

## SYNOPSIS

### PORTFOLIO PERFORMANCE

	<u>Fund</u> <sup>1</sup> %	<u>Benchmark</u> <sup>2</sup> %	<u>Variance</u> %	<u>Peer Group</u> <sup>3</sup> %
Past 3 months	5.6	11.0	-5.4	10.3
Past 1 year	7.6	22.8	-15.2	17.8
Past 3 years	-1.7	5.7	-7.4	3.4
Past 5 years	8.3	11.7	-3.4	9.3
Past 10 years	4.2	7.9	-3.7	5.6
Since inception	6.3	10.1	-3.8	7.9

<sup>1</sup> Based on Class B performance return. The fund was incepted on 1 June 2012.

<sup>2</sup> MSCI All Country World Net Total Return Index

<sup>3</sup> Global Large-Cap Blend Equity Morningstar category

Returns for periods greater than one year are annualised

### FUND VALUE

\$410.2 million (30/09/2023: \$388.3 million)

### INVESTMENT OUTLOOK

US interest rates have likely peaked with the next move down

US leading economic indicators, auto loan and credit card delinquencies, point to US economic softening

Core inflation declined towards target, driven by a respite in shelter inflation

Headline inflation outlook uncertain due to volatile food and energy prices

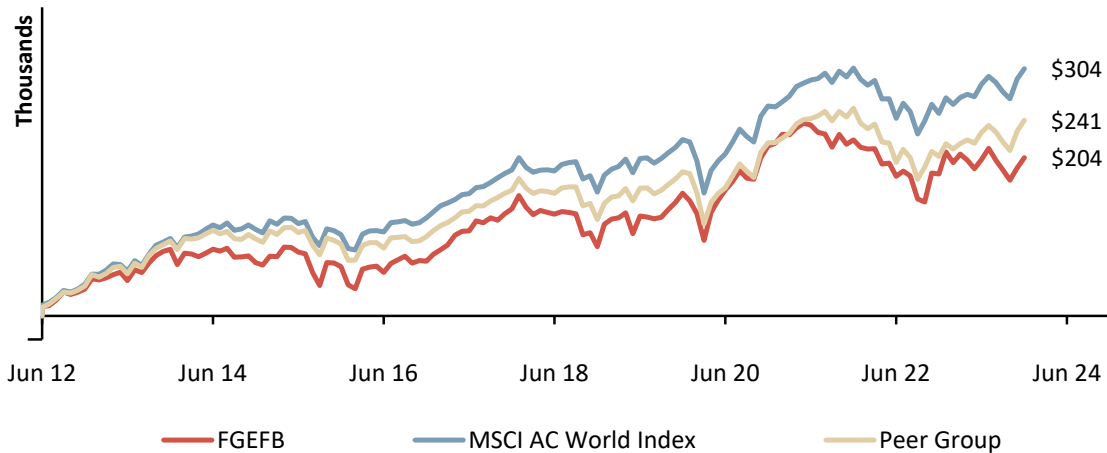
Chinese equities at trough valuations and peak negative sentiment creates opportunity

Gold maintains safe-haven appeal amid heightened political tensions

Declining interest rates provides an additional catalyst for precious metals prices

Prefer defensive, high-quality, dividend-paying equities and high-quality credit

**PORTFOLIO PERFORMANCE**



**PERFORMANCE COMMENTARY (PERCENTAGE RETURNS IN US DOLLAR UNLESS OTHERWISE STATED)**

- The US Federal Reserve’s FOMC left interest rates unchanged for the third straight month as the US 10-year Treasury yield fell to its lowest level in six months during the quarter — and ending at 3.88% after touching 5.0% earlier in the year
- Forward interest rate expectations again drove markets, with investors now pricing in a full 150bp in rate cuts by year-end 2024 (rare outside of recessions) — global equities and bonds rallied sharply
- The fund underperformed the benchmark — driven by the underperformance of select Chinese holdings as well as an overweight to cash during a period of rising markets
- Chinese investments including Yum China (-23.6%), Alibaba (-10.2%) and Baidu (-11.4%) detracted most from fund returns — persistent property-sector woes and relatively sluggish economic growth have weighed on foreign investor sentiment and Chinese equity valuations
- The fund’s tactical cash position at nearly 10% of assets also detracted from fund returns — faltering US leading economic indicators, including auto loan and credit card delinquencies, have led the fund’s managers to be conservative in their portfolio construction
- Contributing most to fund returns was fund holding Largan Precision (+41.4%) — shares of Largan, a leading manufacturer of smartphone camera lenses, rose as the firm posted better-than-expected 3Q23 revenue and earnings

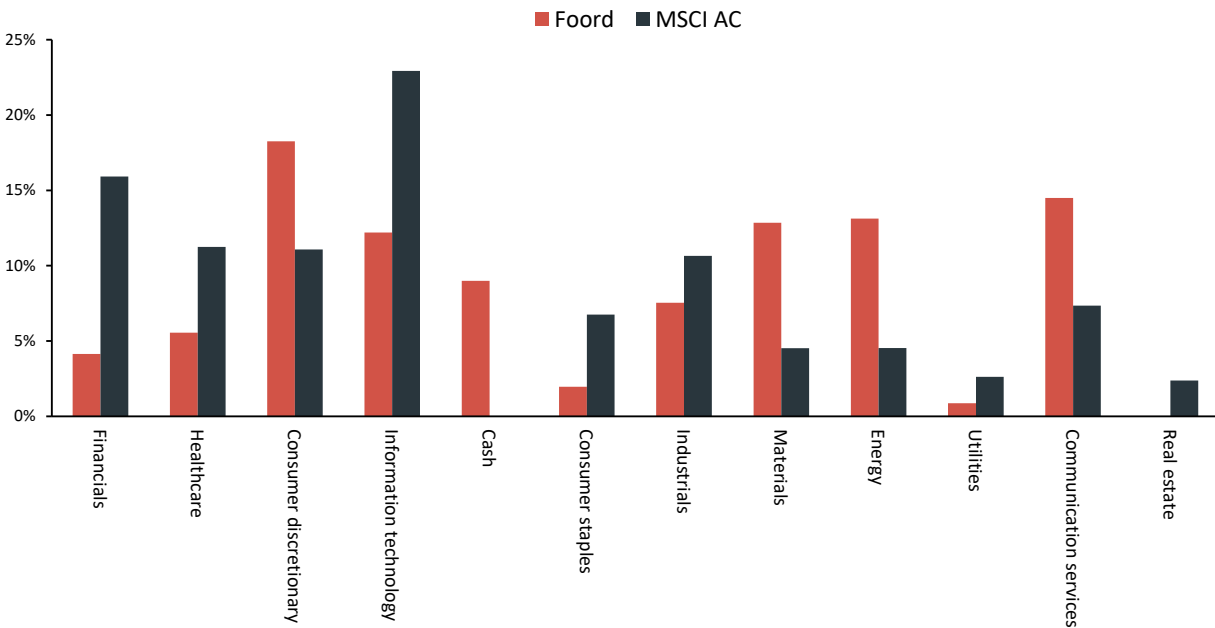
**PORTFOLIO STRUCTURE<sup>1</sup>**

**PORTFOLIO ALLOCATION (%)**

**Changes since Variance to last quarter benchmark**

Consumer discretionary		18 ▼	(2.0)	7.2
Communication services		14 ▼	(2.6)	7.1
Energy		13 ▼	(0.2)	8.6
Materials		13 ▲	0.3	8.3
Information technology		12 ▲	2.7	(10.7)
Cash		9 ▲	1.0	9.1
Industrials		8 ▲	0.5	(3.1)
Healthcare		6 ▼	(0.3)	(5.7)
Financials		4 ▲	0.8	(11.8)
Consumer staples		2 ▼	(0.3)	(4.8)
Utilities		1	0.1	(1.8)
Real estate		-	-	(2.4)

**SECTOR COMPOSITION RELATIVE TO BENCHMARK**



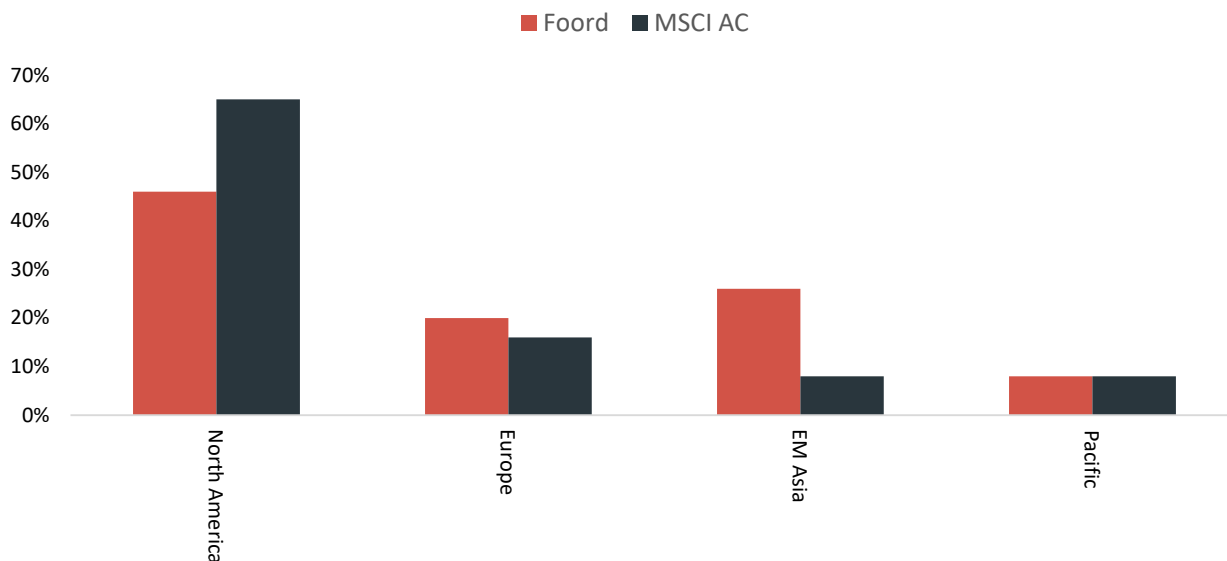
<sup>1</sup> Figures may vary and total may not cast perfectly due to rounding

**PORTFOLIO STRUCTURE (CONTINUED)**
**TOP 10 INVESTMENTS**

SECURITY	SECTOR	LISTING	% OF FUND
Tencent Holdings	Communication services	HKG	4.1
Alibaba Group Holding	Consumer discretionary	HKG	3.7
JD.com Inc	Consumer discretionary	USA	3.6
Spotify	Communication services	USA	3.5
Freeport-McMoran Inc	Materials	USA	3.0
TGS NOPEC Geophysical Co	Energy	NOR	2.9
Largan Precision	Information Technology	TWN	2.8
Baidu	Communication services	USA	2.6
Wheaton Precious Metals	Materials	USA	2.5
Microsoft Corporation	Information Technology	USA	2.4

**GEOGRAPHIC EXPOSURE ANALYSIS**

REGION (%)	EQUITY	Changes since last quarter
North America	46 ▲	2
Europe	20 ▼	(1)
Emerging Asia	26 ▼	(1)
Pacific	8	-
<b>TOTAL</b>	<b>100</b>	

**RELATIVE TO BENCHMARK**


---

**FUND CONSTRUCTION**

- The fund maintains a material weight to attractively priced Asian, especially Chinese, equities as persistent property-sector woes and relatively sluggish growth combined with geopolitical tensions have resulted in both peak negative foreign investor sentiment and least expensive Chinese equity valuations in decades — while timing a rebound is uncertain, the fundamentals for select equities within the Chinese market are amongst the most attractive globally
- Within Asian equities, the fund's largest exposure remains to the communication services and consumer discretionary sectors — these sectors are key beneficiaries of the continued structural growth of the Asian middle class over the next decade
- The materials and energy sectors constitute a meaningful portion of the fund's holdings — underinvestment in traditional energy resources and, for select commodities, global industrial metals is likely to result in attractive supply and demand dynamics over our investment horizon
- The energy sector, also aided by supply pressures and structural underinvestment, will benefit should inflation remain elevated — each investment in this sector is assessed through a combination of bottom-up fundamental analysis and top-down macro considerations such as policy changes and energy transition
- The fund is largely underweight the US information technology sector, which remains expensive — within this sector, however, the fund has exposure to best-in-class companies that exhibit superior competitive advantages, resilient earnings, and offer compelling value
- The fund's tactically high cash position remains ready and liquid to be deployed to take advantage of expected volatility

**VOTING RESOLUTIONS**

We apply our minds to every single resolution put to shareholders. We do not abstain unless it would be for strategic or tactical reasons.

We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, authorising loans and financial assistance to directors, associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion, we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated.

The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes.

In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings.

**VOTING RESOLUTIONS (CONTINUED)**

	Total vote	For (%)	Against (%)	Abstain (%)
Auditor/Risk/Social/Ethics related	10	10	90	-
Re/Elect director or members of supervisory board	13	100	-	-
Remuneration policy including directors' remuneration	2	50	50	-
Signature of documents/ Ratification	7	100	-	-

B ARCESE/D FOORD/I HASSEN/JC XUE  
January 2024

**DISCLAIMER:**

This is a marketing communication. Investors should read the prospectus and product highlights sheet ("PHS"), which are available at [www.foord.com](http://www.foord.com), or seek relevant professional advice or consider whether the investment selected is suitable before making any investment decision. This document is not an advertisement but is provided exclusively for informational purposes and should not be regarded as an offer or solicitation to purchase, sell or otherwise deal with any particular investment.

Economic forecasts and predictions are based on Foord's interpretation of current factual information, and exploration of economic activity based on expectation for future growth under normal economic conditions, not dissimilar to previous cycles. Forecasts and commentaries are provided for information purposes only and are not guaranteed to occur.

While we have taken and will continue to take care that the information contained herein is true and correct, we do not guarantee the accuracy, timeliness or completeness of the information provided. We disclaim any liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

**MORE ABOUT THE FUND**

Foord Global Equity Fund is managed by Foord Asset Management (Singapore) Pte. Limited (the "Managers") which holds a capital markets license granted by the Monetary Authority of Singapore. Perpetual (Asia) Limited is the trustee of the fund and is contactable on T: +65 6908 8203. A summary of investor rights, available in English, is available on [www.foord.com](http://www.foord.com).

Collective investment schemes in securities are generally medium to long term investments. Foord does not guarantee the capital invested or the performance of the investment. The portfolio includes qualifying investments listed on regulated exchanges outside the fund's domicile that carry risks as described in the prospectus, including the possibility of non-recoverable withholding taxes and non-repatriation of funds. Investment values and some costs may fluctuate because of factors including but not limited to currency exchange rates that can be affected by a wide range of economic factors.

The Fund is actively managed. The portfolio information is presented using effective exposures. The fund may borrow up to 10% of the NAV and does not engage in scrip lending. Since inception, no subscription fees or realisation fees were charged. No dividends or distributions were declared or made. Units will be issued or realised on a forward pricing basis only on Dealing Day (as defined in the prospectus) and calculated based on the net asset value ("NAV") represented by one share. Prices are published on [www.foord.com](http://www.foord.com) within 2 business days after the relevant Dealing Day. All dealing application requests must be received before 16h00 (Central European time) on each Dealing Day. A schedule of fees and charges and maximum commissions is disclosed in the prospectus or PHS and available on request.

The document is protected by copyright and may not be altered without prior written consent from Foord. Please contact Foord for more information including forms and documents.