

SYNOPSIS**PERFORMANCE (TOTAL RETURN)**

	<u>Portfolio</u>	<u>Benchmark</u>
Annualised (since 01/09/2002)	12.5%	11.4%
Last 12 months	4.8%	10.5%
Last 3 months	1.1%	2.0%

PORTFOLIO VALUE

R 24 373.5 million (31/12/2023: R 24 956.9 million)

TRANSACTIONS

Net sales of JSE equities, foreign assets, JSE property and SA bonds
 Sale of commodities
 Net withdrawals

INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION*World:* US economy likely to soften

Inflation decreasing, but outlook uncertain

Interest rates likely to have peaked

Earnings growth decelerating

Geopolitical tensions are high

South Africa: Poor economic growth prospects

Energy crisis a persistent headwind

Inflation moderating but with upside risks

Interest rates likely to have peaked

Rand remains vulnerable ahead of elections

Portfolio construction: High equity weight

Preference for global over local equity

Favour companies with pricing power and strong balance sheets

Low exposure to expensive US equities

Favour inflation-linked TIPS over nominal US Treasuries

Preference for quality overseas companies listed locally

Limited exposure to financials given economic risk

Low exposure to resources

SA bond allocation at moderate levels

Physical gold position hedges systemic risks

EFFECTIVE ASSET ALLOCATION (previous)

	<u>Portfolio</u>	
	<u>%</u>	<u>%</u>
JSE equities	35	(36)
Foreign assets	42	(40)
JSE property	3	(3)
Commodities	4	(4)
SA bonds	11	(12)
Money market	5	(5)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

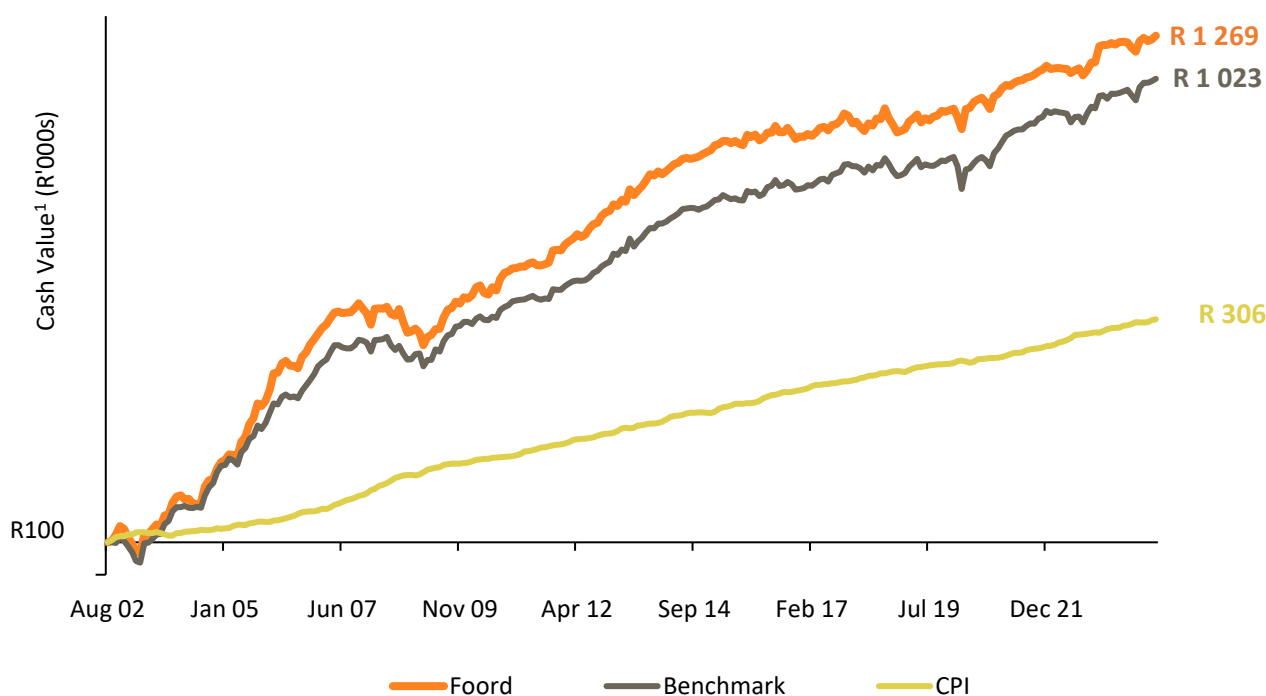
1.1 Total performance to 31 March 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>	<u>CPI</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (01/09/2002)	12.5	11.4	1.1	11.6	5.3
20 years	12.3	11.3	1.0	11.4	5.5
15 years	10.6	9.9	0.7	9.8	5.2
10 years	6.8	7.2	- 0.4	7.0	5.0
7 years	7.2	7.7	- 0.5	7.3	4.8
5 years	8.7	8.8	- 0.1	8.4	5.1
3 years	8.7	9.5	- 0.8	8.6	6.1
1 year	4.8	10.5	- 5.7	9.4	5.3
3 months	1.1	2.0	- 0.9	1.5	1.9

* Market value weighted average return of the South Africa – Multi Asset – High Equity unit trust sector (excluding Foord Balanced Fund)

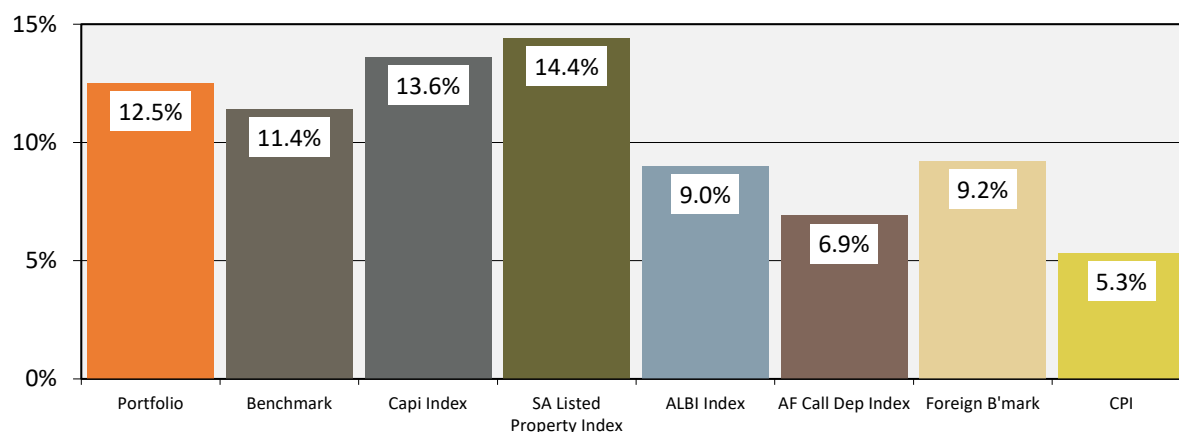
(ASISA) South Africa – Multi Asset – High Equity average

Daily linked total rates of return (capital and income) based on unit price. Returns in percent net of service fees and fund expenses. Returns for periods exceeding 12 months are annualised percentages.



¹ Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

Performance - Since inception (p.a.)



1.2 Selection to 31 March 2024

	JSE equities		JSE property		Interest bearing			Foreign assets	
	Portfolio	Capi Index	Portfolio	SA Listed Property Index [#]	Portfolio	ALBI Index	AF Call Dep Index	Portfolio	Benchmark [*]
	%	%	%	%	%	%	%	%	%
From inception (01/09/2002)	15.1	13.6	8.9	14.4	9.4	9.0	6.9	9.9	9.2
20 years	14.9	13.9	8.6	12.7	9.1	8.4	6.5	11.7	11.5
15 years	12.7	12.6	6.3	8.4	7.7	8.1	5.9	11.7	12.9
10 years	5.9	8.1	0.0	3.2	8.0	7.7	6.0	10.5	12.1
7 years	5.9	8.8	1.1	-1.4	8.2	7.8	5.9	10.4	12.2
5 years	9.6	9.9	0.8	0.7	8.0	7.0	5.5	10.8	12.5
3 years	12.8	8.9	7.6	13.9	7.1	7.4	5.8	6.7	11.7
1 year	4.9	1.5	37.5	20.5	6.5	4.2	8.0	3.2	21.5
3 months	-1.6	-2.3	6.2	3.8	-0.2	-1.8	2.0	3.5	7.3

The FTSE/JSE SA Listed Property Index

* 60% Morgan Stanley World Equity Index in rand and 40% FTSE World Govt Bond Index in rand

Asset class returns are calculated on a gross basis, using the modified dietz methodology (compounded monthly)

1.3 Sector contribution to 31 March 2024

(Returns x weight)

	JSE equities	JSE property	Interest bearing*	Other assets	Foreign assets	Portfolio
	%	%	%	%	%	%
1 year	1.8	0.9	1.2	0.7	1.3	5.9
3 months	- 0.6	0.2	0.0	0.3	1.5	1.4

* Bonds and cash combined

Returns in percent, calculated on a gross basis

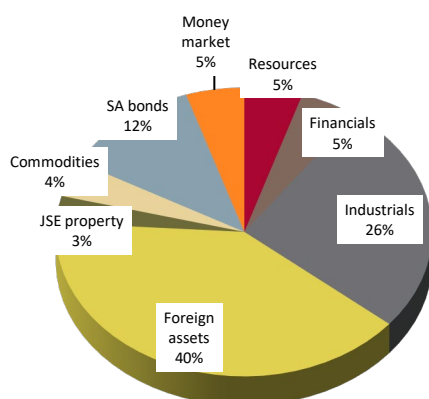
Quarterly performance comment:

- Global assets contributed the most to returns given a combination of rand depreciation and global bourses continuing to move higher — the US-led global share market rally continued apace on hopes that interest rates would soon fall
- An allocation to physical gold contributed given a rally in the dollar price for bullion, boosted even further by a weaker rand — gold bullion surged 9% in March to hit new all-time highs on geopolitical tension and Chinese central bank buying
- SA bonds detracted slightly from returns given increasing bond yields — South African bonds tracked global bond yields higher after a slew of adverse US inflation surprises caused investors to pare expectations for interest rate cuts
- South African equity investments detracted from returns as the JSE drifted lower, weighed down by financial counters and resource shares — sentiment towards South African equities remains low on the back of slow growth and the uncertainty surrounding the May national elections
- Cash continued to contribute meaningfully to absolute returns — yields remain attractive given tight monetary policy to constrain inflation
- Although the allocation to listed property remains low, investments in the sector contributed positively to fund returns — with holdings in Fortress, Shaftesbury Capital and NEPI Rockcastle adding value

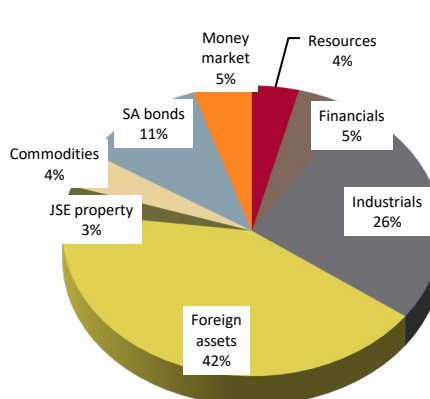
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure		FTSE/JSE Capped ALSI Weightings
	31/12/2023	31/03/2024	
	%	%	%
JSE equities: resources	5	4	8
JSE equities: financials (ex property)	5	5	10
JSE equities: industrials	26	26	17
0 - 75 JSE equities*	36	35	35
0 - 45 Foreign assets	40	42	
Foord International Fund	18	18	
Foord Global Equity Fund	19	19	
Currency hedge	-1	-2	
Currencies	0	4	
Corporate debt	4	3	
0 - 25 JSE property	3	3	
0 - 10 Commodities	4	4	
0 - 40 SA bonds	12	11	
0 - 40 Money market	5	5	
	100	100	
Total portfolio	R 24 956.9m	R 24 373.5m	
*Size distribution of JSE equities	%	%	%
Large capitalisation	77	77	87
Mid capitalisation	12	10	8
Small capitalisation	11	13	5
	100	100	100
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	35	27	62
Listed property	3	1	4
Corporate bonds	0	3	3
Government bonds	11	2	13
Commodities	4	1	5
Money market	5	8	13
	58	42	100

Effective exposure 31/12/2023



Effective exposure 31/03/2024



3. PORTFOLIO CONSTRUCTION

- The weighting in foreign assets was maintained at 42% of total — measured together with non-rand earnings of JSE-listed companies, total foreign economic exposure is significantly higher on a look-through basis
- Effective exposure to foreign equities fell as the managers of the underlying Foord International Fund reinstated a short S&P500 hedge given elevated valuations and risks — with the fund's effective foreign cash position also higher as a result
- Foreign equities are focused on companies with pricing power which are best placed to protect investor capital from higher inflation — direct investment in US equities remains low in relative terms, given potential earnings risks arising from an economic slowdown
- An allocation to SA inflation-linked bonds was increased given attractive real yields on SA inflation-linked government bonds — however we continue to avoid SA credit assets where we believe risk to be mispriced
- Exposure to SA equities fell slightly, given the market decline during the quarter — despite attractive valuations, ratings for SA Inc. stocks are likely to remain under pressure, given low prospects for economic growth coupled with higher cost of capital
- Listed property is limited to a low weighting, given poor fundamentals for the asset class, despite optically attractive yields — sector risks include excess capacity, weak rental trend, consumer headwinds, rapidly escalating municipal costs and rising interest rates
- Physical gold ETF position increased slightly as bullion rallied on supportive fundamentals, a weaker US dollar, rising stagflation risks and the likelihood of nominal interest rates being at a peak — the position provides attractive portfolio diversifying properties during periods of market stress
- Our effective asset allocation is:

Policy parameters	Portfolio at	
	31/12/2023	31/03/2024
%	%	%
0 - 75 JSE equities	36	35
0 - 45 Foreign assets	40	42
Foord International Fund*	18	18
Foord Global Equity Fund	19	19
Currency hedge	-1	-2
Currencies	0	4
Corporate Debt	4	3
0 - 25 JSE property	3	3
0 - 10 Commodities	4	4
0 - 40 SA bonds	12	11
0 - 40 Money market	5	5
	100	100

* Currently 49% in equities, property 4%, commodities 7%, government bonds 13%, corporate bonds 2% and money market 25%

4. EFFECTIVE EXPOSURE AND PORTFOLIO SENSITIVITY

4.1 Effective exposure

Asset class	Market value R'000	Option exposure R'000	Effective exposure R'000	Effective exposure %
JSE equities	8,605,453		8,605,453	35.3%
Foreign assets	10,219,104	1,270	10,220,374	41.9%
JSE property	671,260		671,260	2.8%
Commodities	910,485		910,485	3.7%
Other assets	34,134		34,134	0.1%
SA bonds	2,799,211		2,799,211	11.5%
Money market	1,133,823	-1,270	1,132,553	4.7%
Total	24,373,470		24,373,470	100.0%

4.2 Sensitivity report

JSE EQUITIES

Change in portfolio equities

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant equity change *	-1,721,091	-860,545	-430,273	0	430,273	860,545	1,721,091
Resultant portfolio value *	22,652,379	23,512,925	23,943,197	24,373,470	24,803,743	25,234,015	26,094,561
Resultant portfolio change (%)	-7.1%	-3.5%	-1.8%	0.0%	1.8%	3.5%	7.1%

FOREIGN ASSETS

Change in R/\$ exchange rate

R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant for. assets change *	2,044,075	1,022,037	511,019	0	-511,019	-1,022,037	-2,044,075
Resultant portfolio value *	26,417,545	25,395,507	24,884,489	24,373,470	23,862,451	23,351,433	22,329,395
Resultant portfolio change (%)	8.4%	4.2%	2.1%	0.0%	-2.1%	-4.2%	-8.4%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-134,252	-67,126	-33,563	0	33,563	67,126	134,252
Resultant portfolio value *	24,239,218	24,306,344	24,339,907	24,373,470	24,407,033	24,440,596	24,507,722
Resultant portfolio change (%)	-0.6%	-0.3%	-0.1%	0.0%	0.1%	0.3%	0.6%

SA BONDS

Change in yields

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	388,652	246,278	117,202	0	-106,588	-203,675	-292,244
Resultant portfolio value *	24,762,122	24,619,748	24,490,672	24,373,470	24,266,882	24,169,795	24,081,226
Resultant portfolio change (%)	1.6%	1.0%	0.5%	0.0%	-0.4%	-0.8%	-1.2%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q1 2024

Portfolio	Total count	For	Against	Abstain
Auditor/Risk/Social/Ethics related	23	100%	0%	0%
Buy Back Shares	5	80%	20%	0%
Director Remuneration	27	100%	0%	0%
Issue Shares	2	0%	100%	0%
Loan / Financial Assistance	6	50%	50%	0%
Re Organisation	6	0%	100%	0%
Re/Elect Director	26	96%	4%	0%
Remuneration Policy	10	60%	40%	0%
Shares under Director Control	1	0%	100%	0%
Signature of Documents	3	100%	0%	0%

Foord Global Equity Fund	Total count	For	Against	Abstain
Adopt financials	3	100%	0%	0%
Auditor/risk/social/ethics related	6	100%	0%	0%
Dividend related	1	100%	0%	0%
Re/elect director or members of supervisory board	36	100%	0%	0%
Remuneration policy including directors' remuneration	7	14%	86%	0%
Signature of documents/ratification	2	100%	0%	0%

Foord International Fund	Total count	For	Against	Abstain
Adopt financials	3	100%	0%	0%
Auditor/risk/social/ethics related	2	100%	0%	0%
Dividend related	1	100%	0%	0%
Loan/financial assistance	1	0%	100%	0%
Re/elect director or members of supervisory board	20	100%	0%	0%
Remuneration policy including directors' remuneration	4	25%	75%	0%
Signature of documents/ratification	2	100%	0%	0%

General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention it would typically be intentional or for strategic 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, providing loans and financial assistance to 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

IMPORTANT INFORMATION FOR INVESTORS:

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Performance is calculated for the portfolio. Individual investor performance may differ as a result of the actual investment date, the date of reinvestment and withholding taxes. Performance may be affected by changes in the market or economic conditions and legal, regulatory and tax requirements. Neither Foord nor Foord Unit Trusts provide any guarantee either with respect to the capital or the performance return of the portfolio. Unit trusts are traded at ruling prices and can engage in borrowing. Foord Unit Trusts does not engage in scrip lending. Commission and incentives may be paid and if so, this cost is not borne by the investor. A schedule of fees and charges and maximum commissions is available on request. Distributions may be subject to mandatory withholding taxes. A feeder fund portfolio is a portfolio that, apart from assets in liquid form, consists solely of units in a single portfolio of a single investment scheme. A fund of funds invests only in other Collective Investment Schemes, which may levy their own charges, which could result in a higher fee structure for these portfolios. Foord Unit Trusts is authorised to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate.

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The portfolio may include underlying foreign investments. Fluctuations or movements in exchange rates may cause the value of underlying foreign investments to go up or down. The underlying foreign investments may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls that may be imposed by the relevant authorities in the relevant countries.

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