



Metropolitan Balanced Fund

TAXED

September 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	3,19%	3,83%	30,34%	6,49%	5,01%
BEASSA ALBI	0,37%	7,25%	12,46%	9,07%	8,51%
IGOV	2,00%	5,01%	15,92%	5,46%	3,52%
STEFI Composite Index	0,95%	1,88%	3,80%	5,76%	6,43%
FTSE/JSE SA Listed Property	5,94%	18,78%	54,43%	-6,77%	-5,63%
MSCI World All Countries Gross	4,41%	8,56%	15,41%	15,44%	15,82%
Citigroup World BIG	4,36%	2,16%	-11,36%	6,31%	3,88%
FTSE EPRA NAREIT ZAR	5,70%	10,72%	19,33%	9,69%	7,49%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	3,16%	12,58%	18,40%	7,50%	7,71%	10,62%
Strategic Benchmark	2,73%	11,76%	17,42%	5,15%	5,30%	N/A
Performance Benchmark (CPI + 5%)	2,91%	4,46%	9,89%	9,10%	8,68%	N/A

QUARTERLY COMMENT

The quarter had a strong start in July and August but saw markets take their largest breather in September since the Covid-induced sell off in March 2020, erasing the gains made earlier in the quarter. Key concerns for investors were the Fed's announcement of imminent tapering later this year, the ongoing Chinese regulatory Tech clampdown, the potential knock-on effects of the near default of Evergrande, China's second largest property developer, supply chain shortages as well as ongoing speculation around whether the current bout of inflation will be transitory or not. Taking into account the Rand weakness, the MSCI World was flat for the quarter while the MSCI Emerging Markets retreated a massive -8.1%.

Despite a difficult September, the Balanced Fund continued its strong participation in the recent 18-month market rally and added a further 3.16% for quarter. Returns for the 12 months to end of September remain in strong double-digit territory at 18.40%. The fund also remains ahead of its strategic benchmark as well as the inflation linked objective over 12 months.

The fund remains tilted to overweight local equity, nominal bonds as well as inflation linked exposures. We have trimmed global property to a neutral stance as well as reduced some global equity overweight given our revised strategic asset allocations. Local property and global bonds remain our largest underweights while we are building cash positions to take advantage of any short-term market weakness.

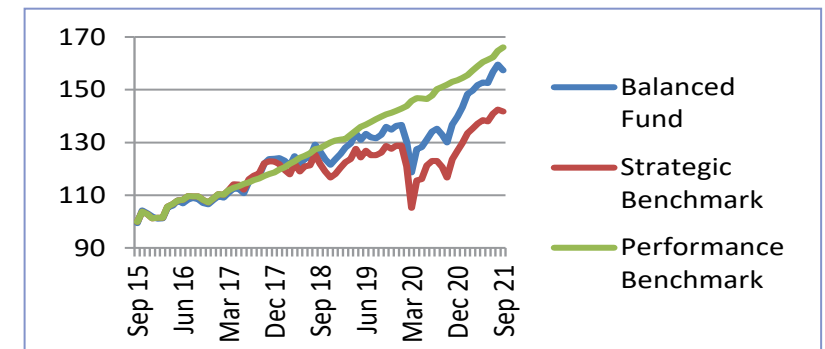
PORTFOLIO MANDATE

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)

SA Equity	30,00%	Direct Property	10,00%
SA Bonds	18,00%	Global Equity ZAR	22,00%
SA Index Listed Bonds	0,00%	Global Bonds ZAR	3,00%
SA Cash	14,00%	Global Property ZAR	1,00%
SA Listed Property	2,00%		

CUMULATIVE RETURNS SINCE SEPTEMBER 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.