



Metropolitan Money Market Fund

TAXED

September 2021

INVESTMENT STRATEGY

The investment fund is a low risk, domestic only, fixed income portfolio which aims to outperform the Short Term Fixed Interest (STeFI) Index before fees over year rolling periods. This portfolio is suited to investors with a low risk profile seeking a competitive yield without compromising on liquidity or capital invested.

MARKET INDEX RETURNS

	3 Months	6 Months	1 Year	3 Years	5 Years
STeFI Composite Index	0,95%	1,88%	3,80%	5,76%	6,43%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Money Market Fund	1,12%	3,25%	4,31%	6,54%	7,36%	7,60%
Strategic Benchmark	0,95%	2,80%	3,80%	5,76%	6,43%	N/A

QUARTERLY COMMENT

The market expects the SARB to start raising interest rates in future and this view reflects on the bank funding yields. The front end money market rates continues to retrace across the curve with the average on-screen NCD spreads slowly trending upwards. Notable movements were from 5-months area through to 1-year point.

The fund holds a combination of fixed and floating rate fixed income instruments issued by banks, SA government and SA corporates with maximum term to maturity of 13 months to manage its interest rate risk. In a rising interest rate environment, the fund invests in floating rates instruments to benefit from the higher reset and when rates are falling, the fund locks higher rates in fixed rate notes.

The duration of the fund was actively managed and kept lower than benchmark limit of 120 days and gradually increased as the bank funding rates ticked up. For the quarter, the Fund returns exceeded benchmark returns as this investment strategy paid off.

The fund has maintained its holdings in government treasury bills as these offered better return than vanilla bank paper. Higher rates on government treasury bills continued to provide investors with better investment alternatives; at a liquidity premium of c.60bps to banks NCDs.

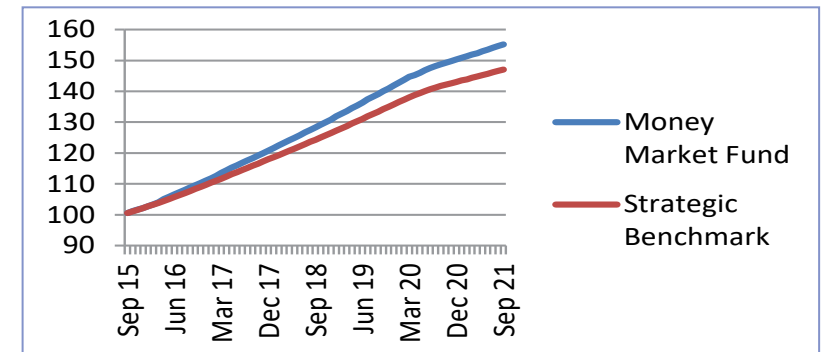
PORTFOLIO MANDATE

To achieve the desired investment outcome, the fund invests in domestic money market instruments with a term shorter than 13 months. A focus on diversification of credit risk, high liquidity and management of interest risk makes this fund an attractive alternative to traditional call accounts and fixed deposits.

ASSET ALLOCATION (Strategic benchmark)

SA Cash	100,00%
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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.