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

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

MINIMUM LUMP SUM / MONTHLY
Fund is closed to new investment

UNIT PRICE (CLASS A)
4778.44 cents

NUMBER OF UNITS (CLASS A)
7.4 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.
COMMENTARY

• Developed market equities (+4.2%) again reached new highs— the approval of the first COVID-19 vaccines by US, UK and EU regulators and (delayed) passage of a $900 billion US pandemic relief bill drove markets

• Improving global economic sentiment propelled emerging markets (+7.4%) higher—commodity exporters Brazil (+13.6%) and Russia (+10.1%) led returns, boosted by increases in underlying commodity prices including oil (+8.9%) and iron ore (+25.1%)

• Developed market bond yields diverged modestly—European sovereign yields declined on reaccelerating COVID-19 infections, while US yields edged higher on a modest improvement in US employment and the COVID-19 vaccine approvals

• The US dollar continued to weaken against most emerging market currencies and the majors—improving global economic prospects and an 11th hour Brexit trade deal led to gains for the euro (+2.3%) and British pound (+2.4%)

• Industrial commodities oil (+8.9%), copper (+2.7%) and iron ore (+25.1%) rose on expectations that production, distribution and uptake of COVID-19 vaccines may be enough to curtail the pandemic and accelerate global growth in 2021—precious metals gold (+6.6%) and silver (19.6%) rebounded after three months of retreat

• UK utility SSE PLC (+11.8%) and Hong-Kong property developer Wharf REIC (+11.9%) contributed the most to performance—Chinese insurer PICC Property & Casualty (-8.3%), detracted

• The managers continue to favour equities over other asset classes—mindful of elevated equity valuations, however, the managers also hold cash, precious metals and a modest derivative position to hedge against a potential market retracement

• The rand (+5.0% vs the US dollar) gained on broad-based dollar weakness and positive emerging markets sentiment on COVID-19 vaccine news and expectations for accelerating global economic growth in 2021—despite recent dollar weakness, the rand (-5.0%) is weaker over 2020 and remains vulnerable over the longer term

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>Annual fee</td>
<td>0.35% plus VAT</td>
</tr>
<tr>
<td>Underlying investment fees levied in the Fored International Fund</td>
<td>1.00% per annum fixed annual fee from June 2020 (previously 1.33%)</td>
</tr>
</tbody>
</table>

TOTAL INVESTMENT CHARGE

<table>
<thead>
<tr>
<th>Description</th>
<th>12 MONTHS</th>
<th>36 MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expense ratio (TER)</td>
<td>1.57%</td>
<td>1.73%</td>
</tr>
<tr>
<td>Manager’s charge (basic)</td>
<td>0.35%</td>
<td>0.35%</td>
</tr>
<tr>
<td>Performance charge</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foord global charges</td>
<td>1.15%</td>
<td>1.31%</td>
</tr>
<tr>
<td>VAT and sundry costs</td>
<td>0.07%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Transaction costs (incl VAT)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total investment charge</td>
<td>1.57%</td>
<td>1.73%</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.

ABOUT THE MASTER FUND

The Foord International Fund (FIF) is the master 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.

E: unittrusts@foord.co.za  T: +27 (0)21 532 6969  F: +27 (0)21 532 6970  www.foord.co.za

IMPORMTANT INFORMATION FOR INVESTORS

Foord Unit Trusts (Pty) Ltd (Foord Unit Trusts) is an approved CISC Management Company (810), 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 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 investments. 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. Portfolio information is presented using effective exposures. A fund of funds is a portfolio of other collective investment schemes. 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 conditions and are not guaranteed to be correct. 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 1500h every business day and published daily on www.foord.co.za and in national newspapers. The cut-off time for instruction is 1400h each business day.

TEN

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 29 February 2020 was 1.84%.

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. This is a Minimum Disclosure Document. Published on 06 January 2021.