

SYNOPSIS**PERFORMANCE (TOTAL RETURN)**

	Portfolio	Benchmark
Annualised (since 01/09/2002)	12.5%	11.4%
Last 12 months	6.5%	10.7%
Last 3 months	3.2%	3.1%

PORTFOLIO VALUE

R 24 377.4 million (31/03/2024: R 24 373.5 million)

TRANSACTIONS

Net sales of JSE equities, foreign assets and SA bonds

Net purchases of JSE property

Sale of commodities

Net withdrawals

INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION

World: US economy starting to slow

Inflation decreasing, but outlook uncertain

Interest rates likely to have peaked

Earnings growth decelerating

Geopolitical tensions are high

South Africa: Improved growth from very low base

Energy supply improving but risk of disruption remains

Inflation moderating but with upside risks

Interest rates likely to have peaked

After the relief rally, rand now vulnerable to negative surprises

Portfolio construction: Moderate equity weight

Preference for global companies over SA Inc. equities

Favour companies with pricing power and strong balance sheets

Low exposure to expensive US equities

Low exposure to resources

Limited exposure to financials, given economic risk

Favour inflation-linked TIPS over nominal US Treasuries

SA bond allocation at moderate levels

Physical gold position hedges systemic risks

EFFECTIVE ASSET ALLOCATION (previous)

	Portfolio	
	%	%
JSE equities	37	(35)
Foreign assets	40	(42)
JSE property	3	(3)
Commodities	4	(4)
SA bonds	10	(11)
Money market	6	(5)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

1.1 Total performance to 30 June 2024

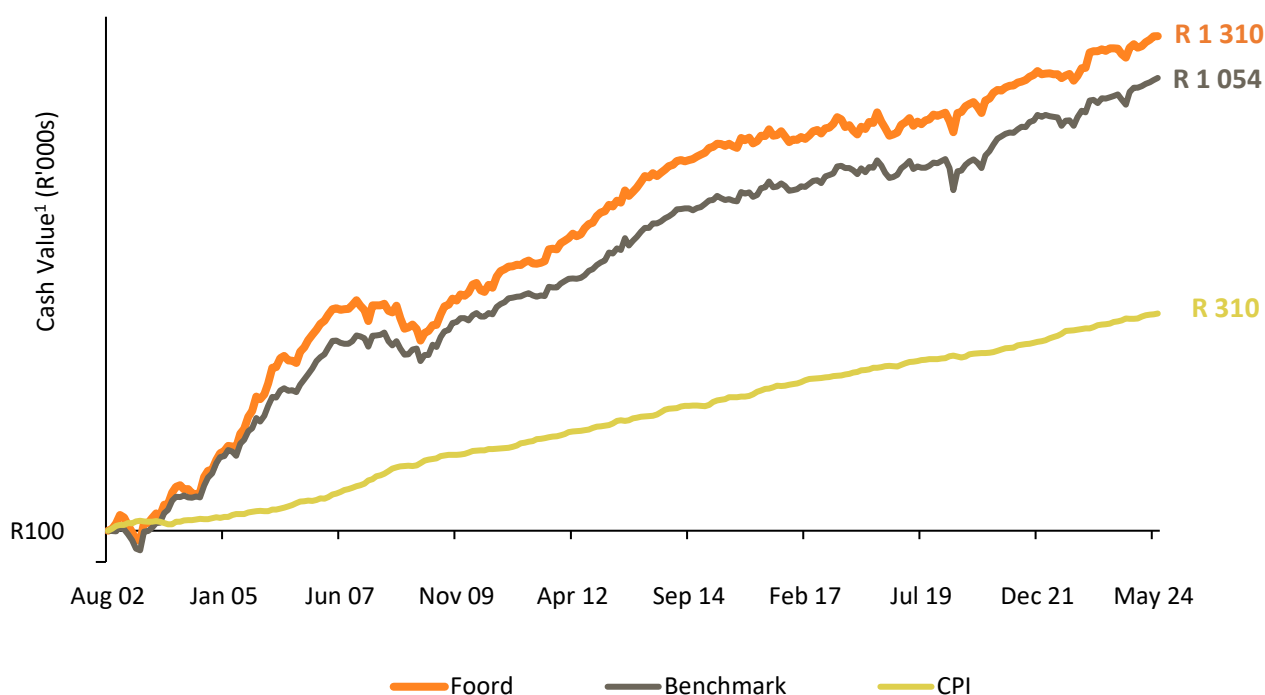
	Portfolio	Benchmark*	Variance	Peer Group#	CPI
	%	%	%	%	%
From inception (01/09/2002)	12.5	11.4	1.1	11.6	5.3
20 years	12.7	11.5	1.2	11.6	5.5
15 years	10.5	9.8	0.7	9.6	5.1
10 years	6.7	7.1	-0.4	7.0	5.0
7 years	7.5	8.1	-0.6	7.8	4.9
5 years	9.3	9.6	-0.3	8.9	5.0
3 years	8.9	10.0	-1.1	9.2	6.1
1 year	6.5	10.7	-4.2	10.4	5.5
6 months	4.3	5.2	-0.9	5.5	2.8
3 months	3.2	3.1	0.1	3.8	0.9

* Market value weighted average return of the South Africa – Multi Asset – High Equity unit trust sector (excluding Foord Balanced Fund)

(ASISA) South Africa – Multi Asset – High Equity average

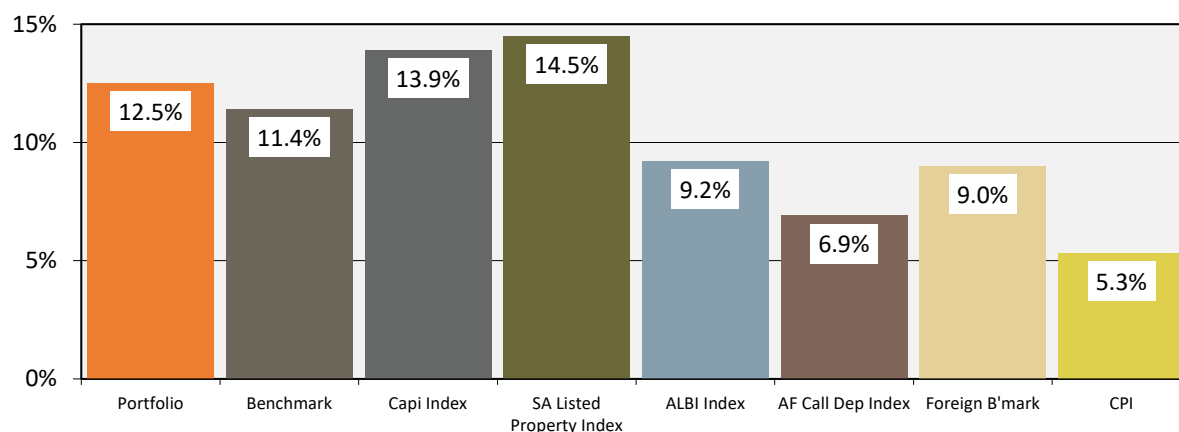
CPI estimated for June 2024

Daily linked total rates of return (capital and income) based on unit price. Returns in percent net of service fees and fund expenses. Returns for periods exceeding 12 months are annualised percentages.



¹ Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

Performance - Since inception (p.a.)



1.2 Selection to 30 June 2024

	JSE equities		JSE property		Interest bearing			Foreign assets	
	Portfolio	Capi Index	Portfolio	SA Listed Property Index [#]	Portfolio	ALBI Index	AF Call Dep Index	Portfolio	Benchmark*
	%	%	%	%	%	%	%	%	%
From inception (01/09/2002)	15.3	13.9	8.8	14.5	9.5	9.2	6.9	9.7	9.0
20 years	15.5	14.6	8.7	12.8	9.3	8.8	6.5	11.7	11.5
15 years	12.5	12.6	6.0	8.8	7.9	8.6	5.8	12.4	13.4
10 years	6.0	8.2	-0.3	3.3	8.2	8.2	6.0	9.9	11.3
7 years	7.2	10.2	0.6	-0.7	8.6	8.7	5.9	9.8	11.6
5 years	11.3	10.8	2.8	0.9	8.1	7.8	5.6	11.0	11.7
3 years	14.3	11.2	9.4	11.6	7.2	7.6	6.2	5.9	10.1
1 year	12.0	9.2	28.3	26.3	11.9	13.7	8.2	-0.3	7.9
6 months	7.0	5.7	7.2	9.6	4.2	5.6	4.0	2.2	4.4
3 months	8.7	8.2	0.9	5.5	4.3	7.5	2.0	-1.3	-2.6

The FTSE/JSE SA Listed Property Index

* 60% Morgan Stanley World Equity Index in rand and 40% FTSE World Govt Bond Index in rand

Asset class returns are calculated on a gross basis, using the modified dietz methodology (compounded monthly)

1.3 Sector contribution to 30 June 2024

(Returns x weight)

	<u>JSE equities</u>	<u>JSE property</u>	<u>Interest bearing*</u>	<u>Other assets</u>	<u>Foreign assets</u>	<u>Portfolio</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
1 year	4.3	0.8	1.9	0.6	- 0.1	7.5
6 months	2.5	0.2	0.6	0.4	1.1	4.8
3 months	3.1	0.0	0.6	0.0	- 0.4	3.3

* Bonds and cash combined

Returns in percent, calculated on a gross basis

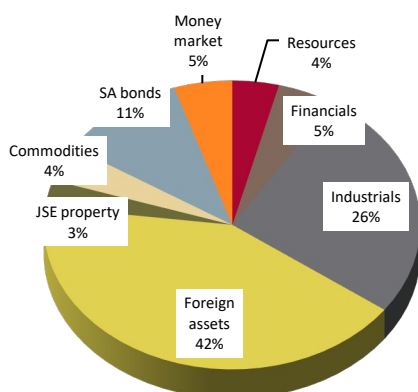
Quarterly performance comment:

- South African equity investments were the primary contributors to returns, with JSE-listed share prices reflecting a favorable election outcome — The announcement of a Government of National Unity led to a relief rally, driving 'SA Inc.' assets higher after a tumultuous quarter
- SA bonds also contributed meaningfully to returns with bond markets rallying in tandem with equities — Government bond yields fell reflecting the lowering impact of post-election optimism on South Africa's country risk premium
- Cash continued to significantly enhance absolute returns — yields remained at attractive levels given persistently tight monetary policy
- Global assets weighed on returns due to a combination of rand strength and a low allocation to US tech stocks — the narrowly-driven US market was propelled to new highs by Wall Street's relentless optimism
- A small allocation to listed property had a neutral overall effect on fund returns — domestically-oriented companies like Fortress made positive contributions, but these gains were offset by the impact of rand strength on global property investments such as Shaftesbury Capital

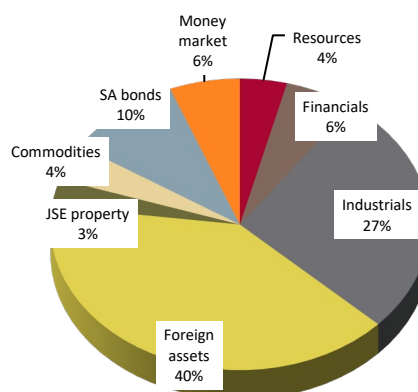
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure		FTSE/JSE Capped ALSI Weightings
	31/03/2024	30/06/2024	
	%	%	%
JSE equities: resources	4	4	9
JSE equities: financials (ex property)	5	6	11
JSE equities: industrials	26	27	17
0 - 75 JSE equities*	35	37	37
0 - 45 Foreign assets	42	40	
Foord International Fund	18	18	
Foord Global Equity Fund	19	19	
Currency hedge	-2	0	
Currencies	4	0	
Corporate debt	3	3	
0 - 25 JSE property	3	3	
0 - 10 Commodities	4	4	
0 - 40 SA bonds	11	10	
0 - 40 Money market	5	6	
	100	100	
Total portfolio	R 24 373.5m	R 24 377.4m	
*Size distribution of JSE equities	%	%	%
Large capitalisation	77	77	86
Mid capitalisation	10	9	9
Small capitalisation	13	14	5
	100	100	100
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	37	28	65
Listed property	3	1	4
Corporate bonds	0	3	3
Government bonds	10	2	12
Commodities	4	1	5
Money market	6	5	11
	60	40	100

Effective exposure 31/03/2024



Effective exposure 30/06/2024



3. PORTFOLIO CONSTRUCTION

- Exposure to SA equities was increased — prospects for SA Inc. companies have improved given political developments, as reflected in price moves, but future outperformance relies on long term structural economic growth
- The weighting in foreign assets fell slightly to 40% of total due mostly to rand strength — measured together with non-rand earnings of JSE-listed companies, total foreign economic exposure is significantly higher on a look-through basis
- Foreign equities are focused on companies with pricing power which are best placed to protect investor capital from higher inflation — direct investment in US equities remains low in relative terms, given potential earnings risks arising from an economic slowdown
- An allocation to SA inflation-linked bonds was maintained given attractive real yields on SA inflation-linked government bonds — we continue to avoid SA credit assets where we believe risk to be mispriced
- Listed property is limited to a low weighting, given poor fundamentals for the asset class, despite optically attractive yields — sector risks include excess capacity, weak rental trend, consumer headwinds and rapidly escalating municipal costs
- Within the Foord global funds, the allocation to foreign government bonds remained at low levels, comprising short-duration US Treasuries with a preference for inflation-linked instruments — while listed property remains at very low levels and is stock-specific given sector risks and unattractive valuations
- Physical gold ETF position maintained given supportive fundamentals, a weaker US dollar and the likelihood of nominal interest rates being at a peak — the position provides attractive portfolio diversifying properties during periods of market stress
- Our effective asset allocation is:

Policy parameters	%	Portfolio at	
		31/03/2024	30/06/2024
		%	%
0 - 75	JSE equities	35	37
0 - 45	Foreign assets	42	40
	Foord International Fund*	18	18
	Foord Global Equity Fund	19	19
	Currency hedge	-2	0
	Currencies	4	0
	Corporate Debt	3	3
0 - 25	JSE property	3	3
0 - 10	Commodities	4	4
0 - 40	SA bonds	11	10
0 - 40	Money market	5	6
		100	100

* Currently 53% in equities, property 4%, commodities 8%, government bonds 13%, corporate bonds 3% and money market 19%

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JULY 2024

4. EFFECTIVE EXPOSURE AND PORTFOLIO SENSITIVITY

4.1 Effective exposure

Asset class	Market value R'000	Option exposure R'000	Effective exposure R'000	Effective exposure %
JSE equities	9,130,206		9,130,206	37.5%
Foreign assets	9,748,955		9,748,955	40.0%
JSE property	705,006		705,006	2.9%
Commodities	889,972		889,972	3.6%
Other assets	30,325		30,325	0.1%
SA bonds	2,409,155		2,409,155	9.9%
Money market	1,463,768		1,463,768	6.0%
Total	24,377,387		24,377,387	100.0%

4.2 Sensitivity report

JSE EQUITIES

Change in portfolio equities

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant equity change *	-1,826,041	-913,021	-456,510	0	456,510	913,021	1,826,041
Resultant portfolio value *	22,551,346	23,464,366	23,920,877	24,377,387	24,833,897	25,290,408	26,203,428
Resultant portfolio change (%)	-7.5%	-3.7%	-1.9%	0.0%	1.9%	3.7%	7.5%

FOREIGN ASSETS

Change in R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	21.8320	20.0126	19.1030	18.1933	17.2836	16.3740	14.5546
Resultant for. assets change *	1,949,791	974,895	487,448	0	-487,448	-974,895	-1,949,791
Resultant portfolio value *	26,327,178	25,352,282	24,864,835	24,377,387	23,889,939	23,402,492	22,427,596
Resultant portfolio change (%)	8.0%	4.0%	2.0%	0.0%	-2.0%	-4.0%	-8.0%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-141,001	-70,501	-35,250	0	35,250	70,501	141,001
Resultant portfolio value *	24,236,386	24,306,886	24,342,137	24,377,387	24,412,637	24,447,888	24,518,388
Resultant portfolio change (%)	-0.6%	-0.3%	-0.1%	0.0%	0.1%	0.3%	0.6%

SA BONDS

Change in yields

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	261,017	165,638	78,939	0	-71,991	-137,751	-197,914
Resultant portfolio value *	24,638,404	24,543,025	24,456,326	24,377,387	24,305,396	24,239,636	24,179,473
Resultant portfolio change (%)	1.1%	0.7%	0.3%	0.0%	-0.3%	-0.6%	-0.8%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q2 2024**Portfolio**

	Total count	For	Against	Abstain
Adopt Financials	6	83%	17%	0%
Auditor/Risk/Social/Ethics related	33	100%	0%	0%
Buy Back Shares	11	100%	0%	0%
Director Remuneration	34	97%	3%	0%
Disapply Preemptive Rights	4	0%	100%	0%
Dividend Related	4	100%	0%	0%
Issue Shares	9	0%	100%	0%
Loan / Financial Assistance	7	43%	57%	0%
Other	7	86%	14%	0%
Political Expenditure/Donation	1	0%	100%	0%
Re/Elect Director	59	100%	0%	0%
Remuneration Policy	13	62%	38%	0%
Shares under Director Control	3	0%	100%	0%

Foord Global Equity Fund

	Total count	For	Against	Abstain
Adopt financials	28	100%	0%	0%
Auditor/risk/social/ethics related	75	79%	21%	0%
Buy back shares	22	95%	5%	0%
Dividend related	17	100%	0%	0%
Issue shares	45	0%	100%	0%
Political expenditure/donation	2	100%	0%	0%
Re/elect director or members of supervisory board	418	100%	0%	0%
Remuneration policy including directors' remuneration	67	36%	64%	0%
Shares under director control	5	40%	60%	0%
Signature of documents/ratification	23	83%	17%	0%
Others	1	100%	0%	0%

Foord International Fund

	Total count	For	Against	Abstain
Adopt financials	17	100%	0%	0%
Auditor/risk/social/ethics related	34	85%	15%	0%
Buy back shares	14	86%	14%	0%
Dividend related	10	100%	0%	0%
Issue shares	21	0%	100%	0%
Re/elect director or members of supervisory board	231	100%	0%	0%
Remuneration policy including directors' remuneration	48	40%	60%	0%
Shares under director control	4	50%	50%	0%
Signature of documents/ratification	16	81%	19%	0%
Others	1	100%	0%	0%

General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention it would typically be intentional or for strategic reasons
- We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, providing loans and financial assistance to associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion, we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated
- The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes. In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings

IMPORTANT INFORMATION FOR INVESTORS:

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. Neither Foord nor Foord Unit Trusts provide any guarantee either with respect to the capital or the performance return of the portfolio. 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 single investment scheme. A fund of funds invests only in other Collective Investment Schemes, which may levy their own charges, which could result in a higher fee structure for these portfolios. 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.

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.

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