

SYNOPSIS

PERFORMANCE (TOTAL RETURN)

	<u>Portfolio</u>	<u>Benchmark</u>
Annualised (since 01/04/2008)	10.7%	10.3%
Last 12 months	3.8%	10.5%
Last 3 months	1.8%	2.1%

PORTFOLIO VALUE

R 9 418.8 million (31/03/2024: R 9 612.7 million)

INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION

World: US economy likely to soften

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

Rand remains vulnerable to negative surprises

Portfolio construction: High 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

Limited exposure to financials, given economic risk

Low exposure to resources

Favour inflation-linked TIPS over nominal US Treasuries

SA bond allocation at moderate levels

Physical gold position hedges systemic risks

EFFECTIVE ASSET ALLOCATION (previous)

	<u>Portfolio</u>	
	<u>%</u>	<u>%</u>
JSE equities	28	(27)
Foreign assets	58	(54)
JSE property	1	(1)
Commodities	2	(2)
SA bonds	4	(7)
Money market	7	(9)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

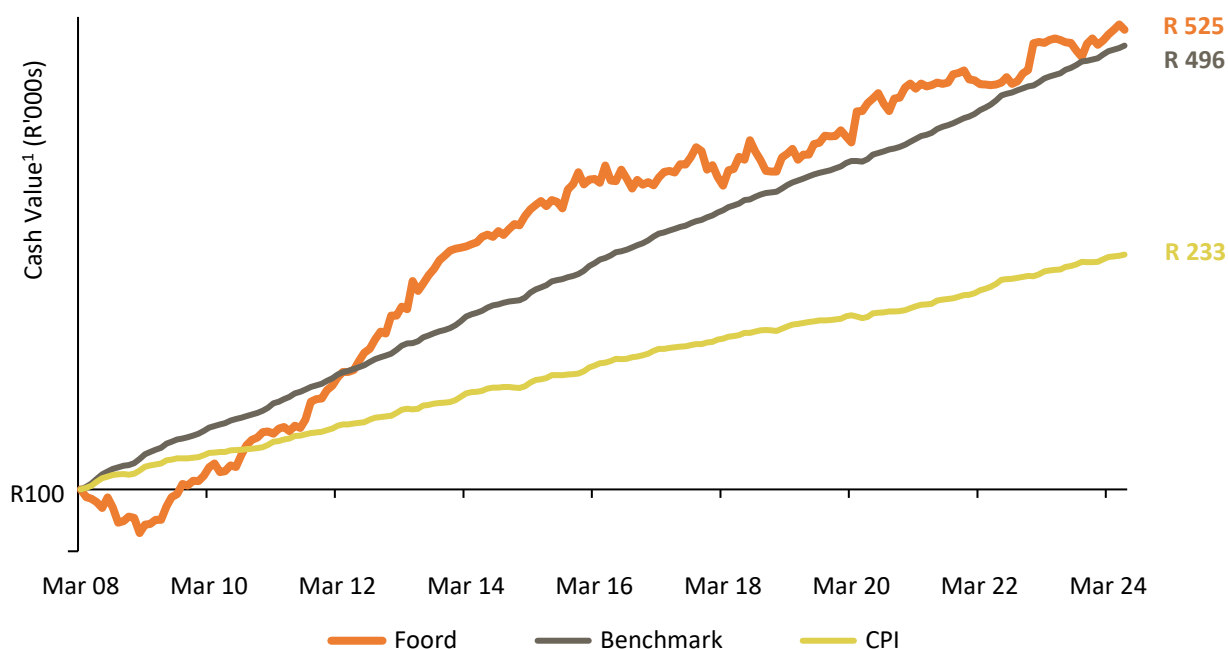
1.1 Total performance to 30 June 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (01/04/2008)	10.7	10.3	0.4	9.0
15 years	12.5	10.1	2.4	11.0
10 years	7.8	10.0	-2.2	8.2
7 years	7.6	9.9	-2.3	8.8
5 years	9.4	10.0	-0.6	10.3
3 years	6.9	11.1	-4.2	9.1
1 year	3.8	10.5	-6.7	10.8
6 months	3.3	5.1	-1.8	6.2
3 months	1.8	2.1	-0.3	0.6

* CPI + 5% per annum. CPI estimated for June 2024

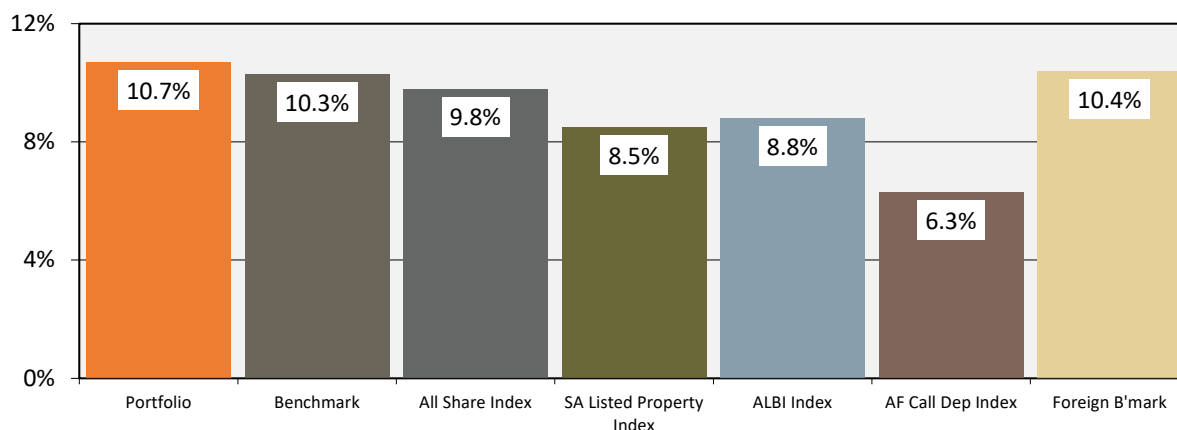
(ASISA) Worldwide – Multi Asset – Flexible average

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 1 year and above 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 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	3.1	0.2	0.6	0.3	0.0	4.2
6 months	1.4	0.0	0.2	0.2	1.7	3.5
3 months	2.2	-0.1	0.1	0.0	-0.4	1.8

* Bonds and cash combined

Returns in percent, calculated on a gross basis

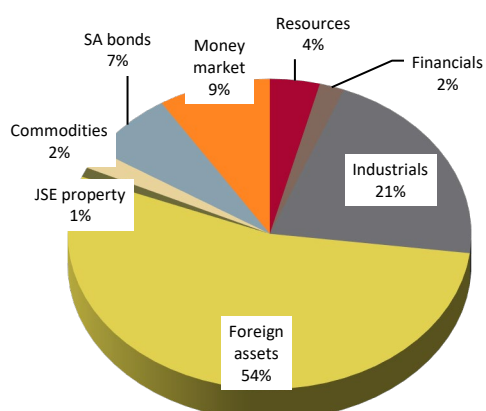
Quarterly performance comment:

- 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 detracted from fund returns — rand strength had a negative impact on the prices of global property investments such as Shaftesbury Capital

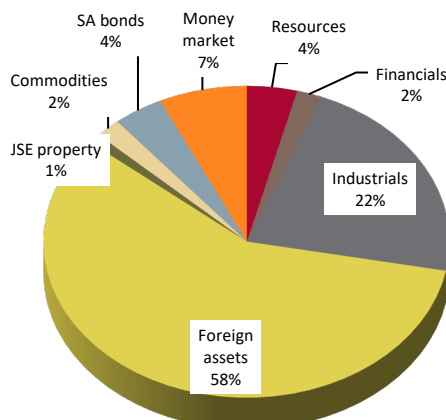
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure		FTSE/JSE ALSI
	31/03/2024	30/06/2024	Weightings
	%	%	%
JSE equities: resources	4	4	7
JSE equities: financials (ex property)	2	2	8
JSE equities: industrials	21	22	13
0 - 100 JSE equities*	27	28	28
Foreign assets	54	58	
Foord International Fund	27	27	
Foord Global Equity Fund	32	32	
Currency hedge	-7	-3	
Corporate debt	2	2	
0 - 25 JSE property	1	1	
Commodities	2	2	
SA bonds	7	4	
0 - 100 Money market	9	7	
	100	100	
Total portfolio	R 9 612.7m	R 9 418.8m	
*Size distribution of JSE equities	%	%	%
Large capitalisation	65	67	87
Mid capitalisation	16	12	8
Small capitalisation	19	21	5
	100	100	100
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	28	46	74
Listed property	1	1	2
Corporate bonds	0	3	3
Government bonds	4	3	7
Commodities	2	2	4
Money market	7	3	10
	42	58	100

Effective exposure 31/03/2024



Effective exposure 30/06/2024



3. PORTFOLIO CONSTRUCTION

- The majority of the fund is invested directly in foreign assets at 58% — 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 inflation — direct investment in US equities remains low in relative terms, given potential earnings risks arising from an economic slowdown
- The small allocation to foreign government bonds comprises short-duration US Treasuries with a preference for inflation-linked instruments — while listed property is security-specific with an otherwise low weight given unattractive valuations
- Exposure to SA equities remains moderate at 28% — despite attractive valuations, ratings for domestically oriented stocks are likely to remain under pressure, given low prospects for economic growth coupled with higher cost of capital
- Allocation to SA nominal government bonds was maintained given attractive yields — however we continue to avoid SA corporate credit assets where we believe risk is 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
- 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 - 100	JSE equities	27	28
	Foreign assets	54	58
	Foord International Fund*	27	27
	Foord Global Equity Fund	32	32
	Currency hedge	-7	-3
	Corporate debt	2	2
0 - 25	JSE property	1	1
	Commodities	2	2
	SA bonds	7	4
0 - 100	Money market	9	7
		100	100

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

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	2,661,513		2,661,513	28.2%
Foreign assets	5,484,225		5,484,225	58.2%
JSE property	109,186		109,186	1.2%
Commodities	199,303		199,303	2.1%
Other assets	7,113		7,113	0.1%
SA bonds	326,943		326,943	3.5%
Money market	630,528		630,528	6.7%
Total	9,418,811		9,418,811	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 *	-532,303	-266,151	-133,076	0	133,076	266,151	532,303
Resultant portfolio value *	8,886,508	9,152,660	9,285,735	9,418,811	9,551,887	9,684,962	9,951,114
Resultant portfolio change (%)	-5.7%	-2.8%	-1.4%	0.0%	1.4%	2.8%	5.7%

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 *	1,096,845	548,423	274,211	0	-274,211	-548,423	-1,096,845
Resultant portfolio value *	10,515,656	9,967,234	9,693,022	9,418,811	9,144,600	8,870,388	8,321,966
Resultant portfolio change (%)	11.6%	5.8%	2.9%	0.0%	-2.9%	-5.8%	-11.6%

JSE PROPERTY**Change in portfolio property**

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-21,837	-10,919	-5,459	0	5,459	10,919	21,837
Resultant portfolio value *	9,396,974	9,407,892	9,413,352	9,418,811	9,424,270	9,429,730	9,440,648
Resultant portfolio change (%)	-0.2%	-0.1%	-0.1%	0.0%	0.1%	0.1%	0.2%

SA BONDS**Change in yields**

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	26,646	16,770	7,931	0	-7,137	-13,577	-19,402
Resultant portfolio value *	9,445,457	9,435,581	9,426,742	9,418,811	9,411,674	9,405,234	9,399,409
Resultant portfolio change (%)	0.3%	0.2%	0.1%	0.0%	-0.1%	-0.1%	-0.2%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q2 2024**Foord Absolute Return**

	Total count	For	Against	Abstain
Adopt financials	2	100%	0%	0%
Auditor/risk/social/ethics related	9	100%	0%	0%
Buy back shares	2	100%	0%	0%
Director remuneration	3	67%	33%	0%
Disapply preemptive rights	2	0%	100%	0%
Dividend related	1	100%	0%	0%
Issue shares	2	0%	100%	0%
Loan / financial assistance	2	0%	100%	0%
Other	4	100%	0%	0%
Re/elect director	20	100%	0%	0%
Remuneration policy	2	50%	50%	0%
Shares under director control	1	0%	100%	0%

Foord Global Equity Fund (Luxembourg)

	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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FOR MORE DETAILED INFORMATION**

E: info@foord.co.za T: +27 (0)21 532 6988 F: +27 (0)21 532 6999
