



INVESTMENT OBJECTIVE

To provide investors with exposure to a diversified mix of global equity and equity-related securities. This is achieved through direct investment into the Foord Global Equity Fund, which aims to produce a higher total rate of return than the MSCI All Country World Index, without assuming greater risk.

INVESTOR PROFILE

Investors who require diversification of foreign equities not available in South Africa; or who seek a hedge against ZAR currency depreciation.

DOMICILE

South Africa

MANAGEMENT COMPANY

Foord Unit Trusts (RF) (Pty) Ltd
VAT Registration Number: 4560201594

FUND MANAGERS

Brian Arcese, Dave Foord, Ishreth Hassen and Jing Cong (JC) Xue

INCEPTION DATE

2 May 2014

BASE CURRENCY

South African rands

EQUITY INDICATOR

Indicates the relative weight of equities in the portfolio. A higher weight could result in increased volatility of returns.

CATEGORY

Global - Equity - General

PORTFOLIO SIZE

R64.5 million

MINIMUM LUMP SUM / MONTHLY

Fund is closed to new investment

UNIT PRICE (CLASS A)

2288.44 cents

NUMBER OF UNITS (CLASS A)

1.8 million

BENCHMARK

The ZAR equivalent of MSCI All Country World Total Return Index.

SIGNIFICANT RESTRICTIONS

The portfolio may only invest in cash and one other collective investment scheme.

INCOME DISTRIBUTIONS

The Foord Global Equity Fund, in which the fund invests, does not distribute its income.

INCOME CHARACTERISTICS

Marginal to zero income yield as the Foord Global Equity Fund is a roll-up fund and does not distribute its income.

PORTFOLIO ORIENTATION

Invests in Foord Global Equity Fund, a fund invested primarily in a diversified portfolio of global equities, priced in US dollars and domiciled in Singapore.

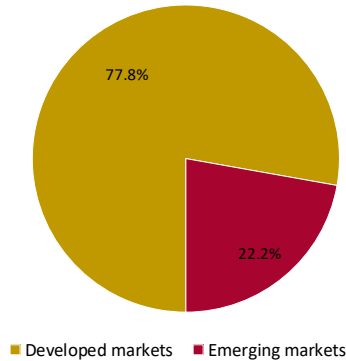
RISK OF LOSS

Currency volatility means the risk of loss in the short term is high. In general, the risk is high in periods shorter than 1 year and lower in periods longer than 3 years.

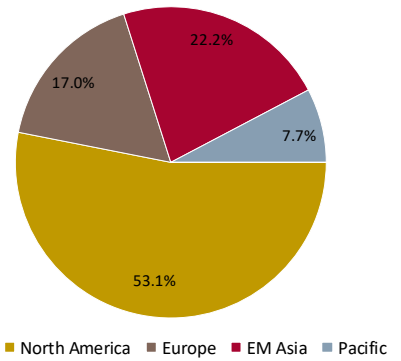
TIME HORIZON

Longer than three years.

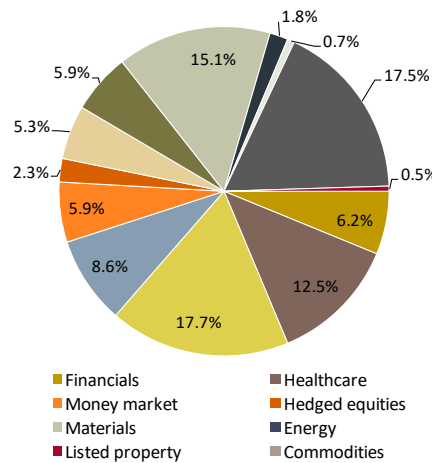
DEVELOPED VS EMERGING MARKETS



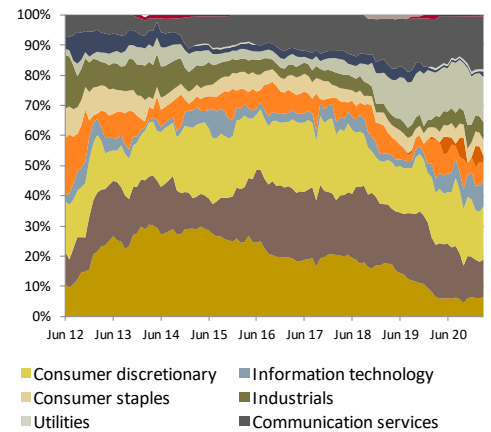
GEOGRAPHIC EQUITY EXPOSURE



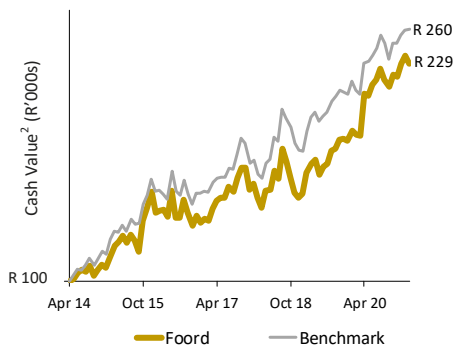
PORTFOLIO STRUCTURE



CHANGES IN PORTFOLIO COMPOSITION



PORTFOLIO PERFORMANCE VS BENCHMARK



TOP 10 INVESTMENTS

SECURITY	MARKET	% OF FUND
Alphabet Inc	USA	5.8
Extended Stay America Inc	USA	5.6
JD.Com Inc	USA	4.6
Tencent Holdings	HKG	4.6
Baidu Inc	USA	4.0
IPG Photonics Corporation	USA	3.8
Freeport-McMoran Inc	USA	3.8
Nutrien	USA	3.2
AIA Group Ltd	HKG	3.0
Corteva Inc	USA	2.8

PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED ¹)

	CASH VALUE ²	SINCE INCEPTION	LAST 5 YEARS	LAST 3 YEARS	LAST 12 MONTHS	THIS MONTH
IN RANDS						
FOORD ^{3,4}	R 228 844	12.7%	11.8%	20.0%	31.8%	-2.9%
BENCHMARK ^{4,5}	R 260 167	14.8%	13.3%	20.6%	28.0%	0.3%
PEER GROUP ^{4,6}	R 224 559	12.4%	10.6%	17.8%	24.5%	-0.1%
FOORD HIGHEST ^{3,4,7}		37.8%	37.8%	37.8%	31.8%	
FOORD LOWEST ^{3,4,7}		-11.0%	-8.9%	-0.8%	31.8%	

¹ Converted to reflect the average yearly return for each period presented

² Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

³ Class A

⁴ Net of fees and expenses

⁵ Source: Bloomberg L.P., performance as calculated by Foord

⁶ Global Large-Cap Blend Equity Morningstar category (provisional). Source: Morningstar

⁷ Highest and lowest actual 12 month return achieved in the period

COMMENTARY

- Global equities (+2.7%) rose on expectations for accelerating global growth following vaccine rollouts—underpinned by further stimulus measures and ongoing accommodative monetary policy
- US share markets (+3.7%) rallied as President Biden signed a \$1.9 trillion pandemic relief bill and announced his proposal for a \$2 trillion infrastructure plan—economic data also continued to surprise on the upside
- European bourses (+3.1%) gained as cyclical rallied on higher bond yields—even as markets await clarity on the timing of the EU’s \$880 billion recovery package
- Emerging markets (-1.5%) underperformed as the dollar strengthened—weighed by rising cases of new COVID-19 strains, regulatory scrutiny on US-listed Chinese ADRs (-6.3%) and Turkish central bank turmoil (-15.8%)
- Defensives and cyclicals led the sector gains—utilities (+7.4%), consumer staples (+6.1%) and industrials (+5.7%) outperformed, while information technology (+0.7%) lagged
- Industrial commodities oil (-3.9%) and copper (-2.2%) retraced on dollar strength—precious metals gold (-0.8%) and silver (-10.1%) declined on the opportunity cost of higher bond yields and the benign inflation outlook from central banks
- America’s largest long-term stay hospitality business Extended Stay (+23.4%) was the biggest positive contributor as Blackstone and Starwood offered to acquire the business for \$19.5 per share—investment in Chinese tech names and the S&P hedges were the biggest detractors this month
- The rand (+2.3% vs the US dollar) bucked emerging market currency weakness as Q4 2020 GDP growth surprised—the lack of competitiveness and strained public finances continue to make the currency vulnerable over the longer term

FEE RATES (CLASS A)

Initial, exit and switching fees	0.0%
Annual fees	0.35% plus VAT
Underlying investment fees	A 0.85% fixed annual fee plus 15% performance fee is levied in the Foord Global Equity Fund

TOTAL INVESTMENT CHARGE

	12 MONTHS	36 MONTHS
Total expense ratio (TER)	2.89%	1.90%
Manager’s charge (basic)	0.35%	0.35%
Performance charge	-	-
Foord global charges	2.39%	1.40%
VAT and sundry costs	0.15%	0.15%
Transaction costs (incl VAT)	-	-
Total investment charge	2.89%	1.90%

INVESTING OFFSHORE

While an investment in the fund provides for global asset exposure, you may only invest and withdraw rands. Your contribution to a fund of this nature is over and above the South African offshore allowance.

ABOUT THE TARGET FUND

The target fund of the Foord Global Equity Feeder Fund is the Foord Global Equity Fund (FGEF), a unit trust fund domiciled in the city state of Singapore and registered with the Monetary Authority of Singapore. FGEF is approved for distribution in South Africa in terms of section 65 of the Collective Investment Schemes Control Act.

Foord’s track record of successful investing in global markets dates back to the inception of the Foord International Fund (FIF) in 1997. FIF is a conservatively managed, multi-asset class, absolute-return portfolio targeting 10% per annum in US dollars over time. FIF invests predominantly in developed market securities. In contrast, FGEF invests only in listed equities with a residual exposure to money market securities. Given its very different investment objective, FGEF has a greater exposure to emerging market securities. Investors assessing the two portfolios should be aware that FGEF’s return profile will likely exhibit significantly more volatility over shorter periods. We both expect and welcome this volatility as an opportunity to invest in great companies at excellent prices.

FGEF is managed by three experienced portfolio managers using Foord’s multiple counsellor process. The fund managers are Foord Singapore’s Chief Investment Officer, Dave Foord, Brian Arcese and Ishreth Hassen. The three portfolio managers and four dedicated global equity analysts based in Singapore.

As its name suggests, FGEF is a global fund. The investment team can thus research all geographies for companies that offer prospects for sustainable earnings growth and portfolio diversification. It is common cause that diversification can reduce risk. The Foord approach has always emphasised the importance of balance in the portfolio, while never “betting the farm” on a particular company, sector or theme. It also stresses the need to actively manage the risk that the team is wrong in its headline views.

The portfolio includes both large and medium capitalisation companies in developed and emerging markets that the managers expect will rerate significantly over the medium term. Warren Buffet said that “the stock market serves as a relocation centre at which money is moved from the active to the patient.” Stock selection is paramount. With much of the market focused on the very short term, we believe that investors focusing on earnings growth three- to five-years out will ultimately be rewarded most handsomely.

FGEF is available for direct investment by South African investors with lump sums of US\$10,000 or more. More information is available on www.foord.com.

PLEASE CONTACT US FOR MORE INFORMATION REGARDING INVESTMENT TRACK RECORD, FOORD TEAM, CURRENT AND ARCHIVED NEWS ITEMS, FORMS AND DOCUMENTS. THIS INFORMATION IS PROVIDED FREE OF CHARGE.

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IMPORTANT INFORMATION FOR INVESTORS

Foord Unit Trusts (RF) (Pty) Ltd (Foord Unit Trusts) is an approved CISCA Management Company (#10), regulated by the Financial Services Board. 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 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. 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. Portfolio information is presented using effective exposures. 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. A feeder fund 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. 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.

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. 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 request that you report any errors to Foord at unittrusts@foord.co.za. The document is protected by copyright and may not be altered without prior written consent.

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.

TER

A Total Expense Ratio (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 fee, VAT, audit fees, bank charges and costs (excluding trading costs) incurred in any underlying funds. Included in the TER, but separately disclosed, is a performance fee (or credit) resulting from overperformance (or underperformance) against the benchmark. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Performance return information and prices are always stated net of the expenses, fees and charges included in the TER. The TER for the fund’s financial year ended 28 February 2021 was 2.43%.

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.

Foord is a member of the Association for Savings and Investment SA.

This is a Minimum Disclosure Document. Published on 7 April 2021.