# SYNOPSIS

## PERFORMANCE (TOTAL RETURN)

| | Portfolio | Benchmark |
|---|---|---|
| Annualised (since 02/09/2002) | 14.0% | 14.2% |
| Last 12 months | 19.3% | 24.6% |
| Last 3 months | 4.8% | 9.7% |

## PORTFOLIO VALUE

R 4 411.5 million (31/03/2025: R 4 336.9 million)

## INVESTMENT OUTLOOK AND PORTFOLIO CONSTRUCTION

*World:* US economy showing signs of slowing
Tariffs could put upward pressure on inflation
Rate cuts to slow outside of an economic crisis
Earnings growth decelerating
Geopolitical tensions elevated by trade war

*South Africa:* Growth unlikely without structural reform
Energy supply stable but risk of disruption remains
Inflation at cyclical lows but with upside risks
Pace of interest rates cuts slowing
Rand remains vulnerable to negative surprises

*Portfolio construction:* Increased resources but remains low
Physical gold position hedges systemic risks
Limited exposure to financials, given economic risk
Increasing staple food producers and retailers
Healthcare remains significant weight, given defensive characteristics
Naspers/Prosus largest holding on attractive valuations
Selective exposure to listed property
Utilized cash to capitalize on opportunities

## EFFECTIVE ASSET ALLOCATION (previous)

| | Portfolio | |
|---|---|---|
| | % | % |
| JSE equities | 87 | (81) |
| JSE property | 4 | (3) |
| Commodities | 1 | (2) |
| Money market | 8 | (14) |
| | 100 | |

## 1. PORTFOLIO PERFORMANCE

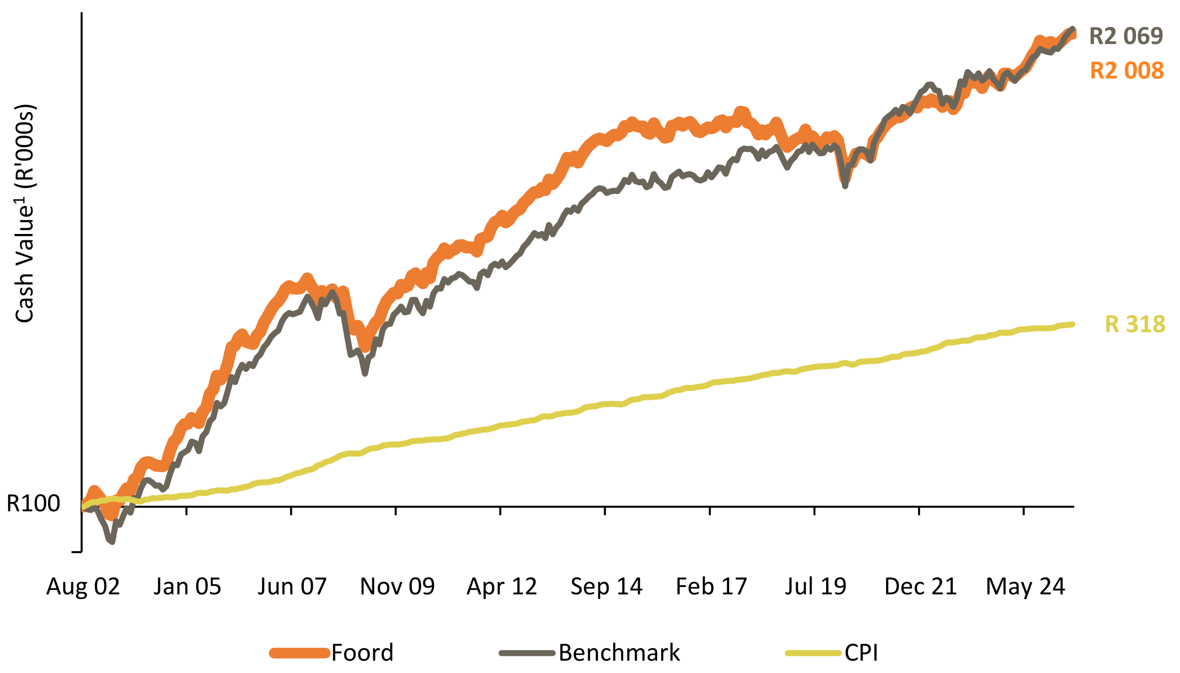
### Total performance to 30 June 2025

| | Portfolio % | Benchmark* % | Variance % | Peer Group# % |
|---|---|---|---|---|
| From inception (02/09/2002) | 14.0 | 14.2 | - 0.2 | 12.6 |
| 20 years | 12.6 | 13.6 | - 1.0 | 11.3 |
| 15 years | 11.1 | 12.8 | - 1.7 | 9.9 |
| 10 years | 6.1 | 10.2 | - 4.1 | 7.4 |
| 7 years | 9.1 | 11.8 | - 2.7 | 9.3 |
| 5 years | 16.4 | 17.1 | - 0.7 | 15.1 |
| 3 years | 16.8 | 17.1 | - 0.3 | 13.7 |
| 1 year | 19.3 | 24.6 | - 5.3 | 20.0 |
| 6 months | 5.4 | 16.1 | - 10.7 | 12.5 |
| 3 months | 4.8 | 9.7 | - 4.9 | 8.6 |

* Total return of the FTSE/JSE Capped All Share Index (prior to 01/07/2018 FTSE/JSE All Share Index)

# (ASISA) South Africa Equity – SA General average

*Daily linked time-weighted total rates of return (capital and income) based on unit price. Returns in percent net of management 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)

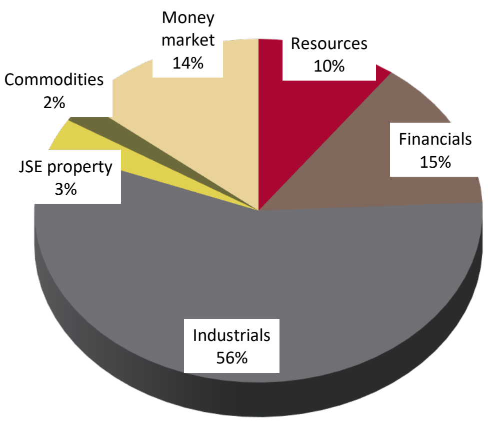
Quarterly performance comment:

- The fund posted strong positive returns albeit lagging its market-based benchmark for the second quarter of 2025 — emerging market equities rallied on buoyant commodity prices, with the FTSE/JSE All Share Index also powering ahead
- An allocation to gold and gold producers was beneficial to returns although an underweight position relative to the index detracted from relative returns — the gold price rose further driven by US dollar weakness, heightened geopolitical tensions supporting safe-haven demand, and continued central bank buying
- A meaningful allocation to media stock Naspers/Prosus added to returns – their share prices rose as Chinese stimulus measures boosted the Chinese stock market and the performance of Tencent, in which they hold a significant stake
- Positions in SA Inc. companies contributed to returns although an underweight to financials in comparison to the index detracted on a relative basis — domestically-focused banks and consumer stocks were boosted by an interest rate cut, resulting in a broad-based rally
- An allocation to global beverage company Anheuser-Busch InBev contributed to returns — the share price was driven by strong Q1 earnings, improved margins from pricing and premiumization, and a weaker US dollar boosting international revenue
- The fund’s holding in pharmaceuticals group Aspen was the biggest detractor from returns — Aspen’s share price fell following a profit warning related to a contractual dispute with Moderna, despite reporting modest earnings growth
- Cash contributed to returns in absolute terms but detracted on a relative basis given the strong rally in equities — despite inflation moderating, the SARB maintained their cautious approach to monetary policy, cutting interest rates by only 25 basis points

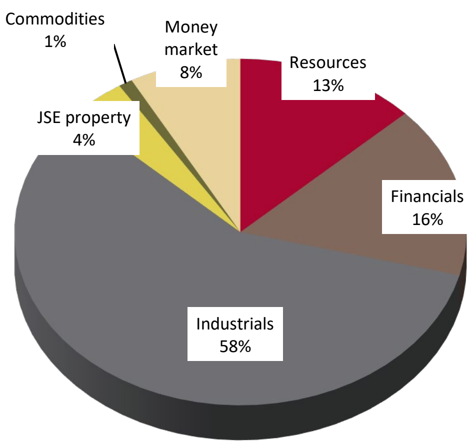
## 2. PORTFOLIO STRUCTURE

| | Portfolio Effective exposure 31/03/2025 | Portfolio Effective exposure 30/06/2025 | FTSE/JSE Capped ALSI Weightings |
|---|---|---|---|
| | % | % | % |
| JSE equities: resources | 10 | 13 | 22 |
| JSE equities: financials (ex property) | 15 | 16 | 26 |
| JSE equities: industrials | 56 | 58 | 39 |
| JSE property | 3 | 4 | 4 |
| JSE equities* | 84 | 91 | 91 |
| Commodities | 2 | 1 | |
| Money market | 14 | 8 | |
| | **100** | **100** | |
| **Total portfolio** | **R 4 336.9m** | **R 4 411.5m** | |
| *Size distribution of JSE equities | % | % | % |
| Large capitalisation | 60 | 59 | 88 |
| Mid capitalisation | 12 | 16 | 7 |
| Small capitalisation | 28 | 25 | 5 |
| | **100** | **100** | **100** |

Effective exposure 31/03/2025




Effective exposure 30/06/2025



## 3. PORTFOLIO CONSTRUCTION

- SA equities increased to 87% of total — the indiscriminate market sell-off after Trump's Liberation Day speech provided an opportunity to deploy cash into select high-quality, domestically-oriented businesses such as Shoprite and Capitec
- Cash holdings fell as funds were deployed into attractive opportunities amid market volatility — having cash reserves provided valuable flexibility to capitalise on a broad-based market selloff
- Holdings in global media giant Naspers / Prosus were trimmed — they remain the fund's top holdings, underpinned by strong balance sheets, compelling valuations and solid long-term earnings potential
- Took advantage of market volatility to increase exposure to consumer discretionary businesses — holdings remain concentrated in defensive names such as Premier Group, Tiger Brands, RFG Group, Spur and Pepkor, which are well-positioned to weather a challenging economic environment
- Maintained a relative underweight to the financial sector, while selectively adding to banks on attractive valuations — we favour quality banks over life insurers, as they are better positioned to preserve margins and grow earnings even as interest rates decline
- Kept weighting in commodity producers at low levels and trimmed the fund's gold position to lock in some profits after a strong run — we retain a holding in gold as a diversifier given geopolitical uncertainty
- Continued to avoid large, diversified property counters — fundamentals remain weak for the asset class, with elevated debt burdens, excess capacity and ongoing uncertainty around office and retail space demand
- Our effective asset allocation is:

| | Capped ALSI Current % | Portfolio at 31/03/2025 % | Portfolio at 30/06/2025 % |
|---|---|---|---|
| Precious metals | 17 | 6 | 8 |
| Commodity cyclicals | 7 | 5 | 4 |
| Capital goods/construction | 1 | 5 | 5 |
| Information technology | 1 | 0 | 0 |
| Industrials/transport | 5 | 5 | 4 |
| Overseas companies | 7 | 7 | 5 |
| Health | 1 | 8 | 8 |
| Consumer/services | 10 | 19 | 23 |
| Telecommunications | 5 | 0 | 0 |
| Media | 13 | 12 | 13 |
| Financials | 28 | 14 | 16 |
| Property | 0 | 3 | 4 |
| Commodities | 0 | 2 | 1 |
| Money market | 5 | 14 | 9 |
| | **100** | **100** | **100** |

N BALKIN/N HOSSACK/W MURRAY
JUNE 2025

## 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 | 3,828,819 | | 3,828,819 | 86.8% |
| JSE property | 179,112 | | 179,112 | 4.1% |
| Commodities | 27,456 | | 27,456 | 0.6% |
| Money market | 376,105 | | 376,105 | 8.5% |
| **Total** | **4,411,492** | | **4,411,492** | **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 * | -765,764 | -382,882 | -191,441 | 0 | 191,441 | 382,882 | 765,764 |
| Resultant portfolio value * | 3,645,728 | 4,028,610 | 4,220,051 | 4,411,492 | 4,602,933 | 4,794,374 | 5,177,256 |
| Resultant portfolio change (%) | -17.4% | -8.7% | -4.3% | 0.0% | 4.3% | 8.7% | 17.4% |

JSE PROPERTY

| **Change in portfolio property** | **-20.0%** | **-10.0%** | **-5.0%** | **0.0%** | **5.0%** | **10.0%** | **20.0%** |
|---|---|---|---|---|---|---|---|
| Resultant property change * | -35,822 | -17,911 | -8,956 | 0 | 8,956 | 17,911 | 35,822 |
| Resultant portfolio value * | 4,375,670 | 4,393,581 | 4,402,536 | 4,411,492 | 4,420,448 | 4,429,403 | 4,447,314 |
| Resultant portfolio change (%) | -0.8% | -0.4% | -0.2% | 0.0% | 0.2% | 0.4% | 0.8% |

*[R'000]

## 5. RESPONSIBLE INVESTMENT SUMMARY

| Voting resolutions for Q2 2025 | Total count | For | Against | Abstain |
|---|---|---|---|---|
| Adopt Financials | 5 | 100% | 0% | 0% |
| Auditor/Risk/Social/Ethics related | 81 | 98% | 2% | 0% |
| Buy Back Shares | 9 | 100% | 0% | 0% |
| Director Remuneration | 35 | 100% | 0% | 0% |
| Disapply Preemptive Rights | 2 | 0% | 100% | 0% |
| Dividend Related | 1 | 100% | 0% | 0% |
| Issue Shares | 6 | 0% | 100% | 0% |
| Loan / Financial Assistance | 11 | 45% | 55% | 0% |
| Other | 24 | 83% | 17% | 0% |
| Political Expenditure/Donation | 2 | 0% | 100% | 0% |
| Re/Elect Director | 79 | 97% | 3% | 0% |
| Remuneration Policy | 21 | 67% | 33% | 0% |
| Shares under Director Control | 4 | 0% | 100% | 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.

This document is not an advertisement, but is provided exclusively for information purposes and should not be regarded as an offer or solicitation to purchase, sell or otherwise deal with any particular investment. Economic forecasts and predictions are based on Foord's interpretation of current factual information and exploration of economic activity based on expectation for future growth under normal economic conditions, not dissimilar to previous cycles. Forecasts and commentaries are provided for information purposes only and are not guaranteed to occur. While we have taken and will continue to take care that the information contained herein is true and correct, we request that you report any errors to Foord at info@foord.co.za. The document is protected by copyright and may not be altered without prior written consent.

Foord is a member of the Association for Savings and Investment SA.

Foord Asset Management is an authorised Financial Services Provider (FSP: 578).