

Metropolitan Balanced Fund

TAXED

Risk profile - Moderate

March 2025

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	5,85%	3,58%	22,87%	8,20%	18,67%
BEASSA ALBI	0,70%	1,13%	20,16%	9,83%	11,73%
IGOV	0,63%	1,45%	8,94%	6,46%	9,31%
STEFI Composite Index	1,89%	3,94%	8,28%	7,54%	6,21%
FTSE/JSE SA Listed Property	-3,51%	-4,31%	19,83%	11,74%	18,97%
MSCI World (ACWI) ZAR	-3,68%	4,55%	4,38%	15,96%	16,41%
Citigroup World BIG	0,24%	4,36%	0,09%	6,34%	-1,02%
FTSE EPRA NAREIT ZAR	-0,99%	-2,60%	0,37%	2,79%	6,79%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	0,31%	0,31%	12,90%	9,31%	13,33%	10,57%
Strategic Benchmark	1,23%	1,23%	13,57%	9,98%	13,31%	N/A
Performance Benchmark (CPI +3%)	2,00%	2,00%	6,15%	8,24%	8,07%	N/A

QUARTERLY COMMENT

In Q1 2025, local markets performed relatively well compared to global counterparts, with the local equity market rising by 5.8% (JSE Capped SWIX Index), driven by a strong 27.9% rally in the resources sector, particularly gold and platinum. However, political uncertainty and rising bond yields weighed on RSA's financial and property sectors, which declined by 2.0% and 4.25%, respectively. On the global stage, markets faced challenges, with the S&P 500 falling 4.4%, while European markets showed stronger performance. Emerging markets, particularly China's tech sector, saw gains, although tariff concerns dampened sentiment. The rand appreciated by 2.5%, further impacting global asset returns for local investors.

Portfolio returns were positive, but generally muted, as both local and global equity exposures in the fund underperformed their respective benchmarks. The Balanced Fund delivered a return of 0.31%, with its local smart beta equity blend underperforming due to an underweight in gold and resources. Similarly, global equity performance lagged, tracking closely to the MSCI World index. Direct Property, with a return of 4.1%, was the largest positive contributor to returns.

Our fund positioning remains cautious and valuation-driven, with a preference for RSA assets due to attractive valuations and risk premiums. We favor cash, government bonds, and ILB's locally, while maintaining caution on global equities, particularly US stocks, due to high valuations and recession risks. While the strengthening rand may impact short-term returns from offshore assets, we continue to have a positive outlook on domestic assets.

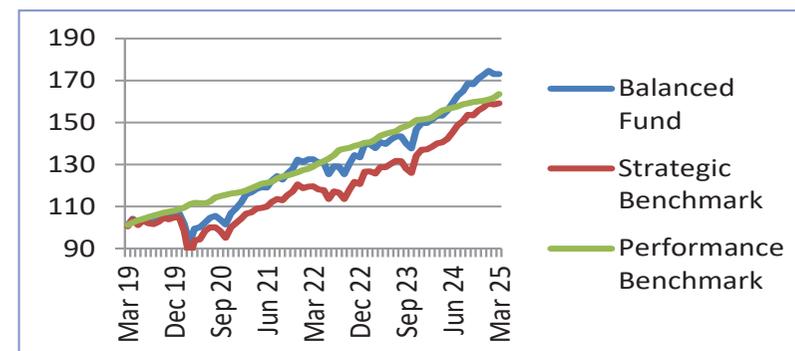
PORTFOLIO MANDATE

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 MARCH 2019



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.