

INVESTMENT OBJECTIVE

The fund aims to provide investors with a net-of-fee return of 4% per annum above the annual change in the South African Consumer Price Index, measured over rolling three-year periods. The portfolio is managed to comply with the statutory investment limits set for retirement funds in South Africa (Regulation 28).

INVESTOR PROFILE

Given the fund's maximum 60% equity investment restriction, the fund is appropriate for conservative investors who are close to, or typically in, retirement and whose time horizon does not exceed five years. These investors may therefore seek lower levels of investment volatility and risk of short-term loss than those provided by a less conservative balanced fund.

DOMICILE

South Africa

MANAGEMENT COMPANY

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

FUND MANAGERS

Nick Balkin, Dave Foord and William Fraser

INCEPTION DATE

2 January 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

South African - Multi Asset - Medium Equity

PORTFOLIO SIZE

R887.7 million

MINIMUM LUMP SUM / MONTHLY

R50 000 / R1 000

UNIT PRICE (CLASS A)

1371.69 cents

NUMBER OF UNITS (CLASS A)

1.5 million

LAST DISTRIBUTIONS

31/03/2022: 17.07 cents per unit
30/09/2021: 21.31 cents per unit

BENCHMARK

CPI + 4% per annum

SIGNIFICANT RESTRICTIONS

Maximum equity exposure of 60%; maximum offshore exposure of 45%; complies with pension fund investment regulations (Reg 28).

INCOME DISTRIBUTIONS

End-March and end-September each year.

INCOME CHARACTERISTICS

Typically more than double that of the FTSE/JSE All Share Index dividend yield. The income yield is affected by the level of performance fees accrued.

PORTFOLIO ORIENTATION

Typically a medium to low weighting in JSE shares and includes exposure to listed property, commodity securities, bonds, money market instruments and foreign assets.

FOREIGN ASSETS

Foreign asset exposure is obtained predominantly via Foord International Fund (a conservative, multi-asset class fund), sub-fund of Foord SICAV domiciled in Luxembourg and Foord Global Equity Fund (a portfolio of global shares and cash), domiciled in Singapore. Both funds are priced in US dollars.

RISK OF LOSS

Medium in periods shorter than six months. Low in periods greater than one year.

TIME HORIZON

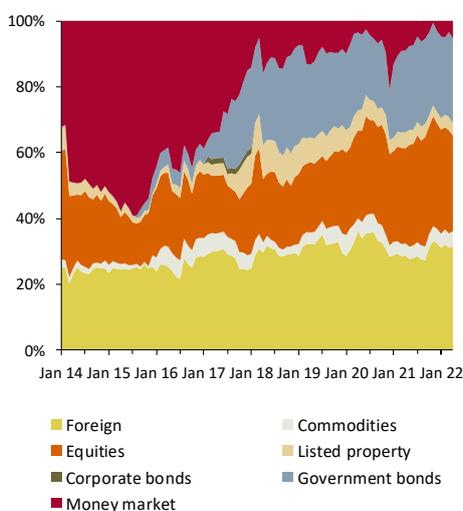
Shorter than five years.

ASSET ALLOCATION (MAX LIMITS IN BRACKETS*)

	SA %	FOREIGN %	TOTAL%
Equities	29.1	21.2	50.3 (60)
Listed property	3.9	0.8	4.7 (25)
Corporate bonds	0.0	0.1	0.1 (50)
Government bonds	25.6	1.1	26.7 (100)
Commodities	4.6	1.2	5.8 (10)
Money market	5.3	7.1	12.4 (100)
TOTAL	68.5 (100)	31.5 (45)	100.0

* Market value breaches (if any) to be rectified within 12 months

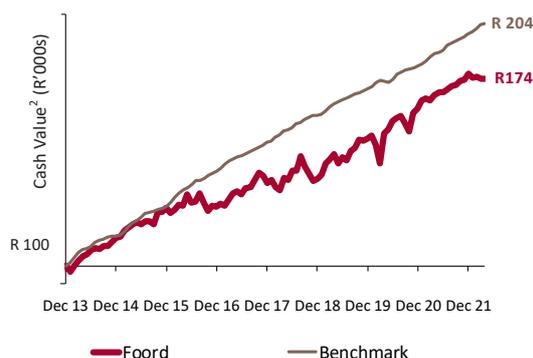
CHANGES IN PORTFOLIO COMPOSITION



TOP 10 INVESTMENTS

SECURITY	ASSET CLASS	MARKET	% OF FUND
Foord International Fund	Foreign assets	LUX	18.5
RSA 10.5% (R186)	Gov bond	ZAF	13.6
Foord Global Equity Fund	Foreign assets	SGP	13.0
NewGold	Commodity	ZAF	4.6
RSA 8.0% (R2030)	Gov bond	ZAF	4.2
RSA 8.875% (R2035)	Gov bond	ZAF	3.8
RSA 8.25% (R2032)	Gov bond	ZAF	3.6
Naspers "N"	Equity	ZAF	3.0
Spar Group	Equity	ZAF	2.3
Anheuser-Busch	Equity	ZAF	2.1

PORTFOLIO PERFORMANCE VS BENCHMARK



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

	CASH VALUE ²	SINCE INCEPTION	LAST 7 YEARS	LAST 5 YEARS	LAST 3 YEARS	LAST 12 MONTHS	THIS MONTH
FOORD ³	R 173 893	6.9%	6.3%	7.0%	7.7%	5.2%	0.2%
BENCHMARK ⁴	R 204 500	9.0%	8.7%	8.3%	8.2%	9.4%	0.4%
FOORD HIGHEST ^{3,5}		20.3%	20.3%	20.3%	20.3%	5.2%	
FOORD LOWEST ^{3,5}		-1.6%	-1.6%	-1.6%	2.4%	5.2%	

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, net of fees and expenses

⁴ Source: Stats SA, performance as calculated by Foord (estimated for April 2022)

⁵ Highest and lowest actual 12 month return achieved in the period

COMMENTARY

- Global equities (-8.0% in US dollars) fell on US Federal Reserve comments suggesting larger than expected interest rate increases in the months ahead — protracted hostilities between Russia/Ukraine and the economic ramifications of widespread COVID-19 lockdowns in China also spooked global bourses
- Oil (+1.3%) was marginally up but volatile intramonth and is +31% higher since the beginning of the year on supply concerns while industrial commodities were broadly weaker on growing economic slowdown fears — gold (-2.0%) fell on weaker expected Chinese jewellery demand but the physical gold ETF investment contributed positively on the much weaker rand
- Bond market investors (-5.6%) incurred losses as developed market bond yields rose — the US 10 year treasury yield shifted up meaningfully on steep inflation prints and the increasingly hawkish Fed comments
- The FTSE/JSE Capped All Share Index (-3.6% in rands) fell on broad-based weakness with resources (-4.8%), industrials (-1.7%) and financials (-5.5%) in negative territory — investments in Omnia (+10.9%) and British American Tobacco (+7.7%) contributed positively while Naspers (-3.3%) and Aspen (-14.4%) detracted
- The All Bond Index (-1.7%) moved lower as the yield curve steepened on rising inflation expectations and net foreign selling — the core R186 holding (-0.1%) in the 3 to 7-year bucket outperformed as longer dated maturities underperformed
- SA listed property (-1.4%) fell on economic growth concerns as rising inflation and interest rates present headwinds to consumers — new investment in Fortress A (+0.1%) contributed positively while Capital & Counties (-2.4%) detracted despite rand weakness
- The rand (-8.1% vs the US dollar) sharply retraced some of its recent gains in line with other emerging market commodity exporters and broad based US dollar strength — the currency is vulnerable to a reversal in the commodity export-driven terms of trade support

FEE RATES (CLASS A)

Initial, exit and switching fees	0.0%
Standard annual fee for equalling benchmark	1.0% plus VAT
Performance fee sharing rate	10% (over- and under-performance)
Minimum annual fee	0.5% plus VAT; 0% when annual net-of-fee return falls below zero
Maximum annual fee	Uncapped
Food global funds: – Food International – Food Global Equity	1.0% 0.5% plus 15% performance

TOTAL INVESTMENT CHARGE

	12 MONTHS	36 MONTHS
Total expense ratio (TER)	1.43%	1.52%
Manager's charge (basic)	1.00%	1.00%
Performance charge	-0.06%	0.05%
Food global charges	0.31%	0.28%
VAT and sundry costs	0.18%	0.19%
Transaction costs (incl VAT)	0.08%	0.07%
Total investment charge	1.51%	1.59%

FEE STRUCTURE

The annual fee is based on portfolio performance with the daily rate being adjusted up or down based on the portfolio's one-year rolling return relative to that of its benchmark and is subject to a minimum fee rate. No fees are levied when the annual net-of-fee portfolio return falls below zero. Fees accrue in the Food global funds as disclosed.

PERFORMANCE FEES

Performance fees align investor and manager return objectives by rewarding the manager for outperformance while penalising the manager for underperformance. Food's performance fee structure increases or decreases the daily fee levied based on the over- or underperformance of the Food unit trust portfolios relative to their benchmarks. When the portfolio return exceeds the benchmark return, the daily performance fee rate is increased proportionately. Similarly, underperformance causes the daily performance fee rate to decrease proportionately. Performance fee rates are not capped for the reason that outperformance is generally not earned smoothly.

The annual fee is adjusted up or down daily by the performance fee calculated as the difference between the rolling one-year net-of-fee return and the benchmark return for the same period, multiplied by the performance fee sharing rate.

PERFORMANCE FEE EXAMPLES FOR FOOD CONSERVATIVE FUND (CLASS A)

	SCENARIO				
	A	B	C	D	E
Food 1-year rolling return	10.0%	10.0%	10.0%	2.0%	-2.0%**
Benchmark 1-year rolling return	8.0%	12.0%	10.0%	9.0%	9.0%
Relative performance	+2.0%	-2.0%	0.0%	-7.0%	-11.0%
Performance fee sharing rate	10.0%	10.0%	10.0%	10.0%	0.0%
Daily adjustment to 1% annual fee	+0.2%	-0.2%	0.0%	-0.7%	0.0%
Annual fee rate applied (excl. VAT)	1.2%	0.8%	1.0%	0.5%*	0.0%

* Minimum fees apply
** No fees are levied

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

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IMPORTANT INFORMATION FOR INVESTORS

ISIN Number: ZAE000186771

Food Unit Trusts (RF) (Pty) Ltd (Food Unit Trusts) is an approved CISCA Management Company (#10), regulated by the Financial Sector Conduct Authority. Portfolios are managed by Food Asset Management (Pty) Ltd (Food), an authorised Financial Services Provider (FSP: 578). The custodian/trustee of Food 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. Food 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. Food 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. Food 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.

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 31 March 2022 was 1.53%.

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.

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

This is a Minimum Disclosure Document. Published on 5 May 2022. Additional detailed analysis is published in the Quarterly Portfolio Report available on www.foord.co.za.