Old Mutual spices up unit trusts with life insurance benefits

Insurance.

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Old Mutual has spiced up its unit trust product, integrating life and education protection benefits as an add-on for unit trust investors.

The new offering, launched in Kampala by Old Mutual Investment Group in partnership with Old Mutual Life Assurance, introduces insurance-linked benefits for investors who maintain or grow their balances each quarter.

Under the enhanced structure, unit trust members will automatically access additional protection including the Life Care Benefit, which provides financial assistance in the event of the death of the investor, the Lifetime Benefit for permanent disability or critical illness, and the Safe Scholar Benefit, which ensures school fees and scholastic support for beneficiaries if the account holder passes away.

The innovation, Old Mutual said, seeks to address a common challenge among investors who often withdraw their savings prematurely to respond to emergencies.

"We understand that many customers sometimes withdraw their investments prematurely to meet unexpected life events. With this enhancement, we are ensuring that our clients can continue growing their wealth while also securing meaningful protection for themselves and their families," said Zachaeus Kisesi, the Old Mutual Investment Group managing director.

The product leverages Old Mutual's Integrated Financial Services model, bringing together professional fund management and life assurance capabilities so customers can simultaneously accumulate wealth and access financial protection within the same investment structure.

Patrick Kimathi, the Old Mutual Life Assurance managing director, said the partnership reflects a broader shift in financial services where investments and insurance are increasingly delivered as complementary solutions rather than separate products.

Unit trusts, also known as collective investment schemes, have rapidly gained traction in Uganda as more individuals seek structured, professionally managed ways to save and invest.

The investment vehicles allow individuals to pool funds, which are then invested by professional managers across diversified assets such as treasury bills, bonds, fixed deposits and equities to generate returns while spreading risk.

Data from the Capital Markets Authority shows that assets under management in the collective investment industry have surged in recent years, growing to more than Shs4.19 trillion as of March 2025, which was a 9.2 percent increase from Shs3.84 trillion in December 2024.