INVESTMENT OBJECTIVE
The fund aims to grow retirement fund savings by meaningful, inflation-beating margins over the long term. The fund is managed to comply with the prudential investment limits set for South African retirement funds (Regulation 28 to the Pension Funds Act).

INVESTOR PROFILE
Investors whose risk tolerance is below that of pure equity fund investors and those who require the asset allocation decision to be made for them, within prudential guidelines. Because the fund complies with Regulation 28, it is ideally suited to being a substantial component of any retirement savings portfolio and is especially suitable for retirement funds, pension fund members and holders of contractual savings products.

DOMICILE
South Africa

MANAGEMENT COMPANY
Foord Unit Trusts (RF) (Pty) Ltd
VAT Registration Number: 4560201594

FUND MANAGERS
Nick Balkin, Dave Foord, William Fraser and Daryll Owen

INCEPTION DATE
1 September 2002 / 1 March 2012

BASE CURRENCY
South African rands

EQUITY INDICATOR
Indicates the relative weight of equities in the portfolio. A higher weight could result in increased volatility of returns.

CATEGORY
South African - Multi-Asset - High Equity

PORTFOLIO SIZE
R26.1 billion

UNIT PRICE (CLASS B3)
5863.76 cents

NUMBER OF UNITS (CLASS B3)
44.1 million

LAST DISTRIBUTIONS
29/02/20: 78.12 cents per unit
31/08/12: 80.15 cents per unit

BENCHMARK
The market value weighted average total return of the South African - Multi-Asset - High Equity unit trust sector, excluding Foord Balanced Fund.

SIGNIFICANT RESTRICTIONS
Maximum equity exposure of 75%; maximum offshore exposure of 30%; complies with pension fund investment regulations (Regulation 28).

INCOME DISTRIBUTIONS
End-February and end-August each year.

INCOME CHARACTERISTICS
Medium yield, approximately double that of a general equity fund. Income distributions are reduced by the annual service charge, which varies with the relative performance of the fund against its benchmark.

PORTFOLIO ORIENTATION
Medium to high weighting in JSE shares and includes exposure to listed property, commodity securities, bonds, money market instruments and foreign assets.

FOREIGN ASSETS
Foreign asset exposure is obtained predominantly via Foord International Fund (FIF) and Foord Global Equity Fund Luxembourg (FGEFL), sub-funds of Foord SICAV domiciled in Luxembourg and Foord Global Equity Fund (FGEFL) domiciled in Singapore. FIF is a conservative, multi-asset class fund. FGEFL and FGEFL comprise portfolios of global shares and cash. All funds are priced in US dollars.

RISK OF LOSS
Lower than that of a pure equity fund. High in periods shorter than six months, lower in periods greater than one year.

TIME HORIZON
Longer than three years.

ASSET ALLOCATION (MAX LIMITS IN BRACKETS *)

<table>
<thead>
<tr>
<th>Security</th>
<th>SA %</th>
<th>FOREIGN %</th>
<th>TOTAL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>35.2</td>
<td>26.4</td>
<td>61.6 (75)</td>
</tr>
<tr>
<td>Listed property</td>
<td>3.8</td>
<td>0.6</td>
<td>4.4 (25)</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>1.0</td>
<td>0.9</td>
<td>1.9 (50)</td>
</tr>
<tr>
<td>Government bonds</td>
<td>15.9</td>
<td>0.7</td>
<td>16.6 (100)</td>
</tr>
<tr>
<td>Commodities</td>
<td>5.0</td>
<td>1.3</td>
<td>6.3 (10)</td>
</tr>
<tr>
<td>Money market</td>
<td>4.1</td>
<td>5.1</td>
<td>9.2 (100)</td>
</tr>
</tbody>
</table>

* Market value breaches (if any) to be rectified within 12 months

CHANGES IN PORTFOLIO COMPOSITION

PORTFOLIO PERFORMANCE VS. BENCHMARK

INVESTMENT STRATEGY VS. INFLATION

In managing retirement portfolios, Foord aims to achieve returns that exceed inflation plus 5% per annum over any rolling five-year period. The Investment Strategy vs Inflation chart shows the annualised returns over rolling 5 years achieved by Foord on a composite of similar portfolios since the inception of the strategy on 1 January 1984 (gross of annual fees). This composite return information includes the market value weighted returns of the Foord Balanced Fund unit trust from 1 September 2002. Foord Balanced Fund unit trust is now the single largest portfolio in the composite. The chart illustrates that the actual composite return achieved for investors over any rolling five-year period has only once dipped below the South African inflation rate. It also demonstrates that real returns of 5% per annum are consistently achievable in mandates of this nature when measured over the appropriate long-term period.

PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED 1)

CHANGES IN PORTFOLIO COMPOSITION

SECURITY                        | ASSET CLASS | MARKET % OF FUND | FOREIGN % |
--------------------------------|-------------|------------------|-----------|
Foord Global Equity Fund        | Foreign assets | LUX/SGP          | 20.6      |
Foord International Fund        | Foreign assets | LUX/SGP          | 14.7      |
RSA 10.5% (R186)                | Gov bond     | ZAF              | 11.9      |
NewGold                         | Commodity    | ZAF              | 5.0       |
BHP Group                       | Equity       | ZAF              | 5.0       |
Naspers "N"                     | Equity       | ZAF              | 3.7       |
Anheuser-Busch                  | Equity       | ZAF              | 3.2       |
Aspen                           | Equity       | ZAF              | 2.7       |
FirstRand                       | Equity       | ZAF              | 2.5       |

1 Converted to reflect the average yearly return for each period presented
2 Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R’000’s above)
3 Class B3 from 1 March 2012, Class A previously
4 Net of fees and expenses
5 Source: Morningstar, performance as calculated by Foord
6 Highest and lowest actual 12 month return achieved in the period

Inflation 5% hurdle Excess return Foord

Dec-88 Dec-93 Dec-98 Dec-03 Dec-08 Dec-13 Dec-18

-5% -5% -5% -5% -5% -5% -5% -5%
COMMENTARY

- Global equities (+5.3% in US dollars) rose as earnings season produced better-than-expected results and hopes for a COVID-19 vaccine grew on promising early trial results—emerging markets (+8.9%) outperformed on dollar weakness and increased global risk appetite
- US (+5.9%) and European (+3.9%) bourses advanced again despite rising second wave pandemic infection rates clouding the economic outlook—supported by the EU resolution on €750 billion of fiscal stimulus and a Republican proposal for a further $1 trillion package in the US
- Most commodities including copper (+6.8%) and oil (+5.2%) gained—the US dollar index (-4.4%) had its worst month since 2010 prompting technical break-outs in gold (+9.5%) and silver (+34.9%)
- The FTSE/JSE Capped All Share Index (+2.9% in rands) was led higher by resources (+9.0%) with financials (+0.4%) flat and industrials (-1.3%) weaker—holdings in physical gold ETF NewGold (+8.5%), Anheuser-Busch Inbev (+10.3%) and BHP Group (+4.0%) contributed to returns while industrials British American Tobacco (-12.3%) and Aspen (-7.7%) detracted
- The All Bond Index (+0.6%) rose despite further yield curve steepening with short dated yields pulled down by SARB’s quarter-point repo rate—core holding in the shorter duration R186 (+2.5%) outperformed as market participants continue to price in higher South African sovereign risk over the longer dated debt maturities
- Listed property (-3.2%) declined after June’s bounce—the fund has a low allocation to the sector via London-listed property stock Capital & Counties and select domestic niche warehouse and distribution property companies
- The rand (+1.6%) appreciated on positive emerging market sentiment and dollar weakness but has declined 17.9% this year and remains vulnerable longer term—despite rand strength, the allocation to foreign assets (+2.4% in rand) was the largest contributor to fund returns

FEES AND DOCUMENTS

- The annual fee is based on portfolio performance with the daily fee rate being adjusted up or down based on the portfolio’s 2-year rolling return relative to that of its benchmark and is subject to a minimum fee rate. Fees accrue in the Foord global funds as disclosed.

PERFORMANCE FEES

- Performance fees align investor and manager return objectives by rewarding the manager for outperformance while penalising the manager for underperformance. Foord’s performance fee structure increases or decreases the daily fee levied based on the over- or underperformance of the Foord unit trust portfolios relative to their benchmarks. When the portfolio return exceeds the benchmark return, the daily performance fee rate is increased proportionately. Similarly, underperformance causes the daily performance fee rate to decrease proportionately. Performance fee rates are not capped for the reason that outperformance is generally not earned smoothly.

PERFORMANCE FEE EXAMPLES FOR FOORD BALANCED FUND (CLASS B3)

<table>
<thead>
<tr>
<th>SCENARIO</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foord 2-year rolling return</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Benchmark 2-year rolling return</td>
<td>8.0%</td>
<td>12.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Relative performance</td>
<td>+2.0%</td>
<td>-2.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Performance fee sharing rate</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Daily adjustment to 0.4% annual fee</td>
<td>+0.2%</td>
<td>-0.2%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Annual fee rate applied (excl. VAT)</td>
<td>0.6%</td>
<td>0.4%*</td>
<td>0.4%*</td>
</tr>
</tbody>
</table>

* Minimum fees apply

IMPORTANT INFORMATION FOR INVESTORS

- Foord Unit Trusts (RF) (Pty) Ltd (Foord), an authorised Financial Services Provider (FSP: 578). The custodian/trustee of Foord Unit Trusts is RMB Custody and Trustee Services (a division of FirstRand Bank Limited), contactable on T: 087 736 1732, F: 0860 557 774, www.rmb.co.za.
- 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. Foord Unit Trusts are traded at ruling prices and can engage in borrowing. Foord Unit Trusts does not engage in swap 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.
- Information is presented using effective exposures. Foord determines the daily exposure of each underlying unit trust and applies the appropriate performance fee. All foreign investments are converted into rand at closing market rates.
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