

Metropolitan Money Market Fund

UNTAXED

Risk profile - Conservative

September 2025

INVESTMENT STRATEGY

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	1,81%	3,71%	7,80%	7,96%	6,43%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Money Market Fund	2,02%	6,31%	8,68%	8,93%	7,23%	7,70%
Strategic Benchmark	1,81%	5,67%	7,80%	7,96%	6,43%	N/A

QUARTERLY COMMENT

Gold prices have been on a steady rise, as global political crises lifted demand for the asset. Inflation outlooks in major economies have been clouded by the tariff uncertainty. We have observed that markets have absorbed and moved past the initial shock from the tariffs. SA's sovereign credit spread has remained resilient despite headwinds from global risk aversion and domestic fiscal uncertainty and continued to trade above the implied sovereign rating.

Striking a balance between the upside risks to inflation and the downside risks to the labour market has remained a key challenge for the Fed's monetary policy decisions. This suggests that the FOMC may lean toward cutting rates to mitigate potential risks to the labour market. The Fed delivered a 25bps "risk management" cut at the meeting held in September, aimed at cushioning the labour market against downside risks.

The modest uptick in September's inflation number is unlikely to concern the ECB much, as projections indicate it will decline again and fall below the Bank's target by 2026. The eurozone is expected to see a firmer recovery in 2026, supported by the cumulative 200bps of eight rate cuts since 2024, fiscal expansion and increased defence spending in Germany. The ECB is expected to adopt cautious approach to its monetary easing cycle and is unlikely to implement further cut rates in 2025.

The BOE maintained its policy rate at 4%, as widely anticipated by markets, citing soft labour market data and persistent inflation pressures that remain above the bank's target and are expected to edge higher. Markets do not expect any further rate cuts before year-end. However, Deputy Governor Dave Ramsden indicated that the Bank could continue easing its key interest rate while still guiding inflation toward the 2% target.

Domestically, the MPC kept interest rates unchanged at 7% during its September meeting, pausing to assess the effects of the cumulative 125bps in rate cuts implemented since September 2024. The SARB's adoption of a 3% inflation anchor marks a significant macroeconomic policy shift aimed at lowering inflation expectations. The upcoming Medium-Term Budget Policy Statement in November will be closely monitored for any announcement from the Minister of Finance regarding a potential formal adjustment to the current inflation target band. We anticipate a gradual policy easing cycle from 2026 onwards, supported by contained inflation and the government's formal endorsement of a lower inflation target.

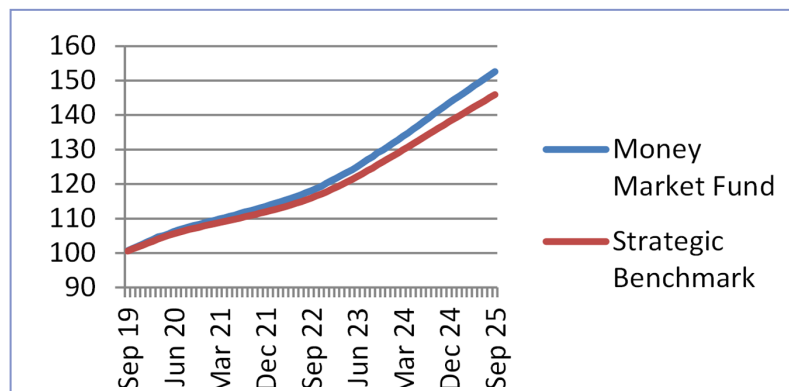
PORTFOLIO MANDATE

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%
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CUMULATIVE RETURNS SINCE SEPTEMBER 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.