



Metropolitan Money Market Fund

UNTAXED

December 2021

INVESTMENT STRATEGY AND INVESTOR PROFILE

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 members 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 | 0,98% | 1,94% | 3,81% | 5,48% | 6,24% |

INVESTMENT RETURN

| | 3 Months | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------------|----------|-------|--------|---------|---------|-----------------|
| Money Market Fund | 1,12% | 4,40% | 4,40% | 6,23% | 7,16% | 7,58% |
| Strategic Benchmark | 0,98% | 3,81% | 3,81% | 5,48% | 6,24% | N/A |

QUARTERLY COMMENT

The market continues to expect higher rates in future and this view reflects on the bank funding yield curve. In its last meeting in November 2021, the SARB decided to hike the repo rate by 25bps to 3,75% and this decision was not unanimous as two members preferred an unchanged stance. The market firmly pencils in a gradual and cumulative 2.00% repo rate increases by the end of 2022, with the first 25bps at the January 2022 MPC meeting. The interest rate risk of the fund is currently low, around 90 days and this allows the fund manager to re-invest at higher rates as the bank funding rates and yield curve tick up. For the quarter, the Fund returns exceeded benchmark returns reflecting that this investment strategy paid off.

Government treasury bills continued to offer better return than 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.

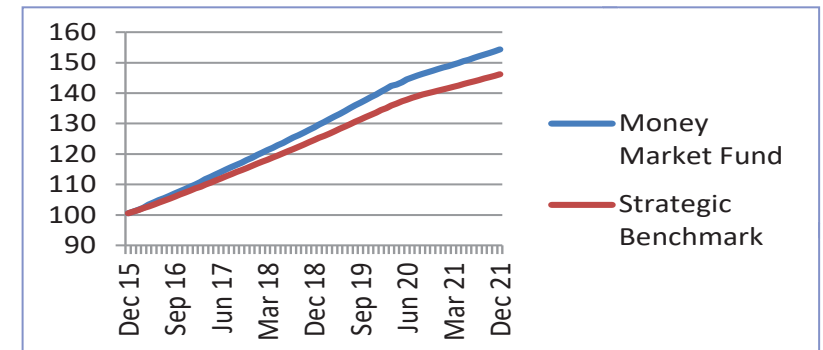
PORTFOLIO MANDATE

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% |
|---------|---------|

CUMULATIVE RETURNS SINCE DECEMBER 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.