



# Metropolitan Balanced Fund

TAXED

December 2021

## INVESTMENT STRATEGY AND INVESTOR PROFILE

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 investors 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	8,68%	12,15%	27,08%	10,90%	7,19%
BEASSA ALBI	2,87%	3,24%	8,40%	9,11%	9,05%
IGOV	5,25%	7,35%	15,67%	7,17%	4,79%
STEFI Composite Index	0,98%	1,94%	3,81%	5,48%	6,24%
FTSE/JSE SA Listed Property	8,35%	14,78%	36,94%	-2,94%	-4,35%
MSCI World All Countries Gross	13,40%	18,41%	30,09%	25,30%	18,56%
Citigroup World BIG	5,16%	9,75%	3,21%	7,15%	6,47%
FTSE EPRA NAREIT ZAR	15,43%	22,02%	38,57%	16,68%	12,02%

## INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	7,73%	21,28%	21,28%	11,12%	9,40%	10,94%
Strategic Benchmark	6,65%	19,19%	19,19%	8,59%	6,80%	N/A
Performance Benchmark (CPI +3% to CPI +4%)	1,70%	12,82%	8,47%	8,28%	8,82%	N/A

## QUARTERLY COMMENT

The final quarter of 2021 proved to be a successful one for risky assets with global equities benefitting from the risk-on trade that seemed for the time being, to ignore or suppress the impact of the Omicron variant of the Coronavirus. Developed market equities as well as local equity, local listed property and local fixed income assets all put up a strong showing. Emerging market equity however struggled as the negative sentiment from quarter 3, especially as it relates to China spilled over into the fourth quarter.

The Balanced Fund had a strong quarter in terms of performance and added 7.73% for the 3-month period, bringing the 12-month return for the fund to a pleasing 21.28%, comfortably ahead of the benchmark. Looking ahead a key driver of outcomes remains with the projected path of tapering, or the reduction of asset purchases, by the US Federal reserve as well as inflation. The Fed announced late in 2021 that they will be more aggressive in their approach, paving the way for interest rate hikes sometime in 2022. Economic growth is seemingly still intact and corporate profits continue to show some resilience.

The fund therefore remains tilted to growth assets relative to its strategic asset allocation, particularly overweight local equity, nominal bonds as well as inflation linker exposures.

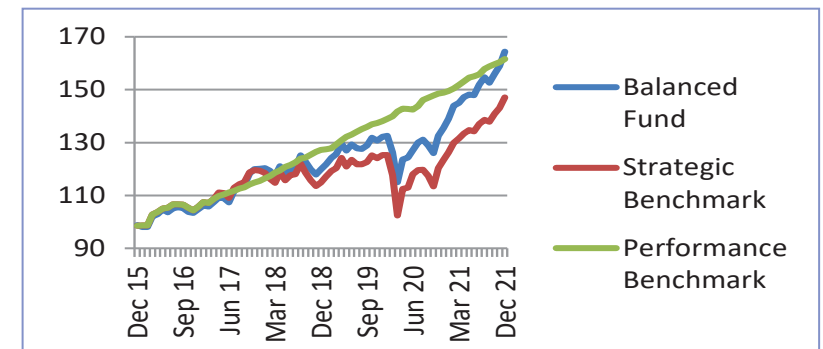
## PORTFOLIO MANDATE

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 DECEMBER 2015



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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.