

SYNOPSIS**PERFORMANCE (TOTAL RETURN)**

	Portfolio	Benchmark
Annualised (since 02/01/2014)	8.0%	9.1%
Last 12 months	17.3%	8.0%
Last 3 months	6.9%	1.8%

PORTFOLIO VALUE

R 1 255.5 million (30/06/2024: R 1 185.1 million)

TRANSACTIONS

Net purchases of JSE equities, foreign assets and JSE property

Net sales of SA bonds

Net withdrawals

INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION*World:* US economy likely to soften

Inflation decreasing, but outlook uncertain

Interest rates being lowered

Earnings growth decelerating

Geopolitical tensions remain 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 now being lowered

Portfolio construction: Moderate increase in equity weight

Increased allocation to SA equities

Favour companies with pricing power and strong balance sheets

Low exposure to expensive US equities

Low resource weight

Favour inflation-linked TIPS over nominal US Treasuries

Physical gold position hedges global risks

EFFECTIVE ASSET ALLOCATION (previous)

	Portfolio	
	%	%
JSE equities	29	(27)
Foreign assets	38	(36)
JSE property	4	(3)
Commodities	3	(4)
SA bonds	20	(21)
Money market	6	(9)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

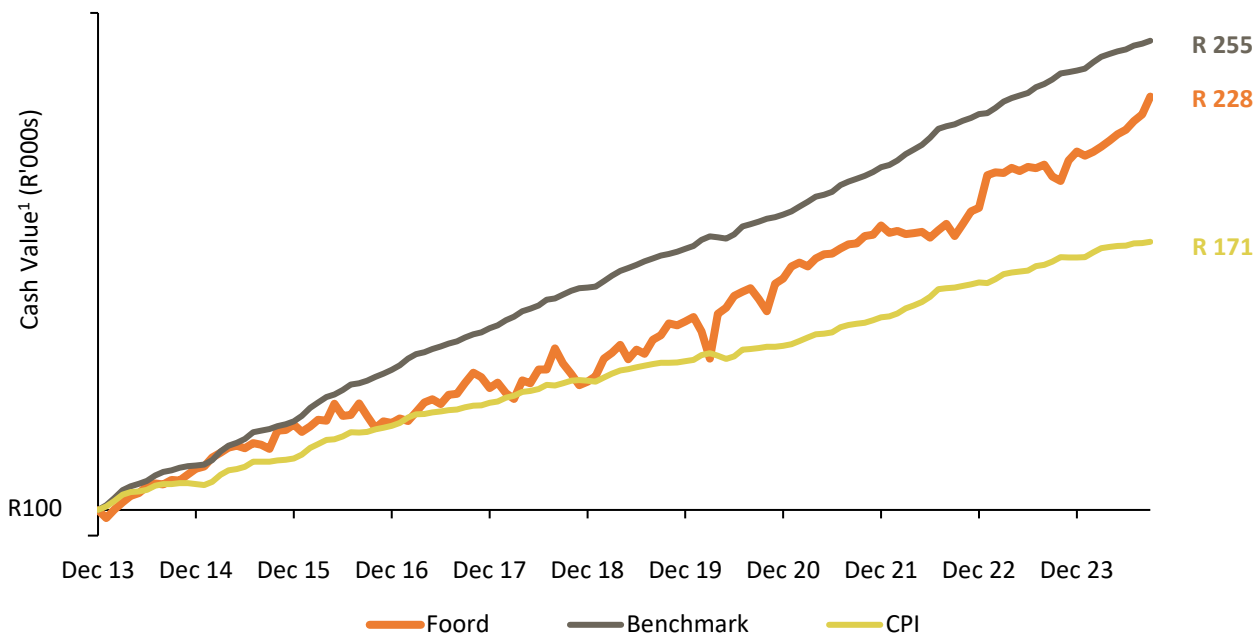
1.1 Total performance to 30 September 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (02/01/2014)	8.0	9.1	- 1.1	7.2
10 years	8.0	9.0	- 1.0	7.2
7 years	8.5	8.8	- 0.3	7.6
5 years	10.0	9.0	1.0	9.3
3 years	10.3	9.6	0.7	9.7
1 year	17.3	8.0	9.3	17.4
9 months	11.6	6.2	5.4	11.0
3 months	6.9	1.8	5.1	5.5

* CPI + 4% per annum. CPI estimated for September 2024

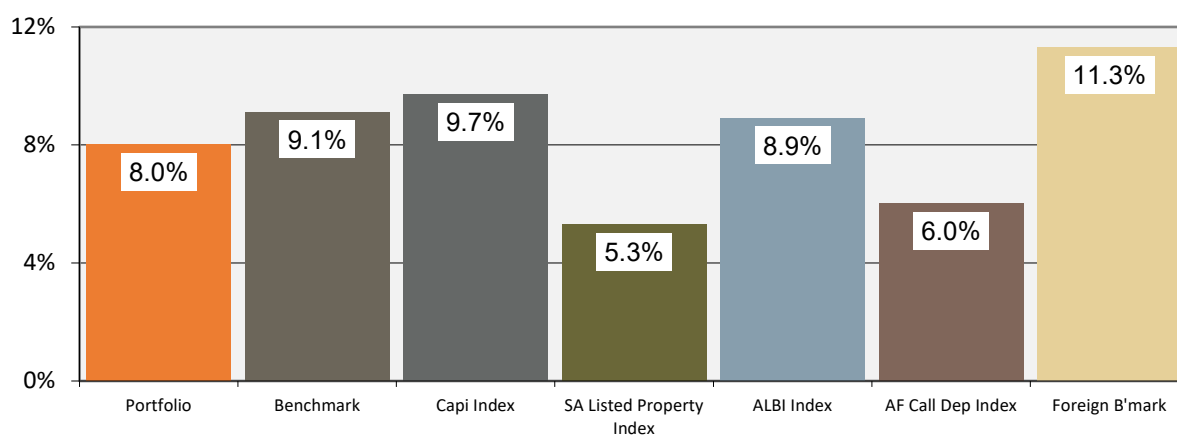
(ASISA) South Africa – Multi Asset – Medium Equity average

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 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 September 2024

	<u>JSE equities</u>		<u>JSE property</u>		<u>Interest bearing</u>			<u>Foreign assets</u>	
	<u>Portfolio</u>	<u>Capi Index</u>	<u>Portfolio</u>	<u>SA Listed Property Index[#]</u>	<u>Portfolio</u>	<u>ALBI Index</u>	<u>AF Call Dep Index</u>	<u>Portfolio</u>	<u>Benchmark[*]</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (02/01/2014)	7.5	9.7	3.6	5.3	8.5	8.9	6.0	9.7	11.3
10 years	6.9	9.4	2.8	4.3	8.7	9.0	6.1	10.0	11.1
7 years	8.1	10.4	9.9	0.9	9.3	9.7	6.0	9.0	10.6
5 years	15.5	14.1	9.2	5.4	9.4	9.8	5.7	9.9	10.2
3 years	17.7	14.5	16.3	16.0	10.4	11.1	6.6	7.4	8.8
1 year	34.1	24.0	51.2	51.3	19.3	26.1	8.2	3.7	13.0
9 months	24.4	15.8	29.9	30.0	11.9	16.7	6.1	3.1	5.7
3 months	14.8	9.6	17.1	18.7	6.7	10.5	2.1	1.7	1.2

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 September 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	8.3	1.6	6.0	1.0	1.4	18.3
9 months	6.4	1.0	3.4	0.6	1.3	12.7
3 months	4.1	0.6	1.9	0.2	0.6	7.4

* Bonds and cash combined

Returns in percent, calculated on a gross basis

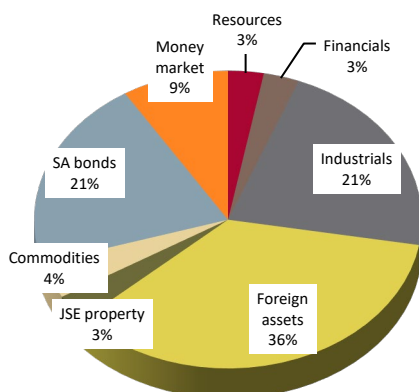
Quarterly performance comment:

- South African equity investments were the primary contributors to returns, with JSE-listed share prices gaining almost 10% as the global risk-on stance took hold — industrial and financial shares led the way as the first 100 days of the GNU concluded with reasonable success, although resources fell
- SA bonds also contributed meaningfully to returns, with bond markets rallying in tandem with equities — SA bonds advanced by double digits as SARB cautiously started its rate cutting cycle and inflation metrics improved
- Global assets made a substantial contribution to absolute returns despite rand strength — while US stocks continued to rally on further evidence of a soft landing, Chinese stocks surged by more than 30% on overdue Chinese stimulus to outperform US markets in 2024 for the year to date
- A small allocation to listed property added meaningfully to fund returns — property stocks in South Africa surged in the third quarter due to falling interest rates and improved prospects for economic growth following the formation of a coalition government
- The fund's returns continued to benefit from its allocation to gold — commodities advanced latterly on hopes that Chinese stimulus would buoy demand, while gold again set record highs as the global rate-cutting cycle became assured amid conflict in the Middle East
- Cash continued to significantly enhance absolute returns, but yields have now started to fall in line with the SARB's benchmark repo rate — a marked improvement in the inflation outlook and the start of rate-cutting cycles by major central banks created space for the SARB to cut rates for the first time this quarter since May 2023

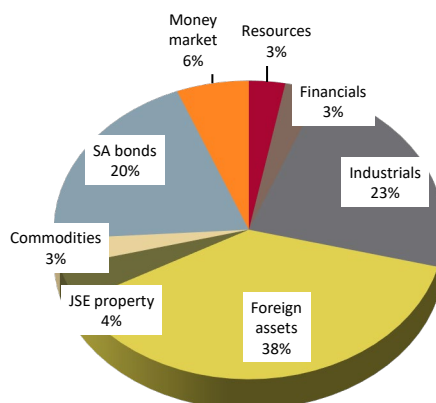
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure	FTSE/JSE Capped ALSI Weightings	
		30/06/2024	30/09/2024
		%	%
JSE equities: resources	3	3	6
JSE equities: financials (ex property)	3	3	9
JSE equities: industrials	21	23	14
0 - 60 JSE equities*	27	29	29
0 - 45 Foreign assets	36	38	
Foord International Fund	16	17	
Foord Global Equity Fund	14	14	
Currencies	3	4	
Corporate debt	3	3	
0 - 25 JSE property	3	4	
0 - 10 Commodities	4	3	
0 - 100 SA bonds	21	20	
0 - 100 Money market	9	6	
	100	100	
Total portfolio	R 1 185.1m	R 1 255.5m	
*Size distribution of JSE equities	%	%	%
Large capitalisation	59	58	87
Mid capitalisation	13	12	8
Small capitalisation	28	30	5
	100	100	100
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	29	24	53
Listed property	4	1	5
Corporate bonds	0	3	3
Government bonds	20	2	22
Commodities	3	1	4
Money market	6	7	13
	62	38	100

Effective exposure 30/06/2024



Effective exposure 30/09/2024



3. PORTFOLIO CONSTRUCTION

- Exposure to SA equities was increased to 29% of total — 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 36% 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 increased 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
- 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	
	30/06/2024	30/09/2024
%	%	%
0 - 60 JSE equities	27	29
0 - 45 Foreign assets	36	38
Foord International Fund*	16	17
Foord Global Equity Fund	14	14
Currencies	3	4
Corporate Debt	3	3
0 - 25 JSE property	3	4
0 - 10 Commodities	4	3
0 - 100 SA bonds	21	20
0 - 100 Money market	9	6
	100	100

* Currently 60% in equities, property 5%, commodities 7%, government bonds 10%, corporate bonds 2% and money market 16%

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OCTOBER 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	370,367		370,367	29.5%
Foreign assets	472,715		472,715	37.7%
JSE property	44,381		44,381	3.5%
Commodities	42,522		42,522	3.4%
Other assets	6,722		6,722	0.5%
SA bonds	256,326		256,326	20.4%
Money market	62,469		62,469	5.0%
Total	1,255,502		1,255,502	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 *	-74,073	-37,037	-18,518	0	18,518	37,037	74,073
Resultant portfolio value *	1,181,429	1,218,465	1,236,984	1,255,502	1,274,020	1,292,539	1,329,575
Resultant portfolio change (%)	-5.9%	-2.9%	-1.5%	0.0%	1.5%	2.9%	5.9%

FOREIGN ASSETS

Change in R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	20.7224	18.9956	18.1321	17.2687	16.4053	15.5418	13.8150
Resultant for. assets change *	94,543	47,271	23,636	0	-23,636	-47,271	-94,543
Resultant portfolio value *	1,350,045	1,302,773	1,279,138	1,255,502	1,231,866	1,208,231	1,160,959
Resultant portfolio change (%)	7.5%	3.8%	1.9%	0.0%	-1.9%	-3.8%	-7.5%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-8,876	-4,438	-2,219	0	2,219	4,438	8,876
Resultant portfolio value *	1,246,626	1,251,064	1,253,283	1,255,502	1,257,721	1,259,940	1,264,378
Resultant portfolio change (%)	-0.7%	-0.4%	-0.2%	0.0%	0.2%	0.4%	0.7%

SA BONDS

Change in yields

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	26,743	16,973	8,090	0	-7,377	-14,114	-20,275
Resultant portfolio value *	1,282,245	1,272,475	1,263,592	1,255,502	1,248,125	1,241,388	1,235,227
Resultant portfolio change (%)	2.1%	1.4%	0.6%	0.0%	-0.6%	-1.1%	-1.6%

*[R'000]

5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q3 2024

Portfolio	Total count	For	Against	Abstain
Adopt Financials	4	100%	0%	0%
Auditor/Risk/Social/Ethics related	31	97%	3%	0%
Buy Back Shares	8	100%	0%	0%
Director Remuneration	21	100%	0%	0%
Dividend Related	2	100%	0%	0%
Issue Shares	5	0%	100%	0%
Loan / Financial Assistance	8	38%	62%	0%
Other	7	57%	43%	0%
Re/Elect Director	28	93%	7%	0%
Remuneration Policy	13	46%	54%	0%
Shares under Director Control	2	0%	100%	0%
Signature of Documents	3	100%	0%	0%

Portfolio	Total count	For	Against	Abstain
Foord Global Equity Fund (Singapore)				
Adopt financials	5	100%	0%	0%
Auditor/risk/social/ethics related	5	100%	0%	0%
Buy back shares	2	100%	0%	0%
Dividend related	2	100%	0%	0%
Issue shares	2	0%	100%	0%
Re/elect director or members of supervisory board	42	100%	0%	0%
Remuneration policy including directors' remuneration	11	36%	64%	0%
Signature of documents/ratification	14	93%	7%	0%

Portfolio	Total count	For	Against	Abstain
Foord International Fund				
Adopt financials	2	100%	0%	0%
Auditor/risk/social/ethics related	4	100%	0%	0%
Buy back shares	2	100%	0%	0%
Dividend related	2	50%	50%	0%
Issue shares	2	0%	100%	0%
Re/elect director or members of supervisory board	30	100%	0%	0%
Remuneration policy including directors' remuneration	5	40%	60%	0%
Signature of documents/ratification	6	50%	50%	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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