

2026 bonus declaration for the **Life Horizon** With-Profit Annuity

Introduction

The Life Horizon With-Profit Annuity provides the security of a guaranteed annuity for life. Annuity increases are declared annually in December and applied to your annuity in the following calendar year. Once granted, an increase can never be taken away.

Annual increases are primarily awarded based on the performance of the portfolio of assets where your money is invested. In addition to the performance of the underlying assets, we consider any profits or losses arising from the day-to-day management of the product, such as hedging and mortality experience, to determine the annual bonus.

Investment returns

We understand the importance of stability when it comes to annuity income. To protect our with-profit annuitants from volatile markets, we make use of a technique called 'smoothing' over 6 years. Smoothing simply means holding back returns in the good years and giving them back in the bad years. This means that our annuitants can expect their increases to remain more stable over the long term despite future market movements. They still get the full market return over time, but without experiencing all the volatility.

The 12 months ending 30 November 2025 were defined by a sharp contrast between a turbulent global backdrop and a markedly improved domestic environment. Globally, the Trump administration's progressive imposition of tariffs, persistent geopolitical conflicts in Ukraine and the Middle East, and divergent central-bank policies created periodic volatility and moderated growth. In South Africa, the Government of National Unity (GNU) delivered tangible structural reforms in its first full year: load-shedding was largely eliminated, port and rail efficiency improved, and foreign direct investment saw positive inflows. South African equities, bonds, and listed property all posted strong gains, driven by lower interest rates, improved business confidence, and resource-price strength.

Against this backdrop, the investment portfolio generated strong returns which had a meaningful positive impact on this year's bonuses. Driven by this positive bonus, we are pleased to be able to grant increases to our With-Profit Annuity policyholders. Please note that once this increase has been granted, it can never be taken away (even if markets perform poorly) and therefore becomes guaranteed for the rest of your life.

2026 bonus declaration

A bonus of 9,50% has been declared for increases from 1 January to 31 December 2026. Table 1 shows the bonuses declared over the past 10 years.

From bonus rate to annuity increase

The annuity increase is approximately equal to the net bonus rate (the bonus rate less a risk charge where applicable), less a hurdle rate (dependent on the life horizon option the annuitant has chosen). The risk charge and minimum hurdle rate that apply are dependent on the Life Horizon Annuity option the annuitant has chosen. This table shows the risk charge and hurdle rates for the Life Horizon Annuity options:

	Peak	Waterfall
Risk charge	0,00%	0,15%
Hurdle rate	1,00%	4,00%

Table 2 shows the increase for each Life Horizon Annuity option, applicable from **1 January to 31 December 2026**.

The graph below shows the 10-year annualised increases for the Life Horizon Peak and Life Horizon Waterfall annuity.

Graph 1: annualised increases

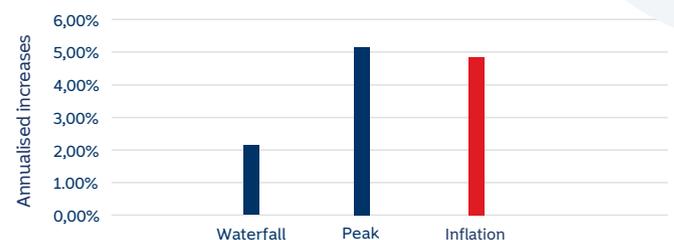


Table 1: bonus history

Year	Bonus
2026	9,50%
2025	8,10%
2024	6,10%
2023	6,10%
2022	6,60%
2021	1,60%
2020	6,10%
2019	5,20%
2018	7,10%
2017	5,90%

Table 2: 2026 increases

	Annuity Increase
Waterfall	5,14%
Peak	8,41%