INVESTMENT OBJECTIVE
The fund aims to earn a higher total rate of return than that of the South African equity market, as represented by the return of the FTSE/JSE Capped All Share Index including income, without assuming greater risk.

INVESTOR PROFILE
Investors requiring long-term growth and who are able to withstand investment volatility in the short to medium term. Available as a tax free investment account.

DOMICILE
South Africa

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

FUND MANAGERS
Nick Balkin, Dave Foord and Daryll Owen

INCEPTION DATE
1 September 2002

BASE CURRENCY
South African rands

ASSET ALLOCATION
Current Q4 2019
JSE equity securities: 81.5% 84.6%
Other JSE securities: 9.6% 8.2%
Money market: 8.9% 7.2%

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

CATEGORY
South African - Equity - General

PORTFOLIO SIZE
R3.4 billion

MINIMUM LUMP SUM / MONTHLY
R50 000 / R1 000

UNIT PRICE (CLASS A)
5344.27 cents

NUMBER OF UNITS (CLASS A)
8.6 million

LAST DISTRIBUTIONS
29/02/2020: 101.70 cents per unit
31/08/2019: 98.36 cents per unit

BENCHMARK
Total return of the FTSE/JSE Capped All Share Index (prior to 1 July 2018 FTSE/JSE All Share Index).

SIGNIFICANT RESTRICTIONS
SA equity exposure between 80% and 100%, with balance invested in cash and other JSE listed securities.

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

INCOME CHARACTERISTICS
Low gross yield, similar to FTSE/JSE Capped All Share Index dividend yield. Income distributions are reduced by the annual service charge, which varies with the relative performance of the fund against its benchmark.

PORTFOLIO ORIENTATION
A portfolio of quality JSE shares that present compelling long-term investment value.

RISK OF LOSS
High in periods shorter than one year. Lower in periods greater than three years.

TIME HORIZON
Longer than five years.

PORTFOLIO PERFORMANCE VS BENCHMARK

MONTHLY PORTFOLIO PERFORMANCE vs BENCHMARK

In managing South African equity portfolios, Foord aims to construct a diversified portfolio of quality companies bought at reasonable prices to achieve long-term returns with minimum risk of capital loss. The chart above depicts the monthly returns of the portfolio relative to the monthly returns of its benchmark. Bars above the x-axis show months of outperformance against the benchmark, while bars below the x-axis show months of underperformance. Red bars represent months when the benchmark was negative and yellow bars represent months when the benchmark was positive. The chart illustrates that the portfolio has outperformed the benchmark 70% of the time when the market was down (red bars above the x-axis). Put differently, the portfolio has achieved after-fees returns in excess of the market, with lower risk of capital loss.

PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED)

PORTFOLIO PERFORMANCE VS BENCHMARK

SECTOR ALLOCATION

CHANGES IN SECTOR ALLOCATION

INCOME CHARACTERISTICS
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COMMENTARY
- Global equities (-13.2% in US dollars) fell on plummeting growth expectations as global Covid-19 pandemic mass shutdowns took effect – emerging markets (-15.4%) underperformed, led by oil exporters Brazil (-38.2%) and Russia (-23.3%) as the Russia-Saudi Arabian oil price war sent oil prices (-55%) to 17-year lows
- The FTSE/JSE Capped All Share Index (-13.3% in rand) also fell sharply as the global economic demand shock led to a scramble for liquidity with investors selling down most asset classes – resources (-12.4%), financials (-29.3%) and industrials (-22.6%) were all sharply lower
- Food producers (+7.5%) and food retailers (-0.3%) held up but SA listed property (-36.6%) and general retailers (-31.8%) were hardest hit – the latter’s inability to trade for at least three weeks compounding an already financially distressed performance
- Defensive assets cash (+0.6%) and the Newgold ETF (+13.2%) provided some protection of investor capital – the bias to non-resource rand hedges and low weight in troubled SA Inc. companies also helped relative performance
- Stock selection was mixed with core holdings in quality companies Aspen (-7.2%), Italtile (-4.7%) and Annheuser-Busch Inbenj (-7.8%) faring better than the overall market – the biggest detractors were Sasol (-81.4%) and RMB Holdings (-28.1%) although the latter held up far better than ABSA (-44.1%) and Nedbank (-54.1%) neither of which were in the portfolio
- The rand (-13.9% vs the US dollar) is one of the worst performing currencies this year (-27.4% YTD vs the US dollar) as the global demand shock compounded South Africa’s structural headwinds – Moody’s finally joined Fitch and S&P in downgrading SA debt to sub-investment grade, with all three agencies now on a negative outlook
- The fund remains defensively structured given the weak South African economy and uncertainty about the extent of the economic shutdown – good diversification, optionality and high levels of liquidity position the portfolio exceptionally well for the current environment

FEE RATES (CLASS A)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial, exit and switching fees</td>
<td>0.0%</td>
</tr>
<tr>
<td>Standard annual fee for equalling benchmark</td>
<td>1.0% plus VAT</td>
</tr>
<tr>
<td>Performance fee sharing rate</td>
<td>15% (over- and under-performance)</td>
</tr>
<tr>
<td>Minimum annual fee</td>
<td>0.5% plus VAT</td>
</tr>
<tr>
<td>Maximum annual fee</td>
<td>Uncapped</td>
</tr>
</tbody>
</table>

ANNUALISED COST RATIO (CLASS A)

<table>
<thead>
<tr>
<th>Description</th>
<th>12 MONTHS</th>
<th>36 MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TER — Basic</td>
<td>1.18%</td>
<td>1.16%</td>
</tr>
<tr>
<td>— Performance</td>
<td>-0.56%</td>
<td>-0.55%</td>
</tr>
<tr>
<td>Transaction costs*</td>
<td>0.12%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Total cost ratio</td>
<td>0.74%</td>
<td>0.72%</td>
</tr>
</tbody>
</table>

* The quantum of transaction costs is affected by the quantum of the gross in- and outflows over the period presented.

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.

The annual fee is based on portfolio performance fee with the daily fee rate being adjusted up or down based on the portfolio’s one-year rolling return relative to that of its benchmark and subject to a minimum fee rate.

PERFORMANCE FEE EXAMPLES FOR FOORD EQUITY FUND (CLASS A)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foord 1-year rolling return</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Benchmark 1-year rolling return</td>
<td>8.0%</td>
<td>12.0%</td>
<td>10.0%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Relative performance</td>
<td>+2.0%</td>
<td>-2.0%</td>
<td>0.0%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Performance fee sharing rate</td>
<td>15.0%</td>
<td>15.0%</td>
<td>15.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Daily adjustment to 1% annual fee</td>
<td>+0.3%</td>
<td>-0.3%</td>
<td>0.0%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Annual fee rate applied (excl. VAT)</td>
<td>1.3%</td>
<td>0.7%</td>
<td>1.0%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

* Minimum fees apply

IMPORTANT INFORMATION FOR INVESTORS

Foord Unit Trusts (RF) (Pty) Ltd (Foord Unit Trusts) is an approved CISCA Management Company (410), regulated by the Financial Services Board. Portfolios are managed by Foord Asset Management (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 (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 variations in unit price, 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 does not provide any guarantee either with respect to the capital or the performance return of the investment. Unit trusts are traded at ruling prices and can engage in borrowing. Foord Unit Trusts does not engage in scrip lending. A schedule of fees and charges and maximum commissions is available on request. Distributions may be subject to mandatory withholding tax. Performance returns are not adjusted for income tax. A fund of funds invests only in other Collective Investment Scheme portfolios, which may levy their own charges, which could result in a higher fee structure. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of units in a single portfolio of a Collective Investment Scheme which could result in a higher fee structure. 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. Please contact us for more information regarding investment track record, Foord team, current and archived news items, investor testimonials, forms and documents. This information is free of charge.

UNIT PRICE
Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio. Forward pricing is used. Prices are determined at 15h00 each business day and are published daily on www.foord.co.za and in national newspapers. The cut-off time for instruction is 14h00 each business day.

TER
A Total Expense Ratio (TER) is a measure of a portfolio’s annual expenses, fees and charges, expressed as a percentage of the average daily value of the portfolio. These expenses include the annual fee, VAT, audit fees, bank charges and costs, including trading costs, incurred in any underlying funds. Included in the TER, but separately disclosed, is a performance fee (or credit) resulting from overperformance (or underperformance) against the benchmark. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Performance return information and prices are always stated net of the expenses, fees and charges included in the TER. The TER for the fund’s financial year ended 29 February 2020 was 0.59%.

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 currency and foreign 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.

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

This is a Minimum Disclosure Document. Published on 3 April 2020. Additional detailed analysis is published in the Quarterly Portfolio Report available on www.foord.co.za.