

Metropolitan Balanced Fund

TAXED

March 2021



INVESTMENT STRATEGY

The investment portfolio is a multi-asset fund of funds portfolio designed for clients who are in the consolidation phase of investing. These clients have a medium-term investment horizon and should be invested in a balance of growth and defensive asset classes. The long-term return objective of this investment portfolio is inflation plus 5% a year over five-year rolling periods.

MARKET INDEX RETURNS

	3 Months	6 Months	1 Year	3 Years	5 Years
FTSE/JSE Capped Swix All Share	12,60%	25,53%	54,24%	4,29%	4,35%
BEASSA ALBI	-1,74%	4,86%	16,96%	5,49%	8,66%
IGOV	4,66%	10,38%	16,79%	2,28%	3,51%
STEFI Composite Index	0,90%	1,88%	4,57%	6,34%	6,81%
FTSE/JSE SA Listed Property	6,40%	30,01%	34,44%	-12,91%	-9,04%
MSCI World All Countries Gross	5,67%	6,31%	28,41%	21,22%	13,7%
Citigroup World BIG	-3,94%	-13,24%	-14,01%	10,64%	2,55%
FTSE EPRA NAREIT ZAR	8,42%	7,78%	14,24%	14,41%	5,08%

INVESTMENT RETURN

	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	0,76%	7,01%	26,10%	7,29%	7,28%	10,68%
Strategic Benchmark	0,00%	5,25%	26,91%	4,22%	4,79%	N/A
Performance Benchmark (CPI + 5%)	1,06%	4,63%	7,87%	8,86%	8,27%	N/A

QUARTERLY COMMENT

Quarter one saw a further fiscal stimulus package being pushed through by Biden-led administration. Together with the ongoing roll out of vaccines in predominantly developed markets this led to higher anticipation of an earlier global economic recovery. Nervous about the inflation implications of a return to normality investors continued to sell out of bonds in particularly the US but the effect soon spilled over into other markets including emerging markets and South Africa. Equity markets on the other hand remained up-beat. Global equity markets returned 5.6% (MSCI All Country Index - ZAR) for the quarter while the local equity market steamed ahead with 12.6% (FTSE/JSE Capped SWIX All Share Index) over the same period. This is the 5th consecutive positive month for local equities and brings the 12-month return to 54.2%. Local bonds on the other hand ended the quarter in negative territory, down 1.7% (ALBI) but up nearly 17% for the 12 months. Local listed property was up 6.4% (SAPY) for the quarter. The Balanced fund benefitted from the continued rally in risky assets and advanced by 7.01% for the quarter and a healthy 26.10% for the one year to end of March. The fund remains well positioned to continue participating in the recovery, with overweight positions to local and global equities with a more neutral stance on local nominal and inflation linked bonds. We remain cautious of local property and are underweight global bonds in this environment.

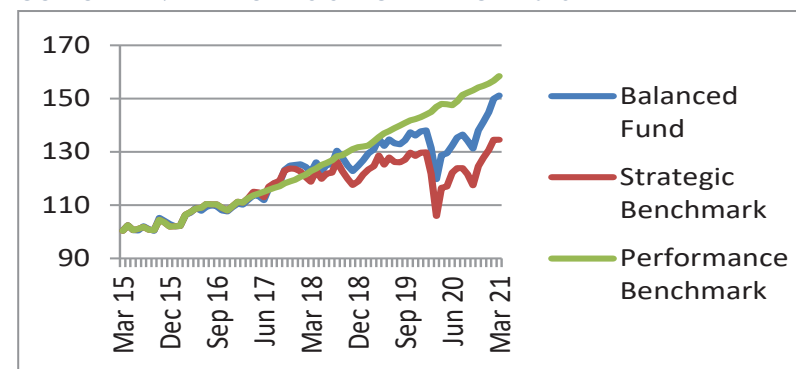
PORTFOLIO MANDATE

To achieve the desired investment outcome, all combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with a high degree of certainty. The expected returns of the various asset classes are enhanced through the appropriate selection of factor-based investment strategies. The risk of exposure to losses in the short term is continually managed by maximising diversification to asset classes, strategies and investment managers.

ASSET ALLOCATION (Strategic benchmark)

Local Equity	40,00%	Direct Property	10,00%
Local Bonds	10,00%	Global Equity ZAR	15,00%
Local Index Listed Bonds	10,00%	Global Bonds ZAR	2,50%
Local Cash	7,50%	Global Property ZAR	3,00%
Local Listed Property	2,00%		

CUMULATIVE RETURNS SINCE MARCH 2015



DISCLAIMERS

Returns illustrated above apply to lump sum investments and are gross of fees. Past performance is not necessarily a reliable indicator of future performance. Although reasonable steps have been taken to ensure the validity and accuracy of the information provided, Metropolitan does not accept any responsibility for any losses or damages arising from any reliance or actions taken on the basis of the information provided. An investment in the fund may not be suitable for all investors. Investors should obtain advice from their financial adviser before proceeding with an investment.