

SYNOPSIS**PERFORMANCE (TOTAL RETURN)**

	<u>Portfolio</u>	<u>Benchmark</u>
Annualised (since 02/01/2014)	7.3%	9.2%
Last 12 months	5.3%	9.3%
Last 3 months	0.9%	2.8%

PORTFOLIO VALUE

R 1 154.4 million (31/12/2023: R 1 139.3 million)

TRANSACTIONS

Net purchases of JSE equities

Net sales of JSE property, commodities and SA bonds

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	24	(21)
Foreign assets	37	(37)
JSE property	3	(3)
Commodities	4	(3)
SA bonds	26	(28)
Money market	6	(8)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

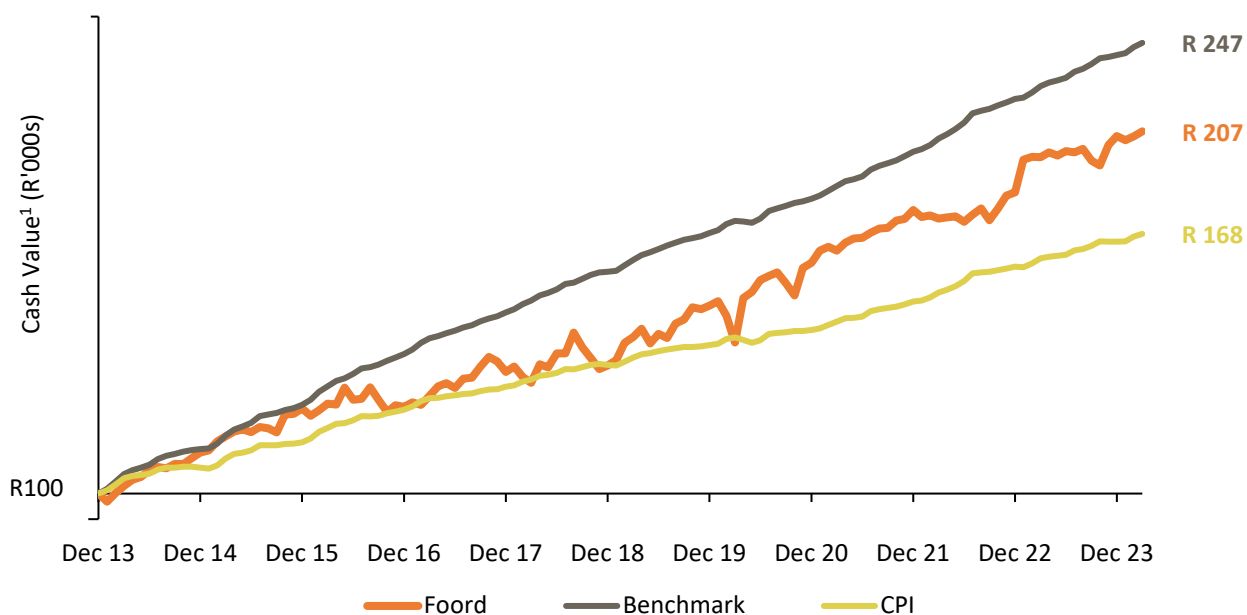
1.1 Total performance to 31 March 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>
	%	%	%	%
From inception (02/01/2014)	7.3	9.2	- 1.9	6.7
10 years	7.4	9.0	- 1.6	6.7
7 years	7.9	8.8	- 0.9	7.1
5 years	8.6	9.1	- 0.5	7.8
3 years	8.3	10.1	- 1.8	7.9
1 year	5.3	9.3	- 4.0	8.5
3 months	0.9	2.8	- 1.9	1.5

* CPI + 4% per annum

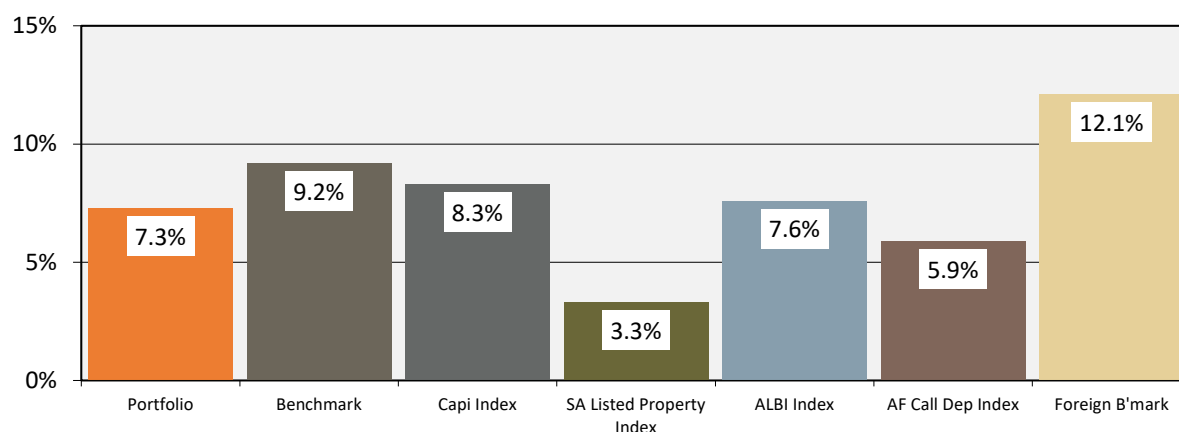
(ASISA) South Africa – Multi Asset – Medium Equity average

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

	<u>JSE equities</u>		<u>JSE property</u>		<u>Interest bearing</u>			<u>Foreign assets</u>	
	<u>Portfolio</u>	<u>Capi Index</u>	<u>Portfolio</u>	<u>SA Listed Property Index[#]</u>	<u>Portfolio</u>	<u>ALBI Index</u>	<u>AF Call Dep Index</u>	<u>Portfolio</u>	<u>Bench-mark*</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (02/01/2014)	5.5	8.3	1.6	3.3	7.8	7.6	5.9	10.2	12.1
10 years	5.1	8.1	1.7	3.2	7.8	7.7	6.0	10.6	12.1
7 years	5.5	8.8	7.0	- 1.4	8.2	7.8	5.9	10.7	12.2
5 years	9.2	9.9	6.0	0.7	8.0	7.0	5.5	11.2	12.5
3 years	12.7	8.9	10.4	13.9	8.1	7.4	5.8	7.0	11.7
1 year	6.1	1.5	32.7	20.5	7.8	4.2	8.0	2.5	21.5
3 months	- 1.5	- 2.3	4.3	3.8	0.1	- 1.8	2.0	3.1	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)

	<u>JSE equities</u>	<u>JSE property</u>	<u>Interest bearing*</u>	<u>Other assets</u>	<u>Foreign assets</u>	<u>Portfolio</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
1 year	1.3	0.8	2.8	0.7	0.9	6.5
3 months	-0.3	0.2	0.0	0.3	1.1	1.3

* Bonds and cash combined

Returns in percent, calculated on a gross basis

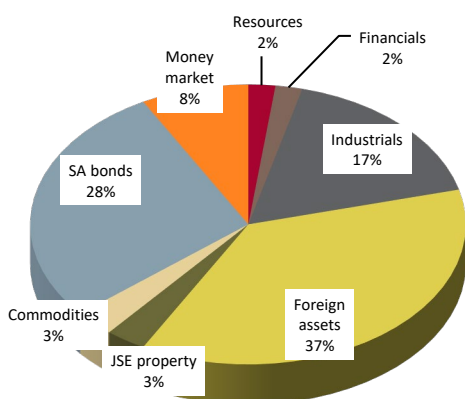
Quarterly performance comment:

- 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 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

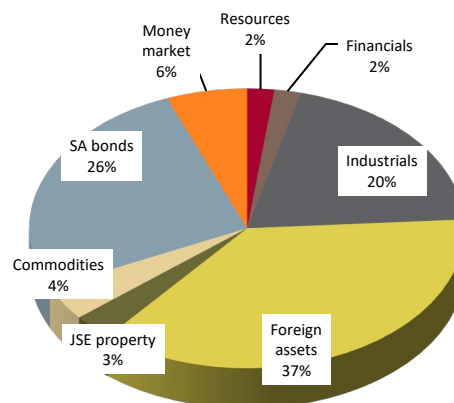
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio	Effective exposure		FTSE/JSE Capped ALSI
		31/12/2023	31/03/2024	Weightings
		%	%	%
	JSE equities: resources	2	2	6
	JSE equities: financials (ex property)	2	2	7
	JSE equities: industrials	17	20	11
0 - 60	JSE equities*	21	24	24
0 - 45	Foreign assets	37	37	
	Foord International Fund	17	17	
	Foord Global Equity Fund	14	13	
	Currencies	2	4	
	Corporate debt	4	3	
0 - 25	JSE property	3	3	
0 - 10	Commodities	3	4	
0 - 100	SA bonds	28	26	
0 - 100	Money market	8	6	
		100	100	
	Total portfolio	R 1 139.3m	R 1 154.4m	
	*Size distribution of JSE equities	%	%	%
	Large capitalisation	65	62	87
	Mid capitalisation	13	13	8
	Small capitalisation	22	25	5
		100	100	100
	<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
		%	%	%
	Equities	24	21	45
	Listed property	3	0	3
	Corporate bonds	0	4	4
	Government bonds	26	2	28
	Commodities	4	1	5
	Money market	6	9	15
		63	37	100

Effective exposure 31/12/2023



Effective exposure 31/03/2024



3. PORTFOLIO CONSTRUCTION

- The weighting in foreign assets increased to 37% 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
- The allocation to foreign government bonds remained at low levels, comprising short-duration US Treasuries with a preference for inflation-linked instruments — while listed property remains at very low levels and is stock-specific given sector risks and unattractive valuations
- Exposure to SA equities remains conservative at 24% of total — 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
- 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
- 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:

<u>Policy parameters</u>	<u>Portfolio at</u>	
	<u>31/12/2023</u>	<u>31/03/2024</u>
<u>%</u>	<u>%</u>	<u>%</u>
0 - 60 JSE equities	21	24
0 - 45 Foreign assets	37	37
Foord International Fund*	17	17
Foord Global Equity Fund	14	13
Currencies	2	4
Corporate Debt	4	3
0 - 25 JSE property	3	3
0 - 10 Commodities	3	4
0 - 100 SA bonds	28	26
0 - 100 Money market	8	6
	100	100

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

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APRIL 2024

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	280,434		280,434	24.3%
Foreign assets	430,381	338	430,719	37.3%
JSE property	31,389		31,389	2.7%
Commodities	42,307		42,307	3.7%
Other assets	4,863		4,863	0.4%
SA bonds	298,683		298,683	25.9%
Money market	66,376	-338	66,038	5.7%
Total	1,154,433		1,154,433	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 *	-56,087	-28,043	-14,022	0	14,022	28,043	56,087
Resultant portfolio value *	1,098,346	1,126,390	1,140,411	1,154,433	1,168,455	1,182,476	1,210,520
Resultant portfolio change (%)	-4.9%	-2.4%	-1.2%	0.0%	1.2%	2.4%	4.9%

FOREIGN ASSETS

Change in R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	22.7279	20.8339	19.8869	18.9399	17.9929	17.0459	15.1519
Resultant for. assets change *	86,144	43,072	21,536	0	-21,536	-43,072	-86,144
Resultant portfolio value *	1,240,577	1,197,505	1,175,969	1,154,433	1,132,897	1,111,361	1,068,289
Resultant portfolio change (%)	7.5%	3.7%	1.9%	0.0%	-1.9%	-3.7%	-7.5%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-6,278	-3,139	-1,569	0	1,569	3,139	6,278
Resultant portfolio value *	1,148,155	1,151,294	1,152,864	1,154,433	1,156,002	1,157,572	1,160,711
Resultant portfolio change (%)	-0.5%	-0.3%	-0.1%	0.0%	0.1%	0.3%	0.5%

SA BONDS

Change in yields

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	38,077	24,157	11,510	0	-10,491	-20,067	-28,824
Resultant portfolio value *	1,192,510	1,178,590	1,165,943	1,154,433	1,143,942	1,134,366	1,125,609
Resultant portfolio change (%)	3.3%	2.1%	1.0%	0.0%	-0.9%	-1.7%	-2.5%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q1 2024

Portfolio	Total count	For	Against	Abstain
Auditor/Risk/Social/Ethics related	28	100%	0%	0%
Buy Back Shares	6	83%	17%	0%
Director Remuneration	28	100%	0%	0%
Issue Shares	3	0%	100%	0%
Loan / Financial Assistance	7	43%	57%	0%
Other	1	100%	0%	0%
Re Organisation	6	0%	100%	0%
Re/Elect Director	29	97%	3%	0%
Remuneration Policy	12	67%	33%	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.

FOREIGN INVESTMENT RISK:

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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