

**SYNOPSIS****PERFORMANCE (TOTAL RETURN)**

	<b>Portfolio</b>	<b>Benchmark</b>
Annualised (since 02/01/2014)	7.9%	9.0%
Last 12 months	13.1%	7.0%
Last 3 months	1.3%	1.0%

**PORTFOLIO VALUE**

R 1 270.4 million (30/09/2024: R 1 255.5 million)

**TRANSACTIONS**

Net sales of JSE equities, foreign assets, JSE property and SA bonds  
 Sale of commodities  
 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:* Significant allocation to equities overall

Selective 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)**

	<b>Portfolio</b>	
	<b>%</b>	<b>%</b>
JSE equities	27	(29)
Foreign assets	38	(38)
JSE property	2	(4)
Commodities	3	(3)
SA bonds	19	(20)
Money market	11	(6)
	<u>100</u>	

## 1. PORTFOLIO PERFORMANCE

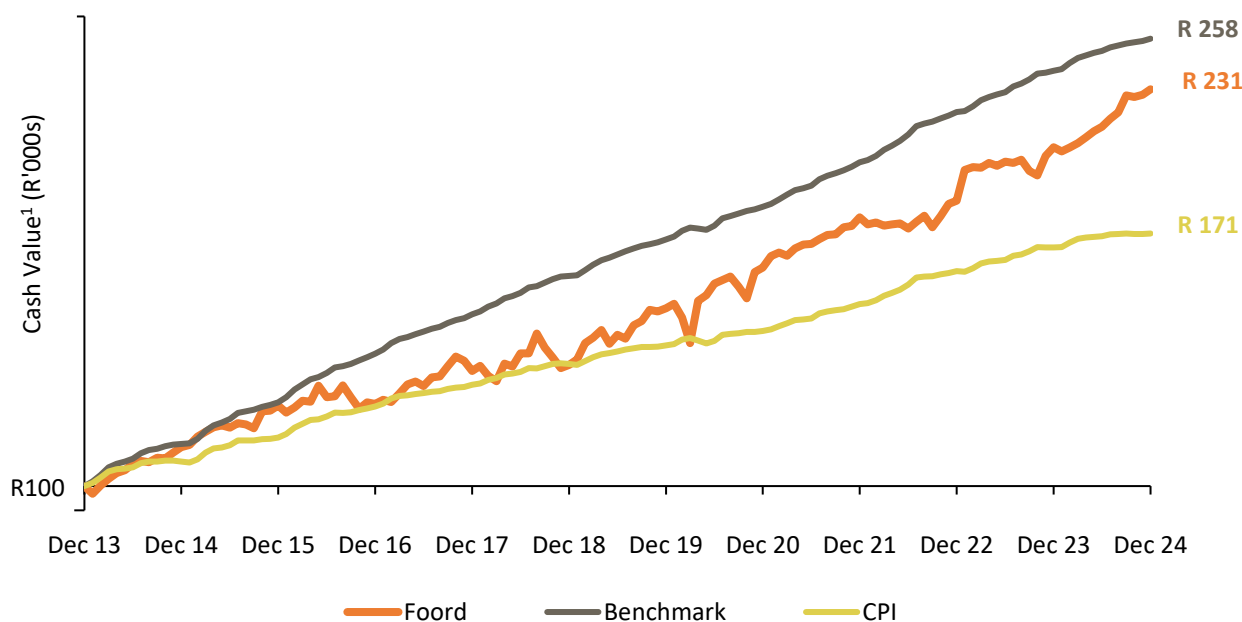
## 1.1 Total performance to 31 December 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>
	%	%	%	%
From inception (02/01/2014)	7.9	9.0	- 1.1	7.2
10 years	7.9	8.9	- 1.0	7.1
7 years	8.9	8.7	0.2	7.6
5 years	9.7	8.8	0.9	9.2
3 years	9.5	9.1	0.4	7.9
1 year	13.1	7.0	6.1	12.8
3 months	1.3	1.0	0.3	1.6

\* CPI + 4% per annum

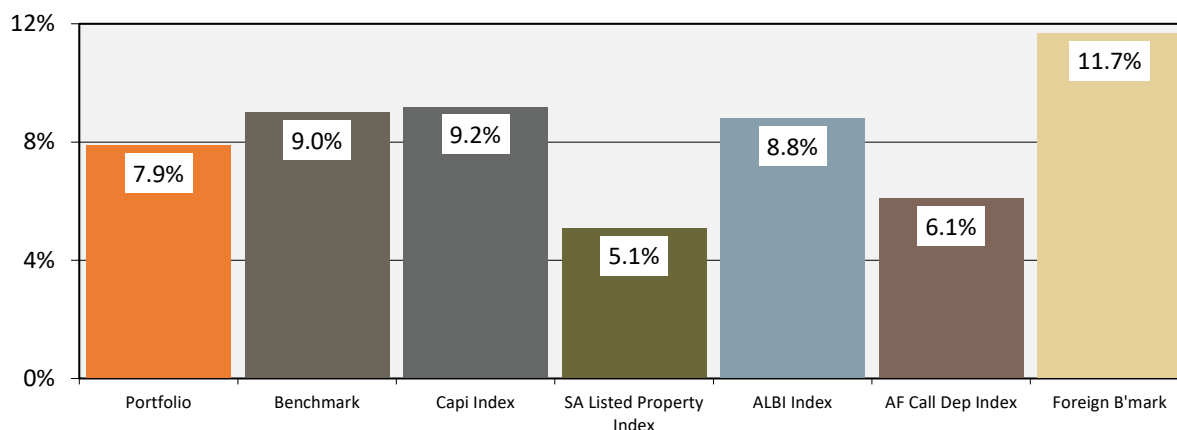
# (ASISA) South Africa – Multi Asset – Medium Equity average

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.



<sup>1</sup> 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 31 December 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<sup>#</sup></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)	7.4	9.2	3.7	5.1	8.4	8.8	6.1	9.7	11.7
10 years	6.4	9.0	1.9	3.2	8.6	8.7	6.2	10.0	11.5
7 years	9.0	9.1	8.5	-0.4	9.1	9.4	6.0	10.3	12.5
5 years	13.8	12.5	8.1	5.1	9.2	9.6	5.8	10.2	12.3
3 years	17.0	8.7	17.9	12.6	10.0	10.3	7.0	5.4	7.6
1 year	25.2	13.4	32.6	29.0	12.8	17.2	8.2	5.7	12.8
3 months	0.6	-2.1	2.1	-0.8	0.8	0.4	1.9	2.6	6.7

# 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 31 December 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	6.6	1.1	3.7	0.9	2.3	14.6
3 months	0.1	0.0	0.3	0.3	1.0	1.7

\* Bonds and cash combined

*Returns in percent, calculated on a gross basis*

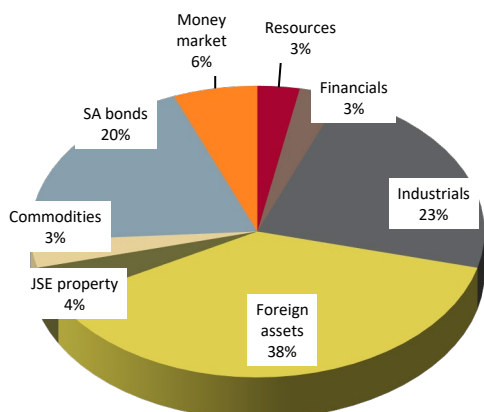
Quarterly performance comment:

- Global assets contributed positively to rand returns despite a selloff in global equity markets — while the rand initially strengthened following the formation of the GNU earlier this year, it ended the quarter 8.3% weaker against the US dollar, despite favorable terms of trade
- South African equity investments weighed on returns as the JSE followed global markets lower — the resources sector dropped nearly 10%, with financial shares also declining
- SA bonds contributed positively to returns, with the All Bond Index delivering modest gains amid sustained optimism about improving fundamentals — SA bonds are looking somewhat expensive, trading at the same low premium to US bonds as in 2012
- US bonds detracted from returns as global developed market bond yields rose (and bond markets fell) — worries grew regarding the burgeoning indebtedness of countries facing pressures to run ever-larger deficits
- A small allocation to listed property detracted slightly from fund returns— property stocks with global portfolios sold off given rising US bond yields
- Cash continued to enhance absolute returns with yields remaining elevated — despite a marked improvement in the inflation outlook, the SARB maintains their cautious approach to monetary policy
- The fund continued to benefit from its allocation to gold given a rise in the rand gold price — measured in US dollars however, gold's 2024 rally was halted on expectations that interest rates would no longer come down as quickly as previously thought

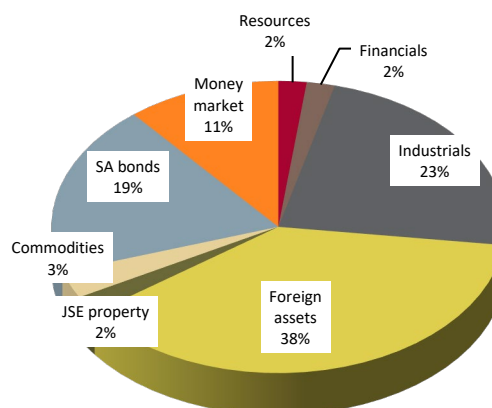
2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure	FTSE/JSE Capped ALSI Weightings	
		30/09/2024	31/12/2024
		%	%
JSE equities: resources	3	2	6
JSE equities: financials (ex property)	3	2	8
JSE equities: industrials	23	23	13
0 - 60 JSE equities*	29	27	27
0 - 45 Foreign assets	38	38	
Foord International Fund	17	17	
Foord Global Equity Fund	14	14	
Currencies	4	4	
Corporate debt	3	3	
0 - 25 JSE property	4	2	
0 - 10 Commodities	3	3	
0 - 100 SA bonds	20	19	
0 - 100 Money market	6	11	
	<b>100</b>	<b>100</b>	
<b>Total portfolio</b>	<b>R 1 255.5m</b>	<b>R 1 270.4m</b>	
*Size distribution of JSE equities	%	%	%
Large capitalisation	58	54	86
Mid capitalisation	12	9	8
Small capitalisation	30	37	6
	<b>100</b>	<b>100</b>	<b>100</b>
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	27	24	51
Listed property	2	1	3
Corporate bonds	0	4	4
Government bonds	19	1	20
Commodities	3	1	4
Money market	11	7	18
	<b>62</b>	<b>38</b>	<b>100</b>

Effective exposure 31/09/2024



Effective exposure 31/12/2024



### 3. PORTFOLIO CONSTRUCTION

- Exposure to SA equities was decreased slightly — 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 remains elevated at 38% of total — 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 remains 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 remains 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	
	30/09/2024	31/12/2024
%	%	%
0 - 60 JSE equities	29	27
0 - 45 Foreign assets	38	38
Foord International Fund*	17	17
Foord Global Equity Fund	14	14
Currencies	4	4
Corporate Debt	3	3
0 - 25 JSE property	4	2
0 - 10 Commodities	3	3
0 - 100 SA bonds	20	19
0 - 100 Money market	6	11
	<b>100</b>	<b>100</b>

\* Currently 65% in equities, property 4%, commodities 7%, government bonds 8%, corporate bonds 3% and money market 12%

N BALKIN/D FOORD/N HOSSACK  
DECEMBER 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	343,621		343,621	27.0%
Foreign assets	480,258		480,258	37.8%
JSE property	25,642		25,642	2.0%
Commodities	44,384		44,384	3.5%
Other assets	10,171		10,171	0.8%
SA bonds	240,796		240,796	19.0%
Money market	125,563		125,563	9.9%
<b>Total</b>	<b>1,270,435</b>		<b>1,270,435</b>	<b>100.0%</b>

## 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 *	-68,724	-34,362	-17,181	0	17,181	34,362	68,724
Resultant portfolio value *	1,201,711	1,236,073	1,253,254	1,270,435	1,287,616	1,304,797	1,339,159
Resultant portfolio change (%)	-5.4%	-2.7%	-1.4%	0.0%	1.4%	2.7%	5.4%

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant equity change *	-68,724	-34,362	-17,181	0	17,181	34,362	68,724
Resultant portfolio value *	1,201,711	1,236,073	1,253,254	1,270,435	1,287,616	1,304,797	1,339,159
Resultant portfolio change (%)	-5.4%	-2.7%	-1.4%	0.0%	1.4%	2.7%	5.4%

## FOREIGN ASSETS

## Change in R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	22.6118	20.7275	19.7854	18.8432	17.9010	16.9589	15.0746
Resultant for. assets change *	96,052	48,026	24,013	0	-24,013	-48,026	-96,052
Resultant portfolio value *	1,366,487	1,318,461	1,294,448	1,270,435	1,246,422	1,222,409	1,174,383
Resultant portfolio change (%)	7.6%	3.8%	1.9%	0.0%	-1.9%	-3.8%	-7.6%

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	22.6118	20.7275	19.7854	18.8432	17.9010	16.9589	15.0746
Resultant for. assets change *	96,052	48,026	24,013	0	-24,013	-48,026	-96,052
Resultant portfolio value *	1,366,487	1,318,461	1,294,448	1,270,435	1,246,422	1,222,409	1,174,383
Resultant portfolio change (%)	7.6%	3.8%	1.9%	0.0%	-1.9%	-3.8%	-7.6%

## JSE PROPERTY

## Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-5,128	-2,564	-1,282	0	1,282	2,564	5,128
Resultant portfolio value *	1,265,307	1,267,871	1,269,153	1,270,435	1,271,717	1,272,999	1,275,563
Resultant portfolio change (%)	-0.4%	-0.2%	-0.1%	0.0%	0.1%	0.2%	0.4%

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-5,128	-2,564	-1,282	0	1,282	2,564	5,128
Resultant portfolio value *	1,265,307	1,267,871	1,269,153	1,270,435	1,271,717	1,272,999	1,275,563
Resultant portfolio change (%)	-0.4%	-0.2%	-0.1%	0.0%	0.1%	0.2%	0.4%

## SA BONDS

## Change in yields

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	19,160	12,150	5,786	0	-5,268	-10,072	-14,460
Resultant portfolio value *	1,289,595	1,282,585	1,276,221	1,270,435	1,265,167	1,260,363	1,255,975
Resultant portfolio change (%)	1.5%	1.0%	0.5%	0.0%	-0.4%	-0.8%	-1.1%

	-3.0%	-2.0%	-1.0%	0.0%	1.0%	2.0%	3.0%
Resultant fixed income change *	19,160	12,150	5,786	0	-5,268	-10,072	-14,460
Resultant portfolio value *	1,289,595	1,282,585	1,276,221	1,270,435	1,265,167	1,260,363	1,255,975
Resultant portfolio change (%)	1.5%	1.0%	0.5%	0.0%	-0.4%	-0.8%	-1.1%

\*[R'000]

## 5. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q4 2024

Portfolio	Total count	For	Against	Abstain
Adopt Financials	3	67%	33%	0%
Auditor/Risk/Social/Ethics related	64	98%	2%	0%
Buy Back Shares	9	100%	0%	0%
Director Remuneration	57	100%	0%	0%
Dividend Related	1	100%	0%	0%
Issue Shares	7	0%	100%	0%
Loan / Financial Assistance	11	18%	82%	0%
Other	16	88%	13%	0%
Re/Elect Director	51	98%	2%	0%
Remuneration Policy	26	58%	42%	0%
Shares under Director Control	6	0%	100%	0%
Signature of Documents	3	100%	0%	0%

Portfolio	Total count	For	Against	Abstain
<b>Foord Global Equity Fund</b>				
Auditor/risk/social/ethics related	7	29%	71%	0%
Re/elect director or members of supervisory board	15	100%	0%	0%
Remuneration policy including directors' remuneration	5	20%	80%	0%
Signature of documents/ratification	1	100%	0%	0%

Portfolio	Total count	For	Against	Abstain
<b>Foord International Fund</b>				
Auditor/risk/social/ethics related	7	29%	71%	0%
Dividend related	1	100%	0%	0%
Re/elect director or members of supervisory board	16	100%	0%	0%
Remuneration policy including directors' remuneration	7	43%	57%	0%
Signature of documents/ratification	6	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



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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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