

### INVESTMENT OBJECTIVE

To achieve meaningful inflation-beating US\$ returns over rolling five-year periods from a conservatively managed portfolio of global equities, warrants, exchange traded funds, UCITS and other UCIs, interest bearing securities and cash instruments reflecting Foord's prevailing best investment view.

### INVESTOR PROFILE

Investors requiring diversification through offshore investment — with exposures to currencies, markets and securities not available in South Africa; seeking 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 and Dave Foord

### INCEPTION DATE

1 March 2006

### 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 - Multi-Asset - Flexible

### PORTFOLIO SIZE

R3.4 billion

### MINIMUM LUMP SUM / MONTHLY

Fund is closed to new investment

### UNIT PRICE (CLASS A)

4911.90 cents

### NUMBER OF UNITS (CLASS A)

6.9 million

### SIGNIFICANT RESTRICTIONS

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

### DISTRIBUTIONS

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

### INCOME CHARACTERISTICS

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

### PORTFOLIO ORIENTATION

Fully invested in the Foord International Fund, sub-fund of Foord SICAV, domiciled in Luxembourg.

### RISK OF LOSS

Currency volatility means risk of loss in the short term is high. In general, the risk of loss is lower than that of the average foreign equity fund.

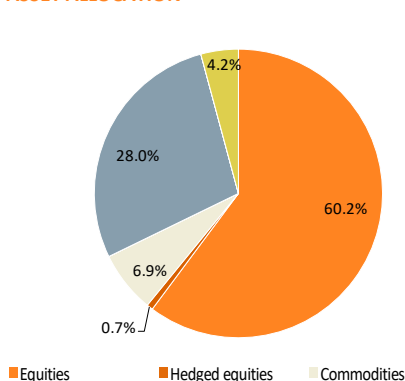
### TIME HORIZON

Longer than three years.

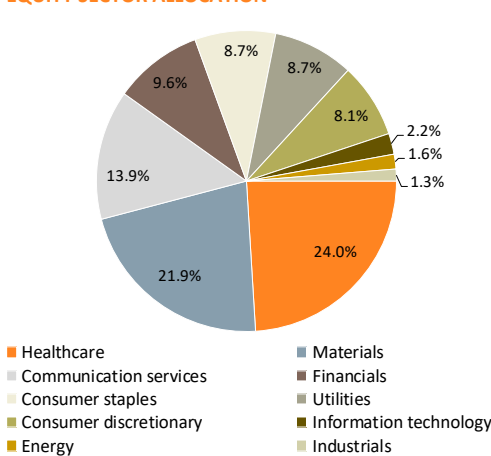
### RETURNS IN US\$

Investment returns in US\$ may not reconcile exactly to those of Foord International Fund as pricing within the feeder fund lags by one valuation interval.

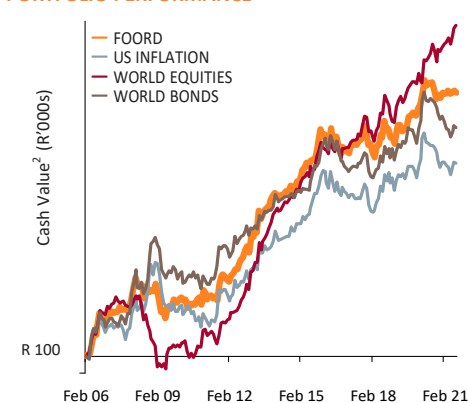
### ASSET ALLOCATION



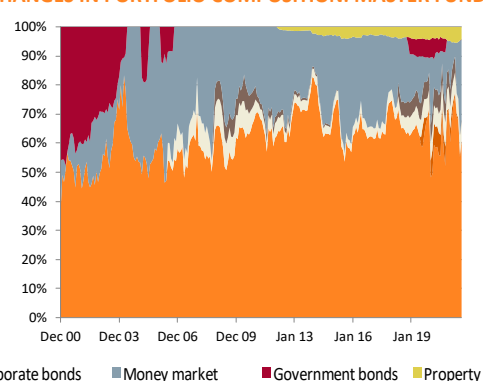
### EQUITY SECTOR ALLOCATION



### PORTFOLIO PERFORMANCE



### CHANGES IN PORTFOLIO COMPOSITION: MASTER FUND



### GEOGRAPHIC EXPOSURE

|                  | TOTAL PORTFOLIO % | REGIONAL EQUITY % | CASH % |
|------------------|-------------------|-------------------|--------|
| North America    | 44                | 16                | 28     |
| EM Latin America | -                 | -                 | -      |
| Europe           | 32                | 25                | -      |
| EM Europe        | -                 | -                 | -      |
| Pacific          | 13                | 8                 | -      |
| EM Asia          | 11                | 11                | -      |
|                  | 100               | 60                | 28     |

### TOP 10 INVESTMENTS

| SECURITY                | ASSET CLASS | MARKET | % OF FUND |
|-------------------------|-------------|--------|-----------|
| FMC Corp                | Equity      | USA    | 6.8       |
| ETFs Physical Gold      | Commodity   | GBR    | 6.5       |
| SSE PLC                 | Equity      | GBR    | 6.0       |
| Nestle                  | Equity      | CHE    | 5.9       |
| CVS Health Corp         | Equity      | USA    | 5.1       |
| Freeport-McMoran Inc    | Equity      | USA    | 4.5       |
| Roche Holding           | Equity      | CHE    | 4.1       |
| Wheaton Precious Metals | Equity      | USA    | 4.1       |
| Alphabet Inc            | Equity      | USA    | 4.0       |
| Johnson and Johnson     | Equity      | USA    | 3.8       |

### PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED <sup>1</sup>)

|                                | CASH VALUE <sup>2</sup> | SINCE INCEPTION | LAST 15 YEARS | LAST 10 YEARS | LAST 7 YEARS | LAST 5 YEARS | LAST 3 YEARS | LAST 12 MONTHS | THIS MONTH |
|--------------------------------|-------------------------|-----------------|---------------|---------------|--------------|--------------|--------------|----------------|------------|
| <b>IN RANDS</b>                |                         |                 |               |               |              |              |              |                |            |
| FOORD <sup>3,4</sup>           | R 492 189               | 10.8%           | 9.8%          | 13.4%         | 9.0%         | 5.4%         | 5.7%         | -6.6%          | -1.7%      |
| PEER GROUP <sup>4,5</sup>      | R 345 405               | 8.3%            | 7.4%          | 11.6%         | 8.0%         | 5.6%         | 6.2%         | -2.2%          | 0.4%       |
| US INFLATION <sup>6</sup>      | R 321 843               | 7.8%            | 6.9%          | 9.6%          | 6.6%         | 2.3%         | 2.3%         | -9.8%          | -0.1%      |
| WORLD EQUITIES <sup>7</sup>    | R 742 768               | 13.8%           | 12.8%         | 21.3%         | 16.3%        | 15.1%        | 15.1%        | 11.7%          | 2.0%       |
| WORLD BONDS <sup>8</sup>       | R 399 990               | 9.3%            | 8.3%          | 8.8%          | 6.2%         | 1.7%         | 3.9%         | -15.2%         | -0.9%      |
| FOORD HIGHEST <sup>3,4,9</sup> |                         | 42.1%           | 42.1%         | 42.1%         | 36.6%        | 32.8%        | 32.8%        | -6.6%          |            |
| FOORD LOWEST <sup>3,4,9</sup>  |                         | -18.5%          | -18.5%        | -12.0%        | -12.0%       | -6.6%        | -6.6%        | -6.6%          |            |

<sup>1</sup> Converted to reflect the average yearly return for each period presented

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

<sup>3</sup> Class A

<sup>4</sup> Net of fees and expenses

<sup>5</sup> USD Flexible Allocation Morningstar category (provisional). Source: Morningstar

<sup>6</sup> US headline consumer price index. Source: Bloomberg L.P., performance as calculated by Foord (lagged by one month)

<sup>7</sup> MSCI World Equity Total Return Index (Developed Markets). Source: Bloomberg L.P., performance as calculated by Foord

<sup>8</sup> FTSE World Government Bond Index. Source: Bloomberg L.P., performance as calculated by Foord

<sup>9</sup> Highest and lowest actual 12 month rand return achieved in the period

### COMMENTARY

- Developed market equities (+2.5%) rose for the seventh straight month as corporate earnings delivered ahead of expectations—but the risks are rising, with slowing global economic growth amid growing uncertainties around new COVID-19 variants and global supply chain difficulties causing higher inflation
- US equities (+2.9%) were supported by employment gains even as the University of Michigan consumer sentiment survey fell to its lowest level since 2011—investors instead focused on the stellar second-quarter earnings reports of US corporates (average +90% compared to same period in 2020) and a commitment from the Fed chair that interest rates are unlikely to rise soon
- Emerging market equities (+2.6%) rebounded after their precipitous fall in July—Indian bourses (+10.9%) led the way as an increase in vaccinations coupled with a moderating rise of new COVID-19 cases supported investor sentiment
- Developed market bond yields, including the US 10-year, were little changed despite the prospect of imminent US stimulus tapering—Chairman Powell continues to walk a fine monetary policy line, highlighting clear improvements in underlying economic growth, offset by inflation and concerns about the delta variant
- The US dollar strengthened modestly against the British pound (+1.0%), Japanese yen (+0.1%), and euro (+0.5%)—investors may be slowly pricing a tapering of accommodative US monetary policy and the likely subsequent rise in interest rates
- Industrial commodities iron ore (-24.9%), oil (-4.4%), and copper (-2.7%) fell after a massive run up over the last year—precious metals platinum (-3.3%), palladium (-7.0%) and silver (-6.0%) also gave up some recent gains while safe-haven gold (+0.1%) was flat
- UK electricity and transmission company, SSE Plc (+11.8%) and US lithium miner, Livent (+27.5%) contributed most to the fund's performance—US agricultural chemicals company, FMC (-12.5%) and the prudent US S&P 500 market index hedges were the largest detractors
- The rand (+0.5% vs the US dollar) breached R15.0/\$ on broad-based dollar strength as markets [incorrectly] anticipated the US Federal Reserve would signal the timing of its next interest rate rising cycle—but the currency recovered on improved debt/GDP and fiscal deficit ratios after Stats SA estimated SA GDP to be 11% larger than previously reported

### FEE RATES (CLASS A)

|   |  |
|---|--|
| Initial, exit and switching fees                                  | 0.0%   |
| Annual fee  | 0.35% plus VAT   |
| Underlying investment fees levied in the Foord International Fund | 1.00% per annum fixed annual fee from June 2020 (previously 1.35%) |

### TOTAL INVESTMENT CHARGE

|                                     | 12 MONTHS    | 36 MONTHS    |
|-------------------------------------|--------------|--------------|
| <b>Total expense ratio (TER)</b>    | <b>1.41%</b> | <b>1.63%</b> |
| Manager's charge (basic)            | 0.35%        | 0.35%        |
| Performance charge                  | -            | -            |
| Foord global charges                | 1.00%        | 1.22%        |
| VAT and sundry costs                | 0.06%        | 0.06%        |
| <b>Transaction costs (incl VAT)</b> | <b>-</b>     | <b>-</b>     |
| <b>Total investment charge</b>      | <b>1.41%</b> | <b>1.63%</b> |

### 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 MASTER FUND

The Foord International Fund (FIF) is the master fund for the Foord International Feeder Fund. FIF was launched as a global equity fund in 1997 when South African exchange controls were first relaxed. It was a tumultuous time for global equity markets. Price-earnings multiples (PEs) on the S&P 500 Index in the USA grew from around 15-times earnings in 1995 to around 20-times earnings when the fund commenced. They headed even higher as investors speculated in the dot-com bubble leading up to the early 2000s.

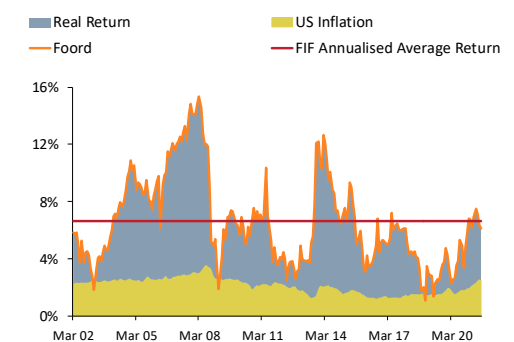
Given the speculative fever in equity markets and the entrenched Foord investment philosophy of protecting investors from permanent capital losses, the managers changed the fund's investment policy to one of flexible asset allocation. Investment grade interest bearing assets in excess of 40% of the portfolio were subsequently included in the fund, which protected investors' capital when equity markets retraced their gains in 1999/2000 (see Chart 1). Within the reduced equity component, the investment thesis continued to focus on quality companies offering a safe but adequate return, mostly in developed economies.

The managers then set an absolute return investment objective for the fund. Chart 2 demonstrates that FIF has consistently delivered real returns of approximately 5% per annum in US dollars over rolling five year cycles.

### CHART 1: CUMULATIVE RETURNS



### CHART 2: ROLLING 5 YEARS VS US INFLATION



**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](http://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.

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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](http://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 1.51%.

### 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 3 September 2021.