



Metropolitan Balanced Fund

TAXED

June 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 | 0,63% | 13,31% | 27,60% | 4,80% | 4,32% |
| BEASSA ALBI | 6,86% | 5,00% | 13,67% | 9,23% | 9,16% |
| IGOV | 2,95% | 7,75% | 14,79% | 4,93% | 3,20% |
| STEFI Composite Index | 0,92% | 1,83% | 4,01% | 6,04% | 6,62% |
| FTSE/JSE SA Listed Property | 12,12% | 19,30% | 25,17% | -8,85% | -6,85% |
| MSCI World All Countries Gross | 3,97% | 9,87% | 14,99% | 16,66% | 14,46% |
| Citigroup World BIG | -2,11% | -5,96% | -16,19% | 5,60% | 1,75% |
| FTSE EPRA NAREIT ZAR | 4,75% | 13,57% | 11,46% | 8,73% | 5,54% |

INVESTMENT RETURN

| | 3 Months | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------------------------|----------|-------|--------|---------|---------|-----------------|
| Balanced Fund | 1,98% | 9,12% | 16,36% | 7,20% | 7,37% | 10,64% |
| Strategic Benchmark | 2,05% | 8,79% | 13,76% | 4,51% | 4,98% | N/A |
| Performance Benchmark (CPI + 5%) | 2,61% | 4,07% | 10,17% | 8,89% | 8,32% | N/A |

QUARTERLY COMMENT

Continued policy stimulus and increasing economic activity due to faster vaccine roll-outs was supportive of global developed market equities during the second quarter. Emerging market vaccine rollouts are generally lagging, and the emergence of the new Delta variant dented emerging markets' recovery somewhat. At the same time global bonds reacted to rising global consumer price inflation, suggesting a possible earlier tightening of monetary policy. Developed market (DM) equities returned 7.9% in the second quarter of 2021, emerging market (EM) equities 5.1% and global bonds 1%, all in US\$ terms. During the second quarter the Rand strengthened by 3.3%, offsetting some of the US\$ gains. Locally the FTSE/JSE Capped SWIX All Share Index returned 0.6%. Listed property was the best performing local asset class over 3 months with 12.1% (SAPY) followed by bonds with 6.9%. Inflation Linkers were up 3% (IGOV) while the STeFI managed a return of 0.9%.

Against this backdrop the Balanced fund had another pleasing quarter with a positive return of 1.98%. The fund benefitted from its overweight position to the Momentum Global Enhanced Equity Index Fund (+6.6%) and small overweight position to the Momentum SA Real Growth property Fund (+12.4%).

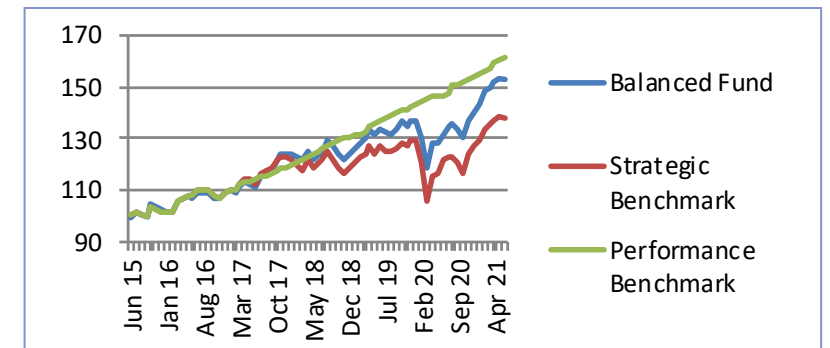
PORTFOLIO MANDATE

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% | Local Listed Property | 12,00% |
| 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% |

CUMULATIVE RETURNS SINCE JUNE 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.