METROPOLITAN

Metropolitan Balanced Fund

June 2024

UNTAXED

Risk profile - Moderate

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 members 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	8.21%	5.72%	10.04%	10.12%	8.74%
BEASSA ALBI	7.49%	5.55%	13.73%	7.62%	7.82%
IGOV	2.43%	1.95%	9.04%	6.87%	6.27%
STEFI Composite Index	2.06%	4.17%	8.55%	6.48%	6.06%
FTSE/JSE SA Listed Property	5.50%	9.55%	26.25%	11.65%	0.90%
MSCI World All Countries Gross	-0.86%	11.12%	15.88%	14.99%	17.17%
Citigroup World BIG	-4.73%	-3.24%	-2.24%	2.42%	3.04%
FTSE EPRA NAREIT ZAR	-7.38%	-5.83%	-0.39%	3.51%	5.13%

INVESTMENT RETURN

	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception
Balanced Fund	3.83%	6.32%	12.24%	10.21%	8.98%	10.48%
Strategic Benchmark	3.81%	6.14%	11.61%	9.77%	7.09%	N/A
Performance Benchmark (CPI +3%)	1.94%	3.76%	8.20%	9.00%	8.57%	N/A

QUARTERLY COMMENT

Markets were mixed in the second quarter of 2024, with the "higher for longer" interest rate narrative persisting. Despite this, global equities demonstrated resilience, with the MSCI World Index returning 2.6% in USD. The S&P 500 rose 4.2%, driven largely by AI-focused mega-cap tech stocks, which gained nearly 18%. However, the equally weighted S&P 500 fell 1.1%, indicating a concentration of gains among a few large players. Emerging Market Equities benefited from a +7.2% advance in China, contributing to a 5% rise overall.In the U.S., inflation surprised on the upside, leading to moderated expectations for Federal Reserve rate cuts, which supported a stronger dollar. However, softer labor market data later in the quarter hinted at potential rate cuts later in the year. Closer to home, South Africa's political changes post-election eased fiscal risks, resulting in a strong quarter for local markets. The Capped SWIX surged 8.2%, particularly in the financial sectors, while local bonds rallied 7.5%. The Rand appreciated 3.7% against the USD, reversing some Q1 losses but offsetting global portfolio gains for South African investors.

Overall, the Balanced Fund added 3.83% in Q2, aligning with its strategic benchmark. The one-year return reached 12.24% by the end of June, exceeding its strategic benchmark. Over the longer term the fund remains ahead of its inflation-linked objective.

With a lower risk of a hard landing and anticipated Federal Reserve rate cuts in Q4, we adjusted our global positions, taking profits in equities and underweighting global bonds while increasing local equities and nominal bonds.

PORTFOLIO MANDATE

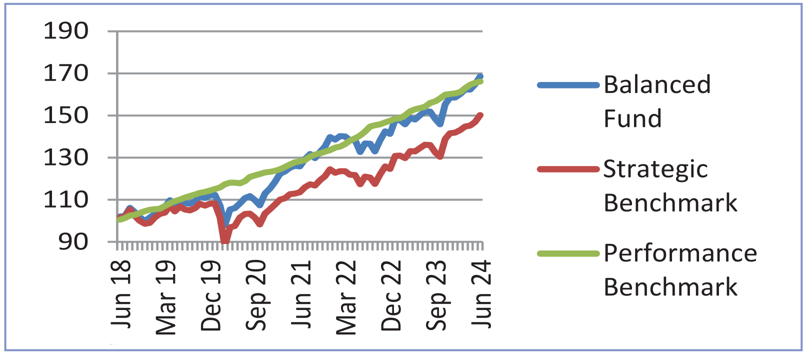
To achieve the desired investment outcome, all combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with a high degree of certainty. The expected returns of the various asset classes are enhanced through the appropriate selection of factor-based 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%
SA Bonds	18,00%
SA Cash	10,00%
SA Listed Property	1,50%
Direct Property	10,00%

Global Equity	23,00%
Global Bonds	3,00%
Global Property	2,50%
Global Cash	2,00%

CUMULATIVE RETURNS SINCE JUNE 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.

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