



**Old Mutual Unit Trusts Property Fund
Translated Financial Report
for the year ended 31 December 2024**

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
TRANSLATED FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

| CONTENTS | PAGE |
|---|-------------|
| General Information | 1 |
| The Fund Manager's statement of responsibility | 2-3 |
| The Trustee's report | 4 |
| Independent Auditors' report | 5-6 |
| Translated Statement of comprehensive income | 7 |
| Translated Statement of financial position | 8 |
| Translated Statement of changes in net assets of unit holders | 9 |
| Translated Statement of cash flows | 10 |
| Notes to the translated financial reports | 11-24 |
| Supplementary information | 25-26 |

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

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

GENERAL INFORMATION

NATURE OF BUSINESS

Old Mutual Unit Trusts Property Fund ("the Fund") is a registered unit trust scheme, which invests in the Real Estate Core Fund, which is a property portfolio managed by the Fund Manager (Property Boutique). The real estate core fund consists of buildings with reliable, predictable, and stable income streams. The objective of the fund is to provide exposure to property investments for retail outlets at a minimum client capital outlay, providing investors with a steady growth of capital over the medium to long term periods.

FUND MANAGER REGISTERED OFFICE

Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare
Zimbabwe

POSTAL ADDRESS

PO Box 70
Harare
Zimbabwe

REGISTRATION NUMBER

39156/2008

ATTORNEYS

Name of law firm

Dube, Manikai & Hwacha Legal Practitioner

Gill, Godlonton & Gerrans Legal Practitioners
Kantor & Immerman

Address

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

Beverly Court, 100 Nelson Mandela Avenue, Harare
McDonald House, John Landa Nkomo Avenue, Harare, Zimbabwe

TRUSTEES REGISTERED OFFICE

Stanbic Investor Services Zimbabwe
59 Samora Machel Avenue
Harare
Zimbabwe

BANKERS

Stanbic Bank Zimbabwe Limited
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 PROPERTY FUND
THE FUND MANAGER'S STATEMENT OF RESPONSIBILITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Fund Manager, Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG), has pleasure in presenting the translated financial reports of the Old Mutual Unit Trusts Property 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 a relatively liquid method of investing in real estate and align investor's return with direct property investment;
- To provide investors with a steady growth of capital over medium to long term periods; and
- To provide current income through payment of cash distributions.

Responsibility

The Fund Manager is responsible for the preparation, integrity, objectivity and fair presentation of the translated financial reports of the Fund, comprising the translated statement of financial position as at 31 December 2024, the translated statements of comprehensive income, cash flows, changes in net assets of unit holders and the notes to the translated financial reports for the year then ended, which include a summary of significant accounting policies and other explanatory notes, in accordance with the Monetary Policy Statement issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025 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

This translated financial report is based on underlying accounting records which were maintained on the historical cost convention (except for fair value measurement where applicable) and are in agreement 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 Monetary Policy Statement (MPS)

The translated financial report is derived from the audited general purpose financial statements of Old Mutual Unit Trusts Property Fund for the year ended 31 December 2024. The translated financial report is prepared with the aim of complying fully with the Monetary Policy Statement issued by the Reserve Bank of Zimbabwe (RBZ) on 6 February 2025. The general purpose financial statements are prepared with the aim of complying fully with International Financial Reporting Standards (IFRSs).

Complying with MPSs achieves consistency with the financial reporting as required by the MPS and adopted by the ultimate parent company of the Fund Manager, Old Mutual Zimbabwe Limited, which is incorporated in Zimbabwe. Using the MPS also allows comparability with similar businesses and consistency in the interpretation of the translated financial report.

Financial highlights

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

The Fund recorded net income attributable to unit holders of ZWG\$6,604,937 for the year (2023: net income of ZWG\$3,332,646).

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 report are advised to consider the implications of the multicurrency environment on the business.

On February 6, 2025, the Reserve Bank of Zimbabwe (RBZ) announced the 2025 Monetary Policy Statement, mandating all companies to publish their annual financial reports in the local currency, Zimbabwe Gold (ZWG), to ensure comparability. This has resulted in the Fund translating financial report from functional currency of USD to a presentation currency of ZWG by applying the spot rate of ZWG\$25.7985 to US\$1 as at 31 December 2024.

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

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 reports using the going concern assumption is still appropriate. Additional detail on using this basis is provided in note 11.

Fund Manager's responsibilities for the financial reports

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 translated financial report is 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 reports. Their report to the participants of the Fund is set out on pages 5-6.

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


.....
Fund Manager

28 March 2025

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

Trustee's responsibilities for the financial reports

Stanbic Investor Services Zimbabwe is the Trustee for 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, is 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 reports to the Trustee. The Trustee may accept and shall not be bound to verify the financial reports 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 reports 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

Axcentium
West Block
Borrowdale Office Park
Borrowdale Road
Borrowdale
Harare
Zimbabwe



PO Box 267
Harare
Zimbabwe

Tel: +263 (0) 8677 000261

www.axcentium.co.zw

INDEPENDENT AUDITOR'S REPORT ON THE TRANSLATED FINANCIAL REPORTS

TO THE TRUSTEES OF OLD MUTUAL UNIT TRUSTS PROPERTY FUND

Opinion

We have audited the translated financial reports of Old Mutual Unit Trusts Property Fund which comprise the translated statement of financial position as at 31 December 2024, and the translated statement of profit or loss and other comprehensive income, the translated statement of changes in equity, and the translated statement of cash flows for the year then ended, and related notes, which are derived from the audited general purpose financial reports of Old Mutual Unit Trusts Property Fund for the year ended 31 December 2024.

In our opinion, the accompanying translated financial reports of Old Mutual Unit Trusts Property Fund as at 31 December 2024 are prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025.

The audited general purpose financial reports and our report thereon

We are the auditors of the Old Mutual Unit Trusts Property Fund and rendered our opinion on the underlying general purpose annual financial reports that were used to prepare the translated financial reports. Our opinion thereon was an unmodified audit opinion on the audited general purpose financial reports dated 31 March 2024. That opinion also includes the communication of a key audit matter related to the Net Assets Attributable to Unit Holders as reported in the auditor's report of the audited financial reports, our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2.2 to the translated financial reports, which describes the basis of accounting. The translated financial reports are prepared to assist the Fund to meet the requirements of the Monetary Policy Statement (MPS) of 6 February 2025 and the requirements of the Securities and Exchange Commission of Zimbabwe (SECZ).

The translated financial reports do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) as applicable to annual financial reports. Reading the translated financial reports and the auditor's report thereon, therefore, is not a substitute for reading the audited general purpose financial reports of the Fund and the auditor's report thereon. Our opinion is not modified in respect of this matter.

Responsibilities of Directors and Those Charged with Governance for the special purpose financial reports

The fund manager is responsible for the preparation of the special purpose financial report in accordance with the basis of accounting described in note 2.2 to the financial report and the requirements of the Securities and Exchange Commission of Zimbabwe (SECZ) as applicable to special purpose financial reports, and for such internal control as the directors determine is necessary to enable the preparation of financial reports that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the fund manager are 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 directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT ON THE
TRANSLATED FINANCIAL REPORTS OF OLD MUTUAL UNIT TRUSTS PROPERTY FUND
FOR THE YEAR ENDED 31 DECEMBER 2024**

Auditor's Responsibilities for the Audit of the Translated Financial Report

Our responsibility is to express an opinion on whether the translated financial reports are prepared, in all material respects, in accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025, based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 800 (Revised), Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.

Axcentium

Axcentium (Zimbabwe)

Per. Rumbidzayimambo Ndebele

Partner

PAAB Practice Certificate Number 0631

Harare

Zimbabwe

Date: 31 March 2025

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

| | Notes | 2024 ZWG\$ | *Restated 2023 ZWG\$ |
|---|-------|------------------|----------------------------|
| Investment income | | 7 367 531 | 3 825 228 |
| Foreign exchange gains | | - | 71 182 |
| Other income | | 592 | 64 |
| Fair value gains on unlisted investments | 6 | 7 191 875 | 3 607 409 |
| Dividend income | | 175 064 | 146 573 |
| Operating expenses | | (762 594) | (335 354) |
| Management fees | | (190 646) | (265 723) |
| Trustee's fees | | (20 723) | (28 805) |
| Audit fees | | (21 628) | (19 118) |
| Bank charges | | (21 292) | (21 708) |
| Foreign Exchange loss | | (508 305) | - |
| Net income before monetary loss | | 6 604 937 | 3 489 874 |
| (Loss) on net monetary position | | - | (157 228) |
| Net income | | 6 604 937 | 3 332 646 |
| Other Comprehensive Income | | - | - |
| Changes in net assets attributable to unit holders | | 6 604 937 | 3 332 646 |

* 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 PROPERTY FUND
 TRANSLATED STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 31 DECEMBER 2024

| | Notes | 2024 ZWG\$ | RESTATED* 2023 ZWG\$ | RESTATED* 2022 ZWG\$ |
|--|-------|-------------------|----------------------------|----------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | 3 | 176 634 | 234 312 | 2 425 |
| Money market investments | 4 | 13 831 935 | 6 918 469 | 3 778 804 |
| Intercompany receivables | 7.3 | 254 850 | 323 937 | 24 945 |
| Total assets | | 14 263 419 | 7 476 718 | 3 806 174 |
| LIABILITIES | | | | |
| Accounts payable | 5 | 4 708 | 2 865 | 46 628 |
| Intercompany payable | 7.2 | 22 900 | 27 598 | 18 472 |
| Total liabilities | | 27 608 | 30 463 | 65 100 |
| Net assets | | 14 235 811 | 7 446 255 | 3 741 074 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | | | |
| Net assets attributable to unit holders | | 14 235 811 | 7 446 255 | 3 741 074 |
| Total net assets attributable to unit holders | | 14 235 811 | 7 446 255 | 3 741 074 |


 Fund Manager


 Trustee

28 March 2025

* 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.

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

| | Units in issue ZWG\$ | Undistributed income ZWG\$ | Total ZWG\$ |
|---|----------------------------|----------------------------------|-------------------|
| 31 December 2024 | | | |
| Opening net assets attributable to unit holders | 2 586 769 | 4 859 486 | 7 446 255 |
| Total Comprehensive Income attributable to Unit Holders | 6 604 937 | 6 604 937 | 6 604 937 |
| Issue of units during the year | 762 959 | - | 762 959 |
| Redemption of units during the year | (578 340) | - | (578 340) |
| Closing net assets attributable to unit holders | 2 771 388 | 11 464 423 | 14 235 811 |
| Restated* | | | |
| 31 December 2023 | | | |
| Opening net assets attributable to unit holders | 2 214 234 | 1 526 840 | 3 741 074 |
| Total Comprehensive Income attributable to Unit Holders | - | 3 332 646 | 3 332 646 |
| Issue of units during the year | 1 409 671 | - | 1 409 671 |
| Redemption of units during the year | (1 037 136) | - | (1 037 136) |
| Closing net assets attributable to unit holders | 2 586 769 | 4 859 486 | 7 446 255 |

* 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 PROPERTY FUND
TRANSLATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Notes | 2024 ZWG\$ | RESTATED* 2023 ZWG\$ |
|--|-------|------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net income | | 6 604 937 | 3 332 646 |
| Adjustment for non cash items: | | | |
| Fair value gains on unlisted investments | | (7 191 875) | (3 607 409) |
| Foreign exchange gains | | 508 305 | (68 008) |
| Less dividend income | | (175 064) | (146 573) |
| Changes in working capital | | | |
| (Decrease)/ increase in accounts | | (2 855) | (34 638) |
| Increase/ (decrease) in management fees | | (4 698) | 13 856 |
| Increase/ (decrease) in provision of audit fees | | 2 354 | (45 263) |
| (Decrease)/ increase in trustee's fees | | (511) | 1 500 |
| Decrease in intercompany payable | | - | (4 731) |
| Increase in accounts receivable | | 12 286 | 6 379 |
| Cash utilised in operating activities | | (244 266) | (517 603) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net sale of investments | 6 | 272 126 | 256 445 |
| Dividend received | 6 | 238 138 | 52 501 |
| Net cash inflow from investing activities | | 510 264 | 308 946 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net cash inflow from purchases of units by unit holders | | 762 959 | 1 409 671 |
| Net cash outflow from redemption of units by unit holders | | (578 340) | (1 037 136) |
| Net cash (outflow)/inflow from financing activities | | 184 619 | 372 535 |
| Effect on exchange rate fluctuations on cash held | | (508 295) | 68 009 |
| Net (decrease)/ increase in cash and cash equivalents | | (57 678) | 231 887 |
| Cash and cash equivalents at beginning of year | | 234 312 | 2 425 |
| Cash and cash equivalents at end of year | | 176 634 | 234 312 |

* 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 PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 GENERAL INFORMATION

1.1 Reporting entity

The Old Mutual Unit Trusts Property Fund is registered and domiciled in Zimbabwe. The Fund commenced trading on 22 March 2012. This Fund invests in units for the Core Fund. The Core Fund is a unitised property portfolio managed by Old Mutual Investment Group Zimbabwe Limited. The portfolio consists of a number of properties including office spaces, retail buildings and industrial buildings. Each participant within the Core Fund is allocated units upon joining the Core Fund. Old Mutual Unit Trust Property is a participant within the Core Fund.

1.2 Fund objectives

The objectives of the Fund are:

- To provide a relatively liquid method of investing in real estate and align investor's return with direct property investment;
- To provide investors with a steady growth of capital over medium to long term periods; and
- To provide current income through payment of cash distributions.

1.3 Fund Managers

The Fund Manager is Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG). 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 property market value movements.

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 PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
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 PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
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 reports, 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

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Basis of preparation for the translated financial report

As per IAS 21, Presentation currency is the currency in which the financial statements are presented. An entity may present its financial statements in any currency (or currencies).

The Monetary Policy Statement issued by the Reserve Bank of Zimbabwe on the 6th of February 2025 prescribed that all entities adopt a common presentation currency, ZWG, for reporting purposes. These financial statements are therefore special purpose financial statements to meet the regulatory requirements as pronounced by the RBZ.

The trustees have complied with the pronouncement and adopted ZWG as the presentation currency for this translated financial report. The translated financial report has therefore been prepared in accordance with Monetary Policy statement (MPS) of 6 February 2025. This report is based on Old Mutual Unit Trusts Property Fund audited financial statements for the year ended 31 December 2024.

These underlying financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards. The translation process is detailed in note 2.2.1.

2.2.1 Translation process to a ZWG presentation currency

In accordance with the financial reporting provisions established by the Monetary Policy Statement (MPS) of 6 February 2025 and with guidance issued by the Public Accountants and Auditors board on 10 March 2025 the Fund translated the USD based financial statements to ZWG based on the prevailing Reserve Bank of Zimbabwe interbank rate as at 31 December 2024. This is in accordance with the requirements of the Exposure Draft "Translation to a Hyperinflationary Presentation Currency" issued by the International Accounting Standards Board (IASB) which states that when an entity's presentation currency is the currency of a hyperinflationary economy but its functional currency is the currency of a non-hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.

The Fund Manager and Trustee have assessed the going concern of the Fund and have no reason to believe that the Fund will not continue to operate as a going concern in the foreseeable future. Please refer to note 11.

2.3 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.

2.4 Revenue

Revenue comprises of interest income. Revenue is accounted for in accordance with the particular 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 include 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.

2.4.1 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.

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
TRANSLATED NOTES TO THE FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Critical accounting estimates and judgements

The preparation of financial report 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.

The underlying properties related to unlisted investments are subject to regular impairment reviews as required. Impairments are measured as the difference between the cost (or amortised cost) of a particular asset and the current fair value or recoverable amount. Impairments are recorded in the statement of comprehensive income in the period in which they occur

2.6 Functional currency

The financial reports 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 and the underlying property assets. Property assets are primarily valued in USD, as both valuations and market transactions occur in this currency. 98% of the Fund profit is derived from property fair value movements. Resultantly, for the year 2024 the Fund functional currency changed from local currency ZWL/ZWG to USD effective 01 January 2024. Fund Manager followed guidance and adopted ZWG as the presentation currency though the functional currency had changed to USD. The USD results and financial position were translated to ZWG using the relevant exchange rates. RBZ's official exchange rates were used to translate the entity's functional currency to the ZWG, IAS 21 paragraph 39 provides that all amounts shall be translated at the closing rate at the date of the most recent statement of financial position.

2.7 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 PROPERTY FUND
TRANSLATED NOTES TO THE FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Trustees' fees

Trustees' 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.

2.8.1 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 896.73591 and 915.03664 respectively. Further information has been documented under supplementary information.

2.9 Financial instruments

Recognition and de-recognition of financial instruments

A financial instrument is recognised when, and only when, the Fund becomes a party to the contractual provisions of the particular instrument.

The Fund de-recognises a financial asset when and only when:

- The contractual rights to the cash flows arising from the financial asset have expired or been forfeited by the Fund; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- It transfers the financial asset neither retaining nor transferring substantially all the risks and rewards of ownership of the asset but no longer retains control of the asset

A financial liability is de-recognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired.

The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of comprehensive income.

All purchases and sales of financial assets carried at fair value through profit and loss that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognised at trade date, which is the date that the Fund commits to purchase or sell the asset.

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.

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

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 fair value through profit and loss is set out in note 9.

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 comprises 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.

2.10 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.

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.

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets (continued)

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 measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Financial assets where credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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.

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. 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.

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2 MATERIAL ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets (continued)

2.10.1 Assets carried at amortised cost

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 group 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.

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.

2.11 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 Reserve bank of Zimbabwe spot rate used as at 31 December 2023 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 PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

| | 2024 ZWG\$ | Restated 2023 ZWG\$ |
|------------------------------------|----------------|---------------------------|
| 3 CASH AND CASH EQUIVALENTS | | |
| Current deposits with banks | 176 634 | 234 312 |
| | <u>176 634</u> | <u>234 312</u> |

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

4 UNLISTED INVESTMENTS

Unlisted investments relate to units in different properties in which unit holders have invested. These properties are managed by the Fund Manager, Old Mutual Investment Group's Property boutique. The different properties are unitized to enable the Fund to issue out units to the unit holders.

| | 2024 ZWG\$ | 2023 ZWG\$ |
|--|-------------------|------------------|
| Unlisted Investments | | |
| Number of units invested in Old Mutual Core Fund | 255 363 | 269 340 |
| Market Value of units | 13 831 935 | 6 918 469 |
| Market value per unit (ZWG\$) | 54 | 26 |
| 5 ACCOUNTS PAYABLE | | |
| Provision for audit fees | 2 354 | - |
| Trustee fees | 2 354 | 2 865 |
| | <u>4 708</u> | <u>2 865</u> |
| 6 PURCHASE AND SALE OF UNLISTED INVESTMENTS | | |
| Unlisted investments as at 31 December 2023 | 6 918 469 | 3 778 804 |
| Sale of investments | (278 409) | (467 744) |
| Purchase of investments | - | - |
| Fair value gains on unlisted investments | 7 191 875 | 3 607 409 |
| Unlisted investments as at 31 December 2024 | <u>13 831 935</u> | <u>6 918 469</u> |

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7 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 and Trustee.

Transactions and balances are reflected in below

| | 2024 | Restated * |
|---|-------------------|-------------------|
| | ZWG\$ | 2023 |
| | | ZWG\$ |
| 7.1 Transactions with related parties | | |
| Old Mutual Investment Group Zimbabwe (Private) Limited (OMIG) - Management fees | (190 646) | (265 723) |
| Money market investments | 6 273 | - |
| Stanbic Investor Services Zimbabwe - Trustee's fees | (20 723) | (28 805) |
| Old Mutual Properties (Private) Limited -Unlisted Investments | 13 831 935 | 6 918 469 |
| | <u>13 626 839</u> | <u>6 623 941</u> |
| 7.2 Balance due to: | | |
| Stanbic Investor Services Trustee oversight services rendered | 2 354 | 2 865 |
| Old Mutual Investment Group Zimbabwe (Private) Limited Management fees | 21 657 | 26 355 |
| Old Mutual Unit Trusts -Other payables | 1 243 | 1 243 |
| Intercompany payables Total | <u>22 900</u> | <u>27 598</u> |
| 7.3 Balance due from: | | |
| Old Mutual Investment Group Zimbabwe (Private) Limited | | |
| Money Market Fund- investment of audit fee provisions | 6 273 | - |
| Old Mutual Properties (Private) Limited Dividend Income | 49 563 | 112 637 |
| Sale of units | 199 014 | 211 300 |
| | <u>254 850</u> | <u>323 937</u> |

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8 EXPENSES 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 was 1.78% (2023: 4.49%).

9 FINANCIAL RISK MANAGEMENT

9.1 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.

9.2 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.

9.3 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's 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.

9.4 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 judgment 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 PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9 FINANCIAL RISK MANAGEMENT (continued)

9.4 Fair values of financial assets and liabilities (continued)

Determination of fair value (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: IFRS 13 Fair value hierarchy

At 31 December 2024

| | Level 1 | Level 2 | Level 3 |
|--|----------|----------|-------------------|
| | \$ | \$ | \$ |
| Financial assets measured at fair value | | | |
| Unlisted investments | - | - | 13 831 935 |
| Total financial assets measured at fair value | <u>-</u> | <u>-</u> | <u>13 831 935</u> |

At 31 December 2023

| | Level 1 | Level 2 | Level 3 |
|--|----------|----------|------------------|
| Financial assets measured at fair value | | | |
| Unlisted investments | - | - | 6 918 469 |
| Total financial assets measured at fair value | <u>-</u> | <u>-</u> | <u>6 918 469</u> |

The fair value of the underlying property portfolio where the units are derived from is determined quarterly, supported by internal professional valuers, having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The recorded values are tested by comparing internal values with values determined by three independent external valuers for a sample of properties accounting for at least 65% of the total value of the property portfolio.

Key assumptions and considerations applied in the valuation process include:

- The underlying valuation has been prepared in USD given the principal market is the USD market.
- evidence of transactions in USD.
- Rental input used was the passing rentals in the market; and
- Cap rates for selected properties were slightly adjusted to reflect property specific factors.

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
NOTES TO THE TRANSLATED FINANCIAL REPORTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

10 UNITS IN ISSUE

| | ZWG\$ |
|--|------------------|
| Opening Issued units 1 January 2023 <i>420 280 units</i> | 2 214 234 |
| Issued in 2023 <i>189 730 units</i> | 1 409 671 |
| Redeemed in 2023 <i>81 429 units</i> | (1 037 136) |
| Closing Issued units 31 December 2023 <i>528 581 units</i> | 2 586 769 |
| Issued in 2024 <i>120 604 units</i> | 762 959 |
| Redeemed in 2024 <i>73 330 units</i> | (578 340) |
| Closing Issued units 31 December 2024 <i>575 856 units</i> | 2 771 388 |

11 GOING CONCERN

Going concern triggers

The financial reports 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 historical net income attributable to unit holders of ZWG\$6,604,937 for the year ended 31 December 2024 (2023: ZWG3,332,646). In addition, as of the reporting date the Fund's current assets exceeded its current liabilities by ZWG\$14,235,811 (2023: ZWG\$7,446,255).

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
- valuation of property units in a stable currency and also benchmarking rental dividends in that same stable currency to hedge the fund against exchange rate fluctuations and inflation; and
- retention of dividends and proactive monitoring of expenses provisions to reduce over-distributions.

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 reports on a going concern basis is still appropriate.

12 SUBSEQUENT EVENTS

There were no significant subsequent events post year end. On February 6, 2025, the Reserve Bank of Zimbabwe (RBZ) announced the 2025 Monetary Policy Statement, mandating all listed companies to publish their annual financial reports in the local currency, Zimbabwe Gold (ZWG), to ensure comparability. This has resulted in the Fund translating financial reports from functional currency of USD to a presentation currency of ZWG by applying the spot rate of ZWG\$25.7985 to US\$1 as at 31 December 2024.

OLD MUTUAL UNIT TRUSTS PROPERTY FUND
 SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED 31 DECEMBER 2024

1. ANALYSIS OF UNIT HOLDER BALANCES AT 31 DECEMBER 2024

| Category | Number of client accounts | Market value ZWG\$ | Price (cents) ZWG\$ | Number of units |
|------------------------|------------------------------|--------------------------|---------------------------|--------------------|
| 0 to 5 000 | 685 | 636 093 | 2 472.11 | 25 731 |
| 5 001 to 10 000 | 36 | 556 067 | 2 472.11 | 22 494 |
| 10 001 to 20 000 | 25 | 547 474 | 2 472.11 | 22 146 |
| 20 001 to 50 000 | 18 | 1 030 975 | 2 472.11 | 41 704 |
| 50 001 to 100 000 | 7 | 1 199 940 | 2 472.11 | 48 539 |
| 100 001 to 250 000 | 6 | 1 505 841 | 2 472.11 | 60 913 |
| 250 001 to 500 000 | 5 | 1 761 006 | 2 472.11 | 71 235 |
| 500 001 to 1 000 000 | - | 2 778 023 | 2 472.11 | 112 374 |
| 1 000 001 to 2 000 000 | 1 | 1 015 403 | 2 472.11 | 41 074 |
| 2 000 001 and above | - | 3 204 989 | 2 472.11 | 129 646 |
| Total | 783 | 14 235 811 | - | 575 856 |

2. ANALYSIS OF UNIT HOLDER BALANCES AT 31 DECEMBER 2023

| Category | Number of client accounts | Market value ZWG\$ | Price (cents) ZWG\$ | Number of units |
|-----------------|------------------------------|--------------------------|---------------------------|--------------------|
| 0 to 2 | 42 | 397 | 1,408.73 | 28 |
| 2.01 to 4 | 25 | 757 | 1,408.73 | 54 |
| 4.01 to 8 | 69 | 4 483 | 1,408.73 | 318 |
| 8.01 to 20 | 107 | 15 247 | 1,408.73 | 1 082 |
| 20.01 to 40 | 115 | 35 080 | 1,408.73 | 2 490 |
| 40.01 to 100 | 106 | 74 664 | 1,408.73 | 5 300 |
| 100.01 to 200 | 76 | 115 618 | 1,408.73 | 8 207 |
| 200.01 to 400 | 86 | 267 241 | 1,408.73 | 18 970 |
| 400.01 to 2 000 | 80 | 769 122 | 1,408.73 | 54 597 |
| 2 001 and above | 39 | 6 163 646 | 1,408.73 | 437 535 |
| Total | 745 | 7 446 255 | - | 528 581 |

**OLD MUTUAL UNIT TRUSTS PROPERTY FUND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. 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.

4. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) Disclosure

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.

A. 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.

B. 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.

C. 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.