



Metropolitan Balanced Fund

TAXED

Risk profile - Moderate

METROPOLITAN

December 2024

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 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	-2.14%	7.27%	13.41%	8.50%	10.30%
BEASSA ALBI	0.43%	11.02%	17.18%	10.25%	9.56%
IGOV	0.82%	5.69%	7.75%	6.31%	7.63%
STEFI Composite Index	2.01%	4.12%	8.46%	7.23%	6.17%
FTSE/JSE SA Listed Property	-0.83%	17.71%	28.96%	12.60%	5.07%
MSCI World (ACWI) ZAR	8.54%	9.31%	21.47%	11.97%	17.37%
Citigroup World BIG	4.11%	4.81%	1.41%	0.86%	3.92%
FTSE EPRA NAREIT ZAR	-1.63%	8.83%	2.74%	-0.82%	4.94%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	2.41%	15.27%	15.27%	9.26%	10.16%	10.69%
Strategic Benchmark	2.22%	14.70%	14.70%	9.26%	8.45%	N/A
Performance Benchmark (CPI +3%)	0.74%	5.92%	5.92%	8.28%	8.22%	N/A

QUARTERLY COMMENT

In Q4 2024, global financial markets experienced mixed performance. The MSCI All Country World Index declined by 1% (in USD), reflecting decelerating growth in developed markets and increased pressures in emerging economies. Despite this, China's economy exceeded expectations, growing by 5.4% year-on-year in the fourth quarter, supported by substantial stimulus measures. In South Africa, financial markets faced challenges. The FTSE/JSE All Share Index decreased by 2.1%, primarily due to a 9% decline in the Resources sector amid concerns over Chinese demand. Small-cap shares outperformed, rising 7.1% during the quarter. The 10-year government bond rallied by 82 basis points, reflecting the more positive sentiment and foreign bond buying following the formation of the GNU government. Conversely, the rand weakened by 8.4% against the US dollar, influenced by expectations of continued U.S. economic resilience and "America-First" policies under President-elect Trump.

The Balanced Fund experienced another strong quarter overall, delivering 2.41% for the 3-month period, taking the 12-month return to a healthy 15.27%.

Looking ahead we prefer local assets in the coming year, driven by stronger fundamentals, favorable valuations, and potential rand strength. South Africa stands to benefit from reduced loadshedding and policy reforms boosting growth. Globally we'll be watching for significant development and policy shifts in the U.S, while South Africa's economic outlook hinges heavily on the stability of its GNU.

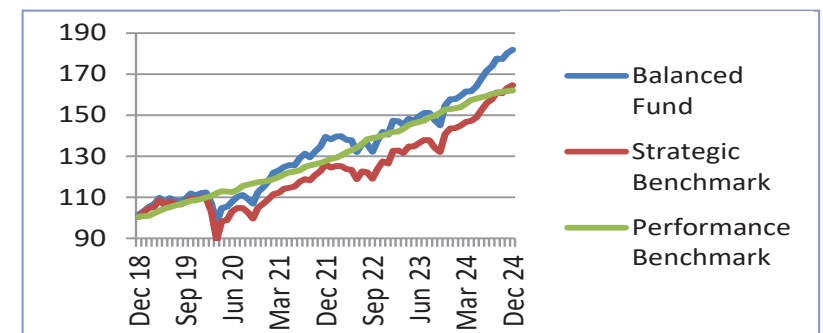
PORTFOLIO MANDATE

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%	Global Equity	23,00%
SA Bonds	18,00%	Global Bonds	3,00%
SA Cash	10,00%	Global Property	2,50%
SA Listed Property	1,50%	Global Cash	2,00%
Direct Property	10,00%		

CUMULATIVE RETURNS SINCE DECEMBER 2018



DISCLAIMERS

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.