

### 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

R3.5 billion

### UNIT PRICE (CLASS B2)

5580.52 cents

### NUMBER OF UNITS (CLASS B2)

48.4 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.

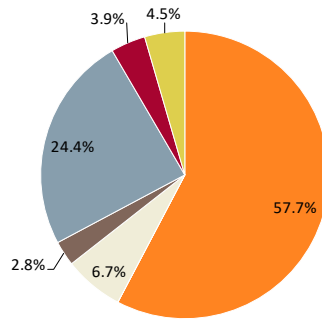
### TIME HORIZON

Longer than three years.

### RETURNS IN US\$

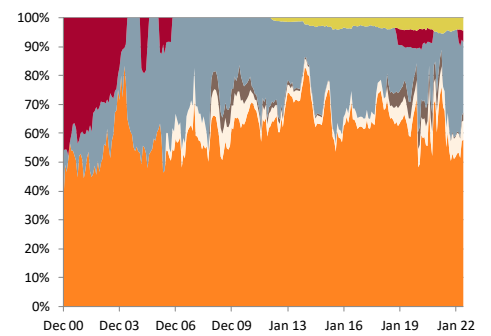
Investment returns in US\$ may not reconcile exactly to those of Foord International Fund as pricing within the feeder fund lags by one valuation interval.

### ASSET ALLOCATION

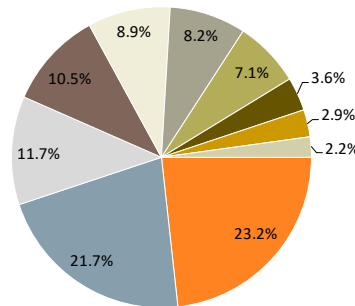


Equities Hedged equities Commodities Corporate bonds Money market Government bonds Property

### CHANGES IN PORTFOLIO COMPOSITION: MASTER FUND

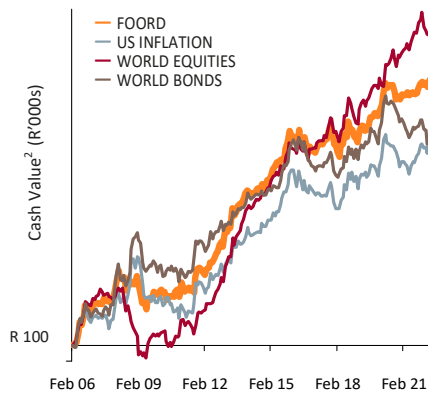


### EQUITY SECTOR ALLOCATION



Materials Healthcare  
Communication services Financials  
Consumer discretionary Consumer staples  
Utilities Industrials  
Energy Information technology

### PORTFOLIO PERFORMANCE



### GEOGRAPHIC EXPOSURE

	TOTAL PORTFOLIO %	REGIONAL EQUITY %	CASH %
North America	47	19	24
Europe	27	21	-
Pacific	10	5	-
EM Asia	14	13	-
Africa & Middle East	2	-	-
	100	58	24

### TOP 10 INVESTMENTS

SECURITY	ASSET CLASS	MARKET	% OF FUND
FMC Corp	Equity	USA	6.3
ETFs Physical Gold	Commodity	GBR	6.2
Nestle	Equity	CHE	4.9
SSE PLC	Equity	GBR	4.8
CVS Health Corp	Equity	USA	4.5
Freeport-McMoran Inc	Equity	USA	3.6
Alibaba Group Holding Ltd	Equity	HKG	3.5
Wheaton Precious Metals	Equity	USA	3.4
US Treasury 1.5%	Gov bond	USA	3.4
Wharf REIT	Property	HKG	3.3

### PORTFOLIO PERFORMANCE (PERIODS GREATER THAN ONE YEAR ARE ANNUALISED <sup>1</sup>)

	CASH VALUE <sup>2</sup>	SINCE INCEPTION	LAST 15 YEARS	LAST 10 YEARS	LAST 7 YEARS	LAST 5 YEARS	LAST 3 YEARS	LAST 12 MONTHS	THIS MONTH
<b>IN RANDS</b>									
FOORD <sup>3,4</sup>	R 559 180	11.1%	10.2%	12.7%	8.4%	9.1%	12.0%	12.0%	1.3%
PEER GROUP <sup>4,5</sup>	R 336 003	7.7%	6.4%	9.9%	5.9%	6.5%	6.3%	0.5%	-0.5%
US INFLATION <sup>6</sup>	R 382 435	8.6%	8.1%	9.7%	7.2%	8.1%	9.3%	22.5%	4.1%
WORLD EQUITIES <sup>7</sup>	R 686 348	12.5%	11.2%	18.0%	12.7%	13.1%	12.8%	-1.9%	-4.9%
WORLD BONDS <sup>8</sup>	R 368 378	8.3%	7.8%	6.4%	4.3%	3.3%	0.5%	-5.2%	0.8%
FOORD HIGHEST <sup>3,4,9</sup>		42.1%	42.1%	40.9%	32.9%	32.9%	32.9%	12.0%	
FOORD LOWEST <sup>3,4,9</sup>		-18.5%	-18.5%	-11.9%	-11.9%	-6.3%	-6.3%	12.0%	

<sup>1</sup> Converted to reflect the average yearly return for each period presented

<sup>2</sup> Current value of R100 000 notional lump sum invested at inception, distributions reinvested (graphically represented in R'000s above)

<sup>3</sup> Class B2 from 1 March 2012, Class A previously

<sup>4</sup> Net of fees and expenses

<sup>5</sup> USD Flexible Allocation Morningstar category (provisional). Source: Morningstar

<sup>6</sup> US headline consumer price index. Source: Bloomberg L.P., performance as calculated by Foord (lagged by one month)

<sup>7</sup> MSCI World Equity Total Return Index (Developed Markets). Source: Bloomberg L.P., performance as calculated by Foord

<sup>8</sup> FTSE World Government Bond Index. Source: Bloomberg L.P., performance as calculated by Foord

<sup>9</sup> Highest and lowest actual 12 month rand return achieved in the period

### COMMENTARY

- Developed market equities (-8.7%) fell sharply, with the S&P 500 Index (-8.3%) recording the worst first-half performance since 1970 — persistent and accelerating inflation is eroding consumer confidence and increasing fears that the Fed can no longer orchestrate a soft landing
- Chinese bourses (+6.6%) were the best performing global stocks, causing emerging markets (-6.6%) to outperform — driven by a seemingly more constructive technology regulatory environment and modest improvement of some COVID-19 restrictions
- Developed market bond yields rose, with US 10-year yields latterly retreating below 3.0% after having reached a mid-month peak near 3.5% — as investor worries for untamed inflation gave way to recession fears following the Fed's 75bp increase of the targeted federal funds rate
- Oil (-6.5%) fell for the first time this year on rising global recession fears — while the previously acute price pressures in soft commodities began to ease with wheat (-20.1%), corn (-1.3%) and soybean (-0.5%) prices falling
- Gold (-2.1%) declined as real rates now on offer for select fixed interest instruments have increased the opportunity cost of holding the metal — silver (-6.2%), which doubles as an industrial metal, fell further on economic growth concerns
- The US dollar strengthened against all major currencies including the euro (+2.4%), British pound (+3.6%) and Japanese yen (+5.3%) — widening interest rate differentials coupled with the dollar's safe-haven status have concurrently served to materially strengthen the greenback this year
- Fund hedges including a short S&P 500 futures position contributed most to fund returns in the declining market — agricultural insecticide producer FMC Corp (-12.3%) and copper miner Freeport-McMoRan (-25.1%) detracted
- With its safety-first approach, the master fund has protected investor capital and outperformed 95% of its Morningstar USD Flexible Allocation peers this year — the YTD draw-down is just -0.4% against the peer group average of -13.5%
- The rand (-4.1% against the US dollar) initially strengthened but ended the month weaker after a higher-than-expected US inflation print and more hawkish Fed comments — the currency remains structurally vulnerable but should have some support near term given current inverse inflation differentials with the major developed economies

### FEE RATES (CLASS B2)

Initial, exit and switching fees	0.0%
Annual fees	0.1% plus VAT
Underlying investment fees levied in the Foord International Fund	1.00% per annum fixed annual fee from June 2020 (previously 1.35%)

### TOTAL INVESTMENT CHARGE

	12 MONTHS	36 MONTHS
<b>Total expense ratio (TER)</b>	<b>1.18%</b>	<b>1.25%</b>
Manager's charge (basic)	0.10%	0.10%
Performance charge	-	-
Foord global charges	1.05%	1.12%
VAT and sundry costs	0.03%	0.03%
<b>Transaction costs (incl VAT)</b>	<b>-</b>	<b>-</b>
<b>Total investment charge</b>	<b>1.18%</b>	<b>1.25%</b>

### INVESTING OFFSHORE

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

### 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.

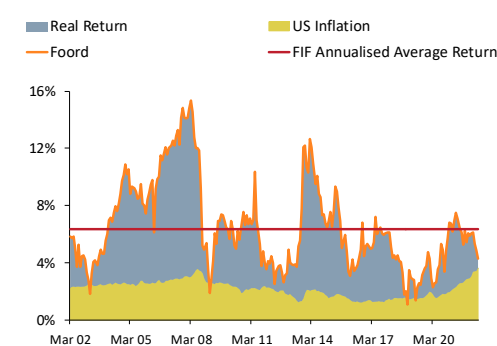
Given the speculative fever in equity markets and the entrenched Foord investment philosophy of protecting investors from permanent capital losses, the managers changed the fund's investment policy to one of flexible asset allocation. Investment grade interest bearing assets in excess of 40% of the portfolio 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 economies.

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, FORMS AND DOCUMENTS. THIS INFORMATION IS PROVIDED FREE OF CHARGE.**

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### IMPORTANT INFORMATION FOR INVESTORS

ISIN Number: ZAE000164935

Foord Unit Trusts (RF) (Pty) Ltd (Foord Unit Trusts) is an approved CISCA Management Company (#10), regulated by the Financial Sector Conduct Authority. 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](http://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 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. Portfolio 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.

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### 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](http://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 (excluding 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 31 March 2022 was 1.13%.

### 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.

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

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