

Media Q&A: Old Mutual Swaziland Agrifund Launch

1. When was the Old Mutual Swaziland Agrifund established and why?

The Old Mutual Swaziland Agrifund was founded in 2012 and the first official launch of the project was hosted on 16 June 2017. As a responsible business, Old Mutual plays an active role in addressing social and economic issues in the countries where it operates. Prior to the Fund being founded, Dairy Company, Parmalat imported 90% of its milk from South Africa and now this entire milk supply is produced by the Old Mutual Swaziland Agrifund dairy farm. This fund was established as part of our commitment to achieve food security in Swaziland as part of Vision 2022 to truly raise capability of the agricultural sector.

2. Why is it only being launched now?

When the Old Mutual Swaziland Agrifund was established in 2012, there was nothing tangible to launch yet, except of course the announcement of the financial contribution. However, now that the Fund has tangible results with the dairy farm up and running and producing over 9000 litres of milk per day, it is only fitting that the fund be officially launched to the media and public.

3. Who are the custodians and partners involved in the Old Mutual Swaziland Agrifund?

The Old Mutual Swaziland Agrifund is sponsored jointly by Old Mutual, Swaziland National Provident Fund (SNPF) and the Public Service Pensions Fund (PSPF). A joint venture between Swazi Milk and the Old Mutual Swaziland Agrifund has been concluded and Swazi Milk has contributed E40 million to operations of the dairy farm specifically. His Majesty, King Mswati III has supported the Fund as part of the Vision 2022 for agriculture and food security since inception while the Swaziland Government has also played an ongoing role in facilitation of the project.

4. Is this fund the first of its kind in Old Mutual Emerging Markets (OMEM) or have other funds like this been set up in other countries?

The Old Mutual Africa Fund has been established and has been dominant in South Africa but is also expanding into the rest of Africa. In Swaziland the Regulator of Retirement Funds and Capital Markets are pushing for localisation of assets and investment in Agriculture which is amongst the most sought-after alternative asset as it speaks to food security in any country.

5. How much will be invested in the Old Mutual Swaziland Agrifund and what will this be spent on?

The total capital investment in this fund was E100m at inception comprising of Old Mutual (E25m), PSPF (E25m) and SNPF (E50m). This money has already been used to acquire three farms with two of them being converted into a dairy farm and the remaining land has been set aside to farm blueberries and baby vegetables. The infrastructure required for the functioning of the farms, e.g. the state-of-the-art milking system and 3500 litre dam have also been

purchased. The Public Service Pensions Fund has committed a further E96m to cover future expansion with Old Mutual and Swaziland National Provident Fund also looking to make further contributions towards expansion. The fund has so far seen a total investment of E196m. Swazi Milk has contributed E40 million to the operation of the dairy farm separate to the Old Mutual Swaziland Agrifund.

6. How many people have been employed through the Old Mutual Swaziland Agrifund so far?

Phase one of the project has seen about 40 permanent staff being hired, 150 people were employed part-time during the construction of the farm while phase two will see the number of permanent staff being doubled.

7. What is the next step for the Old Mutual Swaziland Agrifund?

We are ready to acquire additional cattle and begin farming beef for export to South Africa and Europe. In terms of agri-processing, phase two of the project includes setting up the second milking facility, expansion of the pastures and a milk processing plant. The fund will also be partnering with the University of Swaziland to train agriculture students on large scale farming and launching an initiative to protect and upskill local dairy farmers in the area.