



TAKE FIVE

It's a pleasure to be writing to you as we celebrate the fifth anniversary of Foord Unit Trusts. We have often repeated the saying, *Great Oaks from Small Acorns Grow*. And how true that is of Foord Unit Trusts.

In 2002, Foord Asset Management identified the opportunity to provide the unit trust investor with an investment vehicle true to the Foord investment philosophy and value proposition. We felt our unit trust offering needed to embrace our core principles of value for money and putting clients' interests first.

The outcome was a focused range of portfolios that were tailored to provide an optimal investment solution for most investment needs. We were amongst the first not to charge any upfront fees and we do not remunerate third parties from clients' investment accounts.

Five years later, we still hold these values dear. And our clients have benefited from our tried and tested investment philosophy and approach.

This issue of Foreword focuses very much on our five year celebrations. It is a time to reflect on our investment philosophy. To put it under the microscope and let the results speak for themselves.

In his article, *Foord Equity Fund: Investing With Less Than Market Risk?*, Paul Cluer shows how this philosophy has resulted in out-performance with less than market risk. Delving a little deeper, Mike Townshend takes a look at a specific share and demonstrates the value added over the five years since purchase.

The achievements of Foord Unit Trusts are the direct result of the commitment and the dedication of the people at Foord. One such person is Margie Gibb, our financial accountant. Margie retires later this year after 19 years with Foord and we wish her well for the future.

Finally, happy anniversary to those investors who've been with us for the full five years. We hope that you will remain investors and join the league of some Foord Asset Management clients who've been invested with the firm for over twenty-five years.

Until the next Foreword...

Chris Greyling | Chairman: Foord Unit Trusts

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WHAT'S GROWING ON?

- Mike goes plat
- Paul analyses the Equity Fund
- Margie says farewell
- We celebrate 5 years of Foord Unit Trusts

ANGLOPLATS WORTH ITS WEIGHT IN PLATINUM

Foord's competitive strength lies in forecasting longer-term earnings while other industry players focus heavily on earnings forecasts of six to eighteen months. In analysing companies we try to develop forecasts three to five years out. We then invest based on these long-term forecasts, largely with a buy-and-hold philosophy. Mike Townshend provides insight into the Foord way of thinking.

To share our philosophy from a more practical perspective, let's take a look at one of those shares in particular. Anglo Platinum is the dominant local supplier of platinum and related by-products. It has been a stalwart of the Foord unit trust portfolio throughout the past five years with an average weighting of 4 - 6% in the fund. Why has this share remained a core holding for so long?

In 2002 we anticipated strong earnings from Angloplats based on our expectations for jewellery and industrial demand for the metal. Five years ago the fundamentals of the platinum industry were recognised to be, and have remained, positive. South Africa supplies 75% of the world's platinum. The rate of growth in new mine supply is thus determined by South African producers, of which Angloplats is the dominant local supplier. It had by far the most superior resource base and was the company most capable of growing into a booming market. It still has the potential to show greater volume growth than its peers.

Demand is driven primarily by use in the auto-catalyst industry. Here, environmental legislation, which compels motor manufacturers to continuously reduce vehicle emissions, supports continued growth from this source. Furthermore, platinum has unique catalytic properties which have lead to numerous new uses for the metal which adds to incremental demand. Over and above these industrial uses, platinum provides exposure to the burgeoning Chinese consumer market where it is a sought after jewellery item.

At the time, the price was also attractive, having dropped 30% from its all time high of R520 just six months earlier. Interestingly, since first purchasing the share, the fund has received R116 or one-third of the original share price back in dividends alone! Despite its appreciation to R1 043 per share, we continue to include Angloplats in our portfolios as we still expect above-average returns from this counter.

At Foord, we invest in companies, not shares. We commit our clients' assets to purchases with the intention of holding an interest in a good company for the long-term. This review of a favourite holding provides evidence of this philosophy at work.



MIKE TOWNSHEND
HEAD: EQUITY RESEARCH

Anglo Platinum has been a stalwart of the Foord unit trust portfolio throughout the past five years with an average weighting of 4 - 6% in the fund.



FOORD EQUITY FUND

INVESTING WITH LESS THAN MARKET RISK?



PAUL CLUER
MD: FOORD UNIT TRUSTS

The investment objective of our Foord Equity Fund is to out-perform the All Share Index with less than market risk. What does this mean and have we managed to achieve this objective? With a five year track record, Paul Cluer makes some meaningful analysis of the fund's past returns.

First off, it's worthwhile emphasising that the fund's investment mandate restricts the manager to investing in South African equities only. We therefore cannot aim to reduce investment risk by diversifying into other asset classes or currencies. The dual objectives of out-performing the market index and reducing risk below that of the index can only then be achieved through the careful selection of shares and their weighting in the portfolio. This selection is the result of detailed research of listed companies.

We aim to reduce risk in an equity portfolio in a number of ways. Firstly, we diversify our holdings across industries but at the same time build a concentrated portfolio of high conviction shares. We are extremely price sensitive when purchasing shares and we aim to buy shares that are currently undervalued at good prices. These undervalued shares have a far smaller chance of decreasing in value than of increasing in value. That is, they have lower downside risk. Finally, we manage the risk of our view being wrong by investing in shares whose prices respond to different economic fundamentals.

So have we been successful? The past five years has been an extraordinary period in the South African equity market. The bull run commenced in May 2003 and continued strongly until mid 2007. For the five years ended 31 August 2007, the market returned an annualised 28% per annum, with share values rising across the board.

But during this time the market did produce a negative return in 21 out of the 60 months. The compounded effect of these negative periods is an annualised reduction in total return of 10.2% per annum. For the same months, the Foord Equity Fund only experienced 16 negative months and the total annualised reduction in return was limited to 4.5% per annum. And in 18 out of the 21 down months for the market, the Foord Equity Fund performed better.

Unsurprisingly, the Foord Equity Fund delivered an annualised total return (after costs and expenses) of 31.9% per year over this period, nearly four full percentage points per annum more than that of the market return. These results are not arbitrary. They are in line with our track record that commenced in 1984. I believe these statistics demonstrate that our investment philosophy and approach truly work to reduce your investment risk and deliver a better return.



A WELL DESERVED RETIREMENT

Margie Gibb has seen it all. From manual ledgers to computer systems and spreadsheets, after 19 years at Foord Margie is hanging up her gloves and calling it a day.

And what a day it's been. For nearly two decades, Margie has worked as a financial accountant at Foord, making a massive contribution to the success of our company. Her commitment, energy and loyalty are a credit to her character and have been of enormous value to Foord.

A true Pinelands local, Margie lives a stone's throw from the office. She and her husband Peter have also worn the caps of security guard when the alarm has gone off at the office in the middle of the night, and handyman when taps, printers or locks have given us trouble.

Committed to the community, church-based charities and, of course, her family, Margie plans to roll up her sleeves next year and become more involved in these important features of her life. However, on the cards too, is some serious travel with her husband.

DID YOU KNOW?

It makes perfect sense, but did you know that Dave Foord and the Foord investment team use the Foord Balanced Fund unit trust for their own retirement savings portfolio?

Where do you think our catchy phrase "managing our clients' assets as if they were our own" comes from? Well in this case, they are our own: the retirement savings assets of the Foord provident fund are 100% invested in the Foord Balanced Fund.

By investing a significant amount of money alongside that of our clients, we aim to live our value proposition through their eyes. Therefore, be assured that your portfolio manager and his team have their eyes (and the best brains in the business) focused on the fund's performance.

LET'S CELEBRATE

We believe that turning five is certainly something worth celebrating. So in the spirit of five successful years, the entire Foord team spent a fun-filled afternoon out to lunch at the Wild Fig restaurant.

Complete with party games, great food and inspiring company, we also focused on just what it is that makes Foord so successful. It's no surprise; our success at Foord comes down to a committed team of professionals who believe in what they do, how they do it and in serving our clients well. It's a simple working philosophy, but one we expect to follow for the next five, ten, twenty years.

SPOTLIGHT



MARGIE GIBB
FINANCIAL ACCOUNTANT

We are sincerely grateful for the many good years Margie has spent at Foord.

We wish her health, wealth and much happiness.



FOORD BALANCED FUND

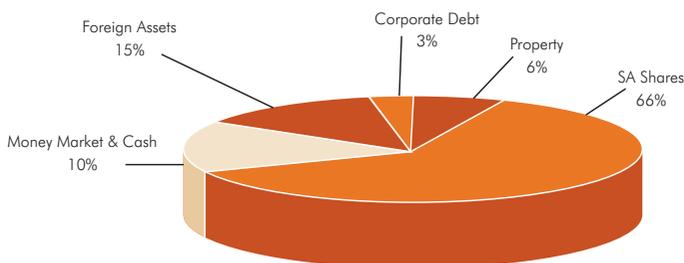
30 September 2007

ABOUT THE FUND

The fund's investment objective is the steady growth of income and capital, as well as the preservation of real capital (being capital adjusted for the effects of inflation). It aims to exceed the average rate of return achieved in the Domestic Asset Allocation - Prudential Medium Equity unit trust sector.

The Foord Balanced Fund is ideally suited to being a substantial component of any retirement savings portfolio. Given the fund's risk return profile, it is a more appropriate investment vehicle for investors whose risk tolerance is below that of a pure equity fund investor.

EFFECTIVE ASSET ALLOCATION



TOP 5 EQUITIES

INVESTMENT	% OF FUND
BHP Billiton	6.6
Sasol	4.5
Anglo American	4.3
Anglo Platinum	4.0
RMB Holdings	3.6

INVESTMENT RETURNS

	LAST 6 MONTHS	LAST 12 MONTHS	LAST 3 YEARS	LAST 5 YEARS	SINCE INCEPTION
FOORD*	5.1%	24.7%	33.3%	26.3%	26.0%
BENCHMARK	3.4%	21.9%	26.7%	21.8%	21.4%

Periods greater than 1 year are annualised.

*Net of fees and expenses.

BENCHMARK

The market value weighted average total return of the Domestic Asset Allocation Prudential Medium Equity unit trust sector, excluding Foord Balanced Fund.

FUND INFORMATION

MINIMUM LUMP SUM: R 20 000
MINIMUM MONTHLY: R 1 000
FUND SIZE: R 1.61 billion



FOORD EQUITY FUND

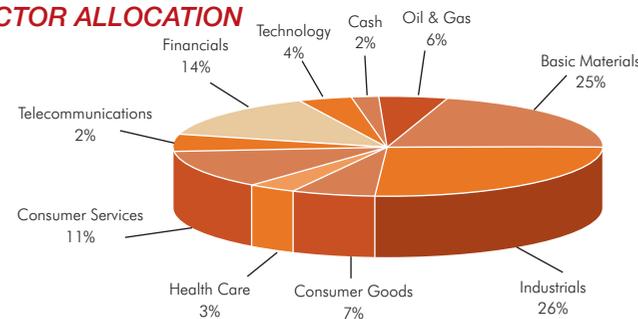
30 September 2007

ABOUT THE FUND

The fund's investment objective is to earn a higher total rate of return than that of the South African equity market, as represented by the return of the FTSE/JSE All Share Index including income, without assuming greater risk.

The Foord Equity Fund is ideally suited to investors who require maximum long-term capital growth and who are able to withstand investment volatility in the short to medium-term.

SECTOR ALLOCATION



TOP 5 INVESTMENTS

INVESTMENT	% OF FUND
BHP Billiton	9.1
Anglo American	7.0
Sasol	5.7
RMB Holdings	5.4
Anglo Platinum	4.6

INVESTMENT RETURNS

	LAST 6 MONTHS	LAST 12 MONTHS	LAST 3 YEARS	LAST 5 YEARS	SINCE INCEPTION
FOORD*	7.1%	35.1%	39.4%	32.1%	32.0%
BENCHMARK	11.3%	37.4%	40.3%	29.7%	28.8%

Periods greater than 1 year are annualised.

*Net of fees and expenses.

BENCHMARK

Total return (capital plus income) of the FTSE/JSE All Share Index.

FUND INFORMATION

MINIMUM LUMP SUM: R 20 000
MINIMUM MONTHLY: R 1 000
FUND SIZE: R586.5 million



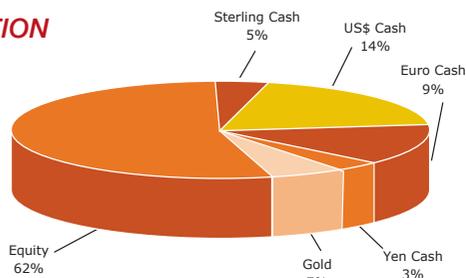
FOORD INTERNATIONAL FEEDER FUND

30 September 2007

ABOUT THE FUND

The fund's objective is to provide investors with exposure to a portfolio of international equity and fixed interest securities, constructed with the purpose of maximising return with minimum risk. The manager's specific aim is to produce an annualised return over time in excess of 10% in US Dollars, thereby expecting to outperform world equity indices. The fund provides South African investors with an opportunity to diversify their portfolios offshore and to hedge against ZAR depreciation.

ASSET ALLOCATION



* for Equity Sector Allocation and Regional Equity Exposure, download the full fact sheet from our website: www.foord.co.za

TOP 5 EQUITIES

- BHP Billiton
- Canon
- Tesco
- General Electric
- Nestle SA

INVESTMENT RETURNS

	LAST 6 MONTHS	LAST 12 MONTHS	SINCE INCEPTION
FOORD*	2.3%	3.0%	19.8%
BENCHMARK	1.8%	5.5%	23.3%
USD/ZAR	-5.6%	-11.3%	7.1%

Periods greater than 1 year are annualised.

*Net of fees and expenses.

BENCHMARK

The ZAR equivalent of the MSCI World Equities Index.

FUND INFORMATION

MINIMUM LUMP SUM: R 50 000
MINIMUM MONTHLY: n/a
FUND SIZE: R 107 million



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. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from Foord Unit Trusts Limited. Commission and incentives may be paid and if so, this cost is not borne by the investor. Forward pricing is used. This document is not an advertisement, but is provided exclusively for information purposes and should not be regarded as an offer or solicitation to purchase, sell or otherwise deal with any particular investment. 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, and therefore disclaim any liability for any loss, 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. The document is protected by copyright and may not be copied, reproduced, sold or distributed without prior written consent.



CHRIS GREYLING
CHAIRMAN: FOORD UNIT TRUSTS

IT'S NOT JUST ABOUT THE NUMBERS

Reflecting on the past five years, specific numbers come to mind. As **Chris Greyling** explains, their significance to us goes far beyond just facts and figures.

ZERO

Foord Unit Trusts was at the vanguard of collective investment schemes to not charge any initial fees – be they advisor or management company fees. We feel strongly that nobody should have to pay in advance to be a client of Foord.

TWO

Assets under management exceeded R2 billion at the end of August, the fifth anniversary date. While our aim is to be the best, not the biggest, the growth in assets under management is a reflection of the faith and support of our clients.

FIVE

Having reached the five year mark, long term performance numbers are important. Consistent with the performance track record of Foord Asset Management, both flagship funds are well ahead of their respective benchmarks, even after costs and expenses have been taken into account.

TWENTY SIX

The Foord Balanced Fund recorded 26.0% per annum compounded over the first five years, compared to its peer group benchmark of 21.5%. Foord Asset Management has been in operation 26 years since its launch in October 1981.

THIRTY TWO

The Foord Equity Fund recorded 31.9% per annum compounded over the first five years, compared to the market return of 28.0%. There are also 32 staff members in the Foord team ranging from dealing and administration support to the independent non-executive board members.

SIXTY

Month-by-month over the past five years Foord Unit Trusts was able to deliver on its promise to unit holders of performance consistent with the Foord brand and value proposition. The flagship Foord unit trust funds can now rightly take their place as the crown jewels in the Foord portfolio.