



**Old Mutual Unit Trusts Equity Fund
Financial Statements
for the year ended 31 December 2024**

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Note: Unless stated otherwise, all the financial amounts are presented in Zimbabwe Gold (ZWG\$).

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

GENERAL INFORMATION

NATURE OF BUSINESS

Old Mutual Unit Trusts Equity Fund ("the Fund") aims to provide capital growth over the medium to long term through investing in the listed equities on the Zimbabwe Stock Exchange (ZSE). The Fund aims to achieve its objectives through a careful selection of shares across all sectors of the stock market based on thorough research of the companies to assess their intrinsic values from a medium to long term perspective. This is a moderate to high-risk fund, whose value fluctuates up or down in line with share prices on the ZSE, whose prices are affected by the performance of the listed companies, the economic and political environment and outlook.

FUND MANAGER REGISTERED OFFICE

Mutual Gardens
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Emerald Hill
Harare
Zimbabwe

POSTAL ADDRESS

PO Box 70
Harare
Zimbabwe

REGISTRATION NUMBER

39156/2008

ATTORNEYS

Name of law firm

Dube, Manikai & Hwacha Legal Practitioners

Gill, Godlonton & Gerrans Legal Practitioners

Kantor & Immerman

Address

6th Floor Goldbridge, Eastgate Complex,
Sam Nujoma Street/ Robert Mugabe

Beverly Court, 100 N. Mandela Ave, Harare

McDonald House, John Landa Nkomo Avenue, Harare, Zimbabwe

TRUSTEES REGISTERED OFFICE

Stanbic Investor Services Zimbabwe
59 Samora Machel Avenue
Harare
Zimbabwe

BANKERS

Stanbic Investor Services Zimbabwe
59 Samora Machel Avenue
Harare
Zimbabwe

AUDITORS

Axcentium
West Block, Borrowdale Office Park, Borrowdale Road,
Borrowdale
Harare
Zimbabwe

PREPERATION SUPERVISED BY

Faith Mundeta
PAAB Registration number: 0710

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
THE FUND MANAGER'S STATEMENT OF RESPONSIBILITY
31 DECEMBER 2024**

The Fund Manager, Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG), has pleasure in presenting the financial statements of the Old Mutual Unit Trusts Equity Fund ("the Fund") for the year ended 31 December 2024. The Fund is an investment vehicle for various clients whose funds are pooled together.

The objectives of the Fund are:

- To provide investors with an investment that balances long term capital growth and regular income; and
- To provide a medium risk profile by spreading investments over several sectors of the economy.

Responsibility

The Fund Manager is responsible for the preparation, integrity, objectivity and fair presentation of the inflation adjusted financial statements of the Fund, comprising the inflation adjusted statement of financial position as at 31 December 2024, the inflation adjusted statements of comprehensive income, inflation adjusted cash flows, changes in net assets of unit holders and the notes to the inflation adjusted financial statements for the year then ended, which include a summary of material accounting policies and other explanatory notes, in accordance with in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed, that fairly present the state of affairs of the Fund at the end of each financial period.

The OMIG Board set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded, and the risk of error, fraud or loss is reduced in a cost-effective manner as well as making appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authority within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

Compliance with legislation

These financial statements, which have been prepared on an inflation adjusted basis, are based on the application of inflation indices on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable) agree with the underlying books and records. They have been properly prepared in accordance with the accounting policies set out in note 2 and comply with the disclosure requirements of the Collective Investments Schemes Act (Chapter 24:19).

Compliance with IFRSs– International Financial Reporting Standards.

The financial statements are prepared with the aim of complying with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the International Accounting Standards Board (IASB) and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC). Complying with IFRSs achieves consistency with the financial reporting framework adopted by the Fund Manager's ultimate parent company, Old Mutual Limited, which is incorporated in South Africa. Using a globally recognized reporting framework also allows comparability with similar businesses and consistency in the interpretation of the financial statements.

The emergence of hyperinflation has resulted in the adoption of inflation adjusted accounts prepared in terms of International Accounting Standard 29 (IAS29) "Financial Reporting in Hyperinflationary Economies", as the primary basis of reporting.

Accordingly, the inflation adjusted financial statements represent the principal financial statements of the fund. Historical cost financial statements have been presented as supplementary information to the restated financial statements as per Pronouncement 01/2019 issued by the Public Accountants and Auditors Board on 11 October 2019.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
THE FUND MANAGER'S STATEMENT OF RESPONSIBILITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Financial highlights

The operating results and financial position of the Fund are set out in the statement of comprehensive income, statement of financial position, statement of changes in net assets of unit holders, statement of cash flows and the accompanying notes.

The Fund recorded an inflation adjusted net income attributable to unit holders of ZWG\$20,404,202 for the year ended 31 December 2024 (2023: net income of ZWG\$12,163,424).

The Fund, in accordance with trends observed in the rest of the economy, has seen an increasing proportion of transactions denominated in United States Dollars, a currency which is not subject to hyperinflation. Users of the financial statements are advised to consider the implications of the multicurrency environment on the business and are also referred to supplementary information on pages 36 - 38 for further disclosure.

Going concern

The Fund Manager has assessed the ability of the Fund to continue operating as a going concern and believe that the preparation of financial statements using the going concern assumption is still appropriate. Additional detail on using this basis is provided in note 13.

Fund Manager's responsibilities for the financial statements

The OMIG Audit, Risk and Compliance Committee (ARCC), together with the Group Internal Audit, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

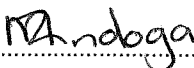
Based on the above, the Fund Manager is satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The Fund will consistently adopt appropriate and recognised International Financial Reporting Standards (IFRSs). The financial statements are based on the statutory records that are maintained under the historical cost convention except for financial assets and liabilities that are carried at fair value.

The Fund Manager has ensured that the Fund has complied with the laws and regulations in all material respects.

It is the responsibility of the independent auditors to express an opinion on the financial statements. Their report to the participants of the Fund is set out on pages 5-8.

The Fund Manager's statement of responsibility and the financial statements were approved on 28 March 2025 and are signed by:


.....
Fund Manager

28 March 2025

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
THE TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustee's responsibilities for the financial statements

Stanbic Investor Services Zimbabwe is the Trustee for the Old Mutual Unit Trusts Equity Fund ("the Fund") in terms of the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed.

In terms of the Trust Deed, the Trustee is a person or an entity who hold the assets of the Fund in trust for the participants. It is the duty of the Trustee to take reasonable care to ensure that the Fund is managed by the Fund Manager in accordance with the Collective Investment Schemes Act (Chapter 24:19) and the Trust Deed, in relation to the pricing of, and dealings in, units in the Fund, the application of income of the Fund, and the investments applicable to the Fund.

The Trustee is required to satisfy themselves on reasonable grounds and on a continuing basis that the Fund Manager has maintained and is maintaining sufficient financial records. The Trustee takes into their custody or under their control, all the capital property of the Trust and hold it in trust for the unit holders in accordance with the Trust Deed and, hence, the Trustee along with the Fund Manager, are responsible for taking all reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

Under the Collective Investment Schemes Act (24:19), the Trustee is required to keep accurate accounts and records. Pursuant to the Trust Deed, this duty is devolved to the Fund Manager who is required to keep, in accordance with the requirements of the law proper, books of accounts and records showing all transactions effected on behalf of the Fund and arrange for the audit and delivery of financial statements to the Trustee. The Trustee may accept and shall not be bound to verify the financial statements produced by or on behalf of the Fund Manager unless the Trustee has actual notice of any irregularity.

Conclusion

Having carried out such procedures as we consider necessary to discharge our responsibilities as the Trustee of the Fund, based on the information available to us and the explanations provided, we report that in all material aspects the Fund, acting through the Fund Manager:

- (i) kept, in accordance with the requirements of the law proper, books of accounts and records showing all transactions effected on behalf of the Fund and arranged for the audit and delivery of financial statements to the Trustee in accordance with the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed; and
- (ii) has observed the investment and restrictions of the scheme.



Trustee
Stanbic Investor Services Zimbabwe
59 Samora Machel Avenue
Harare

28 March 2025

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**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS EQUITY FUND
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS**

Opinion

We have audited the inflation adjusted financial statements of Old Mutual Unit Trusts Equity Fund ("the Fund") set out on pages 9 to 35 which comprise the inflation adjusted statement of financial position as at 31 December 2024, and the inflation adjusted statement of comprehensive income, inflation adjusted statement of changes in net assets of unit holders, and inflation adjusted statement of cash flows for the year then ended, and the notes to the inflation adjusted financial statements, including material accounting policy information.

In our opinion, the accompanying inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of the Fund as at 31 December 2024, and its inflation adjusted financial performance and its inflation adjusted cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of inflation adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis of opinion section, we have determined the matters below to be the key audit matter to be communicated in our report:

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS EQUITY FUND
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS (continued)**

Key audit matters (continued)

Key audit matter	How the matter was addressed in the audit
<p>Net assets attributable to unit holders</p> <p>Included in the inflation adjusted statement of changes in net assets of unit holders as at 31 December 2024 are net assets attributable to unit holders amounting to ZWG\$ 49 809 208 (2023: ZWG\$ 31 836 034).</p> <p>The accounting policy and disclosures for units in issue attributable to unit holders are included in note 2 and note 12 respectively. The balance is indicative of the unit holders' investments in the Fund.</p> <p>Net assets attributable to unit holders have been considered a key audit matter as a result of the significant volumes of units in issue, the frequency of issuing and redemption of units and the materiality of the balances in relation to the financial statements as a whole.</p>	<p>To respond to the key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> • We evaluated the design and tested the implementation of controls management has put into effect relating to the issuing and redemption of units; • We confirmed units in issue from the Trustee and compared this to the ledger; • We performed completeness test for units in issue; • We recomputed the value of units in issue as per the client numbers and compared this to the value we confirmed from Stanbic; • We performed an analytical expectation and expressed variances of monetary values in issue as percentages of total value of investment for the fund; • We inspected underlying supporting documentation to determine the gross market value of the units in issue; and • We assessed adequacy of the disclosures in the inflation adjusted financial statements for compliance with International Accounting Standard (IAS) 1, Presentation of financial statements. <p>Based on our procedures we found that the net assets attributable to unit holders were appropriately accounted for.</p>

Other Information

The Fund Manager is responsible for the other information. The other information comprises the Fund Manager's statement of responsibility, Trustees' report, Supplementary Information (Anti- Money laundering (AML) risk, Environmental, Social and Governance issues (ESG), the analysis of unit holder balances at year end, the foreign currency denominated balances and transactions), and the historical financial information as required by the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed, which we obtained prior to the date of this auditor's report. The other information does not include the inflation adjusted financial statements and our auditor's report thereon.

Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS EQUITY FUND
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS (continued)**

Responsibilities of the Fund Manager for the Inflation Adjusted Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Collective Investments Schemes Act (Chapter 24:19), the Trust Deed and for such internal control as the Fund Manager determines it necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted financial statements, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Fund Manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these inflation adjusted financial statements.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Fund Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards applied.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS EQUITY FUND
REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS (continued)**

Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements (continued)

From the matters communicated with the Fund Manager, we determine those matters that were of most significance in the audit of the inflation adjusted financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

The financial statements of the Fund are properly drawn up in accordance with the requirements of the Collective Investments Schemes Act (Chapter 24:19).

Axcentium

Axcentium
Chartered Accountants (Zimbabwe)
Per. Rumbidzayimambo Ndebele
Partner
PAAB Practice Certificate Number 0631
Harare
Zimbabwe

Date: 31 March 2025

OLD MUTUAL UNIT TRUSTS EQUITY FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		Inflation Adjusted	**Restated Inflation Adjusted	*Historical	**Restated *Historical
	Note	2024 ZWG\$	2023 ZWG\$	2024 ZWG\$	2023 ZWG\$
Investment income		27 034 991	15 290 078	48 394 266	4 680 485
Interest income		237 296	6 349	187 242	538
Dividend income	6	2 375 422	831 532	1 924 612	76 806
Foreign exchange gains		5 655 518	1 727 656	3 907 648	255 461
Other income	3.1	5 270	212	5 093	21
Fair value gains on equity investments	7.3	14 427 868	2 943 791	39 159 485	3 771 650
Gain from sale of shares		4 333 617	9 780 538	3 210 186	576 009
Operating expenses		(2 484 042)	(1 975 286)	(1 732 301)	(172 949)
Management fees	9.1	(2 014 513)	(1 613 107)	(1 402 653)	(141 088)
Trustee's fees	9.1	(218 181)	(175 496)	(152 000)	(15 341)
Audit fees		(218 496)	(171 986)	(153 639)	(15 034)
Other expenses	3.2	(32 852)	(14 697)	(24 009)	(1 486)
Net income before monetary loss		24 550 949	13 314 792	46 661 965	4 507 536
(Loss) on net monetary items		(4 146 747)	(1 151 368)	-	-
Net income attributable to unit holders		20 404 202	12 163 424	46 661 965	4 507 536
Other comprehensive income		-	-	-	-
Net income		20 404 202	12 163 424	46 661 965	4 507 536

*The historic amounts are shown as supplementary information. The historic information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historic financial information.

**Prior period comparatives have been restated as a result of the change in presentation currency from the ZWL to the ZWG. The change is explained fully under the basis for preparation (note 2.2).

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		**Restated Audited Inflation Adjusted 2024 ZWG\$	**Restated Audited Inflation Adjusted 2023 ZWG\$	Audited Inflation Adjusted 2022 ZWG\$	*Unaudited Historical 2024 ZWG\$	**Restated *Unaudited Historical 2023 ZWG\$	**Restated *Unaudited Historical 2022 ZWG\$
	<i>Note</i>						
ASSETS							
Cash and cash equivalents	4	469 960	2 542 119	618 005	469 960	401 965	20 335
Equity investments	5	44 174 823	29 306 008	21 182 560	44 174 823	4 633 927	697 007
Money market investments	7.1	5 391 034	176 172	135 473	5 391 034	27 857	4 458
Accounts receivable		-	8 322	516 835	-	1 316	17 006
Total assets		50 035 817	32 032 621	22 452 873	50 035 817	5 065 065	738 806
LIABILITIES							
Accounts payable	8	40 179	79 445	110 372	40 179	12 562	3 632
Intercompany payable	9.2	186 430	117 142	77 066	186 430	18 523	2 536
Total Liabilities		226 609	196 587	187 438	226 609	31 085	6 168
Net assets		49 809 208	31 836 034	22 265 435	49 809 208	5 033 980	732 638
Net assets attributable to unit holders		49 809 208	31 836 034	22 265 435	49 809 208	5 033 980	732 638
Total net assets attributable to unit holders		49 809 208	31 836 034	22 265 435	49 809 208	5 033 980	732 638

*The historic amounts are shown as supplementary information. The historic information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historic financial information.

**Prior period comparatives have been restated as a result of the change in presentation currency from the ZWL to the ZWG. The change is explained fully under the basis for preparation (note 2.2). Furthermore, a third balance sheet has been presented as required by IAS 1.

Mandoga
Fund Manager

Trustee

28 March 2025

OLD MUTUAL UNIT TRUSTS EQUITY FUND
STATEMENT OF CHANGES IN NET ASSETS OF UNIT HOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2024

Inflation Adjusted

	Notes	Units in issue ZWG\$	Undistributed income ZWG\$	Total ZWG\$
31 December 2024				
Opening net assets attributable to unit holders		14 690 218	17 145 816	31 836 034
Net income attributable to unit holders		-	20 404 202	20 404 202
Issue of units during the year	12	1 334 422	-	1 334 422
Redemption of units during the year	12	(568 205)	(3 197 245)	(3 765 450)
Closing net assets attributable to unit holders		<u>15 456 435</u>	<u>34 352 773</u>	<u>49 809 208</u>
**Restated				
31 December 2023				
Opening net assets attributable to unit holders		14 418 718	7 846 717	22 265 435
Net income attributable to unit holders		-	12 163 424	12 163 424
Issue of units during the year	12	1 238 039	-	1 238 039
Redemption of units during the year	12	(966 539)	(2 864 325)	(3 830 864)
Closing net assets attributable to unit holders		<u>14 690 218</u>	<u>17 145 816</u>	<u>31 836 034</u>

**Prior period comparatives have been restated as a result of the change in presentation currency from the ZWL to the ZWG. The change is explained fully under the basis for preparation (note 2.2)

OLD MUTUAL UNIT TRUSTS EQUITY FUND
 STATEMENT OF CHANGES IN NET ASSETS OF UNIT HOLDERS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2024

*Historical

	Notes	Units in issue ZWG\$	Undistributed income ZWG\$	Total ZWG\$
31 December 2024				
Opening net assets attributable to unit holders		69 520	4 964 460	5 033 980
Net income attributable to unit holders		-	46 661 965	46 661 965
Issue of units during the year	12	879 578	-	879 578
Redemption of units during the year	12	(417 436)	(2 348 879)	(2 766 315)
Closing net assets attributable to unit holders		<u>531 662</u>	<u>49 277 546</u>	<u>49 809 208</u>
31 December 2023				
Opening net assets attributable to unit holders		38 889	693 749	732 638
Net income attributable to unit holders		-	4 507 536	4 507 536
Issue of units during the year	12	110 529	-	110 529
Redemption of units during the year	12	(79 898)	(236 825)	(316 723)
Closing net assets attributable to unit holders		<u>69 520</u>	<u>4 964 460</u>	<u>5 033 980</u>

*The historic amounts are shown as supplementary information. The historic information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historic financial information.

OLD MUTUAL UNIT TRUSTS EQUITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income attributable to unit holders		20 404 202	12 163 424	46 661 965	4 507 536
Adjustment for non-cash items:					
Expected credit losses movement		1 704	148	1 833	24
Foreign exchange losses/ (gains) on equities		180 255	(1 727 656)	180 255	(255 461)
Revaluation of investments		(14 427 868)	(2 943 791)	(39 159 485)	(3 771 650)
Dividend income		(2 375 422)	(831 532)	(1 924 612)	(76 806)
Interest earned		(237 296)	(91)	(187 242)	(538)
Loss on net monetary items		4 146 747	1 151 368	-	-
Changes in working capital					
Increase in accounts and intercompany payable		30 022	9 151	195 524	24 918
Decrease in Management fees		69 558	41 297	167 907	15 987
(Decrease)/Increase in Provision for Audit fees		(46 469)	(33 761)	9 366	7 194
Increase in Trustee's fees		7 561	4 453	18 251	1 737
(Decrease)/increase in Other payables		(270)	(2 838)	-	-
Decrease in Provision for Distribution		(358)	-	-	-
(Increase)/Decrease in accounts receivable		-	503 944	-	16 582
Interest received		207 583	7 276	156 818	463
Cash generated from operating activities		7 929 927	8 332 241	5 925 056	445 068
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of equity investments	7.3	(449 225)	(5 491 114)	(387 871)	(183 221)
Sale of equity investments	7.3	8 278	311 457	6 460	17 951
Purchase of money market investments	7.2	(31 208 286)	(1 169 651)	(24 028 368)	(124 598)
Sale of money markets investments	7.2	26 021 433	1 127 877	18 693 782	101 250
Dividend received		2 383 744	826 964	1 925 928	75 914
Net cash outflow from investing activities		(3 244 056)	(4 394 467)	(3 790 069)	(112 704)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash inflow from purchases of units by unit holders		1 334 422	1 238 039	879 578	110 529
Cash outflow from redemption of units by unit holders		(3 765 450)	(3 830 864)	(2 766 315)	(316 723)
Net cash outflow from financing activities		(2 431 028)	(2 592 825)	(1 886 737)	(206 194)
Effect of exchange rate fluctuations on cash held		(4 327 002)	579 165	(180 255)	255 460
Net (decrease)/increase in cash and cash equivalents		(2 072 159)	1 924 114	67 995	381 630
Cash and cash equivalents at beginning of year		2 542 119	618 005	401 965	20 335
Cash and cash equivalents at end of year		469 960	2 542 119	469 960	401 965

*The historic amounts are shown as supplementary information. The historic information does not comply with International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29: Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historic financial information.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 GENERAL INFORMATION

1.1 Reporting entity

The Old Mutual Unit Trusts Equity Fund is registered and domiciled in Zimbabwe. The Fund commenced trading in February 1998. This is a general equity Fund investing in a diverse spread of shares on the Zimbabwe Stock Exchange. A small portion of the Fund is invested on money market instruments for liquidity purposes so as to generate returns in the form of interest in addition to dividends received from equity investments.

1.2 Fund objectives

The objectives of the Fund are:

- To provide investors with an investment that balances long term capital growth and regular income; and
- To provide a medium risk profile by spreading investments over several sectors of the economy.

1.3 Fund Managers

The Fund Manager is Old Mutual Investment Group Zimbabwe (Private) Limited. OMIG is a subsidiary of Old Mutual Zimbabwe Limited (OMZIL).

1.4 Risk factor

This is a moderate risk Fund. The Fund value fluctuates in line with interest rate fluctuations and share prices on the Zimbabwe Stock Exchange, whose prices are affected by the performance of the companies, the economic and political outlook environment and the future outlook. The diversification of the asset classes in the portfolio minimizes specific asset risks.

1.5 Fund administration

Collective investment schemes invest in financial assets. The Fund is exposed to a mix of financial risks resulting predominantly from the instruments in which it invests in. Financial risk is limited by the regulatory environment. The Collective Investment Schemes Act (Chapter 24:19) has strict and specific regulations as to what instruments may and may not be held. The Fund is also governed by a Trust Deed, which commits it to a specific investment objective. The Trust Deed's investment objective is further refined into an investment mandate which requires the Fund Manager to manage the Fund in accordance with the specified mandate. As far as possible, compliance limits are built into the daily pricing systems and processes of the Fund Manager and are checked and reported on daily.

The Securities and Exchange Commission of Zimbabwe approves the creation of the Fund and reviews compliance by the Fund Manager at least annually.

Regular checks are performed by the independent trustee as well as the compliance function of the Fund Manager to ensure compliance with investment mandates and limitations specified in the Trust Deed and the regulations determined under the Collective Investments Scheme Act (Chapter 24:19). The Trustee is the custodian of units in issue and is also responsible for the record keeping of scrip as well as Money Market deal confirmations as required by the Collective Investment Schemes Act (Chapter 24:19).

Further, the Trustee is responsible for maintaining the Fund bank capital account and executing investments as directed by the Fund Manager.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES

2.1 New and revised IFRS Standards effective current year

A number of new standards or revised/amended standards are effective for annual periods beginning or after 1 January 2024 and earlier application is permitted. The following new and revised standard(s) were effective beginning or after 1 January 2024:

IAS 1 and IFRS Practice Statement 2: Making Materiality Judgements – Disclosure of Accounting Policies

The Fund has adopted the amendments to IAS 1 for the first time in the current year. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The Fund has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications.

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

IAS 1 Presentation of Financial Statements: Amendments on classification of liabilities as current and non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

IAS 1 Presentation of Financial Statements: Amendments on Non-current liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 New and revised IFRS Standards effective current year (continued)

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Amendments to Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements.
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information.

The above new and revised standards do not have a material impact on the Fund.

2.1.1 New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Fund has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Pronouncement

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Amendments to sale or contribution of assets between an investor and its associate or joint venture.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (effective date 01 January 2025).

IFRS 18 Presentation and Disclosures in Financial Statements (effective date 01 January 2027).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date 01 January 2027).

The Fund Manager does not expect that the adoption of the Standards listed above will have a material impact on the Fund when effective.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Basis of preparation

The financial statements provide information about the financial position, results of operations, and changes in the financial position of the Fund. The financial statements are prepared in Zimbabwe Gold. The symbols "ZWG\$" denote Zimbabwe Gold unless explicitly indicated otherwise. They are based on the statutory records that are maintained under the historical cost convention and restated to consider the effects of inflation in accordance with the International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies".

On 5 April 2024 the Government of Zimbabwe through the Monetary Policy Statement and SI 60 introduced a new currency Zimbabwe Gold (ZWG) to replace the ZWL which was the functional currency applicable to prior periods. In line with guidance from the authorities a conversion ratio of 1:2498.7242 was applied between the ZWL and the ZWG. No conversion ratios for periods prior to 05 April were made available. For ease of implementation for purposes of accounting and financial reporting, the conversion ratio of 1:2498.7242 has also been applied to the comparative 2023 financial information as well as to January, February and March 2024 financial information, after inflation adjustment of the ZWL.

Since 2019 Zimbabwe has met the key indicators of being a hyperinflationary economy as described under IAS 29. The inflation adjusted financial statements represent the principal financial statements of the Company. Historical cost financial statements have been presented as supplementary information to the restated financial statements.

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date, and that corresponding figures for previous periods be restated in the same terms. Whilst in previous years the restatement of the historical cost numbers was based on the conversion factors derived from the ZWL\$ consumer price index (CPI) issued by the Zimbabwe National Statistics Agency (ZIMSTAT), publication of the ZWL\$ CPI was stopped in January 2023 on the introduction of Statutory Instrument (SI) 27 of 2023 on the 3rd of March 2023 and is, therefore, no longer available for use in restating financial statements under IAS 29. SI 27 announced that the official inflation rate would be a blended rate which measures inflation based on a weighted average of price movements in Zimbabwean dollars and United States dollars over a given period of time. This instrument serves to recalibrate inflation reports to reflect the dual currency nature of incomes and prices in the Zimbabwe economy.

Given that the functional currency of the Fund is the ZWG\$, a blended inflation rate is not ideal in the preparation of restated financial statements under IAS 29 as it incorporates the inflation movements of the USD (USD transactions currently account for more than 80% of the transactions in the economy according to the RBZ) which is not subject to hyperinflation. It is also the Fund Manager's assessment that the use of conversion factors based on a blended CPI would not achieve compliance with IAS 29.

The restatement of the historical cost numbers is based on the conversion factors derived from the consumer price index (CPI) issued by the Zimbabwe Statistical Office (Zimstats). The Fund is using the movements in the Poverty Datum Line (PDL) (alternatively called the Total Consumption Poverty Line (TCPL) which is also published by ZIMSTAT, which measures the amount required to purchase both non-food and food items for a family at the poverty line. By analysing the correlation between the movement in PDL and the officially published ZWL CPI from January 2021 to December 2022, the Fund Manager observed a strong relationship with a correlation coefficient of 0.99. While IAS 29 provides for the use of exchange rate movements as a proxy for inflation where a general price index is not available, we did not observe a strong relationship between ZWL CPI and the exchange rate movements over the previous two financial reporting periods. The Fund Manager believes the CPI best represents average price movements in the economy during 2024 and have thus applied it in preparation of these Financial Statements. Consequently, the estimated CPI after February 2023 has been derived by adjusting the last published ZWL CPI (published in January 2023) by the monthly movement of the PDL. Effective 5 April 2024, ZIMSTAT started publishing the ZWG CPI which were used to in the preparation of inflation adjusted financial statements. These financial statements have been prepared on the inflation-adjusted basis as the ZWG currency is considered a hyperinflationary currency. The indices and conversion factors used to restate the accompanying Financial Statements as at 31 December 2024 are given below.

Dates	Indices	Conversion Factors
31/12/2024	166.30	1
31/12/2023	26.30	6.3242
31/12/2022	5.47	30.3907

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Assessment of Zimbabwe as a Hyperinflationary economy

The main procedures applied for the above-mentioned restatement are as follows:

i.) All corresponding figures as of and for the year ended 31 December 2024 are restated as follows;

ia.) Monetary assets and liabilities and items that are carried at amounts that were current or were at fair value as at 31 December 2023 are restated by applying the change in the index from 31 December 2023 to 31 December 2024;

ib.) Non-monetary assets and liabilities that were not carried at amounts current at 1 January 2018 and components of shareholders equity are restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2024 or if the transaction date was before 1 January 2018, they are restated from 1 January 2018 being the date of initial application of IAS 29. This is because changes in the index in the years preceding 1 January 2018 are considered to have an immaterial effect on carrying values;

ic.) Profit or loss items/transactions, except the depreciation and amortisation charges, are restated by applying the change in the index from the date of the transaction to 31 December 2024 or if applicable from the date of their most recent revaluation to 31 December 2024 or if the transaction date was before 1 January 2018, they are restated from 1 January 2018. Depreciation and amortisation amounts are based on restated costs;

ii. Monetary assets and liabilities that are carried at amounts current at balance sheet date are not re-stated because they are already expressed in terms of the monetary unit current at the balance sheet date;

iii.) Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date and components of shareholders equity are restated by applying the change in the index from the date of the transaction or if applicable from the date of their most recent revaluation to 31 December 2024 or if the transaction date was before 1 January 2018, they are restated from 1 January 2018; and

iv. All items in the cash flow statement are expressed in terms of the measuring unit current at the balance sheet date.

The Fund financial statements have been prepared on the going concern basis which management believe to be appropriate.

2.4 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as stated in both the Fund Manager's responsibility and the Auditor's report. The financial statements are prepared in accordance with the requirements of the Collective Investments Schemes Act (Chapter 24:19) and the Trust Deed.

2.5 Revenue

The Fund has adopted IFRS 15. The core principle of the standard is that revenue recognised reflects the consideration to which the Fund expects entitled in exchange for the transfer of promised services to the customer. It incorporates a five-step model to determine the amount and timing of revenue recognition. Revenue recognised under IFRS 15 comprises dividend income. In addition, interest income is part of revenue for the Fund. Revenue is accounted for in accordance with the accounting policies as set out below.

Interest income

Interest income is recognised in the income statement using the effective interest rate method taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend income

Dividend income is recognised in the income statement when counters that the Fund is invested in declare dividends.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.6 Taxation

The Fund is exempt from paying income tax per the Collective Investment Schemes Act (Chapter 24:19). Dividends are received net of residents' tax. Interest is received net of resident's tax on interest.

2.7 Critical accounting estimates and judgements (continued)

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Fund's business that typically require such estimates are provisions and the determination of the fair value for financial assets.

2.8 Functional currency

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the International Accounting Standards Board (IASB) and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

In February 2019, the Government of Zimbabwe issued Statutory Instrument 33 (S.I. 33) of 2019, which, based on our legal interpretation, for accounting and other purposes, prescribed parity between the US Dollar and local currency as at and up to the effective date of 22 February 2019, and prescribed the way certain balances in the financial statements would be treated because of the recognition of the RTGS Dollar as currency in Zimbabwe.

In February 2019, the interbank market was introduced, for trading of currencies, for which the starting exchange rate was ZWL\$2.5 to US\$1. On 31 December 2019, the exchange rate closed at ZWL\$16.77 to US\$1. On 26 March 2020, the RBZ, suspended the managed floating exchange rate system and adopted a fixed exchange rate system at the rate of ZWL\$25 to US\$1 with effect from 27 March 2020. This rate was in use till 23 June 2020. On 23 June 2020, the RBZ introduced the weekly Reuters based foreign exchange auction system. On 5 April 2024 the Government of Zimbabwe through the Monetary Policy Statement and SI 60 introduced a new currency Zimbabwe Gold (ZWG) to replace the ZWL which was the functional currency applicable to prior periods. On 31 December 2023, the exchange rate closed at ZWL\$6,104.72 to US\$1. The closing exchange rate as at 31 December 2024 was ZWG\$25.7985 to US\$1.

The Zimbabwe government gazetted Statutory Instrument 185 (S.I. 185) of 2020 on 24 July 2020. The regulation requires sellers of goods and services to display, quote and offer prices in both the Zimbabwean dollar and foreign currency at the ruling auction exchange rate. Therefore, in accordance with International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates, entities need to assess whether the functional currency has changed. The Fund's assessment was based on weighting the volume of the local currency business against the foreign currency business. Foreign currency transactions recorded for the Fund constitute 12% and 49% of total transactions recorded for the financial years ending 31 December 2023 and 31 December 2024 respectively. It is the Fund Manager's view that for the Fund, foreign currency transactions and assets are not yet significant enough to override the local currency transactions and assets.

Resultantly, the Fund's functional currency remains the ZWG\$.

2.9 Management fees

Management fees are calculated based on the rate approved by the Fund Manager and the unit holders. In 2024, management fees are calculated using a rate of 4.58% per annum for January to December 2024 based on fund value under management, with the accrual being done daily and payment effected on a monthly basis.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.9 Management fees (continued)

2.9.1 Trustee's fees

Trustee's fees are calculated using a rate of 0.5% per annum based on fund value under management, with the accrual being done daily and payment effected on a monthly basis.

2.10 Investments

This Fund invests in money market instruments, fixed deposits, equities and other interest-bearing securities in public and private sectors.

Money market instruments - These investments seek to maximise interest income, preserve the Fund's capital and provide immediate liquidity. This is achieved by investing in money market instruments with a maturity of less than one year while the average maturity of the underlying assets may not exceed 365 days. The investments are typically characterised as short-term, highly liquid vehicles.

Equity investments - The Fund maintains a medium risk profile by spreading investments over several sectors of the economy as well as listed equities at all times. Generally, equity investments seek maximum capital appreciation for the level of risk assumed over the long term. These investments are primarily exposed to the risk of share price movements, which are affected by the performance of the individual companies, general market conditions as well as political and economic changes.

2.11 Net assets attributable to unit holders

Units are redeemable at the option of the unit holder and are therefore classified as financial liabilities. The value of a unit in the Fund fluctuates based on the Fund's performance. Purchases are at bid price and liquidations at the offer price. The prices are calculated daily by dividing net assets attributable to unit holders by units in issue. All the income generated by the Fund remains undistributed and is ploughed back into the Fund. Return to the unit holders is by way of capital appreciation.

When a unit holder deposits money, units of an equivalent value of the deposit are created in the unit holder's name. When a unit holder redeems, units with an equivalent value of the redemption are liquidated. All units issued by the Fund provide the unit holder with the right to redemption for cash. In accordance with IAS 32, *Financial Instruments: Presentation* such instruments give rise to a financial liability for the present value of the redemption amount. In accordance with the Trust Deed the Fund is contractually obliged to distribute all distributable income. As at year end a unit in the Fund had a bid and offer price of ZWG cents 2.38544 and 2.44661 respectively.

2.12 Financial instruments

Fair value measurement considerations

The fair values of quoted financial assets are based on quoted bid prices. If the market for a financial asset is not active, the Fund establishes fair value using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

To the extent that the fair values of unlisted equity instruments cannot be measured reliably, such instruments are carried at cost less impairments. These impairments are not subsequently reversed.

Classification of financial instruments

The classification of financial assets under IFRS 9 is based on whether the financial assets are equity instruments, debt instruments held or derivative assets. Equity instruments and derivative assets are mandatorily categorised as financial assets at FVTPL. The classification and measurement of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics. An analysis of the Fund's balance sheet, showing the categorisation of financial instruments held at amortised cost is set out in note 6.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.12 Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets classified as held for trading and those that the Fund has elected to designate as at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognised at fair value excluding transaction costs directly attributable to their acquisition which are recognised immediately in the income statement. After initial recognition financial assets at fair value through profit or loss are measured at fair value with resulting fair value gains or losses adjustment being recognised directly in the statement of profit or loss.

Financial assets that the Fund has elected to designate at fair value through profit or loss are those where this designation either eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise when using a different measurement basis or those that are managed, evaluated and reported on using a fair value basis in accordance with a documented risk management and/or investment strategy.

All related fair value gains and losses are included in investment income. Interest earned whilst holding financial assets at fair value through profit or loss is included in interest income. Dividends received are included in dividend income.

Financial assets held at amortised cost.

Financial assets held at amortised cost comprise financial assets held to collect only contractual cashflows that are solely payments of the principal amount and interest.

If there is objective evidence that an impairment loss on investments held at amortised cost has been incurred, the amount of the loss is measured as the difference between asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The impairment loss is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and are carried at amortised cost. For the purposes of the cashflow statements, cash and cash equivalents balances with less than 90 days maturity from the date of acquisition including cash and balances with banks but excluding cash and cash equivalents instruments held for investing purposes.

Financial liabilities

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process in terms of finance cost.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expense items are offset only to the extent that their related instruments have been.

2.13 Impairment of financial assets

The expected credit loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the particular financial instrument or similar financial instruments.

In the absence of sufficient depth of data, management apply expert judgment within a governance framework to determine the required parameters. The expert judgement process is based on available internal and external information. Estimates regarding credit risk parameters and the impact of forward-looking information used in the calculation of the ECL loss amount should be reviewed at each reporting date and updated if necessary.

The ECL loss amount depends on the specific stage where the financial instrument has been allocated to within the ECL model:

- Stage 1: At initial recognition a financial instrument is allocated into stage 1, except for purchased or originated credit impaired financial instruments.
- Stage 2: A financial instrument is allocated to stage 2 if there has been a significant increase in credit risk since initial recognition of the financial instrument.
- Stage 3: A financial instrument is allocated to stage 3 if the financial instrument is in default or is considered to be credit impaired.

Under IFRS 9, impairment loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Fund Manager's assessment

The Fund Manager has elected to apply the IFRS 9 simplified approach in measuring expected credit losses. This uses a provision matrix when determining the lifetime expected loss allowance for all trade receivables, contract assets and lease receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund Manager considers quantitative and qualitative information, based on the Fund Manager's historical experience, credit assessment and including forward-looking information. The Fund Manager's assessment of a significant increase in credit risk from initial recognition consists of a primary and secondary risk driver as follows:

- The primary risk driver aligns to the quantitative credit risk assessments performed, such as the credit score, credit rating, probability of default or arrears aging of a financial instrument.
- The secondary risk assessment considers a broad range of qualitative risk factors based on a forward-looking view such as economic and sector outlooks. The secondary risk assessment can be performed on a portfolio basis as opposed to a quantitative assessment at a financial instrument level. These primary and secondary risk drivers are included by the Fund Manager as part of the ongoing credit risk management.

Fund Manager's assessment

When making a quantitative assessment, the Fund Manager uses the change in the probability of default occurring over the expected life of the financial instrument. This requires a measurement of the probability of default at initial recognition and at the reporting date.

A rebuttable assumption is that the credit risk since initial recognition has increased significantly if a financial instrument is 30 days past due on any payments or is one payment in arrears. It is not anticipated that this assumption will be rebutted. The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund Manager is exposed to credit risk. The ECL calculation of a financial instrument takes into account both the contractual and available behavioural repayment patterns over the relevant estimation period.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

Fund Manager's assessment (continued)

A financial asset is in default when the financial asset is credit-impaired or if the Basel definition of default is met. Where applicable, the rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, is applied.

If there is objective evidence that an impairment loss on loans or receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between asset's carrying amount and the present value of estimated future cash flows (excluding credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced either directly or through use of an allowance account. The impairment loss is recognised in statement of comprehensive income.

The Fund Manager first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that fund is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

2.14 Assets carried at amortised cost

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in statement of comprehensive income, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.15 Foreign currency translation

Foreign currency transactions are translated at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at rates of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are recognised at fair value are translated into the functional currency at foreign exchange rates ruling at the dates the fair values were determined. The spot rate used as at 31 December 2024 was US\$1: ZWG\$25.7985(2023: US\$1: ZWL\$6,104.72)

Non-monetary assets and liabilities denominated in foreign currencies that are recognised at historical cost are translated into the functional currency at the rate of exchange ruling at the date of the initial recognition of the asset and liability and are not subsequently translated. Exchange gains and losses on the translation and settlement during the period of foreign monetary assets and liabilities are recognised in profit or loss. Exchange differences for non-monetary items are recognised in other comprehensive income when the changes in the fair value of the non-monetary items are recognised in other comprehensive income and in profit or loss if the changes in fair value of the non-monetary item are recognised in profit or loss.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
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	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
3.1 OTHER INCOME				
Interest on current account	591	212	414	21
Interest on money market audit fee investment	4 679	-	4 679	-
	<u>5 270</u>	<u>212</u>	<u>5 093</u>	<u>21</u>
3.2 OTHER EXPENSES				
Expected credit loss (recognised)	(1 833)	(152)	(1 833)	(24)
Bank charges	(31 019)	(14 545)	(22 176)	(1 462)
Distribution payable	-	-	-	-
	<u>(32 852)</u>	<u>(14 697)</u>	<u>(24 009)</u>	<u>(1 486)</u>
4 CASH AND CASH EQUIVALENTS				
Current deposits with banks	<u>469 960</u>	<u>2 542 119</u>	<u>469 960</u>	<u>401 965</u>

Cash and cash equivalents comprise of balances with banks. These balances are used for transacting on a daily basis.

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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5 EQUITY INVESTMENTS

Quoted investments as at 31 December 2024

	Number of shares	Market price Cents	Historical Market value ZWG\$	Inflation Adjusted Market value ZWG\$
Local shares				
BAT Zimbabwe	20 098	8 036	1 615 075	1 615 075
Delta Corp Limited	422 676	1 400	5 917 491	5 917 491
EcoCash Holdings	1 485 826	30	445 002	445 002
Econet Wireless Zimbabwe Limited	413 021	323	1 332 442	1 332 442
FBC Holdings limited	167 937	1 085	1 822 116	1 822 116
Hippo	111 711	781	872 463	872 463
OK Zimbabwe Limited	-	-	-	-
Old Mutual Limited	103 893	1 723	1 789 574	1 789 574
OM B Shares OMZIL	211 207	650	1 372 846	1 372 846
OM ZSE Top10 ETF	8 343 483	22	1 835 566	1 835 566
Proplastics Limited	479 572	148	710 486	710 486
Seed Co Limited	428 171	260	1 112 414	1 112 414
TSL	339 702	222	754 988	754 988
<u>Local Shares on Victoria Falls Stock Exchange</u>				
Axia Corporation Limited	538 634	227	1 222 843	1 222 843
Innscor Africa Limited	474 994	1200	5 698 172	5 698 172
National Foods	66 985	4 515	3 024 197	3 024 197
SEEDCO International Limited	690 264	623	4 302 359	4 302 359
Simbisa Brands	674 487	926	6 246 870	6 246 870
Padenga	729 164	489	3 568 511	3 568 511
<u>Foreign shares</u>				
Nedbank	1 370	38 789	531 408	531 408
Total quoted equity investments			44 174 823	44 174 823

[^]Local Shares on Victoria Falls Stock Exchange were valued using the USD market value on the stock exchange translated to local currency at a rate disclosed in note 2.15.

*Foreign Shares were valued using the South African Rand (ZAR) 31 December 2024 market value on the JSE stock exchange translated to USD using the spot rate of USD/ZAR= 18.7505 and translated to local currency at a USD/ZWG\$ rate disclosed in note 2.15.

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5 EQUITY INVESTMENTS (continued)

Quoted investments as at 31 December 2023

	Number of shares	Market price Cents	Historical Market value ZWG\$	Inflation Adjusted Market value ZWG\$
Local shares				
BAT Zimbabwe	20 098	3 316	105 367	666 365
Delta Corp Limited	499 778	888	701 912	4 439 051
EcoCash Holdings	1 485 826	45	104 762	662 539
Econet Wireless Zimbabwe Limited	735 171	214	248 895	1 574 069
FBC Holdings limited	198 380	229	71 934	454 927
Hippo	111 711	481	84 944	537 205
OK Zimbabwe Limited	730 543	54	62 521	395 397
Old Mutual Limited	103 893	1 092	179 445	1 134 851
OM B Shares OMZIL	211 207	397	132 696	839 200
OM ZSE Top10 ETF	8 343 483	11	139 188	880 257
Proplastics Limited	766 444	154	186 494	1 179 431
Seed Co Limited	533 341	253	213 445	1 349 875
TSL	339 702	278	149 545	945 757
^Foreign shares				
Axia Corporation Limited	538 634	124	105 276	665 790
Innsco Africa Limited	474 997	680	510 609	3 229 209
National Foods	66 985	2 233	236 479	1 495 548
SEEDCO International Limited	690 264	478	521 943	3 300 887
Simbisa Brands	674 487	502	535 556	3 386 979
Padenga	729 164	263	303 737	1 920 903
*Foreign shares				
Nedbank	1 370	18 085	39 179	247 768
Total quoted equity investments			4 633 927	29 306 008

[^]Local Shares on Victoria Falls Stock Exchange were valued using the USD market value on the stock exchange translated to local currency at a rate disclosed in note 2.15.

^{*}Foreign Shares were valued using the South African Rand (ZAR) 31 December 2023 market value on the JSE stock exchange translated to USD using the spot rate of USD/ZAR= 18.3645 and translated to local currency at a USD/ZWL\$ rate disclosed in note 2.15.

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
6. DIVIDENDS RECEIVED				
Axia	21 465	19 955	12 907	1 625
British American	15 873	19 075	9 545	711
Cafca Ltd	-	-	-	-
Delta Corporation	339 872	229 371	246 228	27 665
Econet Wireless Zim	1 026 937	-	884 531	-
FBC Holdings Limited	34 329	24 490	24 461	2 189
First Capital Bank	-	-	-	-
Hippo Valley Estates	-	16 413	-	545
Innscor Africa Ltd	324 935	174 060	259 530	14 195
Masimba Holdings	-	-	-	-
Meikles	-	-	-	-
National Foods	112 299	34 887	91 335	2 491
Nedbank	29 467	15 840	18 127	1 275
OK Zimbabwe	-	2 798	-	331
Old Mutual Limited	105 079	52 907	77 368	4 032
OM B Shares OMZIL	66 429	13 153	48 901	364
Padenga Limited	129 031	47 766	109 096	5 326
Proplastics	-	16 225	-	1 922
Quilter Plc OML	-	-	-	-
SeedCo International	50 315	30 556	29 499	3 137
Simbisa Brands Limited	108 111	113 487	106 300	9 010
TSL Limited	1 280	20 549	6 784	1 988
Total Dividends received	2 375 422	831 532	1 924 612	76 806
7 INVESTMENTS AND SECURITIES				
7.1 MONEY MARKET INVESTMENTS	Note			
Bankers Acceptances		5 362 334	121 603	5 362 334
Old Mutual money market investments		-	53 878	-
Investments at cost		5 362 334	175 481	5 362 334
Interest receivable		30 557	844	30 557
Total money market investments		5 392 891	176 325	5 392 891
Impairment of financial assets	7.4	(1 857)	(153)	(24)
Net Investments		5 391 034	176 172	5 391 034

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
7 INVESTMENTS AND SECURITIES (continued)				
7.2 NET PURCHASE OF MONEY MARKET INVESTMENTS				
Opening Balance Investments	176 172	135 474	27 857	4 458
Add Provision for Expected Credit Loss	153	5	24	-
Less Accrued Interest	(844)	(1 772)	(133)	(58)
Opening Balance Investments	175 481	133 707	27 748	4 400
Investments Purchased	31 208 286	1 169 651	24 028 368	124 598
Investments Sold or Matured	(26 021 433)	(1 127 877)	(18 693 782)	(101 250)
Net investment (sales)/purchases	5 186 853	41 774	5 334 586	23 348
Closing Balance Investments at cost	5 362 334	175 481	5 362 334	27 748
Accrued Interest	30 557	844	30 557	133
Impairment of financial assets	(1 857)	(153)	(1 857)	(24)
Net Investments	5 391 034	176 172	5 391 034	27 857
7.3 NET PURCHASE OF EQUITY INVESTMENTS				
Equity Investments 01 January	29 306 008	21 182 560	4 633 927	697 007
Investments Purchased	449 225	5 491 114	387 871	183 221
Investments Sold or Matured	(8 278)	(311 457)	(6 460)	(17 951)
Fair value gains on equity investments	4 427 868	2 943 791	39 159 485	3 771 650
Equity Investments 31 December	44 174 823	29 306 008	44 174 823	4 633 927
Net (Sales)/Purchases of Equity Investments	(440 947)	(5 179 657)	(381 412)	(165 270)

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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7 INVESTMENTS AND SECURITIES (continued)

7.4 LOSS ALLOWANCE ANALYSIS

	12 months ECL ZWG\$	Inflation Adjusted		Total ZWG\$
		Life time ECL not credit impaired ZWG\$	Life time credit impaired ZWG\$	
Loss allowance on 1 January 2024	(153)	-	-	(153)
Net movement of ECL through profit or loss	(1 704)	-	-	(1 704)
Balance as at 31 December 2024	<u>(1 857)</u>	<u>-</u>	<u>-</u>	<u>(1 857)</u>

	12 months ECL ZWG\$	**Restated Inflation Adjusted		Total ZWG\$
		Life time ECL not credit impaired ZWG\$	Life time credit impaired ZWG\$	
Loss allowance on 1 January 2023	(5)	-	-	(5)
Net movement of ECL through profit or loss	(148)	-	-	(148)
Balance as at 31 December 2023	<u>(153)</u>	<u>-</u>	<u>-</u>	<u>(153)</u>

	12 months ECL ZWG\$	Historical		Total ZWG\$
		Life time ECL not credit impaired ZWG\$	Life time credit impaired ZWG\$	
Loss allowance on 1 January 2024	(24)	-	-	(24)
Net movement of ECL through profit or loss	(1 833)	-	-	(1 833)
Balance as at 31 December 2024	<u>(1 857)</u>	<u>-</u>	<u>-</u>	<u>1 857</u>

	12 months ECL ZWG\$	**Restated Historical		Total ZWG\$
		Life time ECL not credit impaired ZWG\$	Life time credit impaired ZWG\$	
Loss allowance on 1 January 2023	(0)	-	-	(0)
Net movement of ECL through profit or loss	(24)	-	-	(24)
Balance as at 31 December 2023	<u>(24)</u>	<u>-</u>	<u>-</u>	<u>(24)</u>

7.5 ACCOUNTS RECEIVABLE	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
		Dividend Receivable	-	8 322
	<u>-</u>	<u>8 322</u>	<u>-</u>	<u>1 316</u>

OLD MUTUAL UNIT TRUSTS EQUITY FUND
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	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
8 ACCOUNTS PAYABLE				
Provision for audit fees	19 853	66 322	19 853	10 487
Provision for Distribution	67	425	67	67
Trustee fees	20 259	12 698	20 259	2 008
	<u>40 179</u>	<u>79 445</u>	<u>40 179</u>	<u>12 562</u>

9 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions.

The Fund has related party relationships with its Fund Manager, Trustee, Fund Manager's parent company and Fund Manager's fellow subsidiaries.

Transactions and balances are reflected in below.

	Inflation Adjusted 2024 ZWG\$	**Restated Inflation Adjusted 2023 ZWG\$	*Historical 2024 ZWG\$	**Restated *Historical 2023 ZWG\$
9.1 Transactions with related parties				
Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) - Management fees	(2 014 513)	(1 613 107)	(1 402 653)	(141 088)
Stanbic Investor Services- Trustee's fees	(218 181)	(175 496)	(152 000)	(15 341)
Balances with related parties				
Money Market investment	-	53 878	-	8 520
Central African Building Society (CABS)	412 236	249 703	412 236	39 484
Old Mutual Zimbabwe Limited	484 483	293 465	484 483	46 403
Old Mutual Property (Private) Limited	13 580	8 226	13 580	1 301
Old Mutual Life Assurance Company	764 281	990 383	764 281	156 601
9.2 Balance due to:				
Stanbic Investor Services				
Trustee oversight services rendered	(20 259)	(12 698)	(20 259)	(2 008)
Old Mutual Investment Group Zimbabwe (Private) Limited				
Management fees	(186 379)	(116 821)	(186 379)	(18 472)
Audit fees paid for Old Mutual Equity Fund	(51)	(321)	(51)	(51)
Total intercompany payables	<u>(186 430)</u>	<u>(117 142)</u>	<u>(186 430)</u>	<u>(18 523)</u>

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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10 EXPENSE RATIO

The ratio compares all the expenses of the Fund to the value of the assets of the fund on an average basis. The expense ratio as at year end based on inflation adjusted amounts is 4.96% (2023:6.17%). The expense ratio as at year end based on historical amounts was 3.46% (2023: 3.41%).

11 FINANCIAL RISK MANAGEMENT

11.1 Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Fund's earnings and the value of its assets, liabilities and capital. Interest rate risk represents the sensitivity of a fixed income security or interest carrying asset to change in interest rate. This risk is controlled by careful monitoring of the level of interest-bearing investments.

11.1.1 Sensitivity analysis

A 10% increase (decrease) in the interest rates as at 31 December 2024 would have resulted in an increase (decrease) inflation adjusted amounts of ZWG\$23,730 [Historical ZWG\$18,724] reported Fund's profit and an increase (decrease) in the statement of financial position size by ZWG\$23,730 [Historical ZWL\$18,724] (2023 Inflation adjusted: ZWG\$635 and Historical: ZWG\$54).

11.2 Credit risk

Credit risk associated with trading and investing activities on behalf of clients is managed through the Fund's market risk management process. The risk that counterparties to financial instruments might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Fund deals with counterparties considered to be of good credit standing, and when appropriate, obtains collateral. The Fund's primary exposure to credit risk arises through its financial instruments held for trading. The amount of credit exposure in this regard is represented by the carrying amounts of the assets.

	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	*Historical 2024 ZWG	*Historical 2023 ZWG
Cash and cash equivalents	469 960	2 542 119	469 960	401 965
Money market investments	5 391 034	176 172	5 391 034	27 857
Accounts receivable	-	8 322	-	1 316
Total	5 860 994	2 726 613	5 860 994	431 138

11.2.1 Investment's maturity profile analysis

Category	Inflation Adjusted 2024 ZWG	Inflation Adjusted 2023 ZWG	*Historical 2024 ZWG	*Historical 2023 ZWG
0 to 30 days	5 391 034	176 172	5 391 034	27 857
30 to 60 days	-	-	-	-
60 to 90 days	-	-	-	-
90 to 120 days	-	-	-	-
Total	5 391 034	176 172	5 391 034	27 857

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
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11 FINANCIAL RISK MANAGEMENT (continued)

11.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Fund income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

11.4 Equity price risk

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices. The primary exposure to equity prices arises from trading activities. The Fund Manager closely monitors the prices on the Zimbabwe Stock Exchange to manage the risk associated with price fluctuations.

11.4.1 Sensitivity analysis

A 10% increase (decrease) in the prices of listed shares as at 31 December 2024 would have resulted in an increase (decrease) in the statement of financial position size by ZWG\$4,417,482 (2023: ZWG\$463,393).

11.5 Fair values of financial assets and liabilities

Determination of fair value:

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 'Financial Instruments: Disclosures'.

- Level 1 - quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2 - valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3 - valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid / offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable, and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs. In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's length transaction would likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable inputs may be attributable to observable inputs.

Consequently, the effect of uncertainty in determining unobservable inputs will generally be restricted to uncertainty about the overall fair value of the asset or liability being measured.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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11 FINANCIAL RISK MANAGEMENT (continued)

11.5 Fair values of financial assets and liabilities (continued)

All financial instruments, regardless of their IFRS 9 categorisation, are initially recorded at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price, that is, the fair value of the consideration given or received.

In certain circumstances, however, the initial fair value may be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only observable data.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets, which in certain circumstances includes using quotations from independent third parties such as brokers and pricing services and offer prices for liabilities. When quoted prices are not available, fair values are determined by using valuation techniques that refer as far as possible to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. A number of factors such as bid offer spread, credit profile, servicing costs and model uncertainty are taken into account, as appropriate, when values are calculated using a valuation technique. Changes in the assumptions used in such valuations could impact the reported value of such instruments.

In general, none of the carrying amounts of financial assets and liabilities carried at amortised cost have a fair value significantly different to their carrying amounts. Such assets and liabilities are primarily comprised of variable-rate financial assets and liabilities that reprice as interest rates change, short-term deposits or current assets.

Favourable and unfavourable changes are determined on the basis of changes in the value of the financial asset or liability as a result of varying the levels of the unobservable parameter using statistical techniques. When parameters are not amenable to statistical analysis, quantification of uncertainty is judgmental. When the fair value of a financial asset or liability is affected by more than one unobservable assumption, the figures shown reflect the most favourable or most unfavourable change from varying the assumptions individually.

Analysis of instruments at fair value

At 31 December 2024	Inflation adjusted		
	Level 1 ZWG\$	Level 2 ZWG\$	Level 3 ZWG\$
Financial assets measured at fair value			
Equity instruments	44 174 823	-	-
Financial assets measured at amortised cost			
Money Market Investments	-	-	5 391 034
Total financial assets measured at fair value	44 174 823		5 391 034
At 31 December 2023	Inflation adjusted		
	Level 1 ZWG\$	Level 2 ZWG\$	Level 3 ZWG\$
Financial assets measured at fair value			
Equity instruments	29 306 008	-	-
Financial assets measured at amortised cost			
Money Market Investments	-	-	176 172
Total financial assets measured at fair value	29 306 008		176 172

OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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11 FINANCIAL RISK MANAGEMENT (continued)

11.5 Fair values of financial assets and liabilities (continued)

At 31 December 2024

		Historical	
	Level 1 ZWG\$	Level 2 ZWG\$	Level 3 ZWG\$
Financial assets measured at fair value			
Equity instruments	44 174 823	-	-
Financial assets measured at amortised cost			
Money Market Investments	-	-	5 391 034
Total financial assets measured at fair value	44 174 823	-	5 391 034

At 31 December 2023

		**Restated Historical	
	Level 1 ZWG\$	Level 2 ZWG\$	Level 3 ZWG\$
Financial assets measured at fair value			
Equity instruments	4 633 927	-	-
Financial assets measured at amortised cost			
Money Market Investments	-	-	27 857
Total financial assets measured at fair value	4 633 927	-	27 857

The cost plus accrued interest approximate fair value given the short-term nature of the money market investments.

12 UNITS IN ISSUE

	Inflation Adjusted ZWG\$	Historical ZWG\$
Opening Issued units 1 January 2023 <i>2 317 697 178 units</i>	14 418 718	38 889
Issued in 2023 <i>75 031 444 units/Average price ZWG\$ 0.018 each</i>	1 238 039	110 529
Redeemed in 2023 <i>236 395 843 units/Average price ZWG\$ 0.018 each</i>	(966 539)	(79 898)
Closing Issued units 31 December 2023 <i>2 156 332 779 units</i>	14 690 218	69 520
Issued in 2024 <i>76 023 386 units/Average price ZWG\$0.014</i>	1 334 422	879 578
Redeemed in 2024 <i>182 705 755 units/Average price ZWG\$0.014</i>	(3 765 450)	(2 766 315)
Closing Issued units 31 December 2024 <i>2 049 650 410 units</i>	12 259 190	(1 817 217)

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
NOTES TO THE FINANCIAL STATEMENTS
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13 GOING CONCERN

Going concern triggers

The financial statements have been prepared on a going concern basis, which assumes that the Fund will continue in operation for the foreseeable future. The Fund had a net income of ZWG\$ 20,404,202 (2023: ZWG\$ 12,163,424) on inflation adjusted amounts and a historical net income for the year ended 31 December 2024 of ZWG\$ 46,661,965 (2023: ZWG\$ 4,507,536).

The Fund Manager put in place the following measures amongst others in order to protect margins and reinforce the liquidity and capital adequacy position in the foreseeable future:

- management of client relations to maintain and grow the current portfolio;
- continuing to explore market relevant products in order to grow business volumes.
- investing in foreign currency denominated equities to hedge the fund against exchange rate fluctuations and inflation;
- retention of dividends and proactive monitoring of expenses provisions to reduce over-distributions;
- critical credit assessment of new investments counterparties; and
- mobilisation of diverse investments with staggered maturity profiles.

The Fund managed to maintain a strong liquidity and capital position throughout the 31 December 2024 reporting period. The Fund Manager has assessed the ability of the Fund to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

14 SUBSEQUENT EVENTS

Subsequent to year end, the value of the Zimbabwe Stock Exchange (ZSE) all share index had decreased by 6.21% as at 28 February 2025 (decreased by 4.60 as at 21 March 2025) and the official exchange rate had increased by 2.87% as at 28 February 2025 (3.40% as at 21 March 2025). This subsequent increase in ZSE price and foreign exchange rate resulted in Company's listed equities and foreign equities increasing by ZWG 2,520,089.76 as at 28 February 2025. The figures were obtained from the OM research department by Investment analysts. The event is a non-adjusting event.

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
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1. ANALYSIS OF UNIT HOLDER BALANCES AT 31 DECEMBER 2024

Category	Number of client accounts	Market value	Price ZWL (cents)	Number of units
0 to 5 000	14 440	8 683 382	2.43	357 321 419
5 001 to 10 000	432	3 022 224	2.43	124 364 611
10 001 to 20 000	208	2 877 030	2.43	118 389 857
20 001 to 50 000	141	4 250 472	2.43	174 907 058
50 001 to 100 000	79	5 460 176	2.43	224 686 426
100 001 to 200 000	31	4 084 270	2.43	168 067 855
200 001 to 500 000	18	5 395 136	2.43	222 010 002
500 001 to 1 000 000	5	3 529 767	2.43	145 250 017
Over 1 000 000	5	12 506 751	2.43	514 653 165
Total	15 359	49 809 208		2 049 650 410

2. ANALYSIS OF UNIT HOLDER BALANCES AT 31 DECEMBER 2023

Category	Number of client accounts	Market value	Price ZWL (cents)	Number of units
0 to 20	6 203	48 144	0.235	20 473 873
20.01 to 40	2 391	69 798	0.235	29 682 261
40.01 to 200	3 888	368 692	0.235	156 790 953
200.01 to 400	994	276 449	0.235	117 563 258
400.01 to 2 000	796	650 631	0.235	276 688 819
2 001 to 4 000	114	318 170	0.235	135 305 706
4 001 to 8 000	76	424 507	0.235	180 526 676
8 001 to 20 000	47	599 407	0.235	254 905 425
20 001 to 100 000	23	911 040	0.235	387 431 444
Over 100 000	6	1 367 142	0.235	596 964 364
Total	14 538	5 033 980		2 156 332 779

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. FOREIGN CURRENCY DENOMINATED TRANSACTIONS AND BALANCES

Following the gazetting of Statutory Instrument 185 (S.I. 185) of 2020 on 24 July 2020 which requires sellers of goods and services to display, quote, and offer prices in both the Zimbabwean (ZWL) and foreign currency at the ruling auction exchange rate, the Zimbabwean economy effectively became a multi-currency environment with the ZWL and United States Dollar (USD) being the dominant currencies. In the Monetary Policy Statement of 2 February 2023, the Governor of the Reserve Bank of Zimbabwe stated that "ZWS\$ inflation is no longer a true representative of the cost of living in Zimbabwe as the country is in a dual currency system where prices and household incomes are also in both USD and local currency. In this context, Zimbabwe's inflation needs to be recalibrated to reflect the dual currency nature of incomes and prices in the economy to provide a true reflection of the cost of living in the country". In the same Monetary Policy Statement the Governor indicated that an estimated 76.56% of all domestic expenditure is transacted in United States Dollars. In line with the requirements of IAS 21, The Effects of Changes in Foreign Exchange Rates, we have assessed our functional currency and determined it to be to be the inflationary ZWL and have thus presented our financial statements in ZWL on an inflation adjusted basis. However, from the time that S.I. 185 was promulgated there has been a gradual increase in the proportion of foreign currency business, with the USD being the dominant foreign currency within the business. Foreign currency denominated transactions and balances are included in our financial statements at applicable exchange rates in line with the requirements of IAS 21.

A summary of foreign currency transactions and balances included in our financial statements and the respective financial statement lines that they have been reported in is shown below presented USD.

Balances denominated in foreign currency.	2024 USD\$	2023 USD\$
Assets		
Equity investments	953 325	922 085
Money market investments	209 020	7 700
Cash and cash equivalents	7 202	134 880
Total assets	1 169 547	1 064 665
Transactions denominated in foreign currency		
Investment income		
Dividend income	64 129	56 617
Interest income	8 032	443
Fair value gains on equity investments	31 240	164 577
Total investment income	103 401	221 637
Expenses		
Other operating and administration expenses	260	-
Profit before tax	103 141	221 637
Cash flows denominated in foreign currency		
Cash flows from operating activities	64 408	56 617
Cash flows used in investing activities	(192 086)	-
Net (decrease)/increase in cash and cash equivalents	(127 678)	56 617
Cash and cash equivalents at the beginning of the year	134 880	78 263
Cash and cash equivalents at the end of the year	7 202	134 880

**OLD MUTUAL UNIT TRUSTS EQUITY FUND
SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

4. ANTI-MONEY LAUNDERING (AML) RISK

The Fund assessed its AML/CFT risk for 2024 (Institutional Risk Assessment) in line with regulatory requirements which demands that Financial Institutions (FIs) should update their institutional Risk Assessments (IRAs) and apply the Risk-Based Approach (RBA) in implementing the AML/CFT measures. Where higher risks are identified, the Fund will implement enhanced AML/CFT measures to adequately mitigate the risk. Conversely, where lower risks are identified, reduced AML/CFT measures will be applied. The assessment covered customers, products, distribution channels and geographical location.

The RBA is designed to ensure efficient deployment of resources to mitigate AML/CFT risks. Instead of uniformly applying the rule-based measures to all situations, the Fund will reduce application of resources and effort to proven low-risk situations while increasing measures to high-risk situations. Furthermore, global and domestic developments during the year 2024 were also considered in the assessment to ensure that the business remains aligned and compliant.

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES

As a responsible Fund manager, Old Mutual Unit Trusts recognizes the importance of Environmental, Social, and Governance (ESG) considerations in delivering sustainable long-term value to our investors while contributing to responsible economic growth.

1. Social Considerations:

- **Investor Protection & Transparency:** We maintain fair and ethical investment practices, ensuring full disclosure of risks and returns to our investors. Rates are sent to customers on a daily basis, statements are sent upon transacting and a consolidated statements are sent on a monthly basis showing yields earned . Commentary on performance of each fund compared versus market performance is communicated to clients on a monthly basis.
- **Community Engagement:** We assess companies based on their contributions to community welfare and social impact, including philanthropy, community service, and workforce development programs. We participate in Global Money week, conduct Live Chats on social media platforms to educate the public on financial literacy for example On the Money Program. Through the Old Mutual Group's social responsibility initiatives, the company partnered with Eye Institute to improve eye health for the elderly in marginalised communities. This initiative underscores our commitment to supporting vulnerable communities and ensuring access to essential healthcare.
- **Diversity and Inclusion:** Our unit trust funds provide investment opportunities for individuals from all socioeconomic backgrounds, fostering broad-based economic participation. We offer different range of products from money market ,equities and property investments to cater for the different needs of our customers.

2. Governance Considerations:

Strong governance practices are vital to ensuring that companies operate with integrity and transparency. Our governance assessment includes:

- **Shareholder Rights:** We advocate for the protection of shareholder rights and assess companies based on their responsiveness to shareholder concerns and engagement practices. Our Research analysts meet regularly with company management to discuss operational and company specific issues.
- **Conflict of Interest:** We have implemented a conflict of interest policy which sets out parameters for managing any conflict of interest that may arise in rendering of financial services to customers. The policy is applicable to all our employees, and is reviewed on a regular basis or as dictated by changes in legislation. Annually employees are obliged to complete and submit a conflict of interest disclosure.

3. Client Engagement:

We actively engage with our clients to understand their ESG preferences and investment goals. This dialogue ensures that our investment approaches align with our clients' values and objectives. We host breakfast and economic briefs where products are launched outlining the risk and returns and disclosure of initiatives the Funds are engaging in.