

ENHANCED CREDIT VARIABLE ANNUITY

PENN MUTUAL VARIABLE ANNUITY ACCOUNT III

Monthly Fund Performance - For Period Ending 03/31/2020

The numbers in the table below assume a \$10,000 hypothetical investment without any optional riders or contingent deferred sales charges included for contract form BVA-00. Had these been included, performance values would be lower. Performance is however net of fund expenses, product charges and the \$40 annual administration charge.

The performance data quoted represents past performance and is not predictive of future results. The investment return and principal value will fluctuate so that units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. You can obtain current month end performance at www.pennmutual.com in the Investment Options & Performance tab.

These returns assume that the investment portfolios were available under the contract since their respective inception dates. The inception date represents the date on which the underlying investment option commenced investment operations.

Fund	Sub-Adviser/Adviser	Total Return			Average Annual Total Returns			10 Yr or Since Inception [†]	Inception Date
		1 Mth	3 Mth	YTD	12 Mths	3 Yr	5 Yr		
Asset Allocation or LifeStyle Funds									
^{††} Aggressive Allocation Fund	Penn Mutual Asset Management, LLC	-15.58%	-23.19%	-23.19%	-15.79%	-2.32%	-0.20%	4.28%	08/25/2008
^{††} Moderately Aggressive Allocation Fund	Penn Mutual Asset Management, LLC	-13.98%	-20.58%	-20.58%	-13.33%	-1.44%	0.31%	4.16%	08/25/2008
^{††} Moderate Allocation Fund	Penn Mutual Asset Management, LLC	-11.24%	-15.73%	-15.73%	-9.05%	-0.35%	0.87%	3.77%	08/25/2008
^{††} Moderately Conservative Allocation Fund	Penn Mutual Asset Management, LLC	-8.45%	-10.82%	-10.82%	-4.97%	0.50%	1.09%	3.14%	08/25/2008
^{††} Conservative Allocation Fund	Penn Mutual Asset Management, LLC	-5.85%	-5.92%	-5.92%	-1.41%	1.07%	1.12%	2.23%	08/25/2008
Large Cap Funds									
¹ Penn Series Large Growth Stock Fund	T. Rowe Price	-11.59%	-15.19%	-15.19%	-5.48%	8.01%	7.47%	10.83%	06/01/1983
² Penn Series Large Core Growth Fund	Morgan Stanley	-10.63%	-10.73%	-10.73%	-5.05%	11.07%	7.60%	9.96%	08/25/2008
³ Penn Series Large Cap Growth Fund	MFS Investments	-11.67%	-18.31%	-18.31%	-3.89%	9.14%	7.50%	7.56%	05/01/2002
Penn Series Large Core Value Fund	Eaton Vance	-16.66%	-26.60%	-26.60%	-16.30%	-1.37%	0.57%	4.96%	08/25/2008
⁴ Penn Series Large Cap Value Fund	AllianceBernstein, LP	-16.60%	-26.78%	-26.78%	-18.66%	-3.88%	-0.81%	4.57%	03/01/1987
Mid Cap Funds									
⁵ Penn Series Mid Cap Growth Fund	Ivy Investment Management	-13.96%	-18.47%	-18.47%	-8.13%	8.98%	5.26%	8.06%	05/01/2000
Penn Series Mid Cap Value Fund	Neuberger Berman	-28.27%	-39.22%	-39.22%	-38.47%	-13.67%	-7.42%	2.42%	05/01/2000
⁶ Penn Series Mid Core Value Fund	American Century	-17.98%	-27.76%	-27.76%	-18.68%	-5.64%	0.11%	6.34%	05/01/2002
SMID (Small/Mid) Cap Funds									
⁷ Penn Series SMID Cap Growth Fund	Goldman Sachs	-15.39%	-17.92%	-17.92%	-6.43%	6.06%	4.66%	8.27%	08/25/2008
Penn Series SMID Cap Value Fund	AllianceBernstein, LP	-26.72%	-38.07%	-38.07%	-34.20%	-12.33%	-5.30%	3.20%	08/25/2008
Small Cap Funds									
⁸ Penn Series Small Cap Growth Fund	Janus Capital	-19.04%	-27.08%	-27.08%	-22.60%	0.18%	1.34%	4.88%	05/01/1997
⁹ Penn Series Small Cap Value Fund	Goldman Sachs	-25.04%	-36.27%	-36.27%	-30.87%	-10.44%	-4.07%	4.66%	03/01/1995
Balanced Funds									
Penn Series Flexibly Managed Fund	T. Rowe Price	-9.59%	-12.57%	-12.57%	-3.69%	4.79%	5.36%	8.07%	07/23/1984
^{††} Penn Series Balanced Fund	Penn Mutual Asset Management, LLC	-8.53%	-11.88%	-11.88%	-3.02%	3.22%	3.73%	6.17%	08/25/2008

ENHANCED CREDIT VARIABLE ANNUITY

PENN MUTUAL VARIABLE ANNUITY ACCOUNT III

Monthly Fund Performance - For Period Ending 03/31/2020

Fund	Sub-Adviser/Adviser	Total Return			Average Annual Total Returns			10 Yr or Since Inception [†]	Inception Date
		1 Mth	3 Mth	YTD	12 Mths	3 Yr	5 Yr		
Index Funds									
¹⁰ Penn Series Index 500 Fund	State Street	-12.23%	-19.77%	-19.77%	-8.37%	3.37%	4.91%	8.64%	05/01/2000
Penn Series Small Cap Index Fund	State Street	-21.80%	-31.00%	-31.00%	-25.70%	-6.61%	-2.32%	4.75%	08/25/2008
Penn Series Developed International Index Fund	State Street	-14.49%	-23.36%	-23.36%	-16.46%	-3.90%	-2.67%	0.69%	08/25/2008
Specialty Fund									
¹¹ Penn Series Real Estate Securities Fund	Cohen & Steers	-18.29%	-23.31%	-23.31%	-14.10%	-0.33%	0.63%	6.87%	05/01/2002
International Funds									
Penn Series International Equity Fund	Vontobel Asset Management	-14.14%	-19.44%	-19.44%	-8.66%	0.89%	1.36%	3.89%	11/01/1992
¹² Penn Series Emerging Markets Equity Fund	Morgan Stanley	-19.28%	-27.29%	-27.29%	-20.24%	-6.00%	-3.78%	-1.59%	08/25/2009
Fixed-Income Funds									
^{††} Penn Series Limited Maturity Bond Fund	Penn Mutual Asset Management, LLC	-3.73%	-2.64%	-2.64%	-0.46%	0.24%	0.26%	0.05%	05/01/2000
^{††} Penn Series Quality Bond Fund	Penn Mutual Asset Management, LLC	-3.25%	0.60%	0.60%	5.09%	2.91%	2.04%	2.43%	03/01/1987
¹³ Penn Series High Yield Bond Fund	Penn Mutual Asset Management, LLC	-8.94%	-10.15%	-10.15%	-3.98%	0.82%	2.09%	4.19%	07/23/1984
^{††} Penn Series Money Market Fund	Penn Mutual Asset Management, LLC	-0.09%	-0.18%	-0.18%	-0.08%	-0.62%	-0.93%	-1.16%	07/15/1983

The Penn Series Money Market Fund 7-day yield was 0.41% . The yield, which is gross of product fees and the \$ 40 annual administration charge, more closely reflects the current earnings of the Money Market Fund than the 1-year return.

Investors should carefully consider the objectives, risks, charges, and expenses of the relevant variable annuity product and underlying investment options prior to investing. Please read the prospectus carefully as it contains this and other pertinent information specific to the product being presented. A prospectus may be obtained from your Penn Mutual financial professional or from our website at www.pennmutual.com in the Planning & Products tab.

Penn Mutual variable products are offered through **Hornor, Townsend & Kent, Inc. (HTK)** , Registered Investment Advisor, Member FINRA/SIPC, 600 Dresher Road, Horsham, PA 19044, 215-957-7300. HTK is a wholly owned subsidiary of The Penn Mutual Life Insurance Company.

1202417TM_Jun17

Report is not valid unless all pages are included

ENHANCED CREDIT VARIABLE ANNUITY

PENN MUTUAL VARIABLE ANNUITY ACCOUNT III

Monthly Fund Performance - For Period Ending 03/31/2020

Assuming Contract Surrendered

Below are the average annual total returns on a hypothetical investment of \$1,000 assuming the investor makes no additional deposits during the first contract year and surrenders the policy. With the exception of any available optional riders, the figures are net of all possible charges and fees, including the maximum contingent deferred sales charge of 8% (Contract Year = %: 1=8%, 2=8%, 3=8%, 4=8%, 5=7%, 6=6%, 7=5%, 8=3%, 9=3%), asset charges, product fees, and the \$40 annual administration charge. Had any available optional riders been included, performance values would be lower.

Fund	Sub-Adviser/Adviser	Average Annual Total Returns			10 Yr or Since	Inception Date
		1 Yr	3 Yr	5 Yr	Inception †	
Asset Allocation or LifeStyle Funds						
†† Aggressive Allocation Fund	Penn Mutual Asset Management, LLC	-21.44%	-4.67%	-1.35%	4.19%	08/25/2008
†† Moderately Aggressive Allocation Fund	Penn Mutual Asset Management, LLC	-19.18%	-3.82%	-0.85%	4.07%	08/25/2008
†† Moderate Allocation Fund	Penn Mutual Asset Management, LLC	-15.25%	-2.77%	-0.30%	3.68%	08/25/2008
†† Moderately Conservative Allocation Fund	Penn Mutual Asset Management, LLC	-11.50%	-1.95%	-0.08%	3.06%	08/25/2008
†† Conservative Allocation Fund	Penn Mutual Asset Management, LLC	-8.23%	-1.40%	-0.06%	2.14%	08/25/2008
Large Cap Funds						
¹ Penn Series Large Growth Stock Fund	T. Rowe Price	-11.96%	5.29%	6.17%	10.74%	06/01/1983
² Penn Series Large Core Growth Fund	Morgan Stanley	-11.57%	8.24%	6.30%	9.87%	08/25/2008
³ Penn Series Large Cap Growth Fund	MFS Investments	-10.51%	6.38%	6.20%	7.47%	05/01/2002
Penn Series Large Core Value Fund	Eaton Vance	-21.91%	-3.75%	-0.60%	4.87%	08/25/2008
⁴ Penn Series Large Cap Value Fund	AllianceBernstein, LP	-24.08%	-6.17%	-1.95%	4.48%	03/01/1987
Mid Cap Funds						
⁵ Penn Series Mid Cap Growth Fund	Ivy Investment Management	-14.40%	6.22%	4.00%	7.97%	05/01/2000
Penn Series Mid Cap Value Fund	Neuberger Berman	-42.27%	-15.57%	-8.41%	2.33%	05/01/2000
⁶ Penn Series Mid Core Value Fund	American Century	-24.09%	-7.86%	-1.05%	6.25%	05/01/2002
SMID (Small/Mid) Cap Funds						
⁷ Penn Series SMID Cap Growth Fund	Goldman Sachs	-12.84%	3.41%	3.41%	8.18%	08/25/2008
Penn Series SMID Cap Value Fund	AllianceBernstein, LP	-38.35%	-14.28%	-6.34%	3.11%	08/25/2008
Small Cap Funds						
⁸ Penn Series Small Cap Growth Fund	Janus Capital	-27.69%	-2.26%	0.15%	4.79%	05/01/1997
⁹ Penn Series Small Cap Value Fund	Goldman Sachs	-35.29%	-12.47%	-5.13%	4.57%	03/01/1995
Balanced Funds						
Penn Series Flexibly Managed Fund	T. Rowe Price	-10.32%	2.19%	4.10%	7.98%	07/23/1984
†† Penn Series Balanced Fund	Penn Mutual Asset Management, LLC	-9.71%	0.67%	2.50%	6.08%	08/25/2008

ENHANCED CREDIT VARIABLE ANNUITY

PENN MUTUAL VARIABLE ANNUITY ACCOUNT III

Monthly Fund Performance - For Period Ending 03/31/2020

Assuming Contract Surrendered

Fund	Sub-Adviser/Adviser	Average Annual Total Returns			10 Yr or Since Inception †	Inception Date
		1 Yr	3 Yr	5 Yr		
Index Funds						
¹⁰ Penn Series Index 500 Fund	State Street	-14.62%	0.82%	3.66%	8.55%	05/01/2000
Penn Series Small Cap Index Fund	State Street	-30.54%	-8.80%	-3.42%	4.66%	08/25/2008
Penn Series Developed International Index Fund	State Street	-22.05%	-6.19%	-3.77%	0.60%	08/25/2008
Specialty Fund						
¹¹ Penn Series Real Estate Securities Fund	Cohen & Steers	-19.89%	-2.75%	-0.53%	6.77%	05/01/2002
International Funds						
Penn Series International Equity Fund	Vontobel Asset Management	-14.89%	-1.58%	0.17%	3.80%	11/01/1992
¹² Penn Series Emerging Markets Equity Fund	Morgan Stanley	-25.53%	-8.21%	-4.85%	-1.67%	08/25/2009
Fixed-Income Funds						
^{††} Penn Series Limited Maturity Bond Fund	Penn Mutual Asset Management, LLC	-7.35%	-2.20%	-0.90%	-0.03%	05/01/2000
^{††} Penn Series Quality Bond Fund	Penn Mutual Asset Management, LLC	-2.25%	0.37%	0.84%	2.34%	03/01/1987
¹³ Penn Series High Yield Bond Fund	Penn Mutual Asset Management, LLC	-10.59%	-1.64%	0.90%	4.10%	07/23/1984
^{††} Penn Series Money Market Fund	Penn Mutual Asset Management, LLC	-7.00%	-3.03%	-2.06%	-1.24%	07/15/1983

Investments in the small capitalization sector of the financial markets may be subject to increased volatility or risk due to the size, experience, and information available on any such companies. International investing involves certain risks, including political and economic uncertainties, in addition to currency price fluctuations not inherent in domestic investing. REITs involve risks such as refinancing, economic impact on industry, changes in property values, dependency on management skills, and risks similar to small company investing. Investing in higher yielding, lower-rated corporate bonds has a greater risk of price fluctuations and loss of principal and income than U.S. Government Securities. Investment in a money market is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, and although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds. Fund shares are not insured and their value and yield will vary with market conditions. The S&P 500 Index is an unmanaged index of common stock performance, considered to be representative of the stock market in general. Indexes do not have sales charges and it is not possible to invest directly in an index.

^{††}Effective 1/1/15, Independence Capital Management, Inc. became known as Penn Mutual Asset Management, Inc. On 7/1/16, Penn Mutual Asset Management, Inc. became known as Penn Mutual Asset Management, LLC.¹Fund manager changed to T. Rowe Price Associates on 8/1/04. Large Growth Stock's name, prior to 8/25/08 was Growth Stock.²Fund manager changed to Morgan Stanley Investment Management on 12/1/16.³Fund manager changed to MFS Investments on 5/1/13.⁴Fund manager changed to Loomis, Sayles & Co. on 5/1/13, and changed to AllianceBernstein, LP on 10/1/18.⁵Fund manager changed to Ivy Investment Management on 5/1/14.⁶Fund manager changed to American Century on 5/1/13. Prior to 8/25/08, the Mid Core Value Fund was known as the Strategic Value Fund.⁷Fund manager changed to Goldman Sachs Asset Management, LP, on 12/1/16.⁸Fund manager changed to Janus Capital on 5/1/13.⁹Fund manager changed to State Street Global Advisors on 8/25/08.¹⁰Fund manager changed to State Street Global Advisors on 8/25/08.¹¹Funds having less than 10 years of performance will show the since inception figure.¹²Fund manager changed to Cohen & Steers Capital Management on 5/1/2011. Prior to 5/1/2011, the Real Estate Securities Fund was known as the REIT Fund.¹³Fund manager became known as Morgan Stanley Investment Management on 5/1/10.¹⁴Fund manager changed to Penn Mutual Asset Management, LLC on 5/1/2018.

2020 The Penn Mutual Life Insurance Company, Philadelphia, PA 19172 www.pennmutual.com

Report is not valid unless all pages are included