEES IN INVESTMENT TEAM



Similarly, over the years, we have seen a steady increase in the number of black employees in leadership positions.

BLACK EMPLOYESS IN SENIOR LEADERSHIP



These numbers reflect our commitment to ensuring our business better represents the racial and gender diversity of our country. They not only align with the profile of our clients but also support our recruitment and training efforts aimed at addressing the historical economic disparities of our country.

IN CLOSING

Becoming a majority black-owned business is a significant milestone in the South African asset management industry, demonstrating that transformation is achievable within large asset managers. However, the transformation journey is ongoing and not an overnight process; it requires intentional and sustained action across multiple dimensions. And we need to remember that transformation is not only about ownership numbers changing, but being more diverse and inclusive across the organisation and at the procurement level. We remain committed to prioritising diversity, inclusion and sustainability to contribute to a more prosperous and just future for South Africa.

"A transformed asset management industry that reflects the demographics of the population, is better positioned to understand the unique needs and aspirations of its clients."

TRANSFORMATION AT A GLANCE

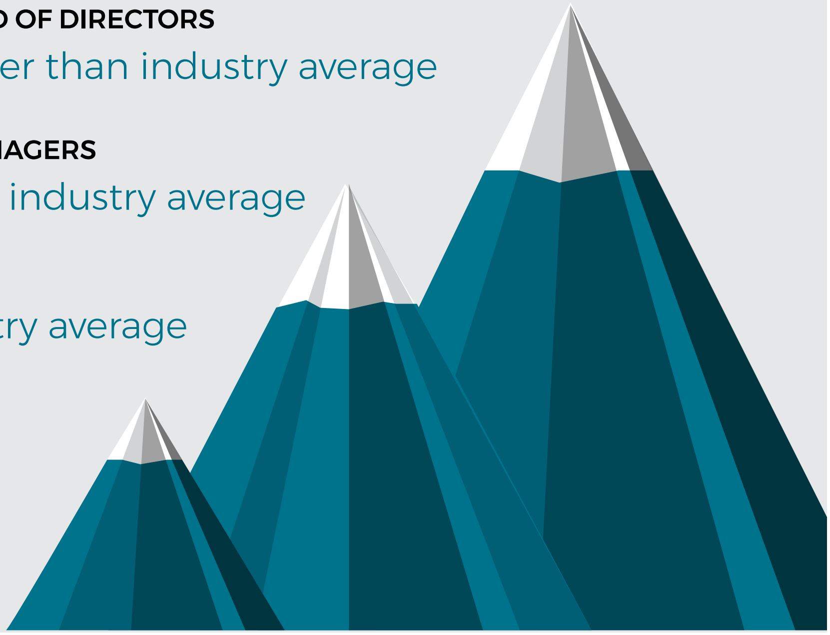
WE ARE LEADERS IN TRANSFORMATION

FEMALE OWNERSHIP
85% higher than industry average

BLACK BOARD OF DIRECTORS
114% higher than industry average

BLACK PORTFOLIO MANAGERS
131% higher than industry average

BLACK INVESTMENT ANALYSTS
150% higher than industry average



51.8%
AUM solely or jointly managed by women

>R65 million
spent on investment focused scholarship since 2011

>R16 million
spent on black staff training in 2023

95%
spent on training black staff

LEADING LARGE ASSET MANAGER IN THE INAUGURAL 27FOUR DEINVEST SURVEY

27 FOUR
DEI Index score

>R100BN
#1 Ranked
in the category

SCORE ACHIEVED
73.4%
out of 100%

TOTAL RANK
04
out of 93

BLACK OWNERSHIP
28%
above industry average

27four DEI Index provides a meaningful framework for assessing DEI performance in key areas:

1 Ownership **2 Representation** **3 Equity** **4 Impact** **5 Governance**

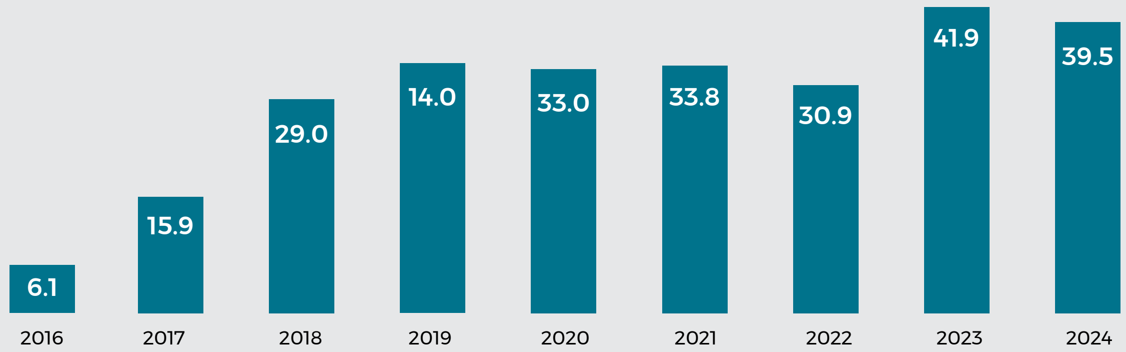
Majority black ownership was achieved in 2023

65%
BLACK OWNERSHIP

32%
BLACK WOMAN OWNERSHIP

88%
OF EXECUTIVE LEADERSHIP ARE BLACK AND/OR FEMALE

BROKERAGE ALLOCATION OF BLACK OWNED FIRMS



Percentage of brokerage paid to stockbrokers with >51% Black ownership

39.5%

of our total brokerage.
paid to black stockbrokers*

As at 31 December 2024

R59 million

brokerage fees paid to black stokebrokers, compared to R43.3 million for the 2023 year.

Since 2016, we have allocated seven times more brokerage to BEE brokers on a best execution basis.

GENDER-LENS INVESTING
AS A RESPONSE TO GENDER DISPARITY

SNE DLAMINI,
HEAD OF
CLIENT MANAGEMENT

The B-BBEE Act, along with the Codes of Good Practice, have contributed immensely to promoting and empowering women in South Africa, however, there is still a great deal of work to be done. Women are still being sidelined in boardrooms and not considered for key leadership roles, especially in asset management.

The concept of gender-lens investing is starting to gain traction and could be key in guiding "captains of industry" to deliver on the gender agenda commitments.

The gender-lens investing approach involves the deliberate allocation of capital to companies that actively promote women's empowerment, recognising that such investments can not only generate competitive financial returns but also contribute to the creation of a more equitable and inclusive society.

Let's unpack how gender-lens investing contributes to advancing women:

1. **Investing in women-owned or women-led enterprises:** This empowers women economically, fosters job creation and economic growth.
2. **Promoting workplace equity:** Gender-lens investing encourages investment in companies that demonstrate a commitment to gender equity in their staffing, management, boardroom representation and supply chains. This can lead to more inclusive workplaces, equal opportunities and the breaking down of barriers to women's advancement.
3. **Investing in gender-positive products and services:** This targets businesses that develop products or services specifically designed to improve the lives of women and girls, such as in healthcare, education, safety and financial inclusion.
4. **Influencing corporate behaviour:** By considering gender-based factors in investment decisions, gender-lens investing sends a strong signal to companies that gender equality is not only a social imperative but also a crucial aspect of good business practice.
5. **Driving financial performance:** Companies with diverse management teams and a focus on gender equality often exhibit stronger financial performance.
6. **Addressing systemic inequalities:** By focusing on various aspects of gender inequality, including access to finance, leadership opportunities and fair treatment in the workplace, gender-lens investing contributes to dismantling systemic barriers that hinder women's economic empowerment and overall progress.

Within the South African financial services landscape, the principles of gender-lens investing hold particular significance. Given the nation's complex history and the ongoing imperative to address systemic inequalities, integrating a gender perspective into investment strategies presents a compelling opportunity to foster meaningful social and economic transformation.

Several global initiatives are pushing gender-lens investing forward, such as the 2X Challenge, spearheaded by Development Finance Institutions and International Financial Institutions, which has been instrumental in encouraging private market investors to adopt this approach in Africa and other emerging markets. From 2021 to 2022, the 2X Challenge exceeded its target, driving gender-lens investments to the value of US$16.3 billion and benefiting 473 businesses across various regions.

The Global Impact Investing Network also actively supports investors in implementing gender-lens investing by providing resources and up-to-date information. Their work aims to close the "gender gap," which refers to the difference between women and men in social, political, intellectual, cultural or economic attainments.

While the adoption of gender-lens investing is demonstrably on the rise both internationally and within South Africa, it is important to also acknowledge that it has yet to become a mainstream practice. A practice one can say is desperately needed to add to the many initiatives that aim to address scars dating back centuries.

BUT WE'VE HAD THE ACT AND OTHER LEGISLATION PUSH TRANSFORMATION...

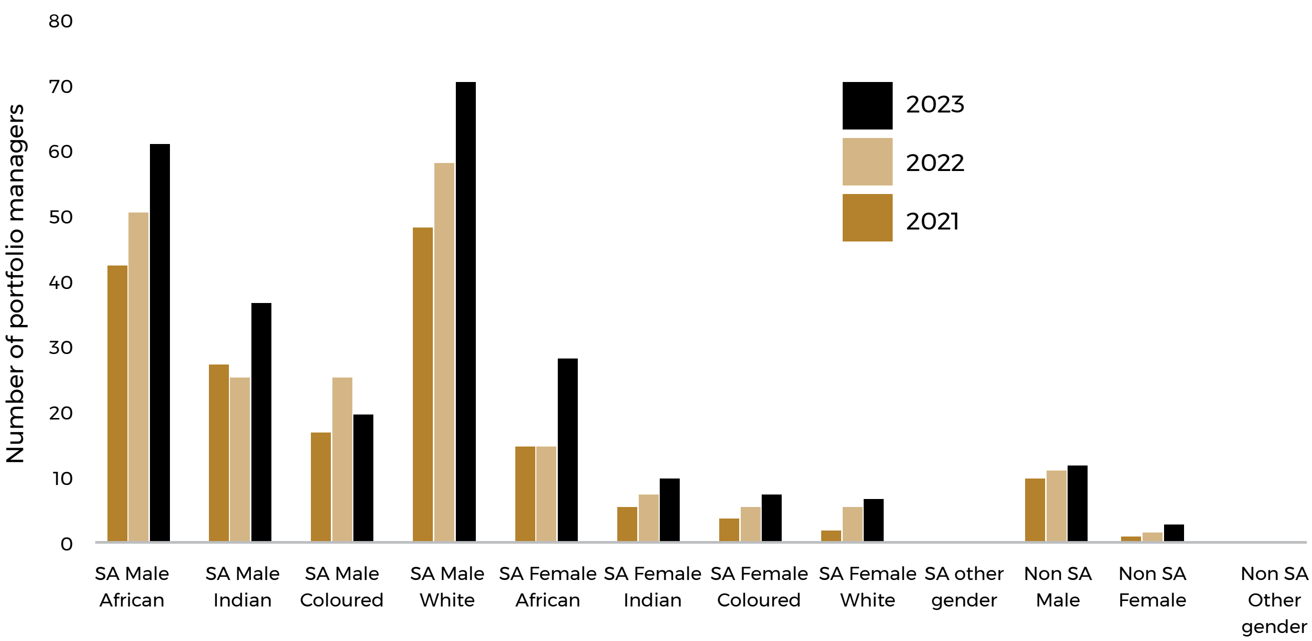
Yes. We have had legislation offer incentives for gender representation, but true transformation lies in reshaping the very fabric of workplace culture and dismantling the societal constraints that uniquely and unfairly burden women. Achieving this goal requires the implementation of fit-for-purpose policies that challenge cultural norms, redefine gender roles and offer support for women's aspirations beyond the boardroom. We must have a holistic approach, or we will still be in this same position a few decades from now.

Analysing the JSE Top 40 companies, the 2024 Just Share report on Women in Leadership revealed that while women hold 36% of board positions, their representation in executive management roles is significantly lower, at just 23%. A modest increase in female board representation compared with previous years, but a concerning decline in the proportion of women in top executive positions responsible for the day-to-day operations and strategic direction of these major companies.

Zooming into the asset management industry, the underrepresentation of women becomes even more pronounced in specific functional areas critical to the core business of asset management. Within portfolio management, a key area of investment decision-making, women account for a mere 17.2% of professionals in South Africa, according to the 2023 EPPF Diversity in Asset Management research.

Most women in the asset management industry occupy analyst roles, as shown in the graph below and, whether by choice or by design, the reality is that the systemic barriers that hinder women's advancement do exist in our industry.

PORTFOLIO MANAGERS IN SOUTH AFRICA



Source: 27Four BEE.conomics 2023 Annual Transformation Survey

The graph below shows the split in the portfolio management level between men and women across races.

The discrepancy between the percentage of women in South Africa's economically active population (46%) and their representation in leadership positions across key roles in all sectors indicates a substantial untapped talent pool.

The time has come for asset owners and stakeholders to lead the way in granularly probing the gender issues in South Africa. We all have a role to play in changing this status.

Old Mutual Investment Group is the leading large asset manager on diversity, equity and inclusion (DEI) in South Africa*. Our commitment to DEI is evident both internally, through strong female representation across all levels, and externally through Article 8 funds like the Old Mutual Global ESG Equity Fund and the Old Mutual African Frontiers Fund. These funds strategically employ a gender lens, prioritising investments in companies with significant women leadership at the board level, thereby aiming to foster not only financial returns but also broader community upliftment and a more equitable future. You can read more about these funds on pages 26-29.

The journey ahead requires conviction and intent, but we stand firm in charting the path for gender equality in our industry.

*27Four DEInvest Survey 2024

FROM POTENTIAL TO POWER:
DRIVING GENDER TRANSFORMATION IN ASSET MANAGEMENT

TRACEY HANSEN-LOUW,
HEAD OF HUMAN CAPITAL

For more than a decade, we have been committed to increasing diversity by addressing both racial and gender under-representation, and our efforts have yielded tangible results at every level of our organisation.

However, the road to gender parity in the asset management industry is still steep. According to the Citywire Alpha Female Report 2024, women represent only 12.5% of portfolio managers in the global Citywire database, up just slightly from 12.1% in 2023. In South Africa, this figure is even lower at 11%. Despite the incremental progress, the gender gap remains a tough challenge, especially in senior investment roles – a challenge that we are determined to overcome.

THE MISSED OPPORTUNITY IN ASSET MANAGEMENT

The underrepresentation of women in asset management is not just an issue of fairness, it is a missed opportunity for enhanced investment outcomes. Studies published by the likes of McKinsey & Co and the Peterson Institute for International Economics, underscore the multifaceted benefits of having women in these roles, from improved performance and risk management to better client relationships and more sustainable investing practices. The overarching theme is clear: gender diversity in investment teams fosters better decision-making, innovation, and overall firm performance.

At Old Mutual Investment Group, we are proud to lead by example. Our talented executive team, comprising representatives from various racial groups and with a diverse skill set, is 43% female, substantially above the global average. This demonstrates to aspiring young professionals that we value top talent regardless of race or gender. Moreover, female representation in our investment teams is currently at 31%, marking a significant step forward.

A SHARED RESPONSIBILITY FOR CHANGE

The challenge of achieving gender parity in asset management should be the responsibility of every senior leader in the industry. Because we take this commitment seriously, our transformation journey is led by an Executive Transformation Committee that monitors our progress against specific targets in hiring practices, career advancement, pay equity and ownership. But achieving meaningful change and gender parity for future generations requires more than just oversight; it requires targeted, gender-focused interventions and strategies.

LEADING THE WAY: GENDER-FOCUSED INTERVENTIONS

Here are some of the ways in which we drive gender transformation in asset management:

1. Increasing female scholarships and internships

a. To attract more women into the investment industry, it is important that we start at the entry level. The Imfundo Trust (read more on page 21), funded by dividends from Old Mutual Investment Group and other Old Mutual Investments' affiliates, supports young black scholars pursuing investment industry careers at South African universities. For the 2024 academic year, 20 of the 34 scholarships have been awarded to black female students, reflecting our commitment to building a diverse pipeline of future talent.

b. Over the past decade, we have run our Analyst Development programme, which provides three or four new analysts a year with an entry-level position. This programme is a great opportunity for women entering the investment industry. Several of our senior female investment talent started their careers through this programme.

Funded through dividends from Old Mutual Investment Group, Futuregrowth and Marriott

1st intake of students in 2011

Milestone at end of 2024
122 graduates

Total invested up to end of 2024
+R65 million

Partner Universities
UCT / Stellenbosch / UJ / Wits / Pretoria / UKZN

2. Flexible Parental Policies

Our flexible parental policy recognises that caregiving roles should not be limited by gender. While we go all out to provide maximum support for birthing mothers, we are also challenging societal norms by creating parental leave support options for all genders. This flexibility helps women retain their investment careers through various life stages.

3. Fostering an Inclusive Environment

Creating an inclusive environment and implementing policies that ensure equitable practices are crucial for the succession and retention of women in the typically male-dominated investment workforce. We regularly measure the psychological safety of all groups through culture surveys and provide education on unconscious bias and micro-aggressions. In addition, our investment teams employ processes that ensure active participation of all our investment analysts and portfolio managers in the investment decision-making processes. Our anti-discrimination and harassment policies enforce zero tolerance so as to eliminate these destructive habits.

4. Development and Mentorship Opportunities

We invest approximately 3% of our annual budget in training and development, focusing on technical skills, such as the CFA qualification and long-term leadership development. Our succession planning also ensures that there is sufficient female representation at all levels of our pipeline, particularly for senior leadership and key investment roles. We run an Investment Leadership Development Programme and the Unleash Her Leadership Development programme to enhance the growth and development of our middle and senior females and prepare them for senior roles. We also have a formalised mentorship programme. Mentorship is a proven method for personal and professional development. It provides an opportunity for both mentees and mentors to learn, grow and form valuable connections.

5. Understanding Unique Barriers

A key factor in supporting the success of women in the workplace is understanding the unique barriers that women face. Not all of these are workplace-based – many are societal. Research shows that women are still bearing most of the responsibility for childcare, domestic tasks and, increasingly, care for other adults – even if they are the primary earner in the household. This domestic load is impacting the mental health and stress levels of our women. In the workplace, we can provide coaching on and mentorship in how to effectively navigate these challenges, while also providing flexible work practices that ensure work/life balance.

LOOKING AHEAD

We are committed to driving gender transformation, not just within our organisation but also by serving as a model for the entire asset management industry. We believe that achieving gender parity will require ongoing dedication, innovative strategies and the active involvement of every senior leader. By continuing to push for change, we hope to create a more equitable and successful future for all.

Our transformation agenda isn't just about meeting quotas – it's about unlocking the full potential of talent and fostering an environment where everyone can thrive. The future of asset management is diversity, and we are proud to be leading the charge.

"Our transformation agenda isn't just about meeting quotas – it's about unlocking the full potential of talent and fostering an environment where everyone can thrive."

IMFUNDO TRUST SCHOLARSHIP PROGRAMME

INVESTING IN THE POWER OF KNOWLEDGE

A COMMITMENT TO TRANSFORMATION AND EMPOWERING FUTURE LEADERS

The Imfundo Trust Scholarship Programme, launched in 2010, was born out of a vision to provide educational access and career opportunities to young talent from economically constrained backgrounds. Today, it stands as a pillar of support in building a pipeline of skilled, diverse professionals, especially young black women, who will drive meaningful economic participation and transform the investment industry.

In 2024, Imfundo Trust advanced this vision significantly, awarding scholarships to 34 deserving students, of which 20 are female.

The investment industry today requires a range of competencies across diverse disciplines, and Imfundo reflects this reality. Scholarships are offered in fields such as engineering, data science, law, information technology and climate change, equipping graduates with the knowledge to enhance their career prospects and contribute to the sector's development.

Importantly, the journey is not just about funding. Imfundo goes beyond financial assistance, providing comprehensive support that strengthens the student experience. Tutorial programmes, industry mentorship and psychosocial support create a nurturing environment that helps students navigate academic and personal challenges. Through the structured mentorship programme, students gain insights and guidance from seasoned industry mentors, while those enrolled in internships receive hands-on exposure at Old Mutual, giving them a taste of the real-world application of their studies.

A recent addition to this support framework is the Elevate programme, introduced in 2024 to build essential life and academic skills for long-term success in tertiary education and beyond. This initiative complements Imfundo's holistic approach, preparing students to not only excel academically but to thrive in their careers and personal lives.

Reflecting on the progress made, 2024 has been a landmark year for Imfundo. The scholarship programme continues to open doors to higher education for deserving students, many of whom would otherwise be unable to pursue their academic goals.

BOARD OF TRUSTEES

BREAKING BARRIERS: WOMEN THRIVING

IN ASSET MANAGEMENT AS A RESPONSE TO GENDER DISPARITY

ANELISA BALFOUR,
PORTFOLIO MANAGER

Anelisa is a Senior Portfolio Manager within our Indexation team. She manages domestic and international portfolios and contributes to various research projects. She holds a Bachelor of Economics degree and is currently a CFA level III candidate.

Q: What inspired you to pursue a career in investments?

Driven by curiosity and a desire for self-improvement, I decided to enrol in the CFA Level 1 exam. This experience opened my eyes and sparked my interest in investments. At the time, I had been working in commercial banking in Port Elizabeth (Gqeberha) for three years. To take the exam, I had to fly to Johannesburg. This was still when CFA exams were written in large venues with hundreds of people. I was fascinated to see that people came from all over Africa to write the exam. I remember saying to myself: "The future of investments is here." I saw my future.

What inspired me the most was the content of my studies and the different types of investment applications. Growing up, this was a career path that I wasn't exposed to, and I saw the need to have more African people in this space. I was also aware that so many people in our communities don't have savings, investments or any financial knowledge, coupled with excessive reliance on debt. I wanted something different for myself.

Working in banking, I saw firsthand how much financial institutions were not trusted, largely because people couldn't relate to them. I could be part of the change. Around that time, I discovered the Investment Analyst programme at Old Mutual Investment Group.

Q: Can you share some highlights from your career journey so far?

One sentence sums up my achievements thus far: I am a black female senior portfolio manager, under the age of 35, who, along with the Indexation Team, co-manages R137 billion.

The highlight of my career was launching a global fund. This entailed understanding the markets we were trading in, settlement periods, regulatory frameworks, global operations etc. Once we had successfully traded and everything was running smoothly, the then Head of Indexation said, "Not a lot of people in this country have had your experience. Most global managers are outside the country, but you are managing a global fund in South Africa, which is a unique experience." Indexation is about precision – so to successfully manage global funds, with all the nuances, sets one apart.

Q: Have you faced any unique challenges, unconscious biases or barriers to advancement and growth opportunities due to your gender in this male-dominated industry?

I don't particularly identify with this question. It creates the impression that after 30 years, we should be seen as liberation heroes, and if we aren't, our stories are not worth sharing. I suppose that being at Old Mutual Investment Group, where investment professionals reflect the country's demographics, means operating or speaking from a place of privilege.

A common comment I receive in my external interactions is that they were expecting "someone else". I convince myself that it's my potentially cross-cultural name and surname that throws people off. However, this statement makes me feel the need to prove my competency or justify my presence. Instead of starting from a place of credibility, I feel I must first establish that credibility.

Q: How do you continue to develop and refine your skills in such a demanding field?

I find it really helps to engage other professionals, especially colleagues with more experience in the field. I read a lot of industry-related material, keeping a curious mind and looking for anything I can apply to my work.

Q: What initiatives or practices do you think could help promote greater diversity and gender equality in the asset management industry?

Career days and funding students at the grassroots level, such as through the Imfundo Trust, play a crucial role in growing the talent pool. We need to continue to engage young talent in our business, through mentorship and development programmes. This is particularly relevant to Gen Z and millennials as these generations bring fresh perspectives, innovative ideas and a strong desire for social change.

Q: Have you had mentors or role models who have influenced your career?

There are many women who have influenced my career, and I have been inspired by particular aspects of their lives. Here I will mention two:

- Mam' Gloria "Tomato" Serobe has brought many women into the economic fold. In my village, community members – mostly women – are involved in a maize farming project on communal land, which was initiated by Mam' Tomato through Wiphold Agriculture. This creates seasonal work for the unemployed or those living on social grants. The maize farming project has given life to one of Mam' Tomato's sayings, "A rural life doesn't need to be a poor life."
- Closer to home (and my heart) is my cousin Nosiphiwo Balfour. She is someone with whom I can share my thoughts and get insights on how to better navigate situations. Having accomplished so much in this industry, and as a "big sister", I am inspired by how she carries herself and trust that she has my best interest at heart.

Q: How do you maintain a work-life balance in such a demanding profession? What structures in your workplace have enabled you to improve on this balance and what would assist you in future?

I like the principles of THE 5AM CLUB by Rob Sharma, particularly the idea of building a powerful morning routine. While I haven't adopted everything suggested in the book, I begin the day by focusing on myself – praying, reading and running. Resulting from the habit of consistently running, I recently completed my first half marathon. Starting the day winning in my personal space gives me a sense of fulfilment. But there are times when the balance is totally off, times when I feel the pressure and my routine is off kilter. I have learnt that these are often the times that propel growth, where I take on more responsibility and where I start operating at the next level.

One of my favourite initiatives to improve work-life balance is the JEFF fitness programme, which I started during lockdown. This online gym and nutrition programme became very important to me maintaining balance in my life.

Q: What advice would you give to other women who aspire to pursue careers in the asset management industry/male-dominated fields?
Building and maintaining industry relationships, as well as talking about your accomplishments, is something I'm actively working on myself. We need people who speak positively about us in places where we don't have access. Building relationships creates a network within a corporate career, which is invaluable for gaining visibility and accelerating career growth. Have someone who provides strategic guidance and the network support necessary to help you navigate the complexities of corporate life and achieve long-term success.

"I am a black female senior portfolio manager, under the age of 35, who, along with the Indexation Team, co-manages R137 billion."

INVESTING FOR A SUSTAINABLE FUTURE:

SUPPORTING COMPANIES WITH STRONG FEMALE LEADERSHIP

FAWAZ FAKIER,
PORTFOLIO MANAGER

The Old Mutual Global ESG Equity Fund is a pioneering fund that's redefining the future of investing. By integrating environmental, social and governance (ESG) factors into its investment strategy, the fund aims to drive positive change within the corporate landscape. This includes investing in companies with strong female leadership.

As numerous studies have shown, female leadership can significantly enhance financial performance, foster innovation and build resilience. The Ready-Now Leaders report from the Conference Board shows that companies that have a minimum of 30% women in leadership roles are 12 times more likely to be in the top 20% for financial performance. This is because gender-diverse leadership teams bring diverse thinking and management styles, which tend to lead to greater innovation, cater to a broader customer base, foster a more equitable company culture and enhance employee morale. As such, the fund's commitment to investing in companies with female leaders aligns with this growing body of evidence. By focusing on companies with higher female representation on boards and in leadership positions, the fund is actively contributing to a more equitable and sustainable future.

A STRATEGIC APPROACH TO INVESTING

We focus and invest relentlessly in the data, systems and people that drive our investment decisions within the systematic investment team. Importantly, we see ESG as both a means to enhance returns and a tool for more effective risk management, where we look at risk beyond the traditional financial and mainstream measures. This provides a more holistic and comprehensive way of executing on our promise of delivering great returns to our clients while being highly risk cognisant.

The fund's systematic approach to investing makes it easy to target, monitor and measure its impact on various ESG factors. This data-driven approach is becoming increasingly important as investors, regulators and society demand greater transparency and accountability from investment firms. The fund's benchmark, the MSCI All Country World Index, is a widely recognised global equity index. The fund's investment universe comprises nearly 3 000 stocks, from which it selects approximately 600 of the highest ESG-rated companies. Alongside its philosophy of buying high-quality, growing companies at attractive prices, the fund systematically targets companies with high ESG ratings and sets specific, transparent decarbonisation goals that are aligned with the Paris Alignment standard. And the focus on ESG factors, particularly the social aspect, naturally lends itself to a positive bias towards diverse and inclusive leadership teams. While the fund's strong female leadership focus is not a rigid target, it is a deliberate outcome of its ESG-centric investment strategy.

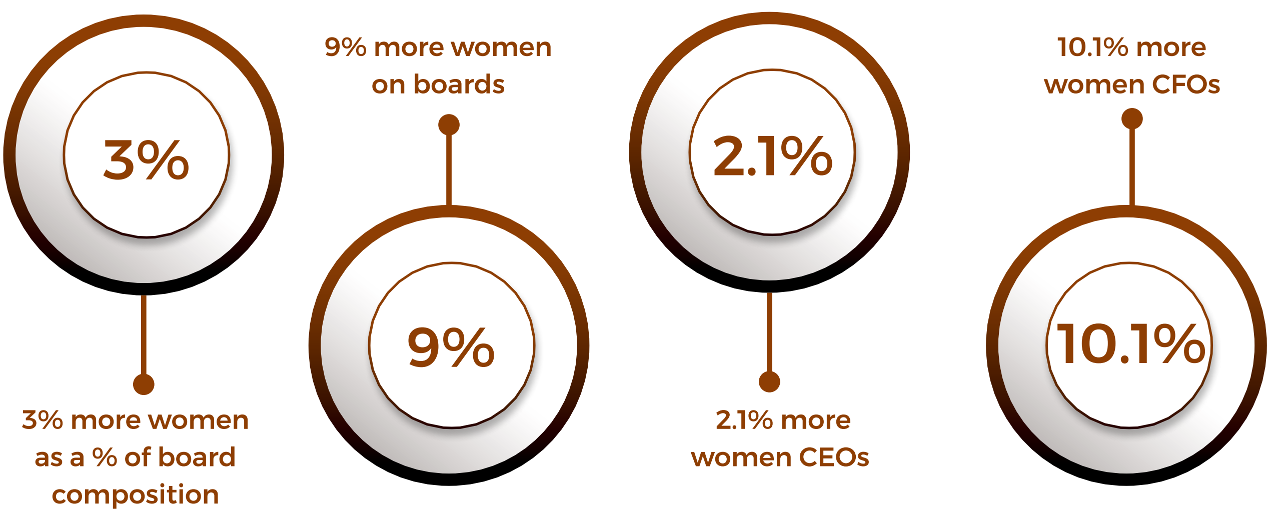
To date, the fund has outperformed its benchmark in terms of both female representation and performance. By comparing the fund's performance to this benchmark, investors can assess the value added by the fund's ESG focus, including its relatively higher weighting to gender-diverse leadership teams. By investing in companies with strong female leadership and robust ESG practices, the fund is not only driving financial returns but also shaping a more equitable future.

ENGAGING WITH COMPANIES

As a steward of global assets, a focus on gender diversity is critical, as this is not only a local challenge. This is why we engage with global firms, through our partners, to emphasise the importance of diversifying a team. In recent company engagements, we voted against the election of certain board candidates due to the company's board gender diversity falling below 30% female representation.

The journey ahead is still long, but we remain committed to driving positive change - both within our organisation and beyond - wherever we can make a meaningful impact.

FEMALE REPRESENTATION: FUND INVESTEE COMPANIES VERSUS BENCHMARK (JUNE 2024)



Source: Old Mutual Investment Group

INVESTING FOR A SUSTAINABLE FUTURE: OUR AFRICA STRATEGY

FOCUSING ON GENDER DIVERSITY

CAVAN OSBORNE,
PORTFOLIO MANAGER

In our Old Mutual African Frontiers Strategy, we recognised that introducing the environmental, social and governance (ESG) framework would enhance our investment risk assessment. Simultaneously, we believe the core principles of ESG align with our values and offer pathways to contribute positively. It is for this reason that we decided to realign the strategy, thus achieving SFDR Article 8 accreditation in 2023. Since then, the strategy adheres to these regulations set forth by the European Union.

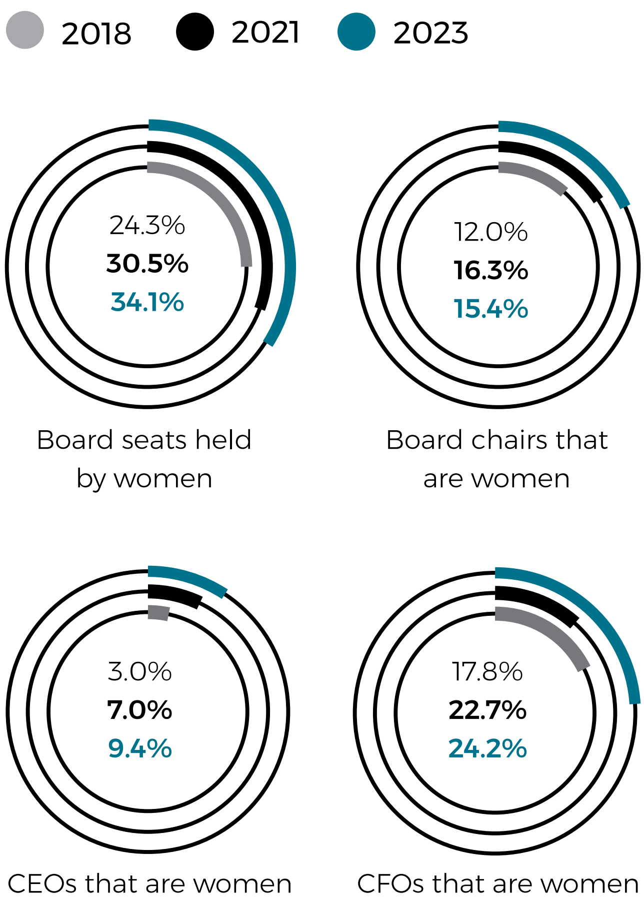
We chose to concentrate on the ESG factors we believe are most critical and impactful for the future. Firstly, recognising the reality of climate change, we focus on greenhouse gas emissions, strongly believing businesses must consider environmental sustainability. Secondly, we prioritise diversity. Women in Africa have historically been underrepresented, and we identified that many companies were consequently missing the broader perspectives women contribute in the boardroom. Publications like the Deloitte Africa Report (using 2022 data) highlight that while there is some progress, it is slow.

We strongly believe that encouraging businesses to empower women fosters the upliftment of communities across the African continent. We are convinced it is possible to generate positive impact alongside positive returns, and the strategy's relative performance serves as a testament to this conviction. Throughout our decades of investing in Africa, it has been exciting to witness the increasing number of women in top management roles. Listed companies across Africa may be getting tired of us nagging them about diversity, emissions and greater transparency, but we remain steadfast.

ABOUT THE OLD MUTUAL AFRICAN FRONTIERS STRATEGY

As an actively managed equity strategy, African Frontiers provides long-term investors with exposure to select fast-growing African economies (ex-SA) through fundamental bottom-up stock picking aimed at maximising returns within a higher risk/return framework. Given that information can be limited, our process relies heavily on direct engagement and on-the-ground research to identify undervalued companies with growth potential. And currently, this strategy is one of the top-performing, having recently won the HedgeNews Africa Award 2024 in the Pan-Africa category.

WOMEN ON BOARDS AND IN THE C-SUITE



Source: Deloitte Global report, eighth edition

TRANSFORMING THE STOCKBROKING INDUSTRY

RODNEY STEENVELD,
HEAD OF EQUITY TRADING

The transformation of the financial industry is a polarising topic, with varying views held on the matter.

My interest in the topic started just over 20 years ago when Old Mutual Investment Group decided to create in-house BEE measurements for the stockbrokers that we trade with.

I created the chart below in 2003 as my first attempt at designing a measuring tool. Thankfully, things have improved since then as technology has advanced over the years.

We have always been intentional about getting stockbroking firms to transform in a meaningful way.

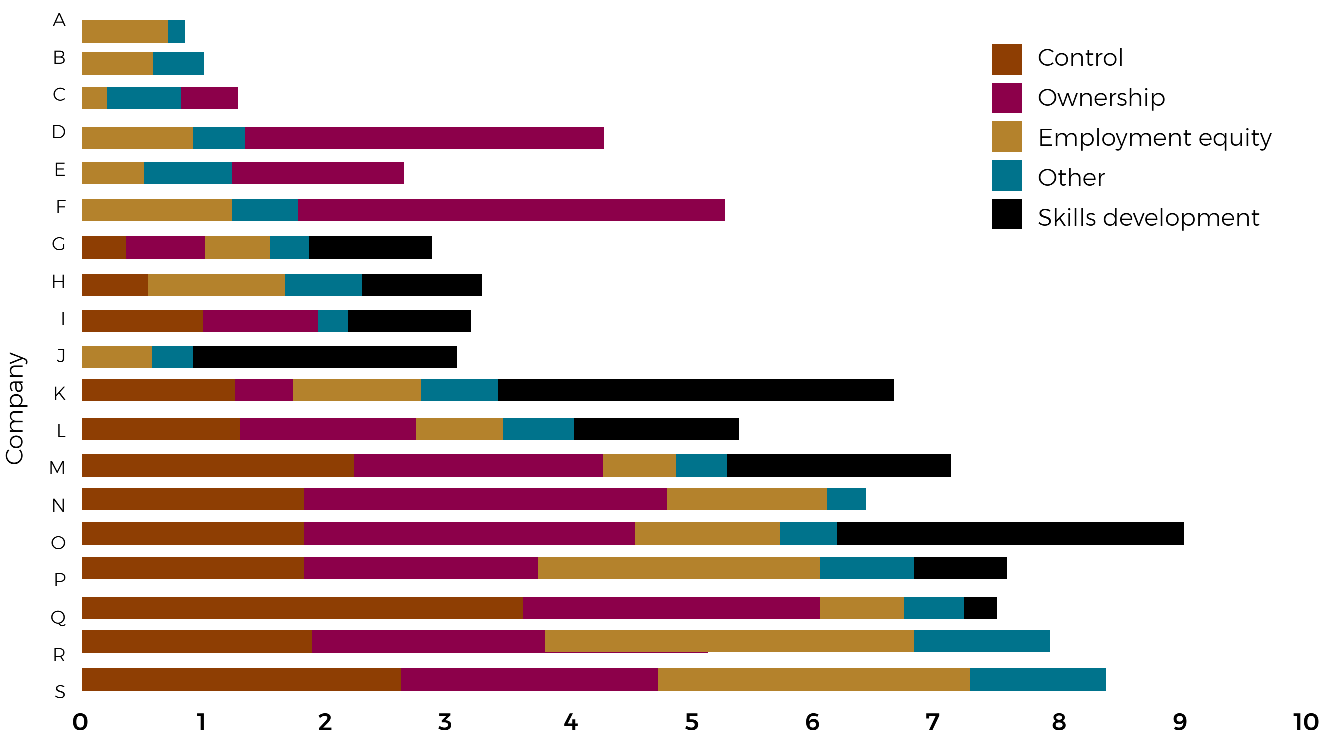
This chart highlights how far back our transformation journey began and demonstrates us "leading by example" compared with other investment managers. According to JSE data, local BEE brokers currently have a market share of around 5%, while the percentage of the market value of trades we allocate to BEE brokers is 57% (YTD - at date of publication).

EMPOWERING BROKERS

In our industry, the main requirement for an "empowerment" broker is to be 51% black-owned and most local brokers can meet that requirement. However, there is always room for improvement and, as a trading desk, we have started partnering with these local brokers to grow the pool of black and female staff in the market.

For our part, we insist on our coverage (or contact person) being black, irrespective of seniority. We are happy to walk the journey with young professionals starting out at stockbrokers' trading desks. We see it as an opportunity to provide career-building exposure to black talent who may not otherwise have had the opportunity. Stockbrokers usually assign their most senior traders to large accounts and the younger traders cover the small accounts – who never get exposure to bigger clients and large trades. This is often the reason why the same, more experienced traders keep getting hired, as brokerage firms believe their clients will only deal with seasoned brokers.

OLD MUTUAL ASSET MANAGEMENT EMPOWERMENT RANKINGS 2003



Source: Old Mutual Investment Group

In terms of the international houses, we feel that despite them only having satellite offices in South Africa, they can still contribute to the transformation of the local financial services industry by training and growing the pool of empowered black and female professionals. Over the past three years, we have achieved our most significant milestone in this area. Among the five international houses (JP Morgan, Citigroup, UBS, Merrill Lynch and Morgan Stanley), we have transitioned to now having our main coverage comprised of 40% black women and 40% black men with ongoing efforts to transform further.

As a desk, we have been intentional in our engagements with stockbrokers and have been the most vocal when their actions contradict our transformation agenda.

We always champion the appointment of empowered professionals from historically marginalised groups, with a special emphasis on women – as the stockbroking industry has always been defined as a male-dominated industry (not helped much by movies such as Wolf of Wall Street). We are making small gains with these endeavours, but it remains firmly on our radar.

Over the past five years, we have more than doubled the percentage of our commission paid to black-owned stockbrokers and it now accounts for around 40% of all commission paid by Old Mutual Investment Group. While our competitors do not publicly disclose this figure, we believe that we have the highest percentage in the market.

In addition, our allocation in rand terms has remained roughly the same over this five-year period. This has meant that we are paying less to other brokers in the market.

We remain unwavering when it comes to our transformation agenda. And with things like "gender lens" investing now gaining traction, we are going to put more emphasis on female representation within stockbroking.

We have shared our side of the transformation journey within stockbroking, and in the following interviews you will get some insights from a few of those brokers we engage with.

"Over the past five years, we have more than doubled the percentage of our commission paid to BEE brokers and it now accounts for around 40% of all commission paid."

ACCESS TO CAPITAL REMAINS A BARRIER TO ENTRY AND GROWTH

THAPELO MAGORO,
CHIEF EXECUTIVE OFFICER OF LONGMARK SECURITIES

Q: What do you see as the biggest challenges or opportunities for transformation within South Africa's stockbroking industry?

The biggest challenges by far are access to markets (i.e. allocations from the buy side) and access to capital. In terms of allocations from the buy side and given the size of assets under management from the large institutions, I believe that there is enormous capacity for them to play a direct role in allocating to black-owned stockbroking businesses that can deliver on expected trading outcomes. Medium-sized and small enterprises on the buy side also have a role to play in this regard.

When it comes to access to capital, the challenges are two-fold:

- Access to working capital, whether equity or debt, remains a challenge and a barrier to entry and growth for many fledgling firms, stockbrokers included.
- For regulatory capital, which determines how much trade flows a broker can execute, there has been some notable interventions from the JSE and the market at large. Most notable for me has been the pioneering initiative by the Municipal Workers Retirement Fund (MWRF), which has allocated funds managed by Crede Capital to support qualifying black-owned stockbrokers in meeting their capital adequacy regulatory requirements.

In addressing the challenges, I believe that, working together with the JSE, participants can innovate and develop affordable initiatives (like that of the MWRF). However, these need to benefit deserving small brokering firms that have a demonstrable track record of regulatory compliance and business sustainability.

Q: What specific steps or policies do you believe would further enhance opportunities for BEE brokers in the local industry?

I think large asset managers have the most significant role to play in this regard. A marginal increase in allocations by large asset managers to small brokerages can have an immediate and disproportionately larger impact on increasing our market share. This shift does not have to be at the expense of services the buy side receives from the bulge bracket service providers. We are talking about single-digit percentage increases. And it can be done easily. The multiplier effect in what the benefiting broker can do with that support should not be underestimated.

Q: Given that female representation in stockbroking remains low, what are the main barriers to women entering the industry and how can their participation be increased?
This speaks to ingrained unconscious bias and stereotypes that associate finance as being a male profession. There are also the work-life balance challenges where clashes between demanding and unpredictable work hours and family responsibilities disproportionately affect women. These constraints can be overcome through deliberate actions with targets set against which companies can be held accountable.

Q: How do you envision the future of South Africa's stockbroking industry, and what role do you foresee local BEE brokers playing in shaping that future?
Small brokers fulfil the unrewarded role of growing some timber, which benefits the large and established participants and the economy at large. Regardless of whether or not a BEE broker grows to be an established player in the market, they can all be catalytic skills development nodes.

Q: Would having more programmes like the ASISA Stockbroking Programme help improve the competitiveness of black stockbrokers?
No. I think the founders of black brokerage firms come from professional careers themselves, and can determine for themselves where their shortcomings are, or where they believe intervention in their business is required. They can then be supported to address those challenges that they have identified. This can be done directly by parties seeking assistance and those offering it.

Q: What do you value most about Old Mutual Investment Group's business approach, particularly its support of local BEE brokers?
I must first commend the team for their ongoing and incremental support of black stockbrokers. I think this sentiment will be echoed by other black stockbrokers. This is not happening in isolation, because the deliberate actions across Old Mutual Investment Group as a whole demonstrate that here is a business that is serious about transformation and is walking the talk. You see it in all levels of its corporate structure. Our industry needs more of these deliberate actions of transforming the corporate structure, women representation and support for black-owned brokers.

Your support has provided some predictability in terms of revenue generation, which is sorely lacking for small brokers. This further enhances resource and business planning, which can take various forms, like taking on interns.

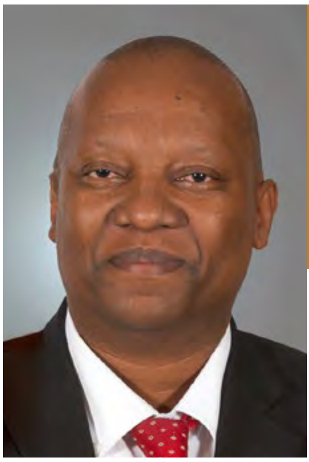
Q: What specific initiatives or actions have we taken that have made a significant difference in your business?
We have seen a material increase in trade allocations compared with the previous year, which has galvanised our trading desk and provided opportunities to show and capture the opposite side of the trade. This further provides an opportunity for business growth.

The Old Mutual Investment Group trading desk has been a true partner to us and has always shown an interest in seeing us, and other black brokers, succeed. It has also been a fair partner that has made it clear that transformation and upholding quality standards and service go hand in hand. We have always been held accountable to that prescript.

"The Old Mutual Investment Group trading desk has been a true partner to us and has always shown an interest in seeing us, and other black brokers, succeed."

SUPPORTING BROKERS' CAPITAL ADEQUACY

REQUIREMENTS FOR EQUITABLE GROWTH



VUSI MKHONDO,
DIRECTOR AT LEFIKA SECURITIES

Q: What do you see to be the biggest challenges for transformation within South Africa's stockbroking industry?
A major challenge our industry faces is access to capital. Regulatory obligations impose significant demands on capital requirements, constraining the growth of emerging stockbroking firms. These requirements also make it challenging for new players to enter the market, limiting diversity and innovation. The lack of capital further restricts access to markets as it impacts the ability of smaller brokers to procure flow or access larger institutional clients.

While black-owned brokers often recruit talent straight from universities, they struggle to retain these recruits. Larger financial institutions, such as banks, often attract these young professionals with higher pay cheques, even though these jobs may lack the depth of responsibilities or opportunities that smaller stockbroking firms could offer.

Q: What specific steps or policies do you believe would further enhance opportunities for BEE brokers in the local industry?
I think there are a couple of ways to create opportunities for brokers:

- "Lazy" capital held in asset managers' custodian bank accounts could be used to support brokers' capital adequacy requirements. There is no excuse as the JSE has updated its rules to allow third parties to fund capital adequacy for brokers under specific conditions.
- Trades that do not require research, such as transition trades and rebalancing trades, could be primarily directed to Black-owned brokers to improve their flow and support their growth.

Within these scenarios, all brokers then need to be held accountable against their stated objectives.

Q: Given that female representation in stockbroking remains low, what are the main barriers to women entering the industry and how can their participation be increased?
Several factors contribute to fewer women in stockbroking. One is the toxic masculinity that is often prevalent on trading desks, including fixed income desks. This is impossible to change if desks themselves are not transformed. A quick win here could be for the buy-side to demand interacting with female traders. This would incentivise desk heads to prioritise hiring women. Also, the way relationships are built between the buy-side and sell-side needs a complete overhaul to ensure that women are fully accommodated and supported in these interactions.

Another change that needs to happen is a societal one. Achieving this is difficult and requires a cultural shift that supports women working long hours. Currently, women often face social stigma for choosing careers in financial markets.

Q: How do you envision the future of South Africa's stockbroking industry, and what role do you foresee local BEE brokers playing in shaping that future?
I expect all international brokers to leave our South African market. Their operations have never been profitable and are always heavily cross subsidised by other business units. We can also expect local banks to fill the gaps – using their strong balance sheets to dominate the SA market. This will lead to several smaller players being unable to manage their cost structures and being forced to close. This will naturally force consolidation from independent brokers. Transformation will now evolve, and definition will change to stipulate organically grown Black firms versus traditionally white firms that recently became empowered through corporate action. Real transformation versus Irish coffee?

Q: Would having more programmes like the ASISA Stockbroking Programme help improve the competitiveness of black stockbrokers?
No. However, if all players across the value chain, starting with pension funds and asset managers as implementers, become deliberate and intentional about transformation, it will happen. A focus on access to capital and access to markets goes to the heart of the problem.

Q: What do you value most about Old Mutual Investment Group's business approach, particularly in its support of local BEE brokers?
They demonstrate a clear commitment to supporting local black brokers by intentionally directing a meaningful portion of its brokerage spend to them. We appreciate this material support. The team's direct and frank feedback sessions are also highly valuable. Such communication strengthens partnerships and ensures alignment of business objectives. For instance, female empowerment has always been central to Lefika Securities' DNA and Old Mutual Investment Group's support for this initiative validated our decisions and reinforced our commitment. Being acknowledged in this way truly makes a difference.

Their commitment to our business has provided us with revenue diversification, enabling our trading team to grow in knowledge and confidence. It has also ensured a predictable and sustainable income, which is fundamental to our stability and growth and supports effective long-term planning.

Q: How has our support enabled you to achieve meaningful transformation outside of your business?
With the support of Sne Dlamini, Mpho Mtsi and Nono Melapi, and financial support from Old Mutual Investment Group, we held a very successful career day at the Saulridge High School. We are now working very closely with the SMT to identify other needs and be more supportive to the school.

Through the Lefika Rock Foundation, every three-year period, we identify a girl student with academic potential and sponsor her tertiary education. To date, we have sponsored five students, with our sixth beneficiary joining the programme in 2025.

Q: Is there anything else you'd like to share about your experience working with Old Mutual Investment Group or your perspective on the stockbroking industry?
It would be beneficial for the industry if Old Mutual Investment Group were to use its influence within ASISA to actively promote the strategies it uses to support stockbrokers, so that more industry players are inspired to adopt similar approaches.

It would be beneficial for Old Mutual Investment Group to engage more actively on transformation issues with the Government Employees Pension Fund/PIC and the Eskom Pension and Provident Fund (EPPF). Both funds have been vocal on this topic, and closer collaboration would positively benefit the market.

"Their commitment to our business has provided us with revenue diversification, enabling our trading team to grow in knowledge and confidence."

SMALL BROKERS RELY ON STEADY FLOW

FROM LARGE ASSET MANAGERS TO GROW

SEMADI ERNAUS MOTAU,
CHIEF EXECUTIVE,
NAVIGARE SECURITIES

Q: What do you see as the biggest challenges for transformation within the stockbroking industry in South Africa?
One of the biggest challenges in our industry is our oligopolistic ecosystem. Fifteen years ago, the top 10 brokers on the JSE accounted for 70% of the value traded. Today, that has grown to 90%, further squeezing out smaller players. Another challenge is the increasing regulatory burden. Changes in regulation continue to increase the complexity of compliance and risk management, thereby raising the costs and friction. With new regulations also come new technology requirements. The increase of data costs and cyber security threats adds to these difficulties.

In our product-driven market, brokers must offer a range of financial offerings. This requires a strong balance sheet to support the execution and settlement of often sophisticated products, as investors demand both leverage and liquidity. Unfortunately, smaller brokers typically lack the resources to offer this. Added to this is the fight for talent. As new recruits gain experience, they often get poached by larger houses. This makes it difficult for smaller players to nurture institutional knowledge and build capacity in a sustainable way.

The industry is also grappling with market fragmentation, as an increasing proportion of SA shares are traded offshore. Lacking access to trade in foreign markets restricts our ability to provide a full-service offering. In addition to this, we also have delistings reducing local investment opportunities. These factors, combined with declining market liquidity, geopolitical uncertainties and rapidly changing regulations (such as FMA Review, COFI, Regulation 28 and the Companies Act) present significant challenges for our industry.

Q: What specific steps or policies do you believe would further enhance opportunities for local BEE brokers in the industry?
There are several steps that can be taken in this regard:
- The formation of an industry "shared services" platform would enable brokers to share the costs associated with future technology requirements.
- Facilitating industry access to diverse liquidity pools would enhance smaller brokers' ability to trade dual-listed stocks, which currently accounts for the majority of the JSE value traded. This will create additional revenue opportunities for brokers while improving best execution for clients.
- Smaller brokers also need support to meet capital adequacy requirements. Any assistance with capital adequacy must be matched by the broker's own capital contribution.
- Brokerages could also be capacitated through targeted training programmes.

"Fifteen years ago, the top 10 brokers on the JSE accounted for 70% of the value traded. Today, that has grown to 90%, squeezing out smaller players."

Q: Given that female representation in stockbroking remains low, what are the main barriers to women entering the industry and how can their participation be increased?
While setting female representation targets is good, we need to be more deliberate about fostering cultural environments that are inclusive and that incentivise women professionals to stay in the sector. Recruitment efforts should also be more intentionally targeted towards attracting women candidates.

Q: How do you envision the future of the stockbroking industry in South Africa, and what role do you see local BEE brokers playing in that future?
Technology and capital are becoming increasingly important, alongside compliance and risk. Growing obligations will drive smaller brokers towards becoming FSPs, a trend already underway. Many brokers now hold a level 1 BEE rating, negating this differentiating credential. Black-owned brokers must focus on developing unique, value-added offerings.

Global harmonisation of regulation is another trend that will shape the industry going forward. I have discussed the challenges of changing regulations for smaller brokerages, and why we need to have greater collaboration across the industry.

BEE brokers need to compete meaningfully with the top 10 brokers in capital, products and services. Commission pools are shrinking, increasing the squeeze on commission.

Q: Would having more programmes like the ASISA Stockbroking Programme help improve the competitiveness of black stockbrokers?
Empowering and upskilling brokers works provided it is matched by a reinvestment requirement. Without this, owners will just draw on the benefits without developing new capacity and keeping up with industry requirements. ASISA members also need to be more accessible.

Q: What do you value most about Old Mutual Investment Group's approach to doing business, particularly in terms of supporting local BEE brokers?
They prioritise execution, providing smaller brokers with consistent trading flow they can leverage to build visibility in the market. This alleviates the pressure of developing costly research offerings upfront and encourages a sustainable, value-accretive approach.

Old Mutual Investment Group is one of our top clients and it provides consistent trading flow within our capital adequacy capacity, which facilitates sustainable growth. The sustained business flow has enabled us to plan more effectively. We have made significant investments in our machine learning and GenAI offerings. Over the past three years, we have grown this initiative into a strong 10-person team with top skills in data science, coding and development.

Their transparency regarding technology and compliance requirements has further fostered trust between us. Having access to the various teams has enabled Navigare to position its offering to Old Mutual Investment Group. However, this is something we believe can be significantly improved.

Q: What specific initiatives or actions have we taken that have made a significant difference in your business?
The Old Mutual Investment Group trading desk uses some of our quant, machine learning and data offerings. As a result, we have been able to execute a basket portfolio around liquidity events using our in-house developed tools.

Their automated and efficient settlement process enable early commitment to transactions, freeing up our CapAd. This improves our capital usage efficiency, enhancing our ability to trade more on the JSE.

Q: How have these specific initiatives or actions enabled you to drive the achievement of meaningful transformation outside of your business?
The increase in business flow from Old Mutual Investment Group has boosted our profitability, enabling us to support CSI initiatives. This includes contributing to enterprise development for some of our smaller suppliers and supporting external learner programmes.

Q: Is there anything else you'd like to share about your experience working with Old Mutual Investment Group or your perspective on the stockbroking industry?
The broking industry is shrinking as barriers to entry rise and the cost of competing increases.

More medium to smaller brokers are likely to opt to become financial service providers rather than remain members of the JSE.

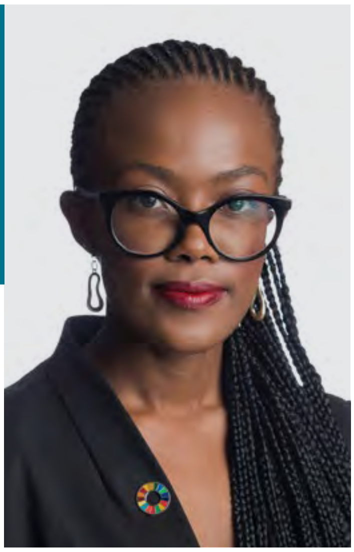
The industry needs to address both liquidity challenges on the JSE and access to other liquidity pools. The shrinking universe of listed equities is a growing concern, while the increase in listed instruments is creating a product-driven, balance-sheet-heavy market.

Transformation is an economic imperative for South Africa and must not be treated as a tick-box exercise. The fiduciary obligations of the sector require that transformation is implemented holistically to avoid introducing unwarranted risks.

"We need to be more deliberate about fostering cultural environments that are inclusive and that incentivise women professionals to stay in the sector."

STEWARDSHIP – FROM CUSTODIAN TO CATALYST: THE ROLE OF STEWARDSHIP IN TRANSFORMATION

CHUMISA YONA,
RESPONSIBLE INVESTMENT RESEARCH ASSISTANT



As stewards of clients' capital, asset managers are uniquely positioned to influence and engage with investee companies to drive accountability and ensure alignment with the principles of responsible corporate citizenship. This extends beyond financial performance to encompass gender equality, social transformation and community upliftment.

In a rapidly transforming economic landscape, asset management's role in effecting change through stewardship has become more critical than ever. Our engagements with companies like Northam Platinum and Shoprite Holdings Limited illustrate the potential for meaningful change when businesses prioritise equity, inclusion and long-term sustainability.

NORTHAM PLATINUM: ADVOCATING FOR FAIRNESS AND EMPOWERMENT

Mining remains one of the most challenging industries for gender inclusion, often characterised by limited pay equity, harsh working conditions and a historically male-dominated environment. However, Northam Platinum is actively working to change this narrative. Signalling its commitment to fairness, the company has implemented an “equal pay for equal work” policy that is regularly reviewed for compliance.

Through engagements with the company, we have advocated for setting targets to increase female representation across all levels, including management and the broader workforce, and ensuring accountability in achieving these goals.

This conscientious and measurable approach addresses the financial insecurities that many families face, particularly for women who often bear a disproportionate share of family financial burdens. Northam’s efforts set a new standard in transforming mining, proving that ethical practices in pay equity and fair working conditions can serve as cornerstones for broader social transformation.

Additionally, we engaged Northam on the need for socioeconomic considerations in bonus payouts. To further enhance stakeholder trust, we recommended stretching vesting periods and introducing holding periods for executive incentives, aligning remuneration practices with long-term value creation. The Remuneration Committee Chair agreed to take this forward in future discussions to refine the bonus structures.

Northam’s efforts extend beyond pay equity to initiatives like the Toro Employment Empowerment Trust, a profit-sharing scheme designed to benefit unskilled and semi-skilled workers, enabling them to share in the mine's success. Further, the company invests in workforce development through learnerships, internships and bursaries to enhance its talent pool. These initiatives collectively highlight Northam's commitment to empowering its workforce and driving sustainable transformation in one of South Africa's most challenging sectors.

SHOPRITE HOLDINGS: LEADING BY EXAMPLE IN WORKFORCE EQUITY

As South Africa's largest private sector employer, Shoprite Holdings is a key driver of workplace transformation and community upliftment. To address income inequality and minimise employee turnover, the company has instituted a minimum wage, including a dedicated minimum cashier wage with forecasted increases.

Over the years, we have noted the company's policy amendments reflect its commitment to addressing shareholder concerns. This is evident in the integration of sustainability, environmental and social issues into the company's business strategy through the inclusion of key ESG metrics in its short-term incentive (STI) and long-term incentive (LTI) outcomes. Shoprite has continued to enhance its ESG focus through implementing succession planning performance measures, which account for 10% of the LTI weighting. This is aligned with the board's focus on succession planning as an enabler of its transformation targets for top management, as well as ensuring the company's long-term sustainability. By clearly linking compensation to performance aligned with both a transformation strategy and broader company strategy, Shoprite's remuneration policy ensures that it can be held accountable by shareholders and employees alike.

To further promote equity in the workplace, the SHP Employee Trust disproportionately benefits frontline employees, the majority of whom are black women, reflecting the company's efforts to empower marginalised groups. In addition, Shoprite is conducting a gender pay gap analysis to address disparities, a process we continue to monitor and encourage.

Shoprite also invests in programs to build its future talent pipeline, such as bursaries like the Youth Employment Service (YES) programme, which aims to address youth unemployment. YES, typically achieves an absorption rate of around 30%. Additionally, the company provides various training initiatives for their existing workforce, including the "Signature" Leadership programmes and Retail Readiness programme.

Shoprite invests significantly in educating all of its staff on key issues related to inequality, diversity and inclusion, underscoring its commitment to creating positive change and fostering a diverse environment. This includes conducting workshops and maintaining ongoing communication to ensure employees are well-informed and empowered to contribute to the company's efforts in these areas.

These initiatives play a crucial role in the company's transformation and progress towards a more equitable and inclusive workplace.

THE ROLE OF STEWARDSHIP IN DRIVING TRANSFORMATION

Stewardship, as practiced by asset managers, is a powerful mechanism for driving meaningful transformation across industries. Through proactive engagement with companies like Northam and Shoprite, we aim to enhance their accountability and commitment to social equity. These efforts not only foster positive change within their workforces but also contribute to broader societal transformation. By addressing issues such as gender inclusion, we encourage companies to lead by example, creating lasting value for their employees, stakeholders and the communities they serve.

"Stewardship, as practiced by asset managers, is a powerful mechanism for driving meaningful transformation across industries."

EMPOWERING COMMUNITIES, TRANSFORMING LIVES

Through the Green Hands Trust, Old Mutual Investment Group staff give of their time and money to address a range of community needs. Green Hands is about more than just a handout and a smile. It is about us rolling up our sleeves and working together with our communities.

BREAKING THE CYCLE: EMPOWERING YOUNG WOMEN

"Period poverty" emerges as a silent crisis that casts a profound impact on the dignity, education and work productivity of countless South African women. A term that encapsulates the lack of access to menstrual hygiene products, period poverty is a significant challenge facing millions of women and girls. This silent crisis has far-reaching consequences, impacting education, health and economic opportunities.

It is estimated that approximately 22 million women in South Africa experience their menstrual cycle each month, with a staggering 35% forced to make the agonising choice between purchasing basic necessities, like a loaf of bread, or securing sanitary products.

One of the most devastating effects of this is its impact on girls' education. When young women are unable to manage their periods with dignity, they are often forced to miss school, leading to significant academic setbacks. Over four million women in schools, universities and sports clinics miss out on education and training for an average of five days each month due to the unavailability of sanitary products. This not only hinders their personal development but also perpetuates a cycle of inequality.

BREAKING THE CYCLE

To tackle this urgent and widespread issue, organisations like the MENstruation Foundation are committed to providing access to affordable, sustainable and locally-made menstrual products. The organisation also recognises the long-term need for sustainable investing by supporting local manufacturing and actively engaging in producing high-quality, eco-friendly sanitary pads. These products are distributed through various channels, including NGOs, retail outlets, corporate partnerships and government initiatives. The innovative use of non-electric Sanitary Product vending machines also play a pivotal role in their distribution strategy.

Through our staff volunteer programme, Green Hands, we partner with the MENstruation Foundation to make a tangible difference in the lives of young women. In 2023, Green Hands donated R88 000 to the installation of a sanitary pad vending machine at Ikamvalethu Secondary School in Langa. This ensures that young women have easy access to sanitary products, empowering them to stay in school and pursue their dreams. And in 2024, we committed to an additional contribution of R68 000 to restock the vending machine, ensuring its sustained operation and impact.

INVESTING IN THE FUTURE

By supporting initiatives like these, we are not only addressing a critical health and social issue but also investing in the future of our nation. Educated women are more likely to contribute to economic growth, break the cycle of poverty and become leaders in their communities.

MORE GREEN HANDS INITIATIVES

EDUCATE AND EMPOWER THROUGH TECHNOLOGY

R135 780

donated to Carbonado Energy Autism Centre (CEAC)

EMPOWERING SOUTH AFRICA'S COMMUNITIES

ACCESS TO SWIFT MEDICAL RESPONSE

R222 118

donated to the 1CC Foundation

REGULATORY INFORMATION

Sources: Except where an alternative source is referenced on a specific graph, all graphs have been produced by Old Mutual Investment Group, acknowledging the following sources of external data: FactSet, I-Net Bridge, Colin Firer, Bloomberg, BNP Paribas Cadiz Securities, Bank of America Merrill Lynch, UBS, JP Morgan, Citigroup, Barclays and Deutsche Securities.

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Investment administration of our local funds is outsourced to Curo Fund Services (Pty) Ltd, 50% of which is owned by Old Mutual Investments (Pty) Ltd. The Investment Manager has comprehensive crime and professional indemnity insurance.

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FOR MORE INFORMATION

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