

DECEMBER 2024

OLD MUTUAL ABSOLUTE GROWTH PORTFOLIO

NAMIBIA

PRODUCT OVERVIEW

The Old Mutual Absolute Growth Portfolios target returns above inflation over the long term, while significantly reducing the volatility associated with market-linked investments. The Absolute Growth Portfolios cater for investors with different risk-return appetites by offering the following range of guarantees on benefit payments:

- Absolute Smooth Growth with a 50% guarantee
- Absolute Stable Growth with an 80% guarantee

TARGET RETURN

For the underlying portfolio

Gross Target Return

Absolute Growth Portfolios NCPI +4.20 - 6.20 % p.a.

The portfolio's Gross Target Return is over the long term and is gross of capital charges and investment management fees.

For each guarantee option

Bonuses are applied to investments net of capital charges. As such the **Net-of-Capital Charge Target Return** for each guarantee option is determined by deducting the **Capital Charge** for each option from the underlying portfolio's **Gross Target Return**.

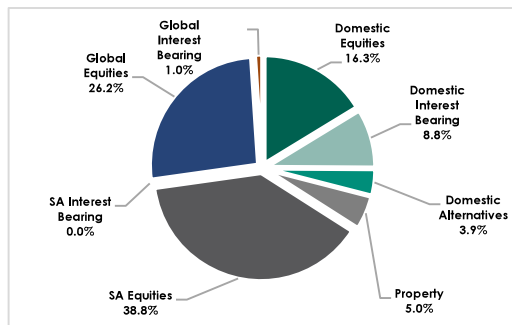
Guarantee Option	Capital Charge	Net-of-Capital Charge Target Return
Absolute Smooth Growth	0.20%	NCPI + 4.0% - 6.0% p.a.
Absolute Stable Growth	0.70%	NCPI + 3.5% - 5.5% p.a.

Target returns are what the portfolio aims to deliver over the long term and are not guaranteed.

FUND SIZE

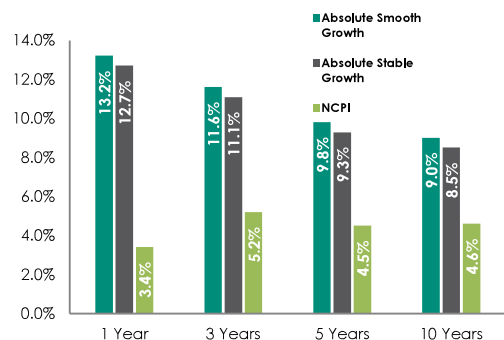
N\$ 9.3 billion as at 31 December 2024 (based on all product options within the Absolute Growth Portfolios).

STRATEGIC ASSET ALLOCATION



PERFORMANCE

Absolute Growth Portfolio returns (net of base fees) versus inflation to **31 December 2024**.



12 – MONTH BONUS HISTORY

Net-of-Capital Charge Monthly Bonuses are declared monthly in advance. The bonus declaration process is transparent and based on a defined formula

DATE		ABSOLUTE GROWTH PORTFOLIO	
		Smooth	Stable
2024	Jan	0.84%	0.80%
	Feb	0.84%	0.80%
	Mar	0.84%	0.80%
	Apr	0.85%	0.81%
	May	0.84%	0.80%
	Jun	0.83%	0.79%
	Jul	1.34%	1.30%
	Aug	1.34%	1.30%
	Sep	1.30%	1.27%
	Oct	1.32%	1.28%
	Nov	1.33%	1.29%
	Dec	0.82%	0.78%

INVESTMENT MANAGEMENT FEE

Base Fee (Min 5,000.00) 0.70% - 0.55% p.a.

MARKET COMMENTARY

The 2024 calendar year was characterised by a more optimistic outcome for local investors following the South African elections and the formation of the Government of National Unity. In the rest of the world Global geopolitical challenges persists with specific focus on Russia and Ukraine as well as the middle east that could filter through to oil prices. From a Macro Economic perspective globally, the Federal Reserve cut the target funding rate three times in 2024 with a total reduction of 1% stimulating spending and supported global equity markets in general. The Bank of Namibia reduced the Namibian REPO rate twice by 25 basis points during 2024, lending some support to the local economy where the impact of high real rates can be felt with low credit exemption numbers compared to history with the implication of generally lower activity. The Namibia Statistics Agency published the 2024 Third Quarter Gross Domestic Product numbers during December. Local economic activity continued a strong positive trajectory with real growth for the third quarter recording 2.8% compared to a revised 2.7% (from 3.5%) during the second quarter of 2024 on a year over year quarterly basis. The economic sectors that supported the growth number include Health, Transport and Storage and Financial Services. The two sectors that detracted from overall growth was Mining and quarrying, down 6.7%, and Agriculture and forestry being down 6.3%. Globally growth is expected to remain flat at just above 3% according to the International Monetary Fund.

Offshore equity, as represented by the MSCI All Country World Index converted into local currency returned 7.7% for the quarter. Over a rolling year the MSCI All Country World Index converted into local currency returned 18.7%. The Rand lost 2.6% against the US Dollar while on an annualized basis over three years the Rand lost 5.7% per year. South African Equity as represented by the JSE SWIX recorded a loss of 2.1% for the quarter whilst over a rolling year the JSE SWIX gained 13.5%

Locally in Namibia the NSX Overall Index lost 4.4% for the quarter under review. The NSX Overall Index gained 15.9% for the rolling year ending December 2024. The NSX Local Index, representing primary listed securities, gained 10% for the rolling year.

Offshore Fixed Interest as represented by the Bloomberg Global Aggregate Index converted into Rand gained 5.8% for the quarter ending December 2024. Whilst over a rolling year offshore bonds gained 3.9%. South African Bonds as represented by the ALBI gained 0.4% for the quarter whilst over a rolling year the ALBI

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gained 17.2%. Namibian Bonds gained 14.2% for the rolling year. Money Market in both South Africa and Namibia returned around 8.5% for the year ending December 2024

Volatility as represented by the VIX Index increased during the period compared to a year ago. At these levels volatility can be considered to be normal to high. At current levels inflation is generally low being less than the average inflation for the prior three years. The latest available annual inflation rate for Namibia is 3.4%.

CONTACT DETAILS

Sales Consultant
Justina Hamupembe
+264 (0) 812726001
JHamupembe@oldmutual.com

Sales Consultant
Andreas Shipanga
+264 (0)81 956 1122
AShipanga@oldmutual.com

National Sales Manager
Fabio Do Rego
+264 (0)81 956 1201
FDRego@oldmutual.com

Head of Distribution & Retention
Isaack Veii
+264 61 299 3493
IVeii@oldmutual.com

Website: <https://www.oldmutual.com.na/corporate/retirement-funds-and-investments>