

2020 FOORD UNIT TRUSTS ANNUAL REPORT

for the year ended 29 February 2020





“Think in years
and comprehend
in decades.”

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Note: It is a statutory requirement to make the Abridged Annual Financial Statements available to investors in collective investment scheme portfolios. Please take special note that the information relates to the Scheme's financial year ended 29 February 2020. The delay in distribution is a result of the time needed to complete the audit of the unabridged financial statements.

The report therefore does not contain the most recently available performance information and exposures, which are available on www.foord.co.za.

CHAIRMAN'S REPORT



PAUL CLUER Chairman

It is my pleasure to present the 2020 annual report to Foord unit trust investors. This report focuses on the performance of the funds for the financial year to 29 February 2020. It would, however, be remiss to neglect the market tumult after year end as the COVID-19 pandemic accelerated. We have therefore included some commentary on the pandemic fallout.

MARKET REVIEW

Global equity markets were buoyant in 2019, delivering the best calendar-year return in a decade. Good gains in January and February 2019 were a dramatic turnaround from the negative returns of 2018. The bellwether S&P 500 Index in the US advanced most, while the MSCI World Index excluding US markets rose more modestly. The rally was fuelled by looser central bank monetary policy. In the US, the Federal Reserve cut interest rates three times successively. The European Central Bank had launched new stimulus measures to support the bloc's stagnating economy.

Although markets surged, robust economic growth was elusive. The escalating US-China trade war imperilled global growth, as did the economic damage caused by the UK's protracted Brexit malaise. Given this backdrop of slowing growth and elevated geopolitical risks, global corporate earnings grew by less than 5%. It was thus not earnings growth, but lower interest rates, quantitative easing and subsiding fears of a rapid slowdown that ignited investor confidence. But global equity markets soon faced significant headwinds as investors weighed the consequences of the novel coronavirus outbreak in Wuhan, China.

In South Africa, policy uncertainty and near-recessionary economic conditions persisted. State-owned enterprises are in turmoil. Eskom implemented unprecedented load shedding and SAA was placed in business rescue. South Africa's debt-to-GDP ratio has deteriorated to uncomfortably high levels with no forecast improvement within the next five years. Business and consumer sentiment contracted further over the year. The rand capitulated against the US dollar early in 2020 as emerging markets came under pressure and SA's sovereign downgrade by ratings holdout Moody's became assured.

The FTSE/JSE All Share Index contracted in rands and even more so in US dollars. The financials sector recorded a double-digit decline as South Africa slipped into recession and credit quality deteriorated further. Resources delivered 28.5% in calendar 2019 as the JSE's mining stocks surged, specifically the platinum group metals sector. However, the sector shed most of its gains in early 2020 as demand slumped, closing the financial year down. SA bonds were the best performing asset class if you exclude gold.

Foord's strategy to favour global shares and high-yielding, medium-term SA debt over SA Inc. shares was broadly correct. Being underweight resources counters was a performance drag. Many of the big portfolio holdings bounced strongly in 2019 but retraced latterly as investors fled emerging market assets.

Foord's SA and global funds achieved underwhelming absolute returns but nevertheless had a good year in relative terms, comfortably beating their peers. With its low resources weight, the Foord Equity Fund was the exception. The long-term track records on all funds are excellent.

CHAIRMAN'S REPORT (Continued)

POST-BALANCE SHEET EVENT: COVID-19

Global equity markets fell precipitously in March 2020 on expectations that the COVID-19 pandemic would trigger a global recession. The S&P 500 Index in the US recorded its fastest-ever bear market correction, falling 20% in just 20 days. Industrial commodities and oil were casualties as the Russia-Saudi Arabian oil price war added to the panic.

In South Africa, the FTSE/JSE Capped All Share Index also plunged while the listed property sector lost a third of its market value. Even the All Bond Index fell as investors sold emerging market investments and scrambled for safe-haven assets such as gold and US Treasuries.

The sudden reduction in demand for goods and services served to compound South Africa's structural problems. Moody's finally joined Fitch and S&P in downgrading SA debt to sub-investment grade (also known as junk). All three major ratings agencies expect the country's solvency metrics to deteriorate.

Quarantines and travel prohibitions will slash global economic output in the first half of 2020. There will be recessions. These will cause millions of job losses, especially in service industries. Governments and central banks have responded with massive liquidity and fiscal packages. But there will be many corporate failures and personal bankruptcies. History will judge whether the virus itself or mankind's response was most damaging to society.

Foord could not have forecast the global pandemic. But we were aware of the global expansion's late stage and the high-risk environment, especially with many global share markets at or near all-time highs. We did expect increased volatility, with some prospects for a correction. We had positioned the portfolios defensively in anticipation of this for some time. Foord's multi-asset portfolios therefore performed better than most through the market rout and sharp recovery in April.

INVESTMENT STRATEGY

There are still very high levels of uncertainty in the forecast investment horizon. As such, we will continue to exercise caution. The investment strategy is focused on quality companies while maintaining a high degree of diversification and liquid investments. We have added to some quality companies that we already own on price weakness. We have also added some new quality holdings to the portfolios, but only at the margin. Foord's funds are thus still conservatively positioned and balanced.

CHANGES AT FOORD

Long-standing independent director and chairman of the Foord Unit Trusts audit committee, Adam Cowell, will be resigning from the board with a view to settling in his adopted country, Australia, where his adult children live. We wish him all the best. Independent director at Foord Asset Management, Prakash Desai, has been approached to fill the vacancy. Portfolio Manager Daryll Owen warned some time ago of his intention to emigrate to his wife's ancestral home, Portugal. He will be doing so only in 2021 and we look forward to another year's contribution by Daryll.

INTERNATIONAL FEEDER FUNDS

The Foord international feeder funds remain closed to new investment. We are working with the SA Reserve Bank and other financial services groups to reopen the funds. However, the US dollar-denominated Foord global funds are open for investors contributing US dollars or other hard currency. Investors can use their annual individual offshore investment allowance of up to R10 million and the discretionary allowance of R1 million for this purpose.

CONCLUDING REMARKS

To all our investors, thank you for your steadfast support. The market declines have been painful for all concerned, but we are grateful that our decision to move early to protect investor capital has limited the severity of drawdown in most cases. Foord funds have performed exceptionally well during the recent market rout and are poised to outperform through the ensuing market cycle. Some funds have moved onto all-time price highs already.

I urge you to stay invested; your investments are in safe hands. Your patience will be rewarded.

Yours in good health.

PAUL CLUER Chairman

PERFORMANCE REVIEW

Foord's fund managers have positioned the multi-asset portfolios defensively for some time. The strategy prescribed a high or full weight to foreign assets, mostly to attractively-valued global equities; low weighting to SA-focused companies and property counters given South Africa's structural headwinds; some physical gold as portfolio insurance and sizeable holdings in high-coupon, medium-dated government bonds and cash.

In the event, global markets were broadly positive in the financial year ended 29 February 2020. The rand weakened latterly against the dollar and bond indices rose given high yields. These factors all vindicated the investment strategy and contributed meaningfully to positive returns in the asset allocation funds. The strategy excelled during the COVID-19 pandemic rout in March 2020, which falls into the following reporting year.

The best-investment-view Foord Flexible Fund of Funds produced inflation beating returns of 7.8% after fees and expenses. The SA Consumer Price Index (CPI) averaged 4.6% for the year. The Foord Flexible Fund of Funds benefited from the high average foreign asset weight of 61% given rand weakness and very low weight to the beleaguered SA equity markets.

The Foord Balanced Fund returned 2.0% for the year net of fees and expenses, below inflation but outperforming the market value weighted peer group return by 1.8%. Asset allocation added value with significant allocations to global equities, medium-term SA government bonds and the physical gold ETF contributing meaningfully. Low resources weighting hurt in the year but the managers think it will have been the correct longer term call.

The Foord Conservative Fund achieved a better 5.6% return given its lower equity mandate, but underperformed its inflation plus 4% benchmark over the one-year measurement period. It was however pleasingly ranked 6th of 93 comparable funds over the period. It was well positioned for the ensuing COVID-19 market rout.

The JSE-only Foord Equity Fund declined 11.1% for the year after fees and expenses, underperforming the benchmark FTSE/JSE Capped All Share Index which declined 7.8%. The fund was weighed down by the low allocation to the resources sector and exacerbated by the fall in the Sasol share price (-54.9%). The holding in physical gold ETF Newgold and high cash weight was positive for the fund, as was the lower allocation to the financials sector which declined 16.8% over the year. The full allocation to Naspers and Prosus collectively contributed positively but was offset by ongoing difficulties in industrial holdings EOH, KAP and Invicta. The holding in Capital & Counties detracted in absolute terms, but fell much less than the broader SA-focused property companies where the fund was not invested.

The Foord International Fund (+3.6% in US dollars) and Foord Global Equity Fund (+2.6% in US dollars), target funds of the two SA feeder fund portfolios, produced positive hard-currency returns above US inflation and peer group benchmarks. The Foord International Feeder Fund and Foord Global Equity Feeder Fund consequently yielded double-digit returns of 17.0% and 15.7% respectively on conversion to a softer rand.

In the Foord International Fund, US chemical manufacturer FMC Corp (+16.8%) and UK-based diversified energy supplier SSE plc (+39.8%) contributed the most to fund performance. SSE's re-rating was driven by the Tory election win eliminating the risk of nationalisation of the firm's assets. This was partially offset by the fund's position in Hong Kong marquee-mall owner Wharf Real Estate Investment which fell on pro-democracy protests and early COVID-19 panic. In the Foord Global Equity Fund, stock selection was positive with core holdings JD.Com (+42.3%), VipShop (+83.0%) and CVS Health (+7.6%) meaningfully higher. Positions in Kasikorn Bank, DuPont and Tullow Oil were the biggest detractors over the year.

FUND RETURNS

Class A units, net of fees

| | Year to 29 Feb 2020 | Year to 28 Feb 2019 | 10 Years to 29 Feb 2020 | Inception to 28 Feb 2020 |
|--|------------------------|------------------------|----------------------------|-----------------------------|
| FOORD FLEXIBLE FUND OF FUNDS | 7.8% | 7.4% | 13.0% | 11.3% |
| Benchmark: CPI + 5% per annum | 9.4% | 9.3% | 10.3% | 10.8% |
| ASISA Worldwide — Multi-Asset — Flexible sector rank | 33/74 | 33/72 | 3/15 | 1/12 |
| Inception date: 1 April 2008 | | | | |
| FOORD BALANCED FUND | 2.0% | 3.0% | 9.3% | 12.9% |
| Benchmark: Market value weighted peer group excluding Foord | 0.2% | 1.0% | 8.2% | 11.4% |
| ASISA SA — Multi-Asset — High Equity sector rank | 63/196 | 65/187 | 15/47 | 5/17 |
| Inception date: 1 September 2002 | | | | |
| FOORD CONSERVATIVE FUND | 5.6% | 7.1% | | 6.0% |
| Benchmark: CPI + 4% per annum | 8.4% | 8.3% | | 9.2% |
| ASISA SA — Multi-Asset — Medium Equity sector rank | 6/93 | 4/88 | | 11/48 |
| Inception date: 2 January 2014 | | | | |
| FOORD EQUITY FUND | -11.1% | -6.7% | 8.5% | 13.5% |
| Benchmark: FTSE/JSE Capped All Share Index | -7.3% | 0.1% | 9.8% | 13.2% |
| ASISA SA — Equity — General sector rank (JSE-only funds) | 63/91 | 68/88 | 7/27 | 5/18 |
| Inception date: 1 September 2002 | | | | |
| FOORD INTERNATIONAL FEEDER FUND | 17.0% | 15.0% | 12.4% | 11.5% |
| Benchmark: US inflation in ZAR | 13.7% | 21.1% | 9.2% | 8.9% |
| ASISA Global — Multi-Asset — Flexible sector rank | 11/30 | 17/25 | 3/11 | 1/6 |
| Inception date: 1 March 2006 | | | | |
| FOORD GLOBAL EQUITY FEEDER FUND | 15.7% | 9.9% | | 10.0% |
| Benchmark: MSCI All Country World Total Return Index in ZAR | 16.5% | 17.7% | | 13.2% |
| ASISA Worldwide — Multi-Asset — Flexible sector rank | 27/62 | 50/58 | | 18/29 |
| Inception date: 2 May 2014 | | | | |

MARKET REVIEW

ASSET CLASS RETURNS

One year to 29 February 2020

| (USD total returns unless otherwise stated) | Year to 29 Feb 2020 % | Year to 28 Feb 2019 % |
|---|-----------------------------|-----------------------------|
| SHARES | | |
| FTSE/JSE All Share Index (in ZAR) | (5.7) | (0.9) |
| FTSE/JSE All Share Index (in USD) | (15.2) | (17.0) |
| MSCI World Index (developed markets) | 5.2 | 1.0 |
| MSCI Emerging Markets Index | (1.5) | (9.5) |
| S&P 500 Index (US) | 8.2 | 4.7 |
| FTSE 100 Index (UK) | (6.5) | (1.8) |
| Euro Stoxx 50 Index (Eurozone) | 0.9 | (7.2) |
| MSCI China Index | 3.5 | (11.3) |
| COMMODITIES | | |
| Gold | 23.7 | 0.5 |
| Copper | (14.7) | (0.6) |
| Oil (Brent Crude) | (25.2) | 2.7 |
| PROPERTY | | |
| SA Listed Property (in ZAR) | (19.1) | (5.2) |
| BONDS | | |
| SA All Bond Index (in ZAR) | 8.9 | 4.2 |
| SA cash (in ZAR) | 7.2 | 7.3 |
| FTSE World Government Bond Index | 8.2 | (1.3) |
| CURRENCIES | | |
| US dollar per rand (\$/R) | (10.1) | (16.3) |
| Euro per US dollar (€/€) | 3.1 | 7.2 |
| INFLATION | | |
| SA Consumer Price Index (in ZAR) | 4.6 | 4.1 |

Source: Factset Research Systems Inc, Bloomberg Inc and IRESS Ltd

MARKET BACKGROUND

WORLD

Global growth expectations for 2019 were moderated by the escalating US-Sino trade war, rising hard-Brexit risks and Middle-East tensions — but improved markedly in January as the US economy started to benefit from the Federal Reserve's monetary stimulation and prospects of a US-China "phase one" trade deal resolution

Global equities were higher on broad-based developed market strength, led by the US while emerging markets, typically geared to growth and trade, were negative on conversion to stronger US dollars — gold and silver were sharply higher on escalating geopolitical risks and their increasing attractiveness as portfolio diversifiers

Global growth expectations were revised sharply lower latterly as the COVID-19 virus became a global pandemic with increasing numbers of countries on lockdown — Asian equities were first to retrace on expectations for the demand shock's impact on economic activity and company earnings

Developed market bond yields were lower as central banks adopted more accommodative monetary policies across the major economies to counteract fears of slowing growth and elevated geopolitical risks — interest rates and bond yields should stay lower for longer as economic activity takes time to normalise and monetary authorities maintain emergency policy settings

The oil price was lower during the year on higher volumes — but latterly suffered its biggest slump in several decades as Saudi Arabia and Russia entered an all-out oil price war just as COVID-19 demand shock was gathering momentum

Industrial commodities all fell sharply and prices should stay subdued given the likelihood of an extended retreat in economic activity and resulting surpluses — although precious metals gold and silver should find some support as alternative stores of value

SOUTH AFRICA

South Africa registered three quarterly GDP contractions during 2019 — prospects are bleak with business confidence near 30-year lows and consumer confidence the lowest since Ramaphosa's December 2017 ANC presidential victory

February's sobering budget speech highlighted distressed public finances and an economy in structural decline after years of mismanagement — the pandemic fallout will put considerable strain on an already highly stressed socio-economic dynamic, increasing the probability of IMF and World Bank support in the medium term

Persistent power disruptions constrained economic activity over the course of the year — state-owned entities continued to flounder, with no workable resolution to Eskom's structural, financial and operational problems and SAA placed in business rescue

The JSE sold off sharply after the turn of the year as financials and resources fell precipitously while industrial counters remained pressured, given very weak trading conditions — the bourse closed the year to February 2020 in the negative and then slumped in the COVID-19 market rout

The SARB kept the repo rate unnecessarily high before a judicious quarter-point cut in January to counter recessionary conditions — but then made two aggressive 1% rate cuts after year-end to counter lockdown fallout

SA bonds achieved good returns after yields moved lower on improved emerging market sentiment and benign inflation — but yields rose sharply after year end on COVID-19 contagion and as junk holdout Moody's finally downgraded SA debt, leaving all three major agencies' ratings on BB+ and with a negative outlook

The rand was volatile but surprisingly little changed against the dollar through 2019 before succumbing in the final two months of the financial year — the unit is amongst the weakest in 2020 given highly-strained public finances and the pandemic-driven global liquidation of risky emerging market assets

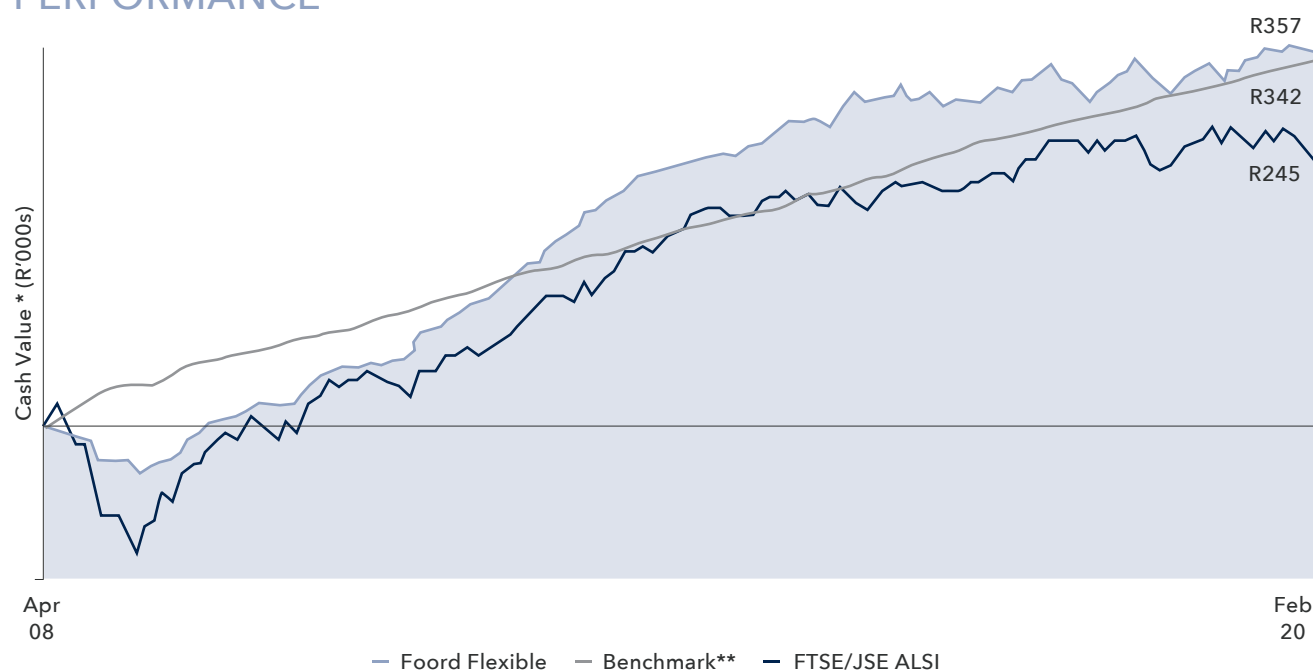
FOORD

FLEXIBLE FUND OF FUNDS

The fund aims to provide investors with long-term real returns exceeding 5% per annum. It exploits the benefits of global diversification in a portfolio that continually reflects Foord's prevailing view on all available asset classes, in South Africa and abroad. The fund is suitable for discretionary investors with a moderate risk profile who require long-term inflation-beating total returns from a dynamically managed multi-asset class portfolio.

The fund is unconstrained in terms of asset class and geographic location. This flexibility allows the fund manager the freedom to invest according to Foord's best investment view. The fund is structured as a fund of funds to allow its exposure to the Foord International and Foord Global Equity Funds to each exceed 20% if deemed necessary. There are no additional charges or layering of fees.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

** Benchmark: CPI + 5% per annum, which is applied daily using the most recently available inflation data and accordingly will be lagged on average by 5 to 6 weeks

ASSET ALLOCATION At 29 February 2020

| | Domestic % | Foreign % | Total % |
|------------------|------------|-----------|---------|
| Equities | 13.2 | 43.6 | 56.8 |
| Listed property | 2.2 | 1.3 | 3.5 |
| Corporate bonds | 0.0 | 1.5 | 1.5 |
| Government bonds | 20.2 | 1.6 | 21.8 |
| Commodities | 2.2 | 1.6 | 3.8 |
| Money market | 3.1 | 9.5 | 12.6 |
| Total | 40.9 | 59.1 | 100.0 |

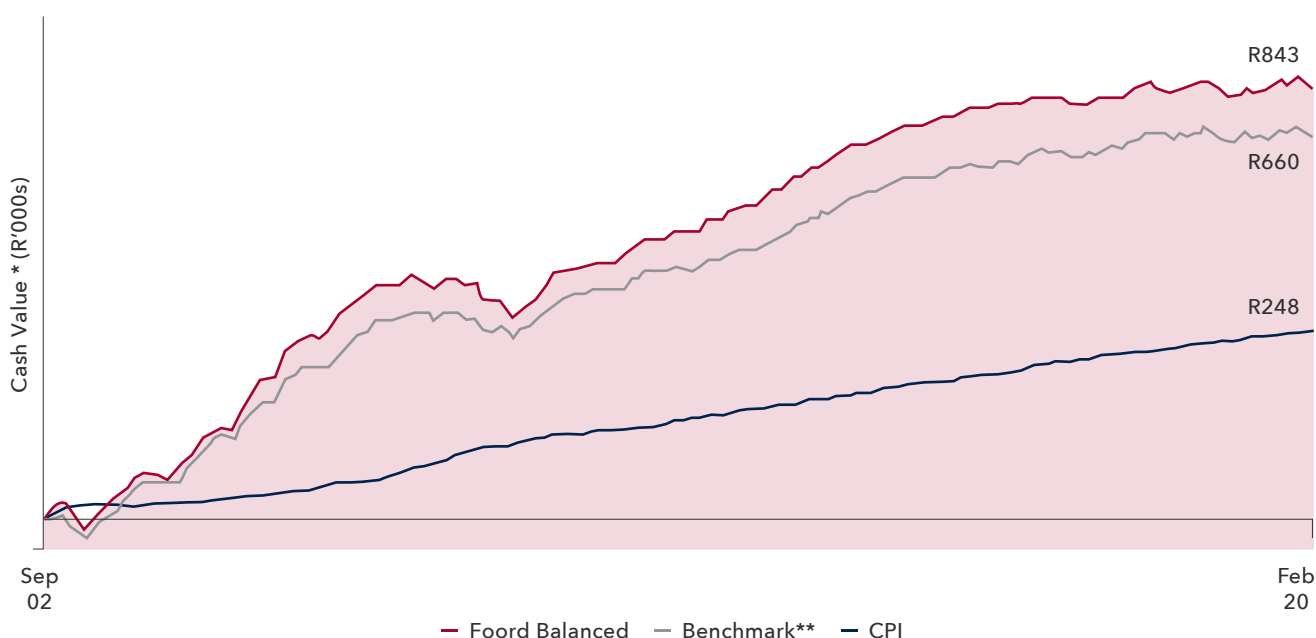
FOORD

BALANCED FUND

The fund aims to grow retirement fund savings by meaningful, inflation-beating margins over the long term. The fund is managed to comply with the prudential investment limits set for South African retirement funds (Regulation 28 to the Pension Funds Act). It is therefore suitable for investors saving via retirement funds or other contractual savings products.

The portfolio typically exhibits a medium to high average weighting to JSE shares but can also include exposure to bonds, money market instruments, listed property, commodity securities and foreign assets. Appropriate asset allocation is a critical component of the investment strategy and plays a key role in the management of investment risk. Regulation 28 limits the fund's maximum net equity exposure to 75% and foreign asset exposure to 30% of the portfolio.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

** Benchmark: The market value weighted average total return of the South African - Multi-Asset - High Equity unit trust sector, excluding Foord Balanced Fund

ASSET ALLOCATION At 29 February 2020

| | Domestic % | Foreign % | Total % |
|------------------|------------|-----------|---------|
| Equities | 33.6 | 23.0 | 56.6 |
| Listed property | 4.4 | 0.7 | 5.1 |
| Corporate bonds | 1.0 | 2.2 | 3.2 |
| Government bonds | 19.4 | 1.0 | 20.4 |
| Commodities | 5.1 | 1.0 | 6.1 |
| Money market | 3.0 | 5.6 | 8.6 |
| Total | 66.5 | 33.5 | 100.0 |

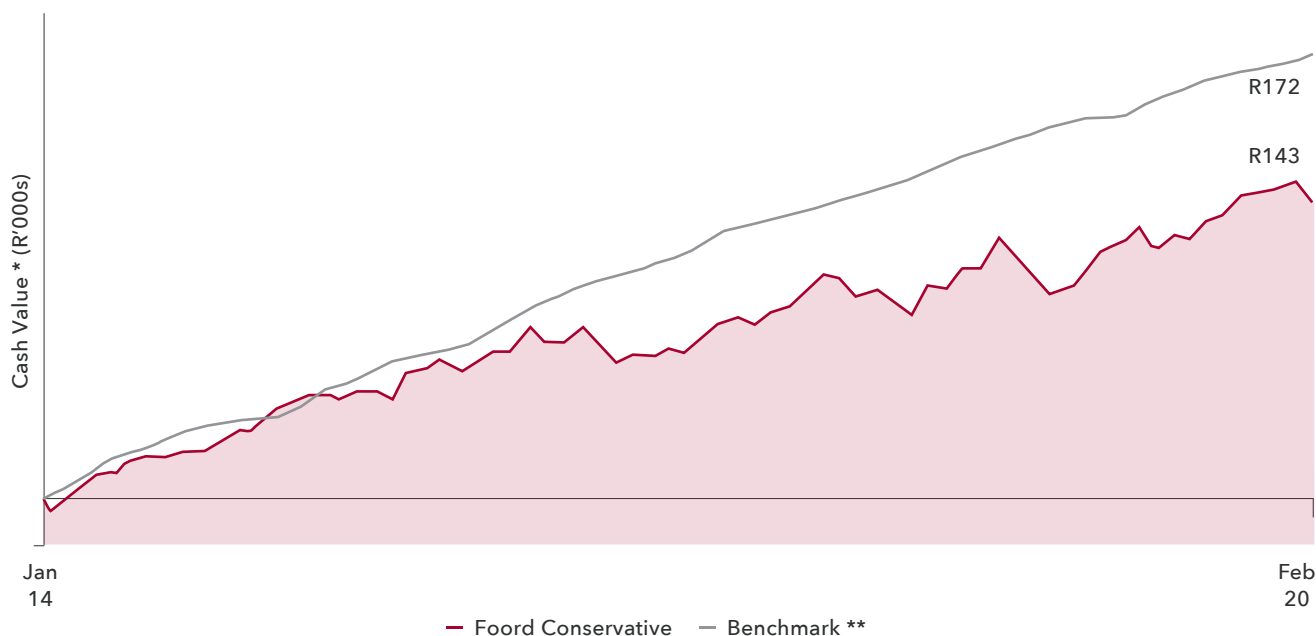
FOORD

CONSERVATIVE FUND

The fund seeks to provide investors with a net-of-fee return of 4% per annum above the annual change in the SA Consumer Price Index from a conservatively positioned balanced fund portfolio. It is managed to comply with the prudential investment limits set for South African retirement funds (Regulation 28 to the Pension Funds Act). The fund is suitable for conservative investors who are typically in, or close to, retirement with a time horizon of less than three years.

The fund restricts exposure to share investments to a maximum 60% of portfolio (down from the 75% maximum limit of typical balanced funds). The remaining assets must be invested in listed property, government and corporate bonds, commodities and cash. Prudential regulations allow 30% of the fund to be invested abroad.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

** Benchmark: CPI + 4% per annum, which is applied daily using the most recently available inflation data and accordingly will be lagged on average by 5 to 6 weeks

ASSET ALLOCATION At 29 February 2020

| | Domestic % | Foreign % | Total % |
|------------------|------------|-----------|---------|
| Equities | 24.7 | 19.4 | 44.1 |
| Listed property | 6.1 | 0.9 | 7.0 |
| Corporate bonds | 0.0 | 1.2 | 1.2 |
| Government bonds | 25.7 | 1.3 | 27.0 |
| Commodities | 6.5 | 1.3 | 7.8 |
| Money market | 6.5 | 6.4 | 12.9 |
| Total | 69.5 | 30.5 | 100.0 |

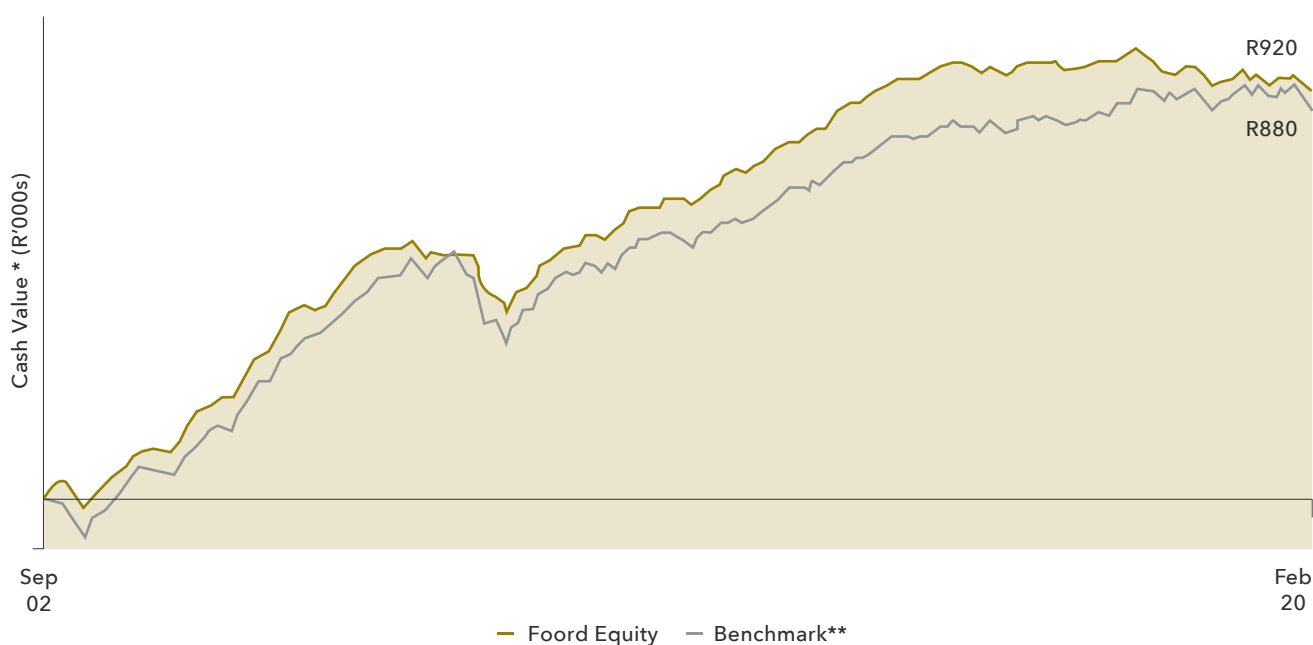
FOORD

EQUITY FUND

The fund aims to outperform the South African equity market without assuming greater risk. The fund is suitable for investors with time horizons exceeding five years requiring maximum long-term capital growth and who can withstand investment volatility in the short to medium term.

The Foord Equity Fund is a general equity fund investing in specially selected instruments across the spectrum of the JSE stock exchange. The strategy does not permit the inclusion of foreign assets into the fund.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

** Benchmark: Total return of the FTSE/JSE Capped All Share Index

ASSET ALLOCATION

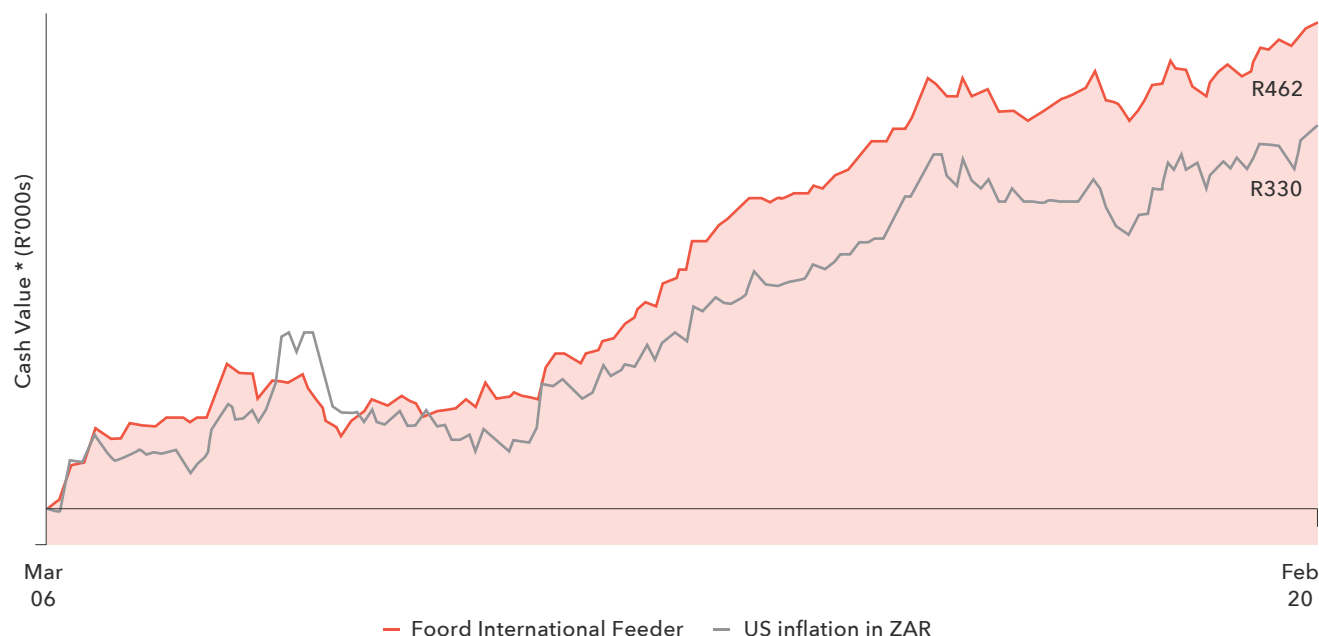
| | 29 Feb 2020 % | 28 Feb 2019 % |
|-----------------|------------------|------------------|
| Equities | 83.5 | 82.8 |
| Listed property | 6.6 | 7.0 |
| Commodities | 2.1 | 1.6 |
| Money market | 7.8 | 8.6 |
| Total | 100.0 | 100.0 |

FOORD

INTERNATIONAL FEEDER FUND (Closed to new investment)

The fund aims to achieve meaningful inflation-beating US dollar returns over rolling five-year periods from a conservatively managed portfolio of global equities, interest-bearing securities and cash reflecting Foord's prevailing best investment view. The feeder fund invests directly into the Luxembourg-domiciled Foord International Fund and is suitable for South African investors who seek to diversify their portfolios offshore and to hedge against rand depreciation.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

ASSET ALLOCATION At 29 February 2020

| | Developed Markets % | Emerging Markets % | Total % |
|------------------|---------------------|--------------------|---------|
| Equities | 40.8 | 8.5 | 49.3 |
| Real estate | 3.7 | 0.0 | 3.7 |
| Government bonds | 6.6 | 0.0 | 6.6 |
| Corporate bonds | 0.0 | 6.2 | 6.2 |
| Commodities | 6.7 | 0.0 | 6.7 |
| Money market | 27.5 | 0.0 | 27.5 |
| Total | 85.3 | 14.7 | 100.0 |

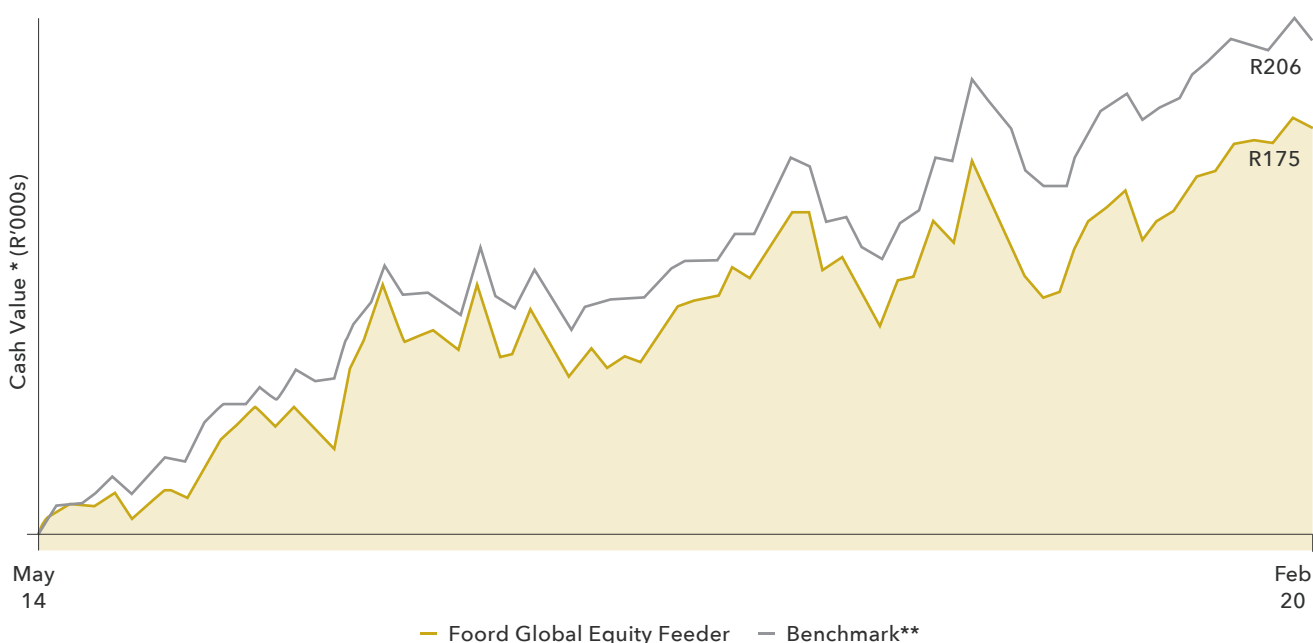
FOORD

GLOBAL EQUITY FEEDER FUND (Closed to new investment)

The fund aims to outperform the MSCI All Country World Index without assuming greater risk. The fund is suitable for South African investors who can withstand a high level of volatility and who seek to diversify their equity portfolios offshore and to hedge against rand depreciation.

The feeder fund invests directly into the Foord Global Equity Fund, a retail unit trust fund domiciled in Singapore. As its name suggests, the Foord Global Equity Fund is a global fund. The investment team can thus research all geographies for companies that offer prospects for sustainable earnings growth and portfolio diversification.

PERFORMANCE



* Current value of R100 000 notional lump sum invested in Class A units at inception, distributions reinvested (graphically represented in R'000s above), net of fees and expenses

** Benchmark: The ZAR equivalent of MSCI All Country World Total Return Index

ASSET ALLOCATION At 29 February 2020

| | Developed Markets % | Emerging Markets % | Total % |
|--------------|---------------------|--------------------|---------|
| Equities | 67.4 | 22.4 | 89.8 |
| Real estate | 1.3 | 0.0 | 1.3 |
| Money market | 8.9 | 0.0 | 8.9 |
| Total | 77.6 | 22.4 | 100.0 |

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ABRIDGED ANNUAL FINANCIAL STATEMENTS

The directors of Foord Unit Trusts (RF) (Pty) Limited are responsible for the preparation of the abridged annual financial statements and related financial information included in this annual report.

The abridged annual financial statements and supplementary information of the Foord Flexible Fund of Funds, Foord Balanced Fund, Foord Conservative Fund, Foord Equity Fund, Foord International Feeder Fund and Foord Global Equity Feeder Fund for the year ended 29 February 2020 were approved by the Board of Directors of Foord Unit Trusts (RF) (Pty) Limited on 21 May 2020 and are hereby signed on its behalf by:

PE CLUER Chairman

WL FRASER Director

TRUSTEE REPORT ON THE FOORD UNIT TRUST SCHEME

As Trustees to the Foord Unit Trust Scheme (the Scheme), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No.45 of 2002) (the Act) to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise that for the period 1 March 2019 to 29 February 2020 we reasonably believe that the Manager has administered the Scheme in accordance with the:

- i) limitations imposed on the investment and borrowing powers of the manager by the Act; and
- ii) provisions of the Act and the relevant deeds.

We confirm that, according to the records available to us, there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolios in the year.

Yours faithfully

NELIA DE BEER Head: Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited
21 May 2020

RUAN VAN DYK Quality Assurance Manager: Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

“Investment stewardship
since 1981.”

STATEMENTS OF FINANCIAL POSITION

As at 29 February 2020

| | FOORD FLEXIBLE FUND OF FUNDS | | FOORD BALANCED FUND | | FOORD CONSERVATIVE FUND | | FOORD EQUITY FUND | | FOORD INTERNATIONAL FEEDER FUND | | FOORD GLOBAL EQUITY FEEDER FUND | |
|--|------------------------------------|-------------|---------------------------|-------------|-------------------------------|-------------|-------------------------|-------------|---------------------------------------|-------------|---------------------------------------|-------------|
| | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm |
| ASSETS | | | | | | | | | | | | |
| Investment portfolio at market value | 8,249 | 9,225 | 25,333 | 32,418 | 590 | 948 | 3,756 | 6,871 | 3,584 | 3,709 | 63 | 69 |
| Accounts receivable | 177 | 120 | 145 | 73 | 1 | 1 | 33 | 49 | - | - | - | - |
| Total assets | 8,426 | 9,345 | 25,478 | 32,491 | 591 | 949 | 3,789 | 6,920 | 3,584 | 3,709 | 63 | 69 |
| LIABILITIES | | | | | | | | | | | | |
| Accounts payable | 9 | 3 | 36 | 22 | 4 | 1 | 15 | 9 | 1 | 1 | - | - |
| Distributions payable | 81 | 121 | 315 | 548 | 8 | 21 | 69 | 138 | - | - | - | - |
| Total liabilities | 90 | 124 | 351 | 570 | 12 | 22 | 84 | 147 | 1 | 1 | - | - |
| Net assets attributable to unitholders | 8,336 | 9,221 | 25,127 | 31,921 | 579 | 927 | 3,705 | 6,773 | 3,583 | 3,708 | 63 | 69 |

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 29 February 2020

| | FOORD FLEXIBLE FUND OF FUNDS | | FOORD BALANCED FUND | | FOORD CONSERVATIVE FUND | | FOORD EQUITY FUND | | FOORD INTERNATIONAL FEEDER FUND | | FOORD GLOBAL EQUITY FEEDER FUND | |
|--|------------------------------------|-------------|---------------------------|--------------|-------------------------------|-------------|-------------------------|-------------|---------------------------------------|-------------|---------------------------------------|-------------|
| | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm | 2020 R'm | 2019 R'm |
| NET INVESTMENT INCOME | 190 | 225 | 950 | 1,199 | 25 | 44 | 177 | 258 | 6 | 14 | - | 1 |
| Dividends | 39 | 76 | 397 | 555 | 9 | 17 | 181 | 239 | - | - | - | - |
| Interest | 151 | 151 | 618 | 719 | 19 | 31 | 28 | 49 | 3 | 5 | - | - |
| Income adjustments | - | (2) | (65) | (75) | (3) | (4) | (32) | (30) | 3 | 9 | - | 1 |
| DEDUCTIONS | (20) | 19 | (266) | (198) | (5) | (4) | (13) | (20) | (7) | (8) | - | - |
| Service charge | (19) | 20 | (262) | (194) | (5) | (4) | (12) | (19) | (7) | (8) | - | - |
| Other expenses | (1) | (1) | (4) | (4) | - | - | (1) | (1) | - | - | - | - |
| Net income | 170 | 244 | 684 | 1,001 | 20 | 40 | 164 | 238 | (1) | 6 | - | 1 |
| Income distributions | (170) | (244) | (684) | (1,001) | (20) | (40) | (164) | (238) | - | - | - | - |
| Accumulated deficit at beginning of year | - | - | - | - | - | - | - | - | (16) | (22) | (1) | (2) |
| Accumulated deficit at year end | - | - | - | - | - | - | - | - | (17) | (16) | (1) | (1) |

TOTAL COST RATIO

The Total Cost Ratio for any portfolio is the sum of its Total Expense Ratio (TER) and Transaction Cost Ratio (TCR).

A TER is a measure of a portfolio's annual expenses, fees and charges, expressed as a percentage of the average daily value of the portfolio. These expenses include the annual service charge, VAT, audit fees, bank charges and costs incurred in any underlying funds. Included in the TER, but separately disclosed, is a performance fee charge (or credit) resulting from over-performance (or under-performance) against the benchmark. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER is not an indication of future TERs.

The TCR comprises expenses such as brokerage, VAT, Securities Transfer Tax, Investor Protection Levies and STRATE contract fees incurred when buying and selling investments, expressed as a percentage of the average daily value of the portfolio. These costs are excluded from the TER measure. The quantum of transaction costs is affected by the quantum of the fund's gross inflows and outflows that are required to be invested or disinvested from the portfolio.

| | 2020 | | | | 2019 | | | |
|---------------------------------|-------|-------------------------|-------|-------------------|-------|-------------------------|-------|-------------------|
| | TER | Performance fees in TER | TCR | Total Cost Ratio* | TER | Performance fees in TER | TCR | Total Cost Ratio* |
| Foord Flexible Fund of Funds | 1.03% | -0.20% | 0.01% | 1.04% | 0.86% | -0.37% | 0.01% | 0.87% |
| Foord Balanced Fund | 1.60% | 0.15% | 0.03% | 1.63% | 1.12% | -0.31% | 0.03% | 1.15% |
| Foord Conservative Fund | 1.46% | -0.03% | 0.04% | 1.50% | 0.95% | -0.51% | 0.05% | 1.00% |
| Foord Equity Fund | 0.59% | -0.57% | 0.11% | 0.70% | 0.60% | -0.57% | 0.09% | 0.69% |
| Foord International Feeder Fund | 1.84% | N/A | 0.00% | 1.84% | 1.79% | N/A | 0.00% | 1.79% |
| Foord Global Equity Feeder Fund | 1.58% | N/A | 0.00% | 1.58% | 1.50% | N/A | 0.00% | 1.50% |

* Class A units

Note: May not cross-cast due to rounding differences

DISTRIBUTION INFORMATION

| CENTS PER PARTICIPATORY INTEREST | | | |
|---|------------------------|------------------------|--------|
| | Dividend Component* | Interest Component* | Total |
| FOORD FLEXIBLE FUND OF FUNDS — Class A | | | |
| No. 22: 6 months to 29 February 2020 | 5.37 | 21.64 | 27.01 |
| No. 21: 6 months to 31 August 2019 | 6.43 | 23.39 | 29.82 |
| No. 20: 6 months to 28 February 2019 | 13.03 | 23.09 | 36.12 |
| No. 19: 6 months to 31 August 2018 | 9.90 | 21.92 | 31.82 |
| FOORD BALANCED FUND — Class A | | | |
| No. 33: 6 months to 29 February 2020 | 21.81 | 34.46 | 56.27 |
| No. 32: 6 months to 31 August 2019 | 22.26 | 36.19 | 58.45 |
| No. 31: 6 months to 28 February 2019 | 39.39 | 44.42 | 83.81 |
| No. 30: 6 months to 31 August 2018 | 24.33 | 37.88 | 62.21 |
| FOORD CONSERVATIVE FUND — Class A | | | |
| No. 13: 6 months to 29 February 2020 | 4.36 | 9.34 | 13.70 |
| No. 12: 6 months to 31 August 2019 | 5.71 | 11.59 | 17.30 |
| No. 11: 6 months to 28 February 2019 | 9.31 | 15.31 | 24.62 |
| No. 10: 6 months to 31 August 2018 | 6.02 | 12.18 | 18.20 |
| FOORD EQUITY FUND — Class A | | | |
| No. 33: 6 months to 29 February 2020 | 88.17 | 13.53 | 101.70 |
| No. 32: 6 months to 31 August 2019 | 83.90 | 14.45 | 98.35 |
| No. 31: 6 months to 28 February 2019 | 113.57 | 18.12 | 131.69 |
| No. 30: 6 months to 31 August 2018 | 59.18 | 16.98 | 76.16 |

FOORD INTERNATIONAL FEEDER FUND — Class A**

FOORD GLOBAL EQUITY FEEDER FUND — Class A**

* Gross of any applicable South African dividends and interest withholding taxes.

** There were no distributions in the current or previous reporting periods as the Foord international unit trusts do not distribute their income (it is rolled up into the unit price of the funds). As a result, the class fund had insufficient income after deducting expenses and covered the income shortfall with a transfer from fund capital (refer abridged statements of comprehensive income).

COMPANY INFORMATION

| | |
|-------------------------------|--|
| Registration number: | 2001/029793/07 |
| Address of registered office: | 8 Forest Mews, Forest Drive, Pinelands, 7405 |
| Ultimate holding company: | Foord Asset Management (Pty) Ltd |
| Directorate: | Paul Cluer (Executive, Chairman) Diane Behr (Executive) Don Bowden (Independent) Adam Cowell (Independent; Chairman - Audit Committee) William Fraser (Executive) Mark Hodges (Non-executive) |
| Investment manager: | Foord Asset Management (Pty) Ltd (FSP: 578) |
| Trustee: | Rand Merchant Bank, a division of FirstRand Bank Limited |
| Auditor: | KPMG Inc. |
| Administrator: | Silica Administration Services (Pty) Ltd - from 11 November 2019 to date (previously Maitland Fund Services (Pty) Ltd) |

CONTACT US

| | |
|--------------------|--|
| Foord Unit Trusts: | 021 532 6969 |
| Email: | unittrusts@foord.co.za |
| Website: | www.foord.co.za |
| Physical address: | 8 Forest Mews, Forest Drive, Pinelands, 7405 |
| Postal address: | PO Box 135, Howard Place, 7450 |

“To finish first,
first you must finish.”

DISCLOSURES

Foord Unit Trusts (RF) (Pty) Ltd (Foord Unit Trusts) is an approved CISC Management Company (#10). Portfolios are managed by Foord Asset Management (Pty) Ltd (Foord), an authorised Financial Services Provider (FSP: 578). The custodian/trustee of Foord Unit Trusts is RMB Custody and Trustee Services (a division of FirstRand Bank Limited), contactable on T: 087 736 1732, F: 0860 557 774, www.rmb.co.za.

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 portfolios. 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. Foord Unit Trusts does not provide any guarantee either with respect to the capital or the performance return of the investment. 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 Collective Investment Scheme which could result in a higher fee structure. A fund of funds invests only in other Collective Investment Scheme portfolios, which may levy their own charges, which could result in a higher fee structure. 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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UNIT PRICE

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. Forward pricing is used. Prices are determined at 15h00 each business day and are published daily on www.foord.co.za and in national newspapers. The cut-off time for instruction is 14h00 each business day.

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.

UNABRIDGED AUDITED FINANCIAL STATEMENTS

Copies of the unabridged audited financial statements of Foord Unit Trusts (RF) (Pty) Ltd and the Foord Unit Trust Scheme are available to investors for review at the registered office of the company by prior arrangement.

