

SYNOPSIS**PERFORMANCE (TOTAL RETURN)**

	Portfolio	Benchmark
Annualised (since 01/04/2008)	10.7%	10.2%
Last 12 months	8.8%	8.0%
Last 3 months	0.8%	1.2%

PORTFOLIO VALUE

R 9 404.5 million (30/09/2024: R 9 619.5 million)

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)

	Portfolio	
	%	%
JSE equities	22	(26)
Foreign assets	61	(61)
JSE property	1	(1)
Commodities	3	(2)
SA bonds	4	(3)
Money market	9	(7)
	<u>100</u>	

1. PORTFOLIO PERFORMANCE

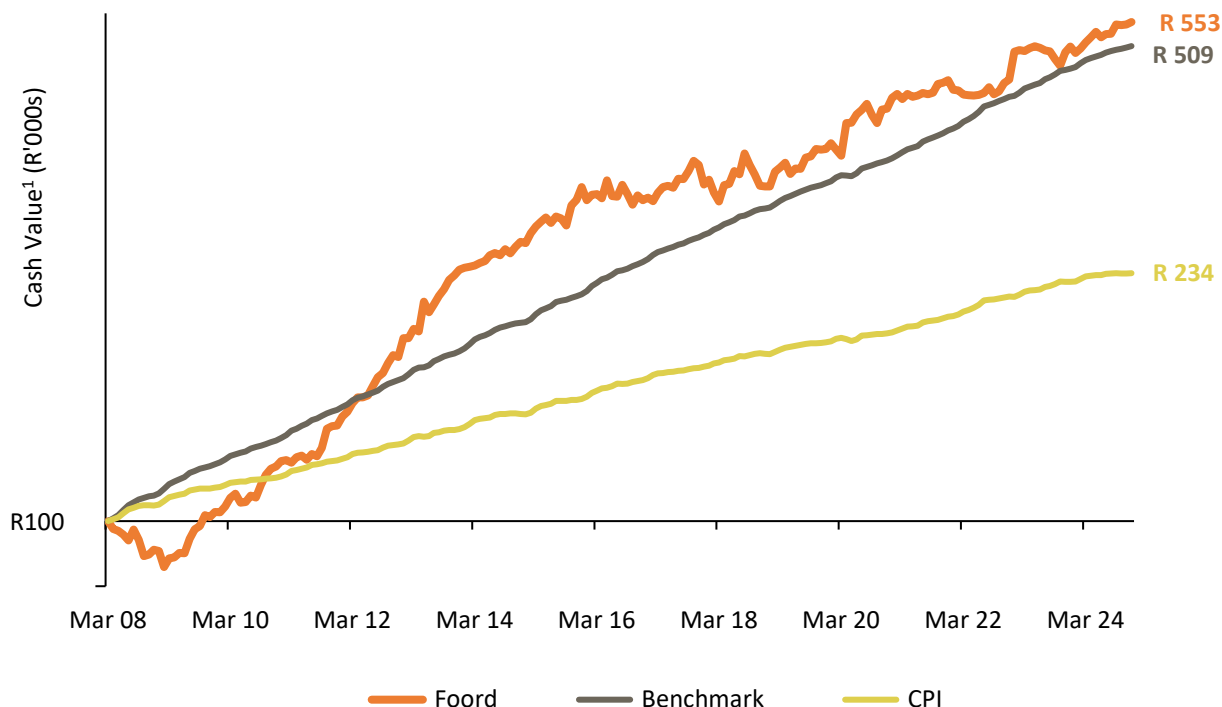
1.1 Total performance to 31 December 2024

	<u>Portfolio</u>	<u>Benchmark*</u>	<u>Variance</u>	<u>Peer Group#</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
From inception (01/04/2008)	10.7	10.2	0.5	9.2
15 years	11.8	10.0	1.8	10.5
10 years	7.8	9.9	-2.1	8.5
7 years	8.3	9.7	-1.4	9.5
5 years	9.1	9.8	-0.7	11.0
3 years	6.9	10.1	-3.2	8.0
1 year	8.8	8.0	0.8	14.5
3 months	0.8	1.2	-0.4	4.9

* CPI + 5% per annum

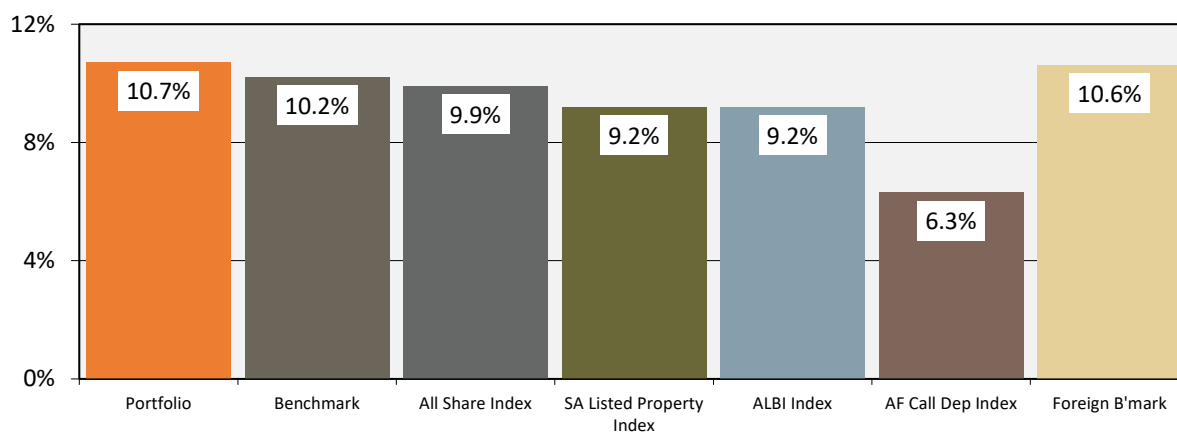
(ASISA) Worldwide – Multi Asset – Flexible average

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 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>
	%	%	%	%	%	%
1 year	3.4	0.0	0.5	0.5	4.8	9.2
3 months	-0.6	-0.1	0.1	0.2	1.1	0.7

* Bonds and cash combined

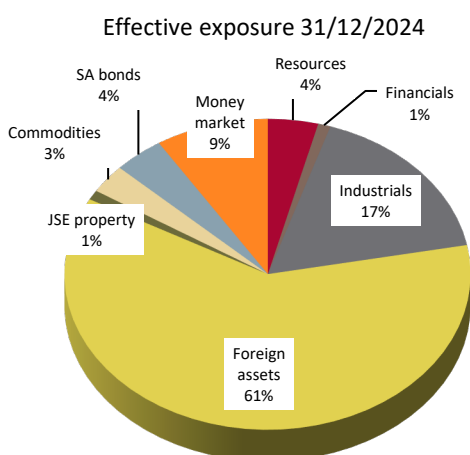
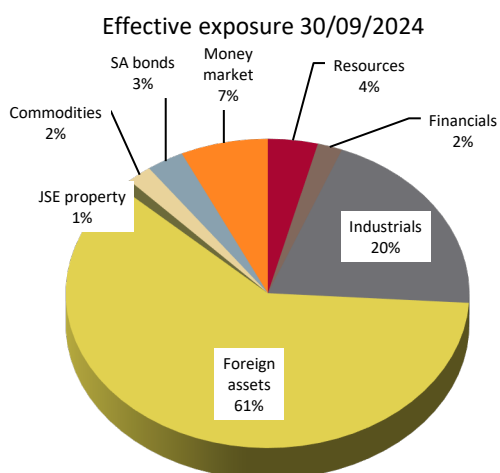
Returns in percent, calculated on a gross basis

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
- 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
- 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
- A small allocation to listed property detracted slightly from fund returns— property stocks with global portfolios sold off given rising US bond yields

2. PORTFOLIO STRUCTURE

Mandate (%)	Portfolio Effective exposure		FTSE/JSE ALSI Weightings
	30/09/2024	31/12/2024	
	%	%	%
JSE equities: resources	4	4	4
JSE equities: financials (ex property)	2	1	7
JSE equities: industrials	20	17	11
0 - 100 JSE equities*	26	22	22
Foreign assets	61	61	
Foord International Fund	27	27	
Foord Global Equity Fund	31	33	
Currency hedge	0	-2	
Corporate debt	3	3	
0 - 25 JSE property	1	1	
Commodities	2	3	
SA bonds	3	4	
0 - 100 Money market	7	9	
	100	100	
Total portfolio	R 9 619.5m	R 9 404.5m	
*Size distribution of JSE equities	%	%	%
Large capitalisation	73	71	86
Mid capitalisation	5	1	8
Small capitalisation	22	28	6
	100	100	100
<u>Exposure analysis</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	%	%	%
Equities	22	50	72
Listed property	1	1	2
Corporate bonds	0	4	4
Government bonds	5	2	7
Commodities	2	2	4
Money market	9	2	11
	39	61	100



3. PORTFOLIO CONSTRUCTION

- The weight in foreign assets remains high at 61% — measured together with non-rand earnings of JSE-listed companies, total foreign economic exposure is significantly higher on a look-through basis
- Exposure to foreign equities makes up close to half the portfolio — however, direct US equity investment remains relatively low due to high valuations that leave little room for error
- 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 22% — ratings for domestically oriented stocks are likely to remain under pressure, given low prospects for economic growth coupled with higher cost of capital
- A small 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	
	30/09/2024	31/12/2024
%	%	%
0 - 100		
JSE equities	26	22
Foreign assets	61	61
Foord International Fund*	27	27
Foord Global Equity Fund	31	33
Currency hedge	0	-2
Corporate debt	3	3
0 - 25		
JSE property	1	1
Commodities	2	3
SA bonds	3	4
0 - 100		
Money market	7	9
	100	100

* Currently 65% in equities, property 4%, commodities 7%, government bonds 8%, corporate bonds 3% and money market 13%

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	2,097,575		2,097,575	22.3%
Foreign assets	5,693,130		5,693,130	60.5%
JSE property	90,993		90,993	1.0%
Commodities	229,925		229,925	2.5%
Other assets	37,868		37,868	0.4%
SA bonds	417,691		417,691	4.4%
Money market	837,322		837,322	8.9%
Total	9,404,504		9,404,504	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 *	-419,515	-209,757	-104,879	0	104,879	209,757	419,515
Resultant portfolio value *	8,984,989	9,194,747	9,299,625	9,404,504	9,509,383	9,614,261	9,824,019
Resultant portfolio change (%)	-4.5%	-2.2%	-1.1%	0.0%	1.1%	2.2%	4.5%

FOREIGN ASSETS

Change in R/\$ exchange rate

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
R/\$ exchange rate	22.6118	20.7275	19.7854	18.8432	17.9010	16.9589	15.0746
Resultant for. assets change *	1,138,626	569,313	284,657	0	-284,657	-569,313	-1,138,626
Resultant portfolio value *	10,543,130	9,973,817	9,689,161	9,404,504	9,119,847	8,835,191	8,265,878
Resultant portfolio change (%)	12.1%	6.1%	3.0%	0.0%	-3.0%	-6.1%	-12.1%

JSE PROPERTY

Change in portfolio property

	-20.0%	-10.0%	-5.0%	0.0%	5.0%	10.0%	20.0%
Resultant property change *	-18,199	-9,099	-4,550	0	4,550	9,099	18,199
Resultant portfolio value *	9,386,305	9,395,405	9,399,954	9,404,504	9,409,054	9,413,603	9,422,703
Resultant portfolio change (%)	-0.2%	-0.1%	0.0%	0.0%	0.0%	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 *	38,981	24,603	11,668	0	-10,551	-20,116	-28,807
Resultant portfolio value *	9,443,485	9,429,107	9,416,172	9,404,504	9,393,953	9,384,388	9,375,697
Resultant portfolio change (%)	0.4%	0.3%	0.1%	0.0%	-0.1%	-0.2%	-0.3%

*[R'000]

6. RESPONSIBLE INVESTMENT SUMMARY

Voting resolutions for Q4 2024**Foord Absolute Return**

	Total count	For	Against	Abstain
Adopt financials	3	67%	33%	0%
Auditor/risk/social/ethics related	38	97%	3%	0%
Buy back shares	5	100%	0%	0%
Director remuneration	28	100%	0%	0%
Dividend related	1	100%	0%	0%
Issue shares	6	0%	100%	0%
Loan / financial assistance	5	20%	80%	0%
Other	7	100%	0%	0%
Re/elect director	30	97%	3%	0%
Remuneration policy	14	57%	43%	0%
Shares under director control	3	0%	100%	0%
Signature of documents	3	100%	0%	0%

Foord Global Equity Fund (Luxembourg)

	Total count	For	Against	Abstain
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%

Foord International Fund

	Total count	For	Against	Abstain
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

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
