



Smooth  
Bonus Fund

A stable and secure investment

Annualised rates for the period  
ending 30 June 2020



**METROPOLITAN**

Together we can

## ▶ **How does Metropolitan's Smooth Bonus Fund work**

The Smooth Bonus fund aims to provide market-related and inflation-beating returns over the long term, without the ups and downs that the stock market often displays in the short term.

Metropolitan makes yearly bonus declarations so as to smooth investment returns. This is done to lessen the volatility that market-linked funds may experience. During periods of strong investment performance, a portion of the underlying investment return is held back and not declared as a bonus. This portion that is held back is then used to declare higher bonuses when returns are lower.

## ▶ **What are some of the benefits of a Smooth Bonus Fund?**

- It offers stable long-term returns thereby helping to protect against volatile market returns.
- It targets inflation-beating returns.
- It allows for more accurate projections and financial planning.

While the Smooth Bonus fund is not immune to harsh economic conditions, it does shield clients from the worst of the market falls.

## ▶ **An effective way to ease the ups and downs in the market**

In the past few years we have witnessed one of the most volatile investment periods in history. Many people remain unsure about their investment choices because of the volatility we have experienced. With your money invested in the Metropolitan Smooth Bonus fund, we believe that you are well-positioned to weather the impacts of the ups and downs in the market in the long term.

Metropolitan has declared a bonus of 1.0% for endowments and 1.5% for retirement annuities for the period ending 30 June 2020.

## Smooth Bonus Fund rates history for the period ending 30 June 2020

Year	Number of months	Endowments	Retirement annuities
31 Dec 2011	12	4,3%	4,5%
31 Dec 2012	12	8,0%	8,5%
31 Dec 2013	12	11,5%	13,0%
31 Dec 2014	12	10,0%	10,5%
31 Dec 2015	12	6,5%	7,5%
31 Dec 2016	12	4,0%	5,0%
30 Jun 2017*	6	2,0%	3,0%
30 Jun 2018	12	5,0%	7,0%
30 Jun 2019	12	6,5%	6,0%
30 Jun 2020	12	1,0%	1,5%

\*Change of financial year-end to 30 June for annual bonus declarations.

## Metropolitan's Smooth Bonus Fund versus the Consumer Price Index (CPI)

The Consumer Price Index (CPI) measures how the price of consumer goods and services purchased by households change over a period of time. Metropolitan's Smooth Bonus fund has outperformed CPI over 10 and 15 years.

Years	Final Bonus		Annualised CPI
	Endowment	Retirement Annuities	
5-year average	4,1%	4,9%	4,8%
10-year average	6,1%	6,9%	5,1%
15-year average	8,1%	8,5%	5,7%

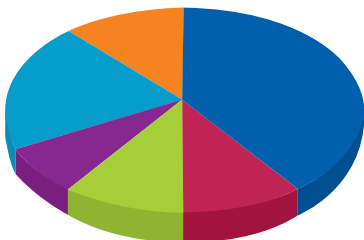
The value of your investment may go up or down. Past performance is not a reliable indicator of future performance.

## Smooth Bonus Fund asset allocation

The Smooth Bonus fund is invested in a balanced portfolio of assets. The actual asset allocation will differ from time to time, but typically the fund will be invested along the following lines:

### Composition and asset allocation

- 40% Equities
- 7.5% Cash
- 10% Inflation Linked bonds
- 10% Conventional bonds
- 12% Property
- 20.5% International



## Together we can make your dreams come true

When investing for the long term, Metropolitan's Smooth Bonus fund offers stable market related returns with inflation beating potential. For more information on our products contact your Metropolitan financial adviser or broker today. Call us on **0860 724 724** or visit your nearest Metropolitan office. Alternatively you can visit us on [www.metropolitan.co.za](http://www.metropolitan.co.za)

Contact details of your financial adviser/broker: