INVESTMENT OBJECTIVE
To achieve meaningful inflation-beating US$ returns over rolling five-year periods from a conservatively managed portfolio of global equities, warrants, exchange traded funds, UCITS and other UCIs, interest bearing securities and cash instruments reflecting Foord’s prevailing best investment view.

INVESTOR PROFILE
Investors requiring diversification through offshore investment — with exposures to currencies, markets and securities not available in South Africa; seeking a hedge against ZAR currency depreciation.

DOMICILE
South Africa

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

FUND MANAGERS
Brian Arcese and Dave Foord

INCEPTION DATE
1 March 2006 / 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
Global - Multi-Asset - Flexible

PORTFOLIO SIZE
R3.7 billion

UNIT PRICE (CLASS B2)
4934.53 cents

NUMBER OF UNITS (CLASS B2)
57.0 million

SIGNIFICANT RESTRICTIONS
The portfolio may only invest in cash and one other collective investment scheme.

DISTRIBUTIONS
The Foord International Fund, in which the fund invests, does not distribute its income.

INCOME CHARACTERISTICS
Marginal to zero income yield as the Foord International Fund is a roll-up fund and does not distribute its income.

PORTFOLIO ORIENTATION
Fully invested in the Foord International Fund, sub-fund of Foord SICAV, domiciled in Luxembourg.

RISK OF LOSS
Currency volatility means risk of loss in the short term is high. In general, the risk of loss is lower than that of the average foreign equity fund.

TIME HORIZON
Longer than three years.

INCREASED RISK INDICATOR

ASSET ALLOCATION

CHANGES IN PORTFOLIO COMPOSITION: MASTER FUND

EQUITY SECTOR ALLOCATION

GEORGIC EXPOSURE

TOP 10 INVESTMENTS

PORTFOLIO PERFORMANCE

PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED)

1 Converted to reflect the average yearly return for each period presented.
2 Current value of RAND 000 notional lump sum invested at inception, distributions reinvested (graphically represented in RAND 000s above)
3 Class B2 from 1 March 2012. Class A previously
4 Net of fees and expenses
5 USD Flexible Allocation Morningstar category (provisional). Source: Morningstar
6 *US headline consumer price index. Source: Bloomberg L.P., performance as calculated by Foord (estimated for March 2020)
7 *MSCI World Equity Total Return Index (Developed Markets). Source: Bloomberg L.P., performance as calculated by Foord
8 *FTSE World Government Bond Index. Source: Bloomberg L.P., performance as calculated by Foord
9 Highest and lowest actual 12 month rand return achieved in the period

MARCH 2020
CLOSED TO NEW INVESTMENT
COMMENTARY

- Developed market equities (-13.2%) fell precipitously, with the S&P 500 recording its fastest-ever bear market correction (-20% in 20 days) on expectations the COVID-19 pandemic would trigger global recession – economic activity has plummeted with up to one-third of the global population in some form of isolation.
- Emerging markets (-15.4%) underperformed – led by Brazil (-38.2%) and fellow oil exporter Russia (-23.3%) as the Russia-Saudi Arabian oil price war sent oil prices (-55%) to 17-year lows.
- Defensive safe-haven Swiss pharmaceutical Roche Holdings (+4.4%) was the fund’s best performing equity investment – but leading agricultural chemicals manufacturer FMC Corp (-11.8%) detracted.
- Developed market bond yields and the US 10-year hit fresh lows – investors pushed into safe-havens as volatility soared and global risk appetite evaporated.
- The US dollar was little changed against the majors but rallied against emerging market currencies – the dollar is sought after in times of stress.
- The fund’s S&P 500 hedges helped limit market losses – the put options and short futures positions contributed +3.3% to fund performance.
- Cyclical industrial commodities including oil and copper (-12.0%) tumbled as global demand expectations fell on COVID-19 fears – gold (+1.2%) performed best as volatility intensified.

The fund retains the S&P 500 hedges given the secondary consequences of the market rout on credit markets – the managers are nevertheless considering quality long-term opportunities that are now attractively priced.

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.

FEE RATES (CLASS B2)

<table>
<thead>
<tr>
<th>Category</th>
<th>Initial, exit and switching fees</th>
<th>Annual fees</th>
<th>Underlying investment fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.0%</td>
<td>0.1% plus VAT</td>
<td>1.35% fixed annual fee</td>
</tr>
</tbody>
</table>

ANNUALISED COST RATIO (CLASS B2)

<table>
<thead>
<tr>
<th>Period</th>
<th>TER — Basic</th>
<th>TER — Performance</th>
<th>Transaction costs</th>
<th>Total cost ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 MONTHS</td>
<td>1.56%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.56%</td>
</tr>
<tr>
<td>36 MONTHS</td>
<td>1.54%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>1.54%</td>
</tr>
</tbody>
</table>

INVESTING OFFSHORE

While an investment in the fund provides for global asset exposure, you may only invest and withdraw rand. Your contribution to a fund of this nature is over and above the South African offshore allowance.

INVESTING FOR THE LONG TERM

At Foord Unit Trusts, we believe in investing for the long term. We seek to partner with clients who wish to invest for decades and who understand that superior long-term returns are not achieved smoothly every year. We pledge to earn your trust by investing your money with the same care and dedication with which we invest our own.

ABOUT THE TARGET FUND

The Foord International Fund (FIF) is the target fund for the Foord International Feeder Fund. FIF was launched as a global equity fund in 1997 when South African exchange controls were first relaxed. It was a tumultuous time for global equity markets. Price-earnings multiples (PEs) on the S&P 500 Index in the USA grew from around 15-times earnings in 1995 to around 20-times earnings when the fund commenced. They headed even higher as investors speculated in the dot-com bubble leading up to the early 2000s.

Given the speculative fever in equity markets and the entrenched Foord investment philosophy of protecting investors from permanent capital losses, the managers changed the fund’s investment policy to one of flexible asset allocation. Investment grade interest bearing assets in excess of 40% of the portfolio were subsequently included in the fund, which protected investors’ capital when equity markets retraced their gains in 1999/2000 (see Chart 1).

Within the reduced equity component, the investment thesis continued to focus on quality companies offering a safe but adequate return, mostly in developed economics. The managers then set an absolute return investment objective for the fund. Chart 2 demonstrates that FIF has consistently delivered real returns of approximately 5% per annum in US dollars over rolling five year cycles.

CHART 1: CUMULATIVE RETURNS

CHART 2: ROLLING 5 YEARS VS US INFLATION

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 PROVIDED FREE OF CHARGE.

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IMPORTANT INFORMATION FOR INVESTORS

Foord Unit Trusts (RF) (Pty) Ltd (Foord Unit Trusts) is an approved CISCIA Management Company (#410), regulated by the Financial Services Board. Portfolio managers are managed by Foord Asset Management (Pty) Ltd (Foord), an authorised Financial Services Provider (#SP: 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-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 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. 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. Performance information is presented using effective exposures. 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 has plummeted with up to one-third of the global population in some form of isolation. 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 unittrusts@foord.co.za. The document is protected by copyright and may not be altered without prior written consent.

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 1400h 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 1.50%.

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 reparation 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.

Published on 3 April 2020.