



# Metropolitan Balanced Fund

**UNTAXED**

**Risk profile - Moderate**

**METROPOLITAN**

**September 2023**

## INVESTMENT STRATEGY

This fund is a medium equity, multi-asset-class portfolio with the objective of delivering a consistent 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	-3,81%	-2,69%	11,87%	13,82%	6,44%
BEASSA ALBI	-0,33%	-1,86%	7,24%	6,96%	7,15%
IGOV	0,75%	-0,10%	3,01%	8,62%	5,34%
STEFI Composite Index	2,07%	4,03%	7,52%	5,29%	5,88%
FTSE/JSE SA Listed Property	-0,97%	-0,32%	12,93%	16,75%	-3,54%
MSCI World All Countries Gross	-3,57%	9,20%	27,26%	11,83%	13,29%
Citigroup World BIG	-4,10%	1,02%	7,37%	-3,62%	3,95%
FTSE EPRA NAREIT ZAR	-5,83%	2,48%	8,22%	5,76%	5,27%

## INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	-1,18%	5,04%	11,58%	10,58%	7,31%	10,16%
Strategic Benchmark	-1,60%	6,26%	12,80%	9,29%	5,27%	N/A
Performance Benchmark CPI + (3%)	2,08%	6,24%	7,81%	8,83%	8,78%	0,00%

## QUARTERLY COMMENT

In Q3, central banks, led by the Federal Reserve, pressed on with an 18-month aggressive monetary tightening cycle. Markets embraced the "tighter for longer" message, causing bond yields to rise and yield curves to invert. Global central banks turned more hawkish due to stubborn inflation and robust economies, shelving rate cut expectations. Longer-duration bond yields surged, denting various asset classes. The quarter brought challenges for bonds, with US Treasuries down 3.0%, and most equity markets struggled, save for Japan and the UK. Global Developed Market Equities fell -3.5% in US\$, lagging Emerging Market Equities (-2.9%). China grappled with a slowdown, property woes, and trade constraints. South Africa made slow domestic reform progress, hampered by China's economic woes. Resources and industrials slumped, pulling JSE Capped SWIX down 3.8%. Local property saw a brief rally in July but ended the quarter down 0.6%. Rising US yields weighed on local bonds (-0.33%), while inflation linkers edged up by 0.75%. Cash was the star performer at 2.01%.

Against this backdrop the Balanced Fund retreated -1.18% for Q3, comfortably ahead of the strategic benchmark of -1.6%. The 12-month return is currently at 11.58%. Local and global cash as well as Direct Property were the main contributors, while global fixed income and global property were the main detractors for the quarter.

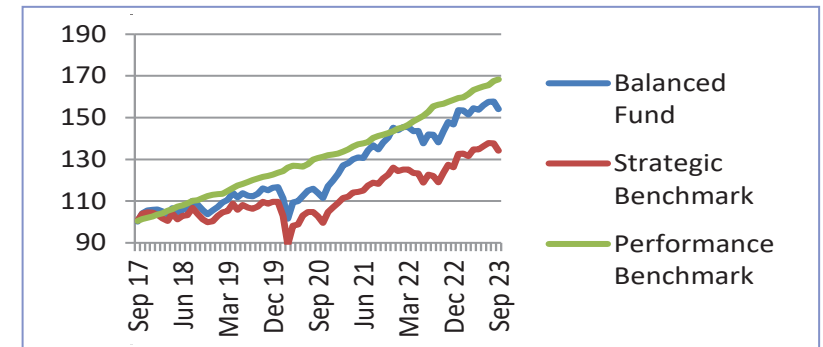
## PORTFOLIO MANDATE

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 2017



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Returns illustrated above apply to lump sum investments. 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.