



# Metropolitan Balanced Fund

**UNTAXED**

**Risk profile - Moderate**

**METROPOLITAN**

**March 2022**

## INVESTMENT STRATEGY

This fund is a medium equity, multi-asset-class portfolio with the objective of delivering a consistent real total return above inflation of CPI+3% to CPI+4% over appropriate investment terms. It has a medium- to long-term investment horizon and is suitable for members with an intended investment horizon of five years or longer.

## MARKET INDEX RETURNS

	3 Months	6 Months	1 Year	3 Years	5 Years
FTSE/JSE Capped Swix All Share	6,72%	15,98%	20,43%	11,92%	8,10%
BEASSA ALBI	1,86%	4,77%	12,37%	8,43%	8,92%
IGOV	0,21%	5,47%	10,76%	7,08%	4,97%
STEFI Composite Index	1,03%	2,02%	3,94%	5,23%	6,08%
FTSE/JSE SA Listed Property	-1,27%	6,97%	27,06%	-3,82%	-4,85%
MSCI World All Countries Gross	-13,29%	-1,66%	6,75%	14,72%	14,17%
Citigroup World BIG	-14,48%	-10,07%	-8,12%	0,77%	3,37%
FTSE EPRA NAREIT ZAR	-10,65%	3,14%	14,20%	7,13%	9,56%

## INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	0,18%	0,18%	13,46%	9,55%	8,93%	10,79%
Strategic Benchmark	-0,75%	-0,75%	11,43%	5,79%	5,55%	N/A
Performance Benchmark (CPI +4%)	2,12%	-1,94%	8,66%	8,42%	8,67%	N/A

## QUARTERLY COMMENT

It was a mixed quarter for markets given the stagflationary dynamics of rising global inflationary pressures, rate hikes and slowing growth currently at play. The ongoing war Ukraine is exacerbating supply chain constraints, specifically relating to energy and wheat supplies while a hawkish policy stance by the US Federal Reserve as well as the European Central Bank is proving negative for equity markets. Local equities (FTSE/JSE Capped Swix +6.72%) benefitted from strong demand for South African resources and local fixed income (ALBI +1.86%) was still positive, given the attractive yields on offer from nominal bonds in South Africa relative to developed- and other emerging economies. Global asset classes ended the quarter in the red, further incumbered by the Rand strengthening +8.5% over the same period. Against this backdrop the Balanced Fund delivered absolute returns of +0.18% for the three months, ending the 12-months to March on +13.46%, comfortably ahead of both strategic and inflation linked benchmarks. Looking at the underlying components within the fund, local and global equity as well as enhanced cash and direct property all outperformed their benchmarks while global bonds and the global property index tracker lagged over the quarter. Local flexible bonds and local listed property performed in line with their respective benchmarks. Over the longer term, all building blocks are contributing satisfactory returns and the fund remains well positioned and purposefully diversified for the current volatile environment.

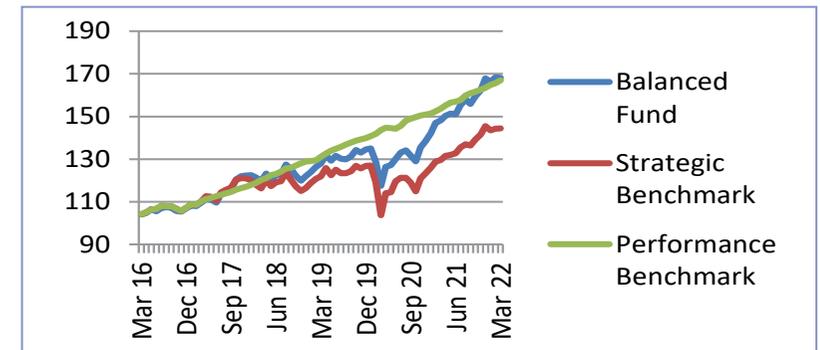
## PORTFOLIO MANDATE

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)

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 MARCH 2016



## 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.