

MIND OF THE MANAGER

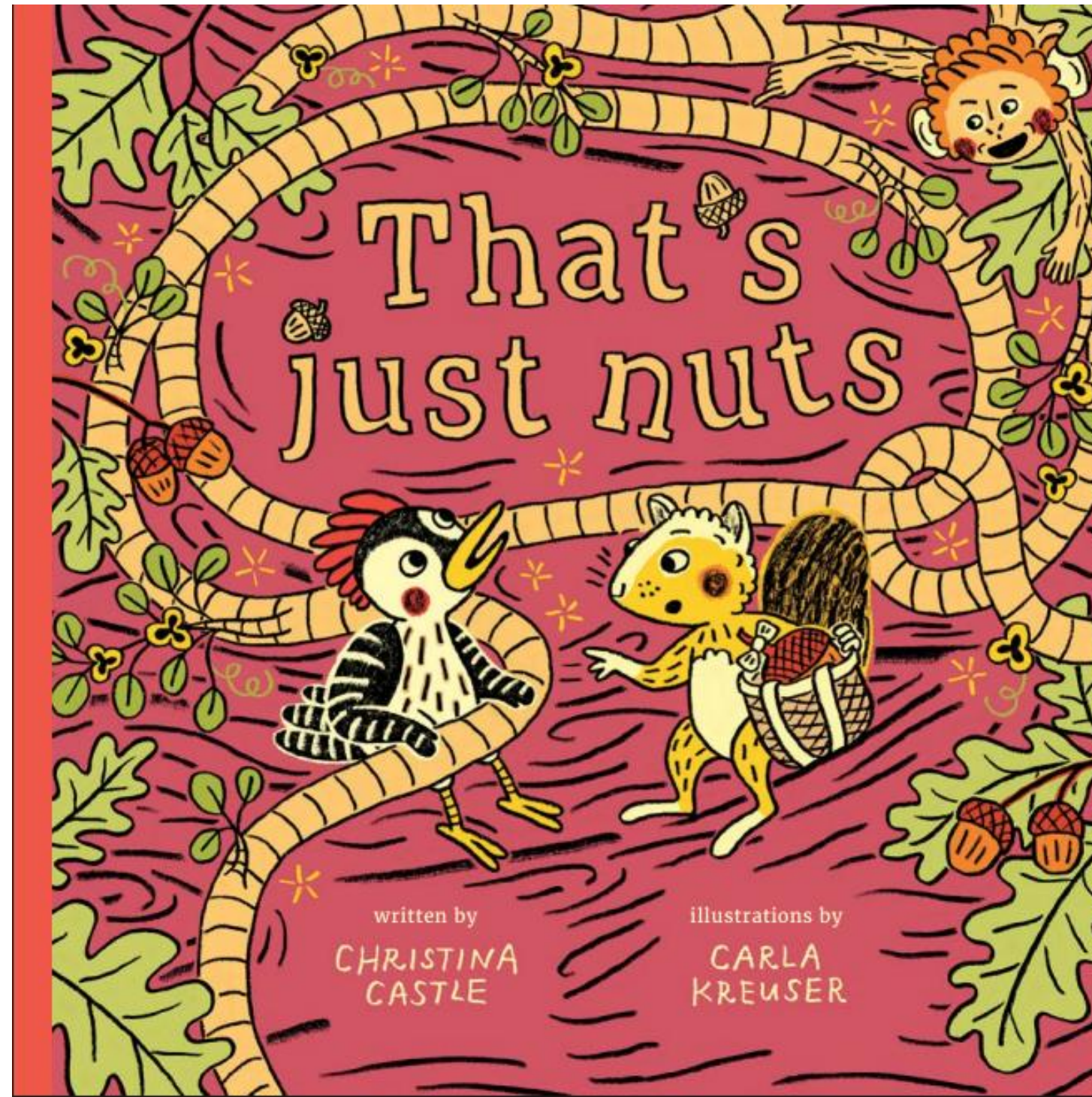
Paul Cluer

Mike Townshend

Linda Eedes

January 2026

FO*RD*



Asset class return percentages

Gold and equities at or near all-time highs

	Calendar year 2025	Calendar year 2024	Calendar year 2023
Developed market equities (\$)	21.6	19.2	24.4
Global bonds (\$)	7.5	-2.9	5.2
Chinese equities (\$)	28.1	16.3	-13.3
SA shares (FTSE/JSE Capi)	42.6	13.4	8.4
SA shares (FTSE/All Share) (\$)	62.0	10.5	1.4
SA bonds	24.2	17.2	9.7
SA listed property	30.6	29.0	10.2
Gold (\$)	64.6	27.2	13.1
Oil (\$)	-18.5	-3.1	-10.3
R/\$	13.8	-2.6	-7.2
\$/Euro	-11.9	6.6	-3.0



Foord global funds

Percentages in US dollars

	Calendar year 2025	Calendar year 2024	Calendar year 2023	Last 10 years
Foord International (\$)	31.0	-1.8	-3.9	5.7
<i>Peer group (\$)</i>	13.2	7.2	9.6	5.4
Foord Global Equity (\$)	22.3	10.8	7.6	8.3
<i>MSCI All Country World Equities (\$)</i>	22.3	17.5	22.2	11.7
Foord Asia ex-Japan (\$)	32.9	17.3	-3.8	-
<i>MSCI Asia ex-Japan Index (\$)</i>	32.3	12.0	6.0	-

Foord International and Foord Asia ex-Japan Funds Class R, Foord Global Equity Fund Class B returns. Returns for periods exceeding 12 months are annualised percentages



Foord SA funds

Percentages in South African rand

	Calendar year 2025	Calendar year 2024	Calendar year 2023	Last 10 years
Foord Flexible	15.2	8.8	12.0	7.3
Foord Balanced	17.4	11.4	13.0	7.8
Foord Conservative	13.3	13.1	12.0	8.3
<i>SA inflation</i>	3.6	3.0	5.1	4.8
Foord Equity	21.5	22.3	13.2	8.0
<i>Benchmark — FTSE/JSE Capi</i>	42.6	13.4	8.4	12.6

Class A returns, net of fees. Returns for periods exceeding 12 months are annualised percentages



Foord SA fixed income funds

Percentages in South African rand

	Calendar year 2025	Calendar year 2024	Calendar year 2023	From Inception
Foord Income Fund*	9.9	10.1	9.7	9.8
<i>Stefi Call Deposit Index</i>	7.5	8.5	8.0	7.9
Foord Flex Income**	9.5	9.4	8.7	9.5
<i>110% Stefi Call Deposit Index</i>	8.0	9.1	8.6	8.4
Foord Bond**	19.8	15.8	9.6	15.3
<i>FTSE/JSE All Bond Index</i>	24.2	17.2	9.7	17.1

* Class B2 returns, net of fees.

** Class A returns, net of fees.

Returns for periods exceeding 12 months are annualised percentages



Trump 2.0 — Shock and awe

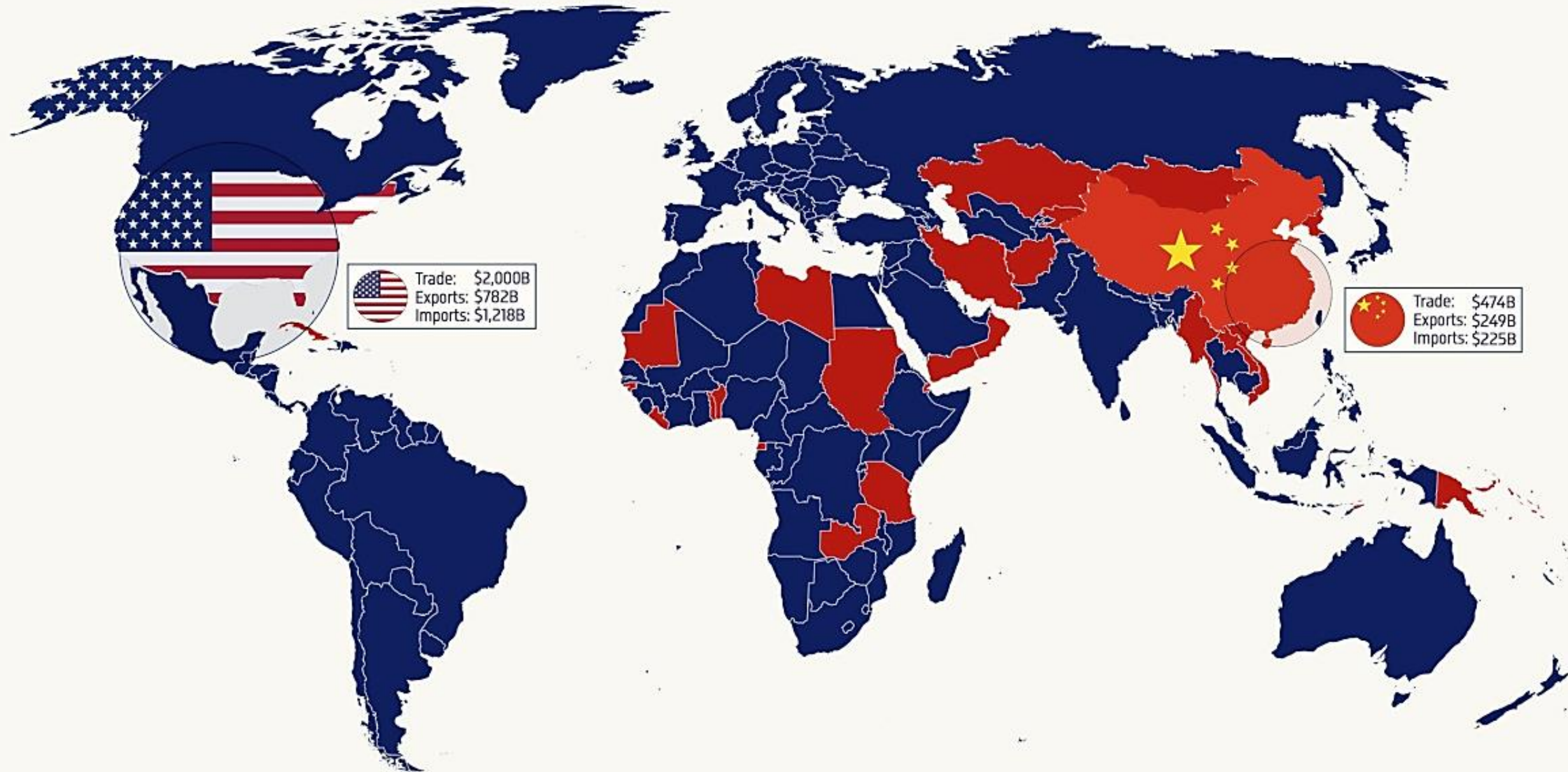
Shaking up the world order



Global Trade: US vs China

2000

- U.S. as the Larger Trading Partner
- China as the Larger Trading Partner



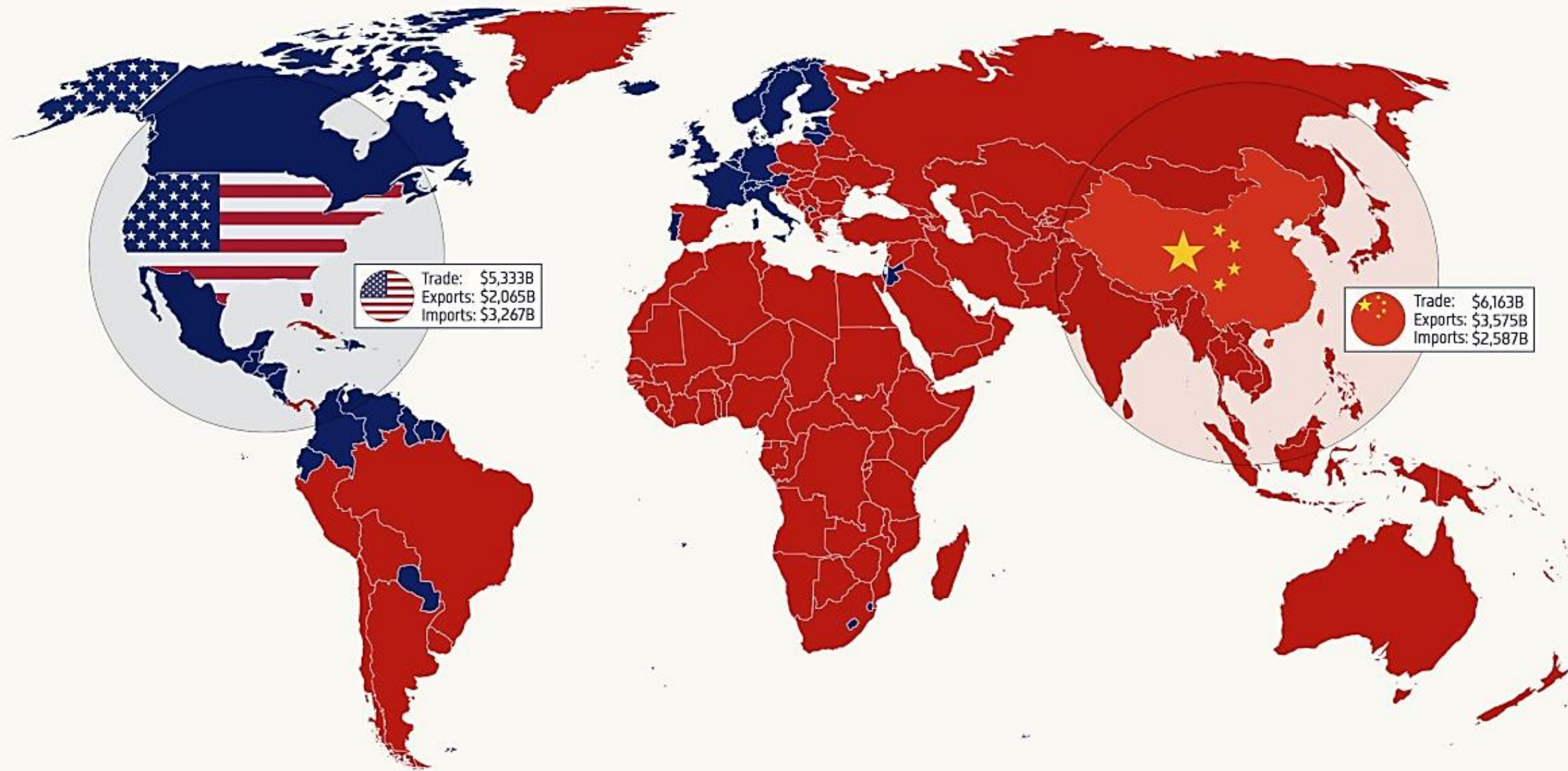
Source: Visual Capitalist, US Census, Customs of China



Global Trade: US vs China

2024

- U.S. as the Larger Trading Partner
- China as the Larger Trading Partner



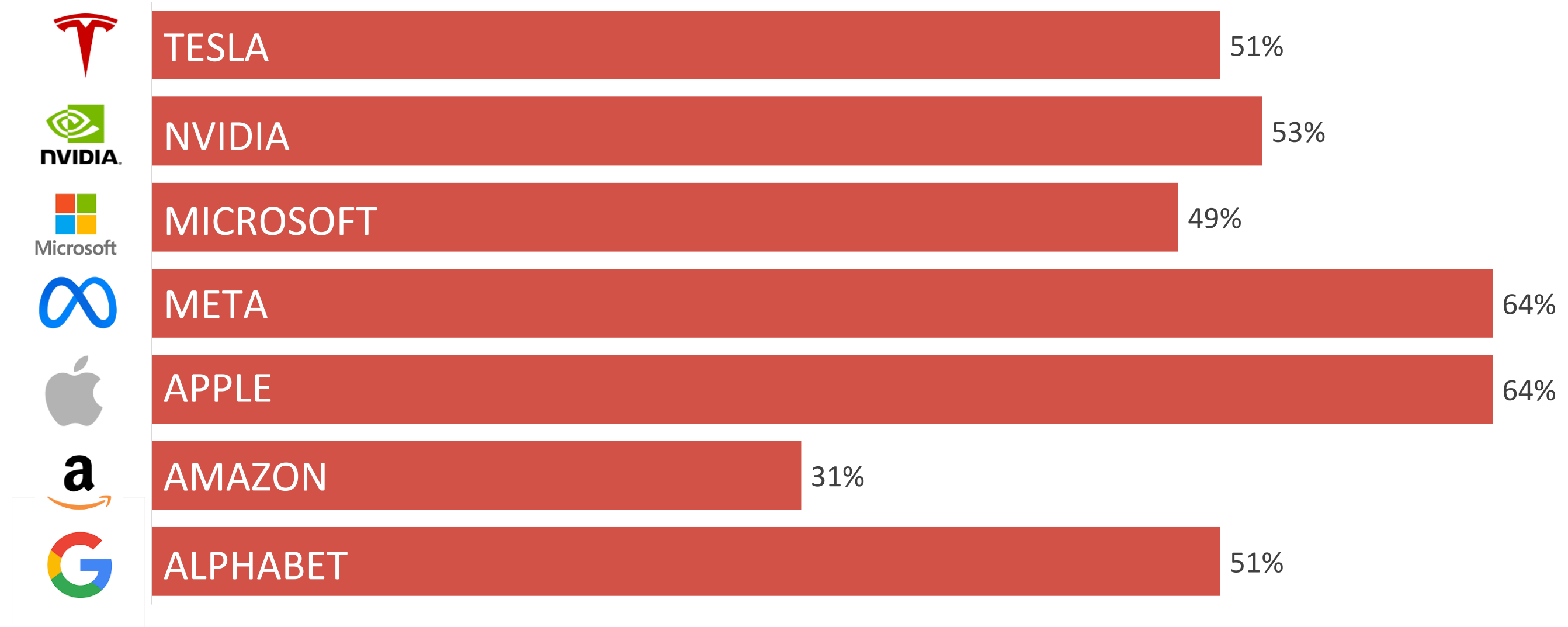
Source: Visual Capitalist, US Census, Customs of China



US wealth linked to global prosperity

More than 50% of Magnificent 7's revenues come from outside of the US

Percentage of Magnificent 7 companies' offshore revenue

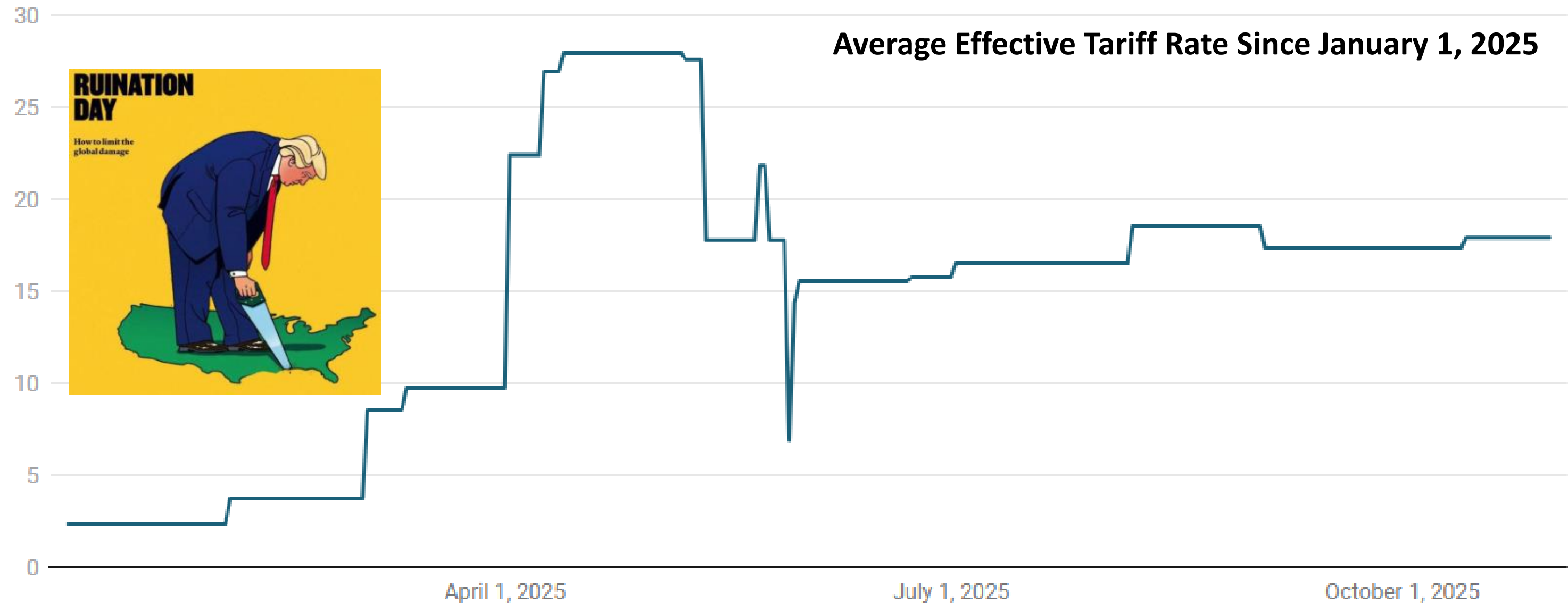


Source: Factset



US tariffs creating uncertainty

Effectives rates now 17.7% after decades below 5%



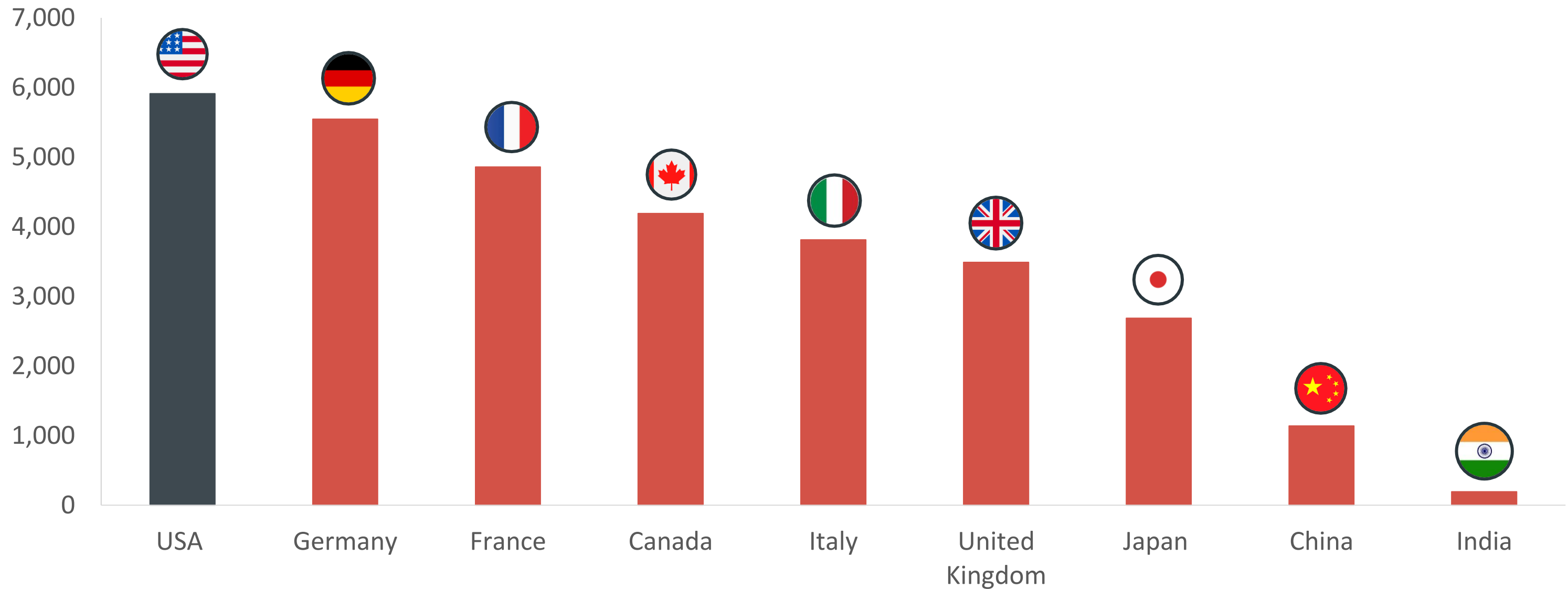
Source: The Budget Lab



US manufacturing is expensive

US has the highest average monthly manufacturing wages

Average Monthly Manufacturing Wages

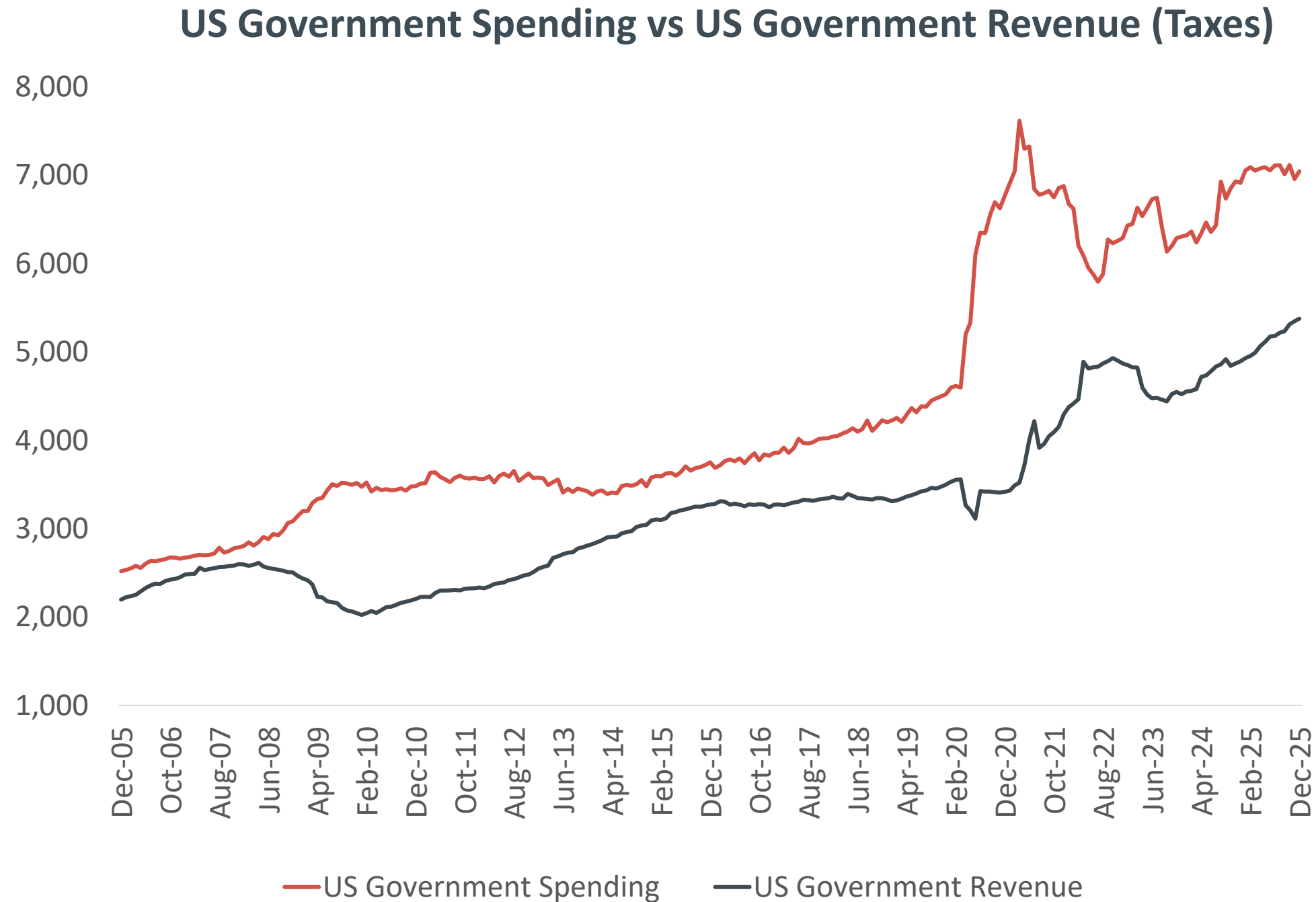


Source: Canada, United Kingdom, United States of America and India data is for 2023. Germany, France, Italy and China data is for 2022. Japan data is for 2021. Source: ILO, National Bureau of Statistics of China, Apollo Chief Economist



US is playing with a weak hand

Government spending has risen faster than taxes



Source: Bloomberg



The dollar has experienced a substantial decline in 2025

Confidence in the dollar as the World's reserve currency has waned



Source: Factset



Gold has been best-performing asset for past 2 years

Supported by central bank buying & geopolitical uncertainty

Gold Price (\$)

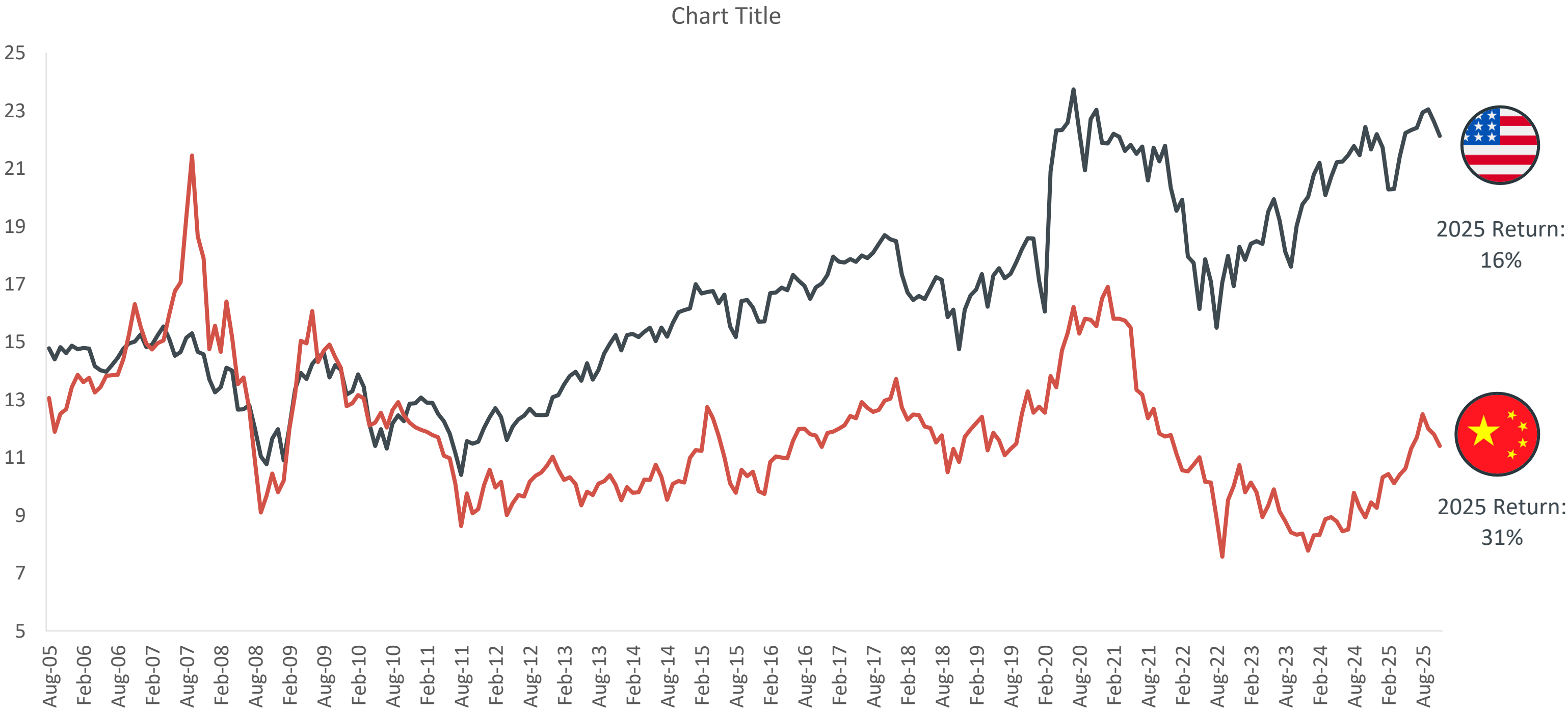


Source: Factset



Cautious on expensive US megacaps

Favour non-US equities with strong fundamentals, priced more attractively

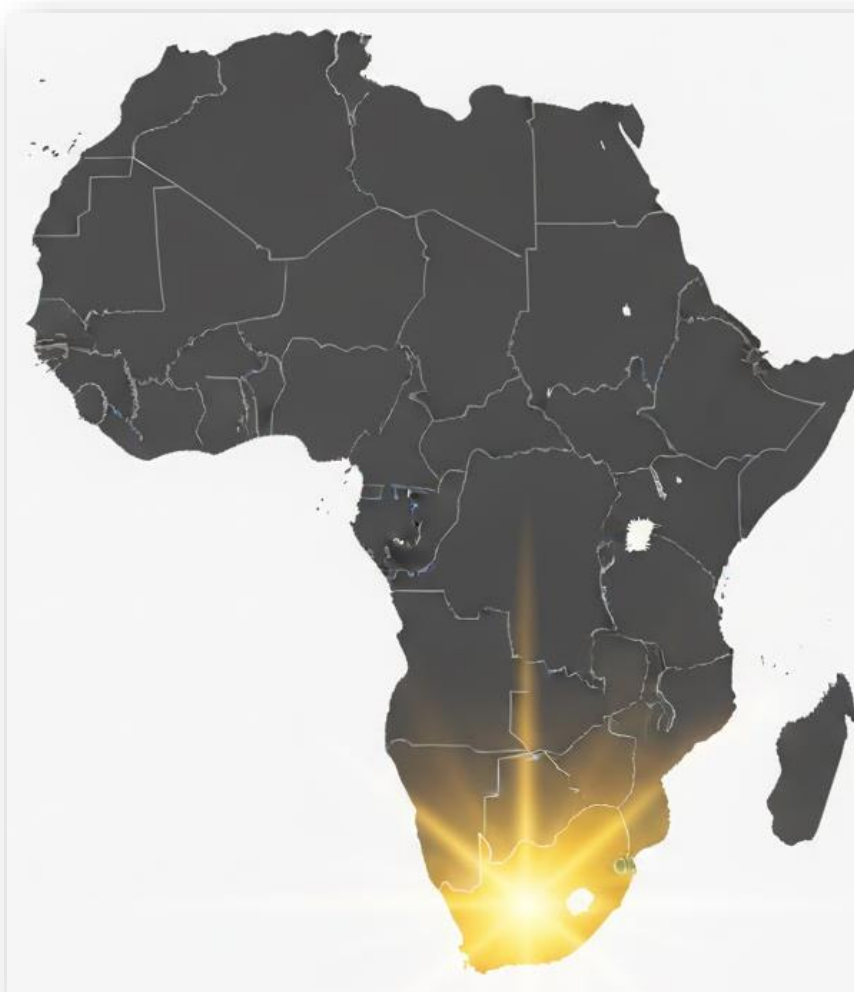


Source: Factset



South Africa

In a sweet spot — for now



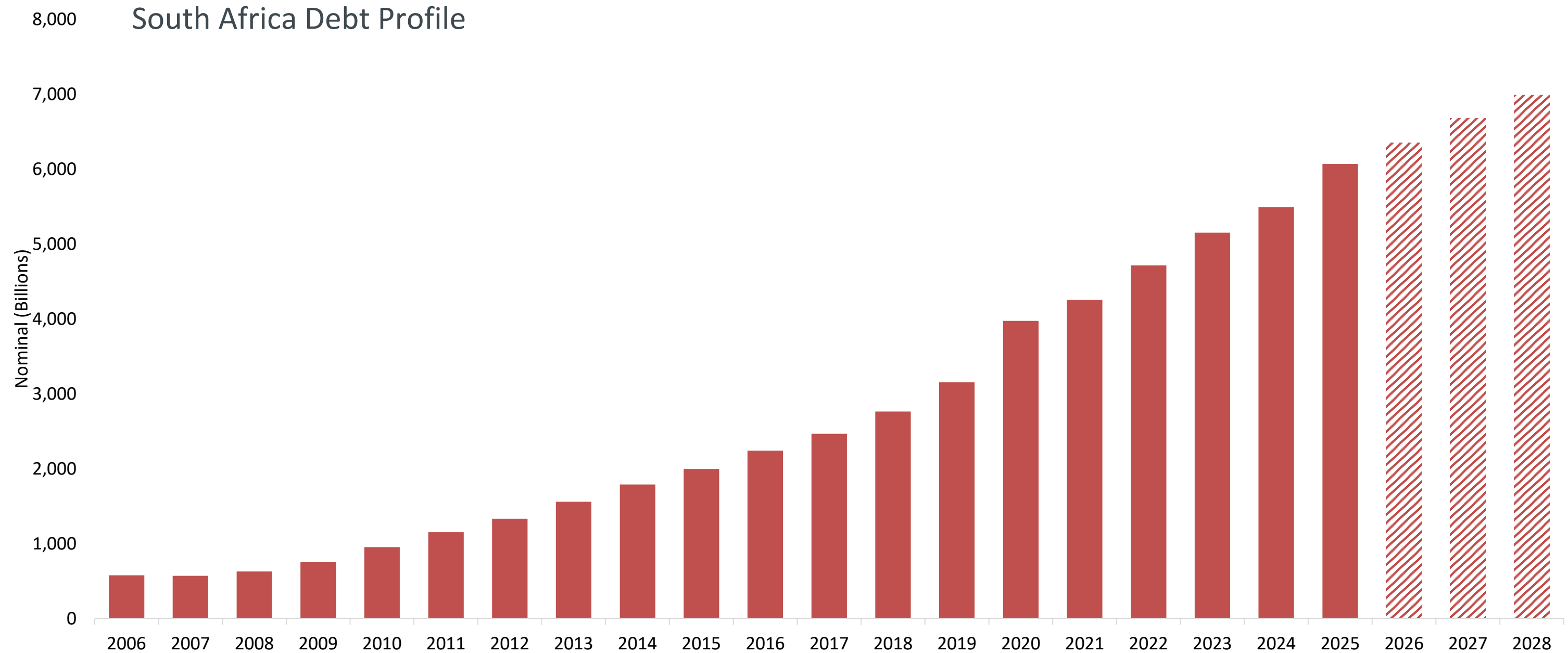
INFLATION TARGET

The Minister of Finance has decided to **reduce the inflation target to 3 per cent, with a 1 percentage point tolerance band** on either side to accommodate normal economic fluctuations. The revised target will benefit all South Africans, especially poorer households.



Challenge: Stabilize government debt

Debt to GDP ratio has yet to peak

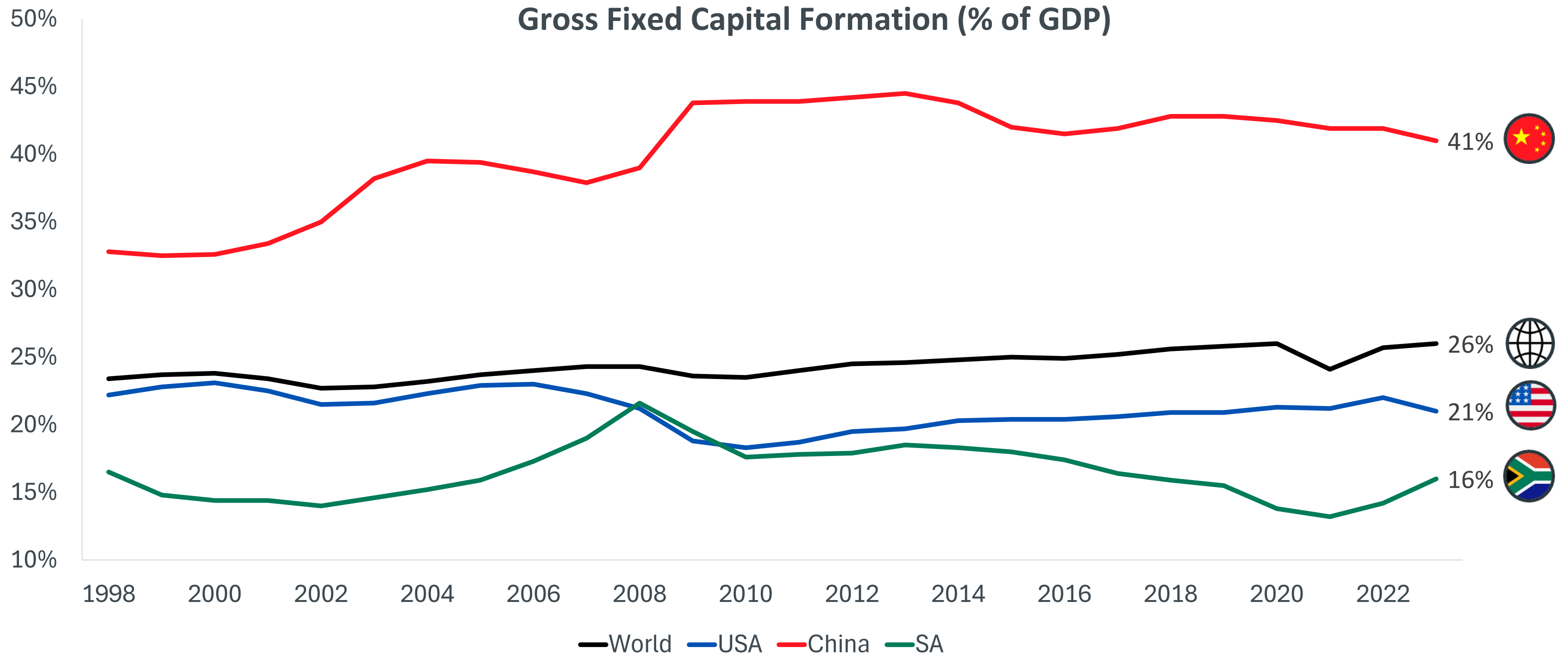


Source: National Treasury, Morgan Stanley



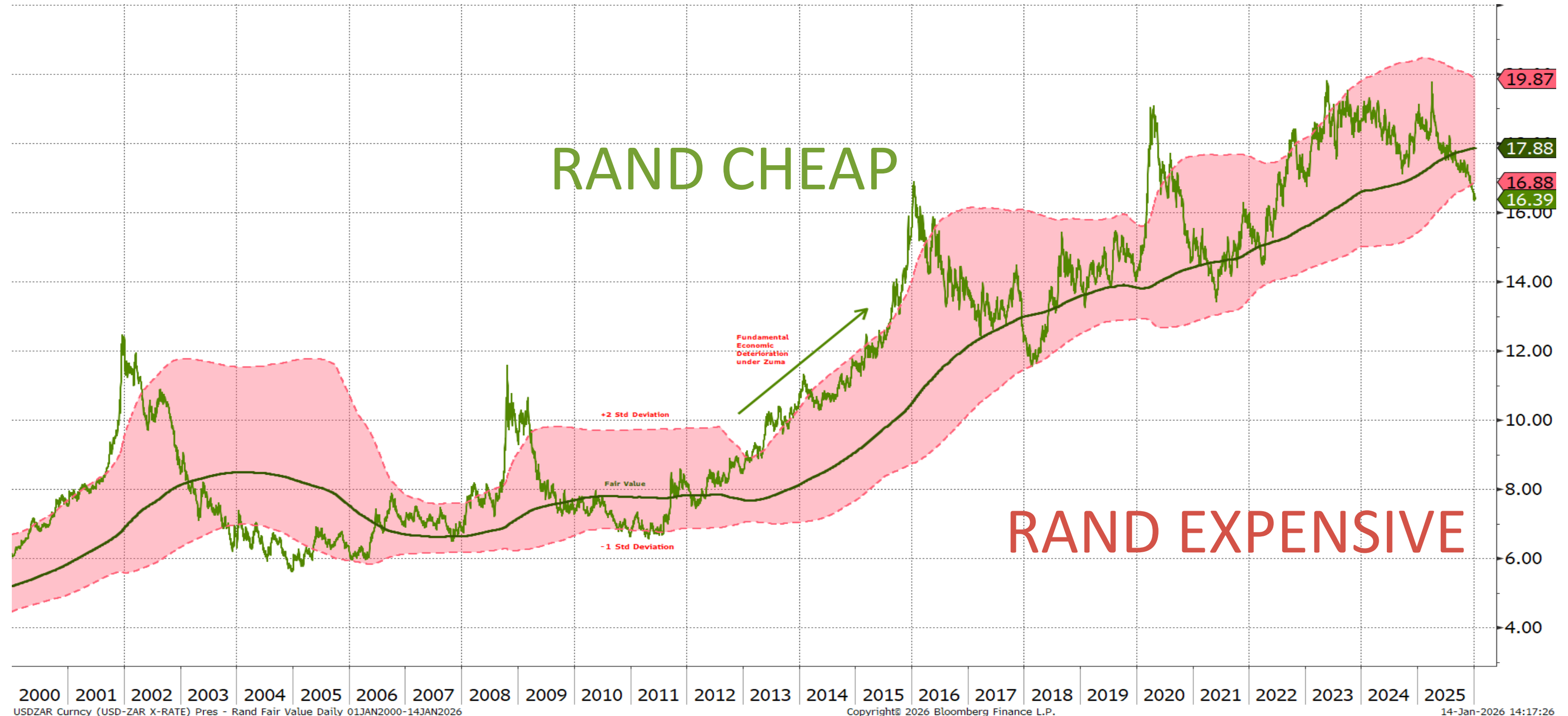
Challenge: Investment in SA still lagging

SA improving, but still below levels required to boost productive capacity



Challenge: Protect against rand depreciation

Rand had a strong rally, now looking expensive

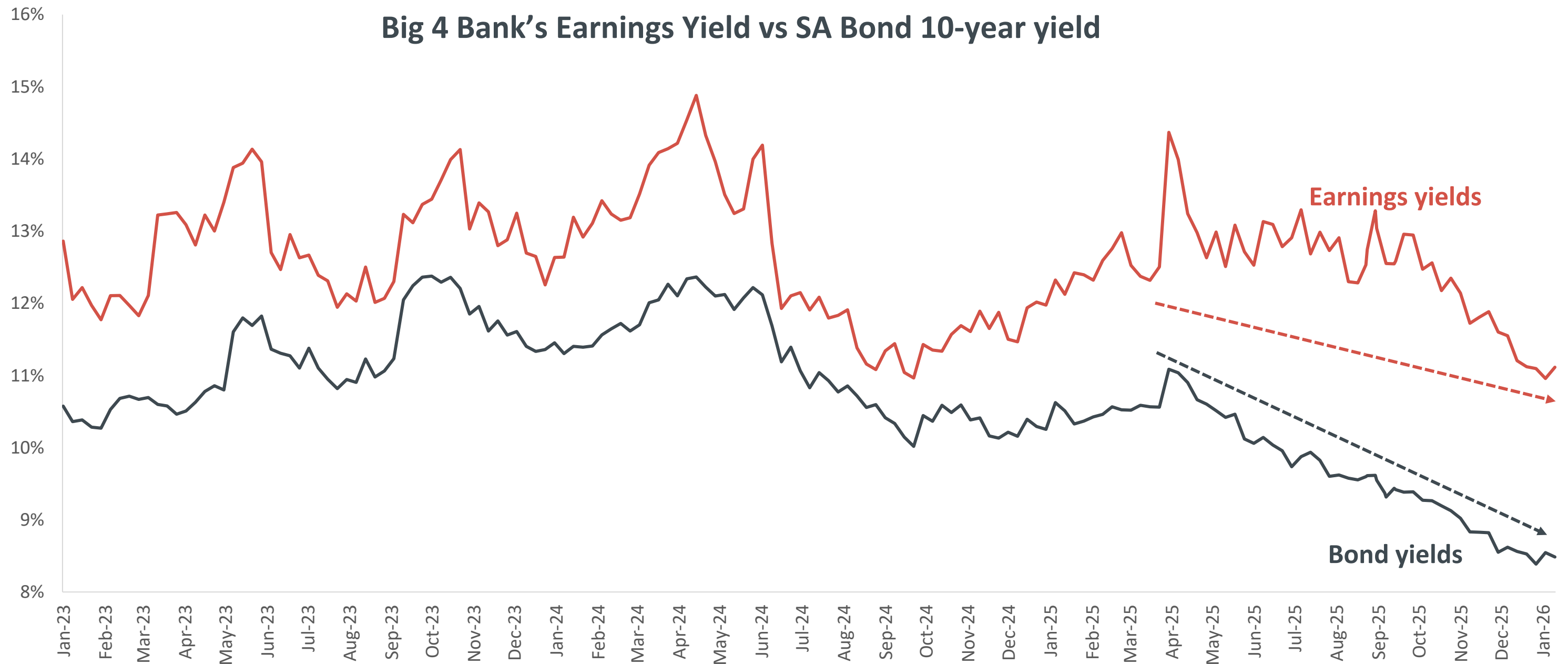


Source: Bloomberg



Bond market optimism not yet reflected in SA equities

10-year bond yields have fallen far more than earnings yields



Source: Factset



Macro Outlook and Positioning

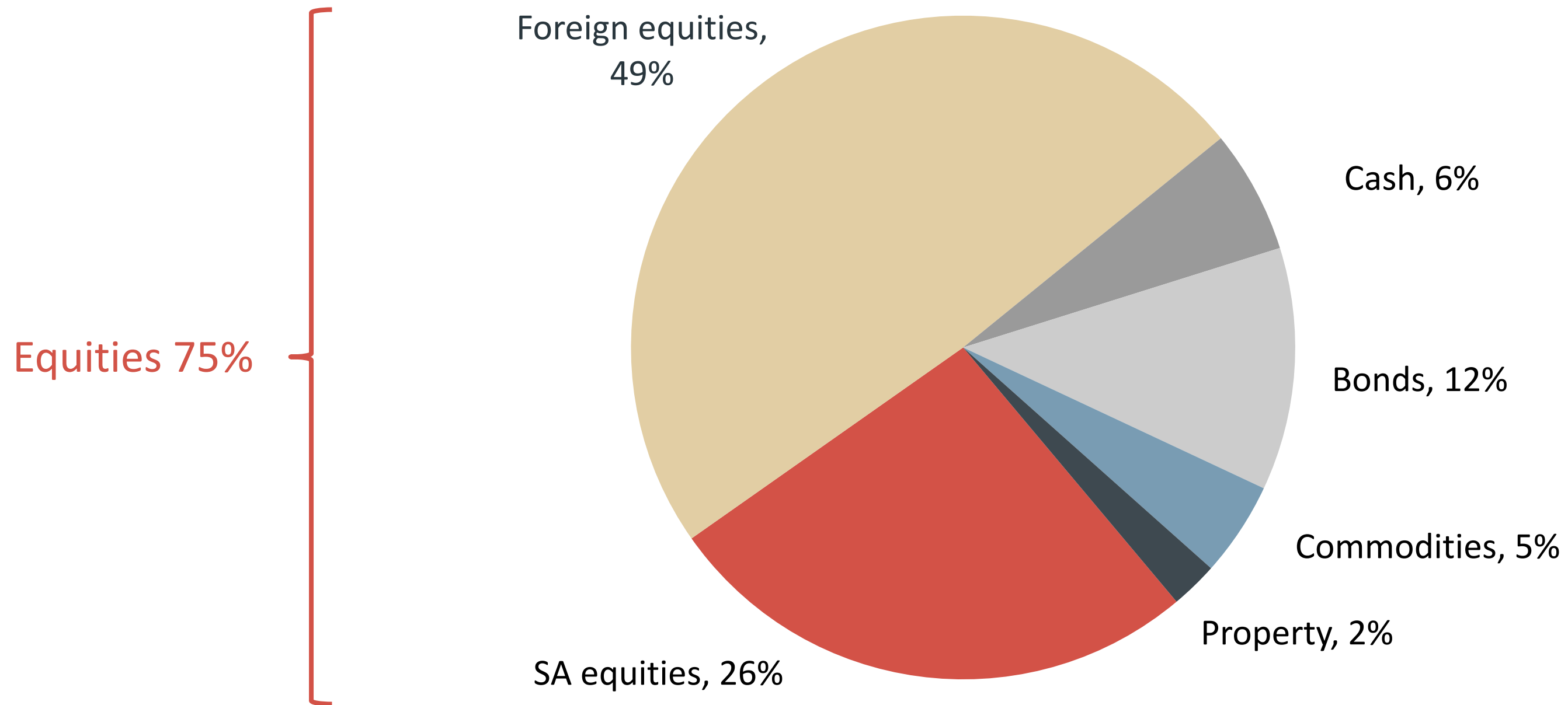
Mature US economy, China attractive and selective exposure to SA

- **US:** Valuations not pricing in even a mild downturn
 - Tariff uncertainty is creating headwinds
 - Limited fiscal and monetary flexibility
- **China:** Regulatory easing and low valuations present attractive opportunities
- **Europe:** Defensives and utilities remain appealing in fragile global environment
- **South Africa:** GNU uncertainty clouds outlook but select equities and bonds offer value
 - Opportunities in quality small and mid-cap companies
 - Inflation-linked bonds offer attractive real yields
 - Continue to use volatility as tactical advantage
- **Gold:** Safe haven appeal remains



Foord Flexible Fund

Asset allocation at 31 December 2025



Do not leave the path!

Hunt on for man lost in Hout Bay mountains

STAFF REPORTER AND SAPA

A Port Elizabeth man, holidaying in Hout Bay with his wife, is missing on the mountains above the harbour town.

David Alexander Pledger, 50, and his wife are holidaying in the Cape Town and are staying at the Panache Lodge in Valley Road, Hout

lodge," Sergeant Darlow said.

Police, assisted by members of the Cape Town metropolitan rescue service, searched the mountain until well after dark but found no trace of Mr Pledger.

Sergeant Darlow said the search had been resumed at first light but the party had still failed to locate Mr Pledger.

MISSING



Do not leave the path!

Exhausted PE hiker found

Holidaymaker lost for two days in Hout Bay mountains

Willem Steenkamp and
Kathy Sundstrom

The holidaymaker who was missing for two days after losing his way in the mountains above Hout Bay has been found in a state of exhaustion.

Port Elizabeth financial broker David Pledger who disappeared on Thursday was found by a Hout Bay fisherman Alfonso Mitchell early yesterday.

His relieved wife, Jane, said Mr Pledger, 51, was found lying in a foetal position on a footpath on the Karbonkelberg. "He is disoriented and very dehydrated, but he is fine," said Mrs Pledger.

Their daughter Linda is a well-known Cape Town singer.

Mr Pledger disappeared on his wife's 51st birthday after saying he was going for a walk on Little Lions Head. When he failed to return at nightfall, Metro emergency services and police began searching for him.

"It has been a terrible two days, I never want to see the Hout Bay

mountains again," she said.

Mr Pledger told Sunday Argus he was extremely lucky to be alive. "I went for a walk along the road that leads towards the Sandy Bay side of the mountain. I reached the end of the road around 5.30pm and started walking along the footpath that leads off the road.

"Several other footpaths run off the main footpath and suddenly I realised I had come much further than I had intended. Night was falling and I knew I would not be able to retract my steps in the daylight remaining. I had simply run out of time.

He decided to take a short cut, but could not get over the mountain.

Mr Pledger said he finally reached a point above a steep 300m cliff and knew he could go no further in the dark. He slept under bushes and the next day he started traversing the top of the cliff to find a way down.

"But as I moved horizontally across the face of the mountain I

kept on going higher and higher. I decided to go to the top of the mountain to find a path down.

"But fifty metres from the top I was stopped by a steep overhanging cliff. I then knew I had to turn round to get to the bottom."

When Mr Pledger finally reached a path at the bottom he was so tired that he was "falling asleep on (his) feet every five minutes".

He started following the footpath back to Hout Bay but was so exhausted he had to take a nap every 10 minutes.

It was while he was sleeping on the path that Mr Mitchell found him, and walked him to the fishing village in Hout Bay from where he was taken to the police station.

Mrs Pledger gave R1 000 to Mr Mitchell as a token of the family's appreciation.

"It is a miracle he was found then. Doctors said if he had been missing for a couple more hours he would have been completely disoriented."

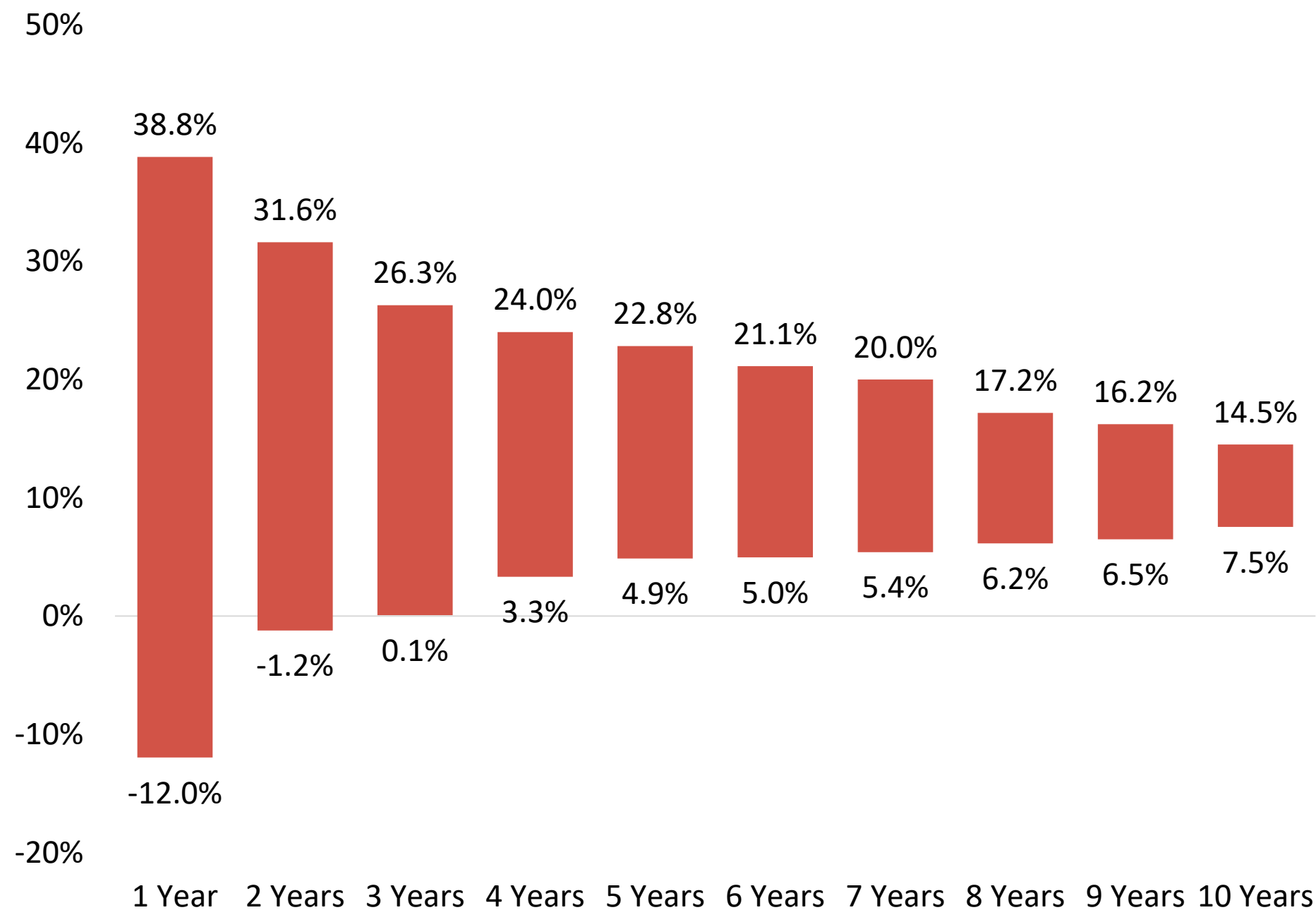


SAFE: David Pledger and wife Judy with the shredded pair of shorts he was wearing on the walk

Picture: Jack Lestrade

Time is on your side – if you stay invested

Foord Flexible Fund range of total returns since 2008



Returns Class A, net of fees



The importance of protecting capital

Comparing three investment paths

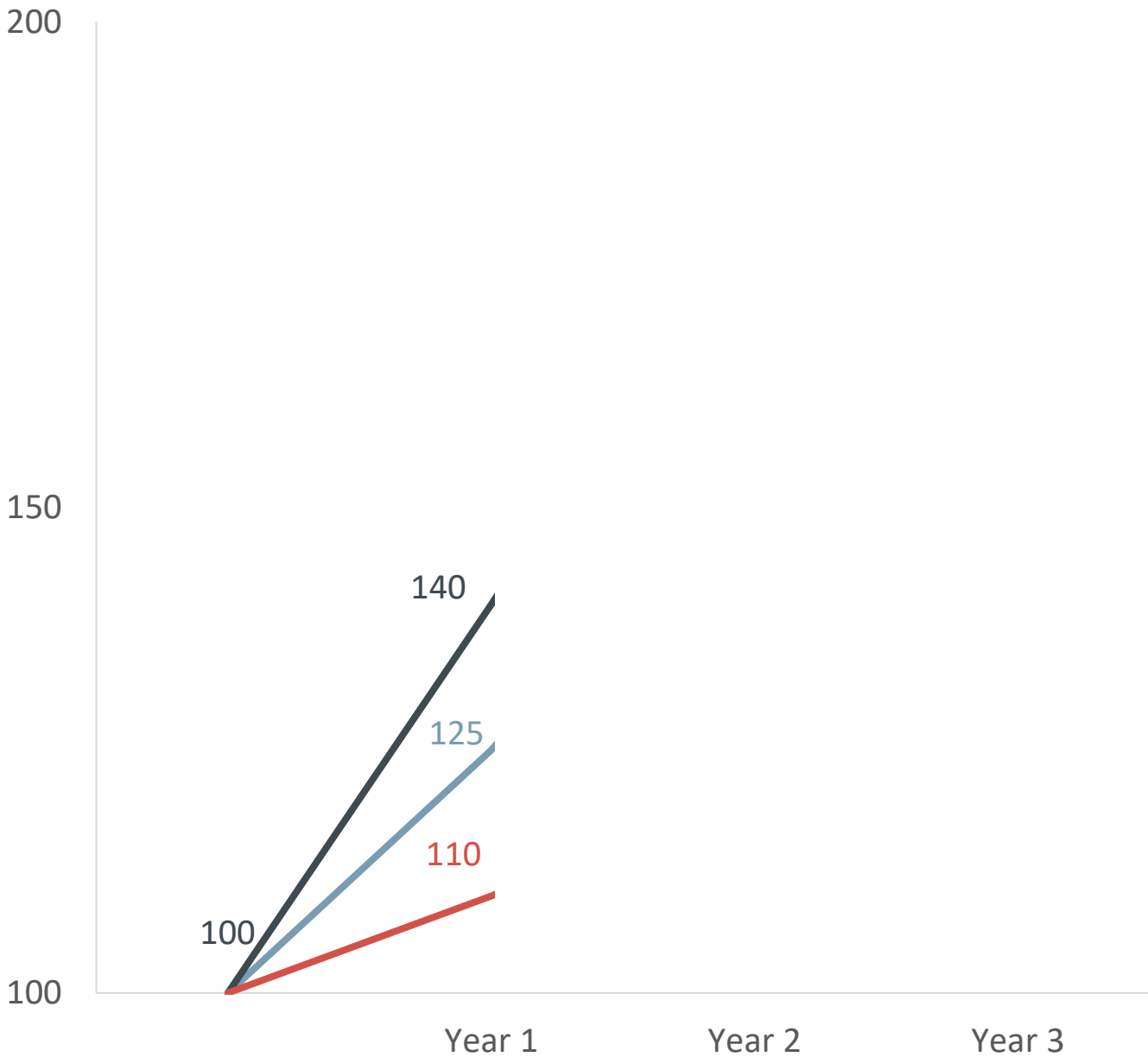
	Year 1
Fund 1	25%
Fund 2	40%
Fund 3	10%



The importance of protecting capital

Comparing three investment paths

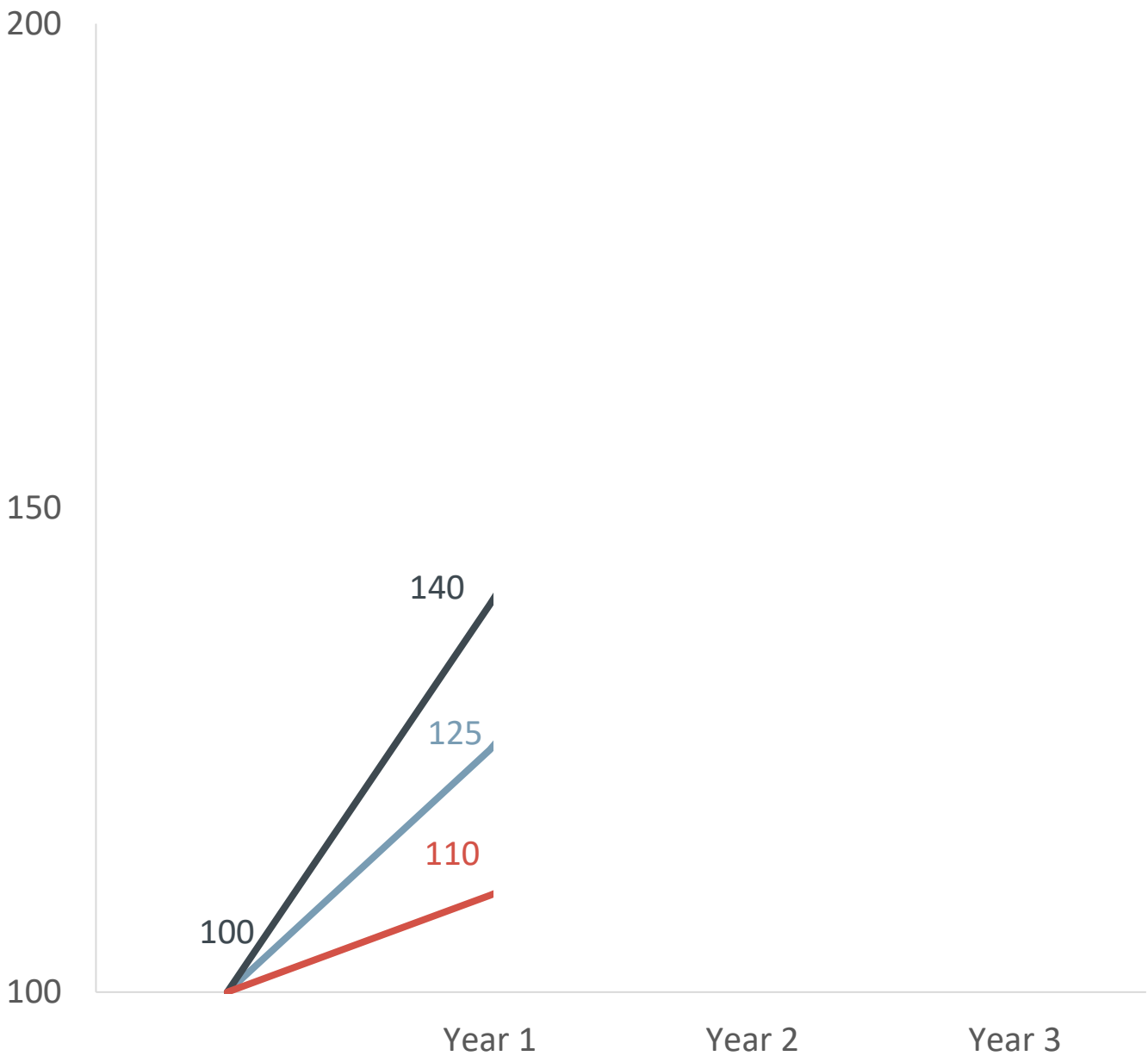
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The importance of protecting capital

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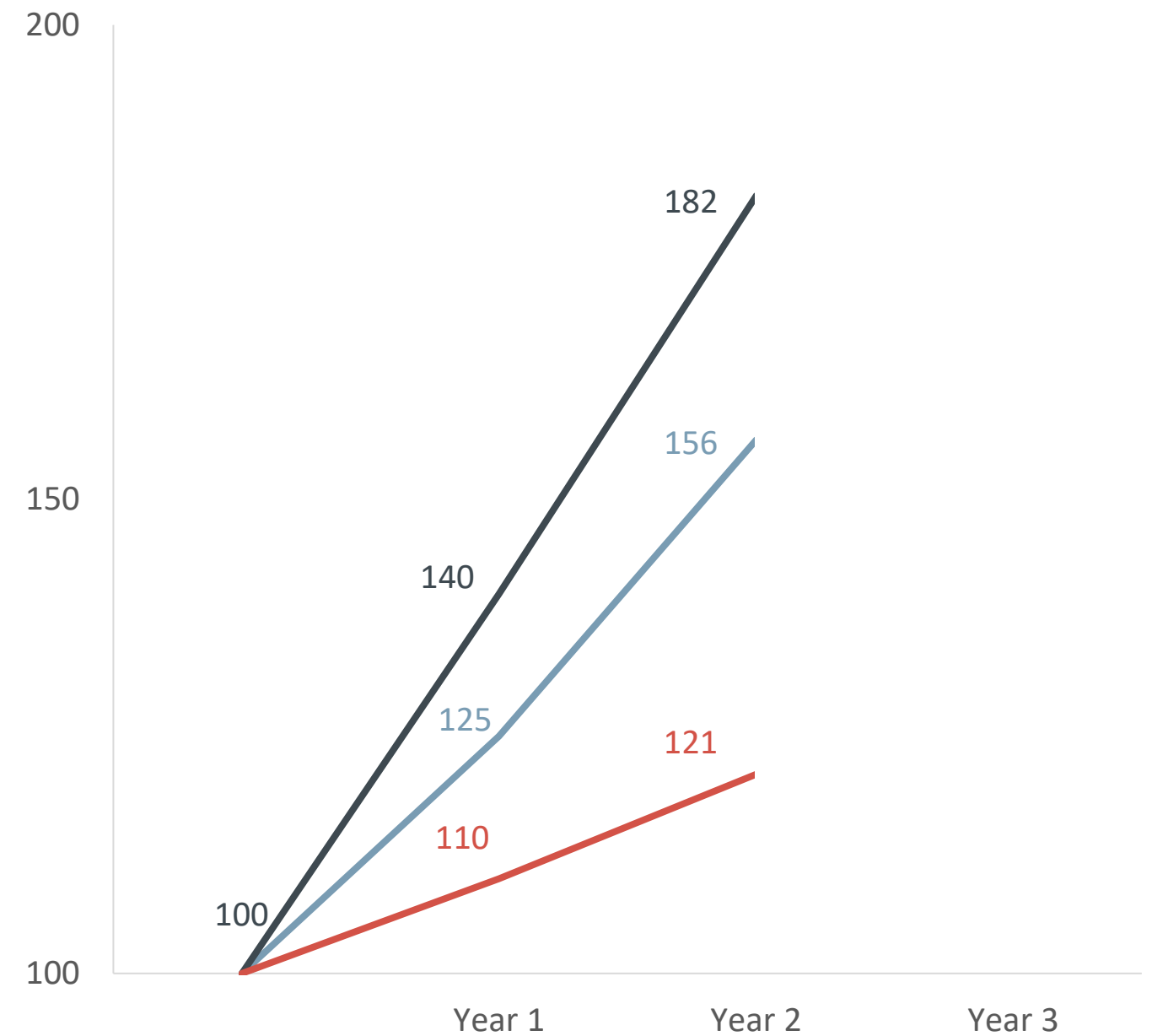
	Year 1	Year 2
Fund 1	25%	25%
Fund 2	40%	30%
Fund 3	10%	10%



The importance of protecting capital

Comparing three investment paths

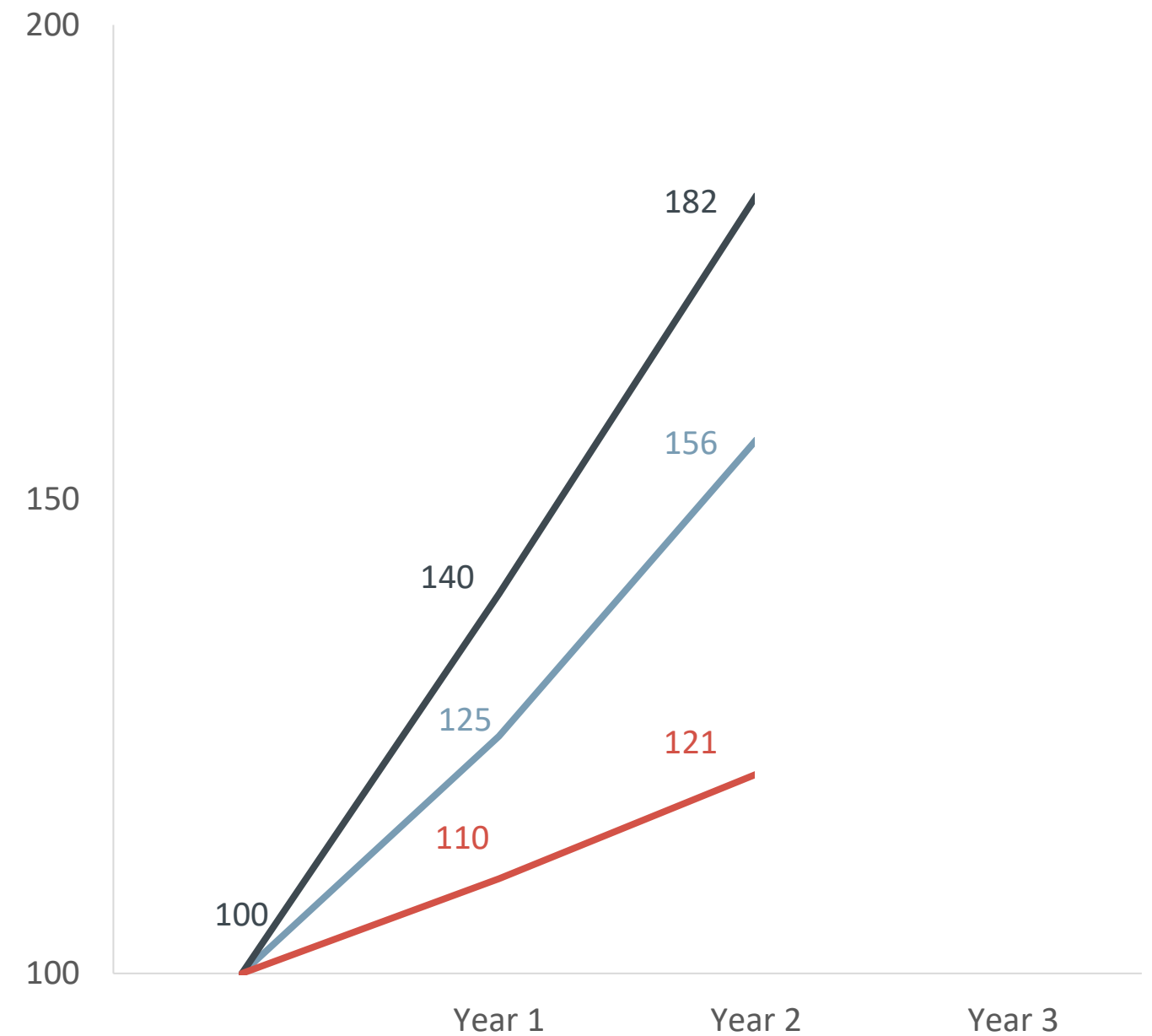
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The importance of protecting capital

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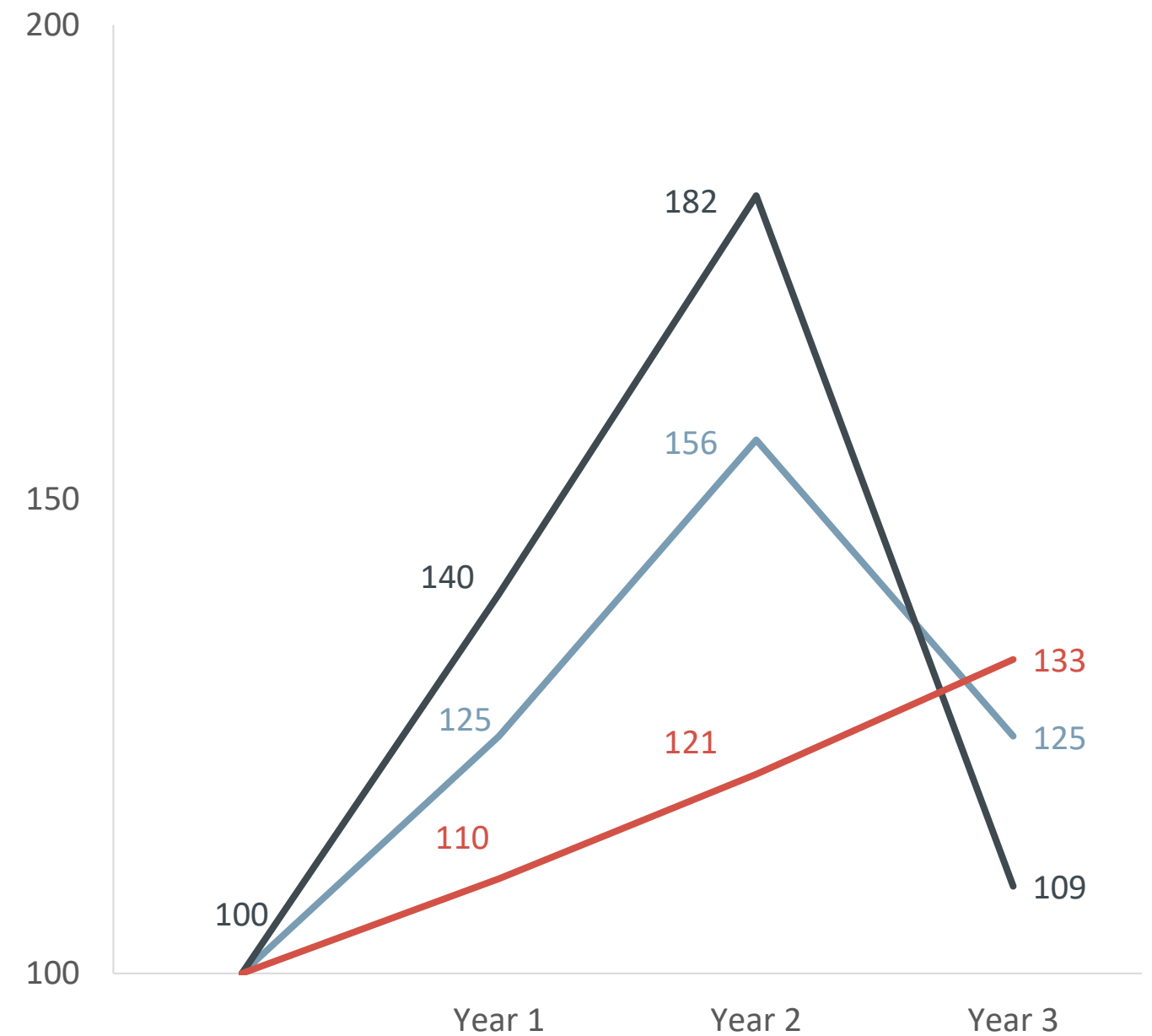
	Year 1	Year 2	Year 3
Fund 1	25%	25%	-20%
Fund 2	40%	30%	-40%
Fund 3	10%	10%	10%



The importance of protecting capital

Comparing three investment paths

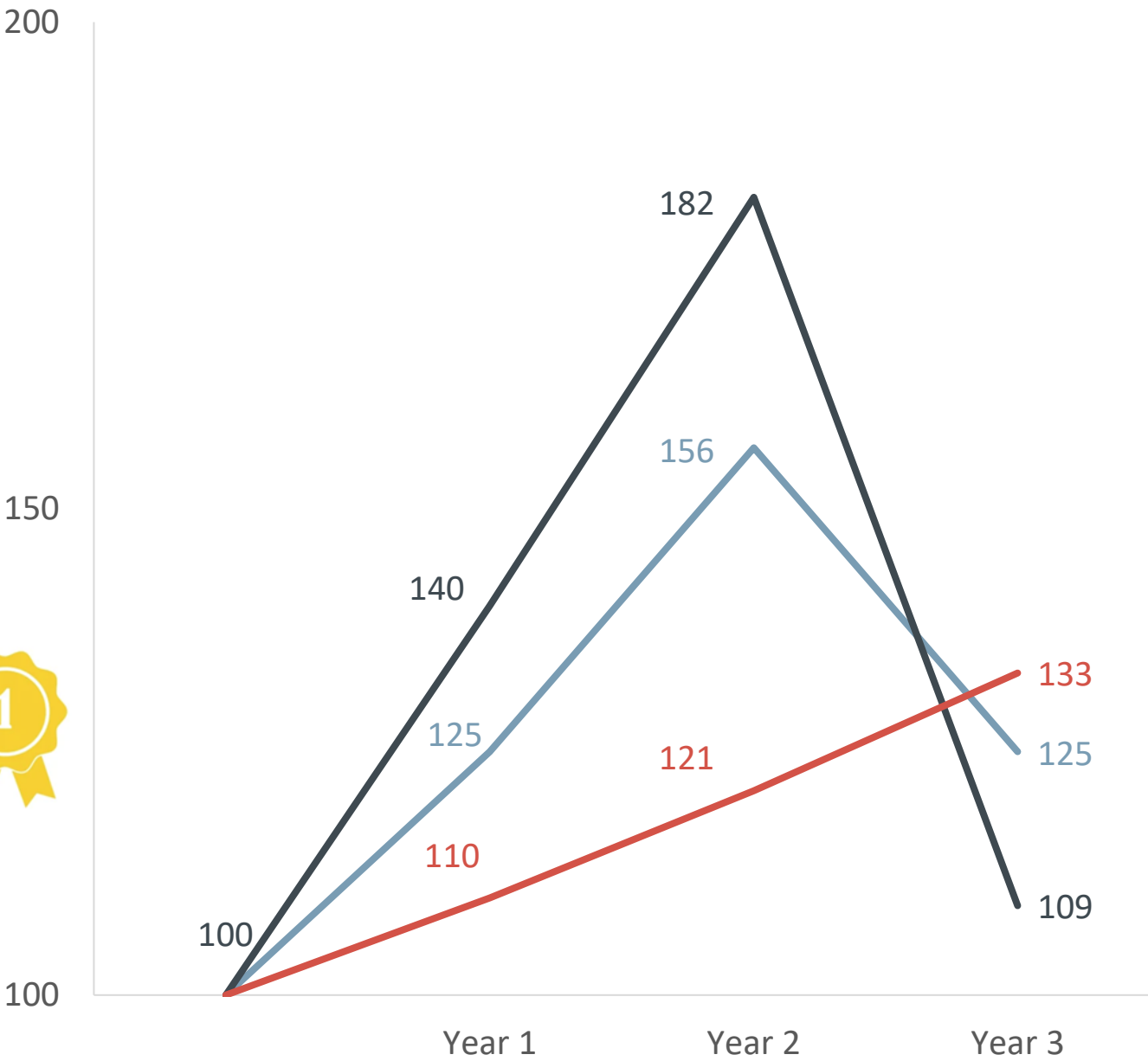
	Year 1	Year 2	Year 3
Fund 1	25%	25%	-20%
Fund 2	40%	30%	-40%
Fund 3	10%	10%	10%



The importance of protecting capital

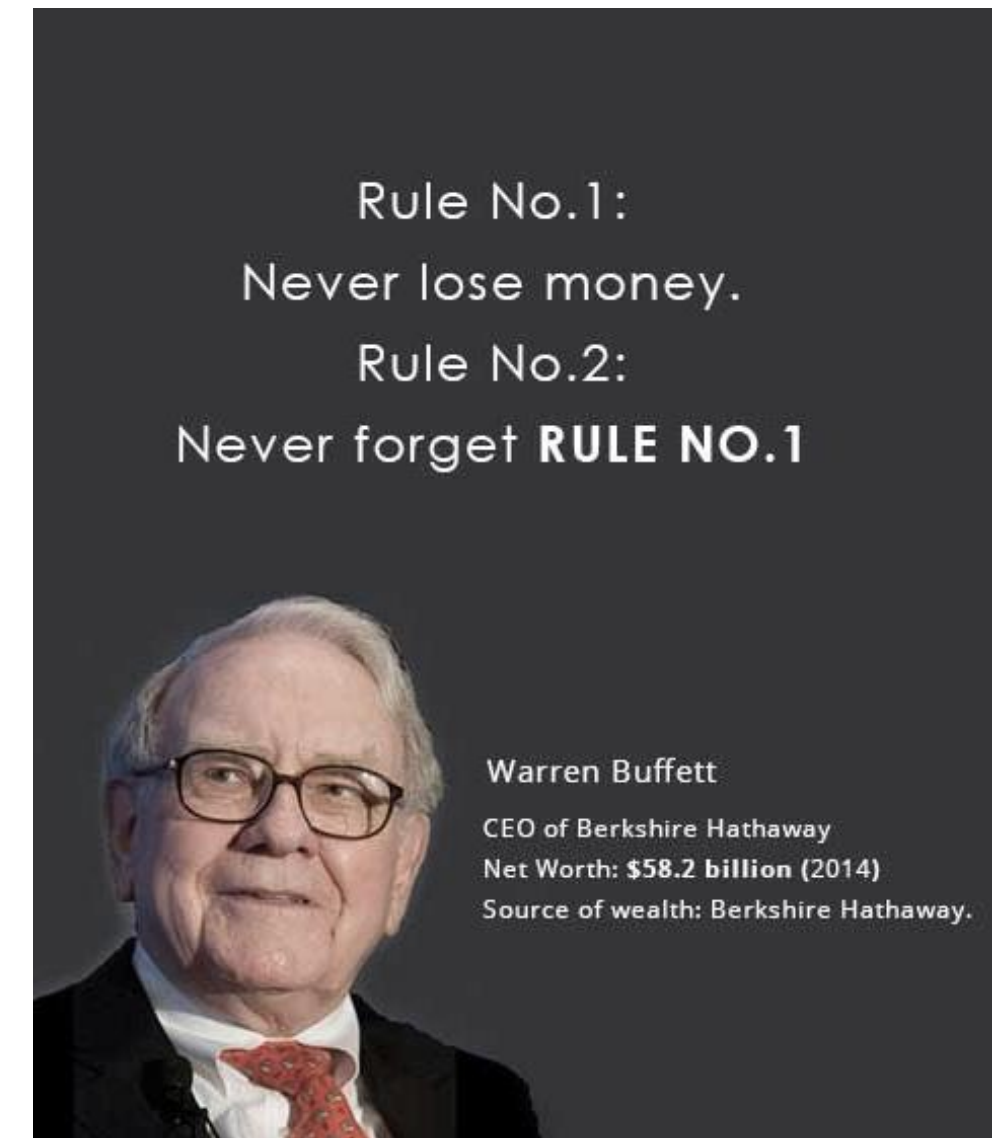
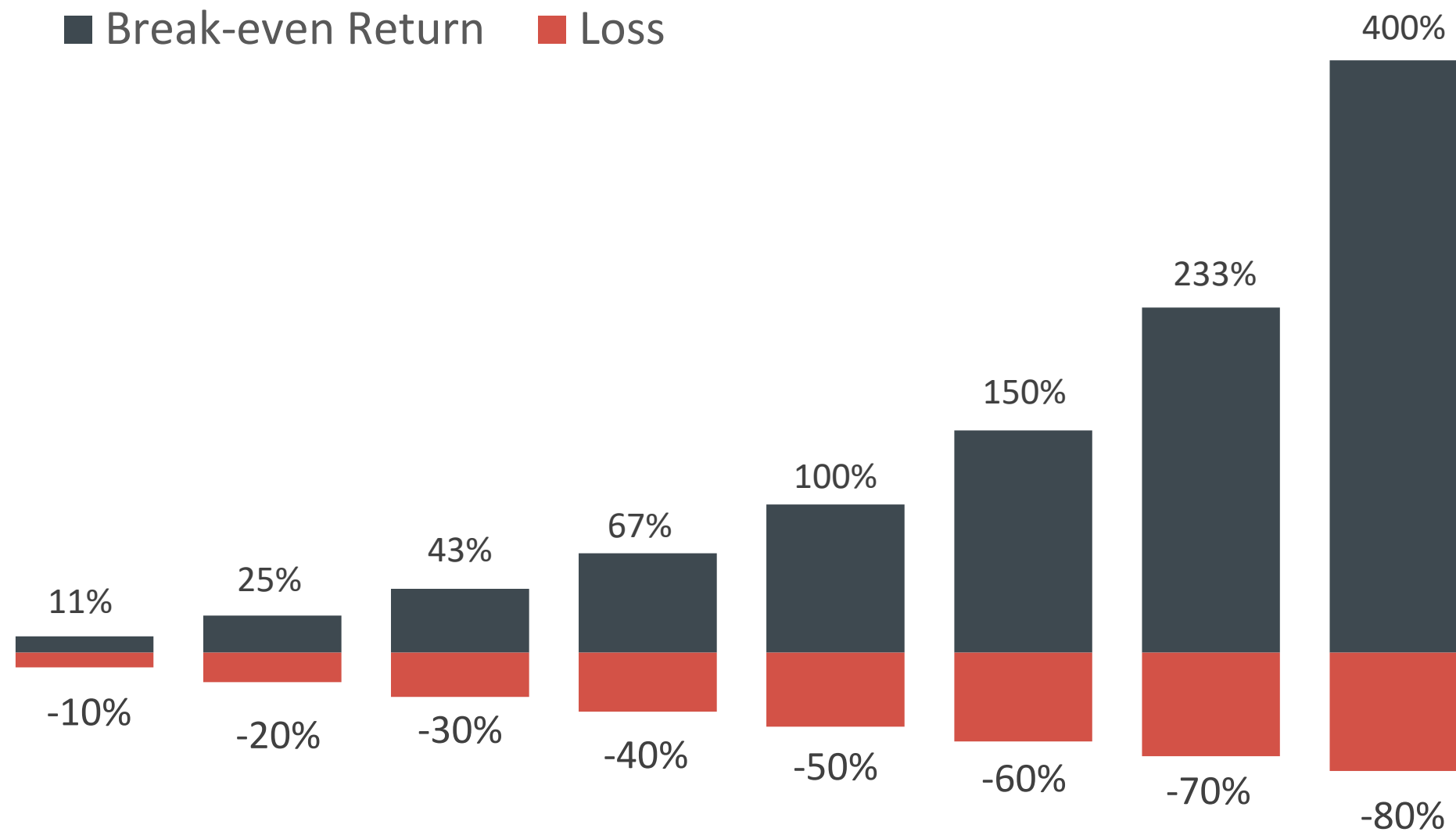
Comparing three investment paths

	Year 1	Year 2	Year 3	C.A.G.R.	Rand
Fund 1	25%	25%	-20%	7.7%	125
Fund 2	40%	30%	-40%	3.0%	109
Fund 3	10%	10%	10%	10.0%	133



Rule No 1: Never lose money

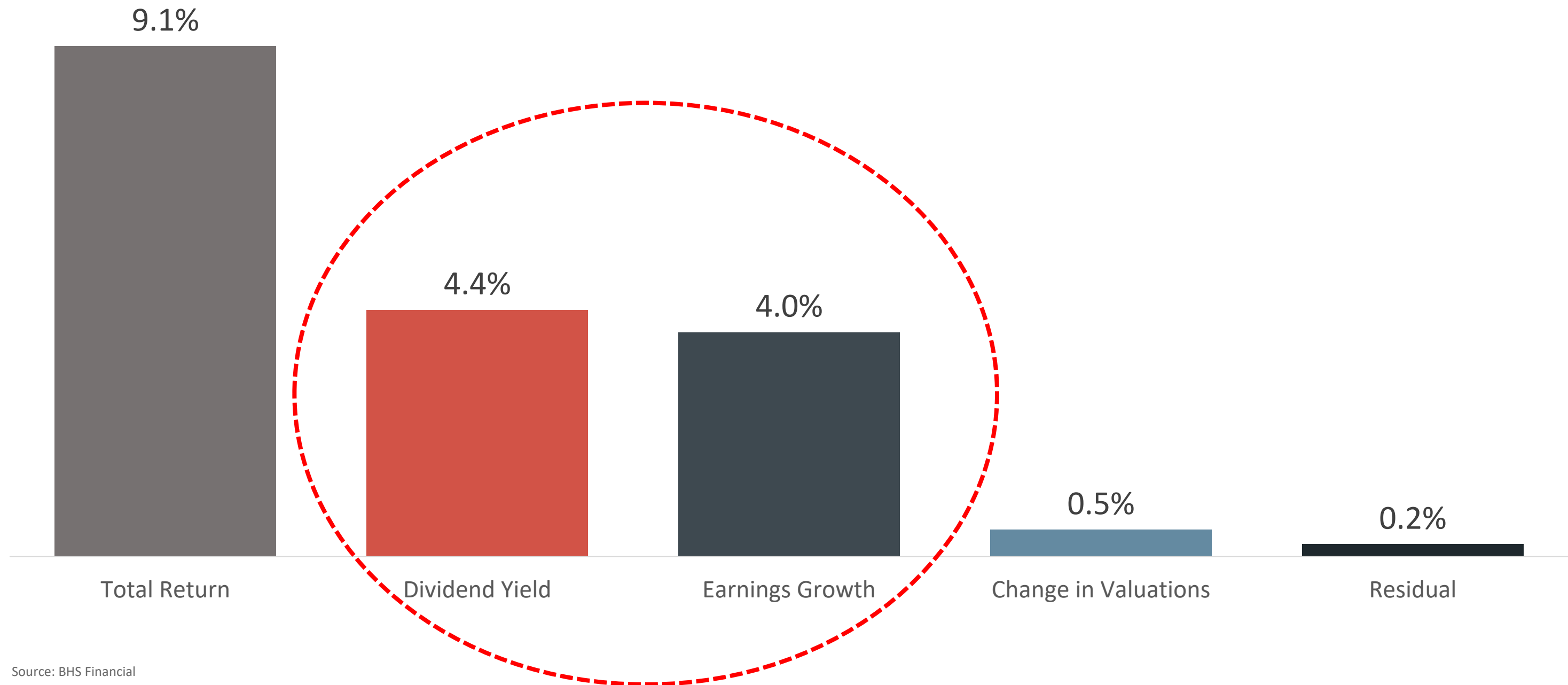
Gain required to breakeven after a loss (realised or unrealised)



Earnings and dividends account for most long-term returns

Contribution of earnings, dividends and change of valuations

US Stock Market Total Return Decomposition: 1871-2019



Source: BHS Financial



But valuations also matter – the higher, the riskier

Higher starting valuations have consistently led to lower returns and vice versa

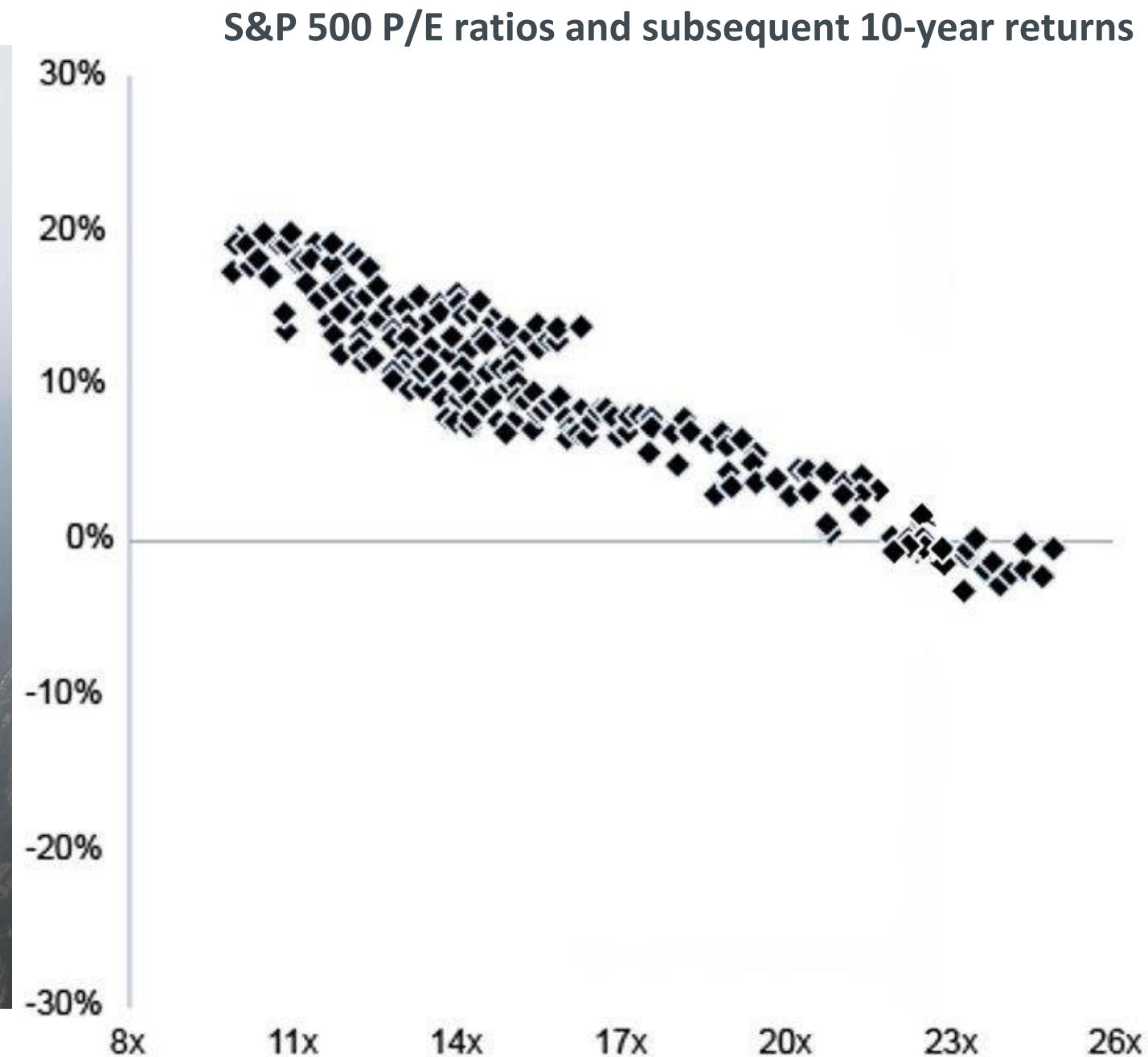


Source: Morgan Stanley, Howard Marks



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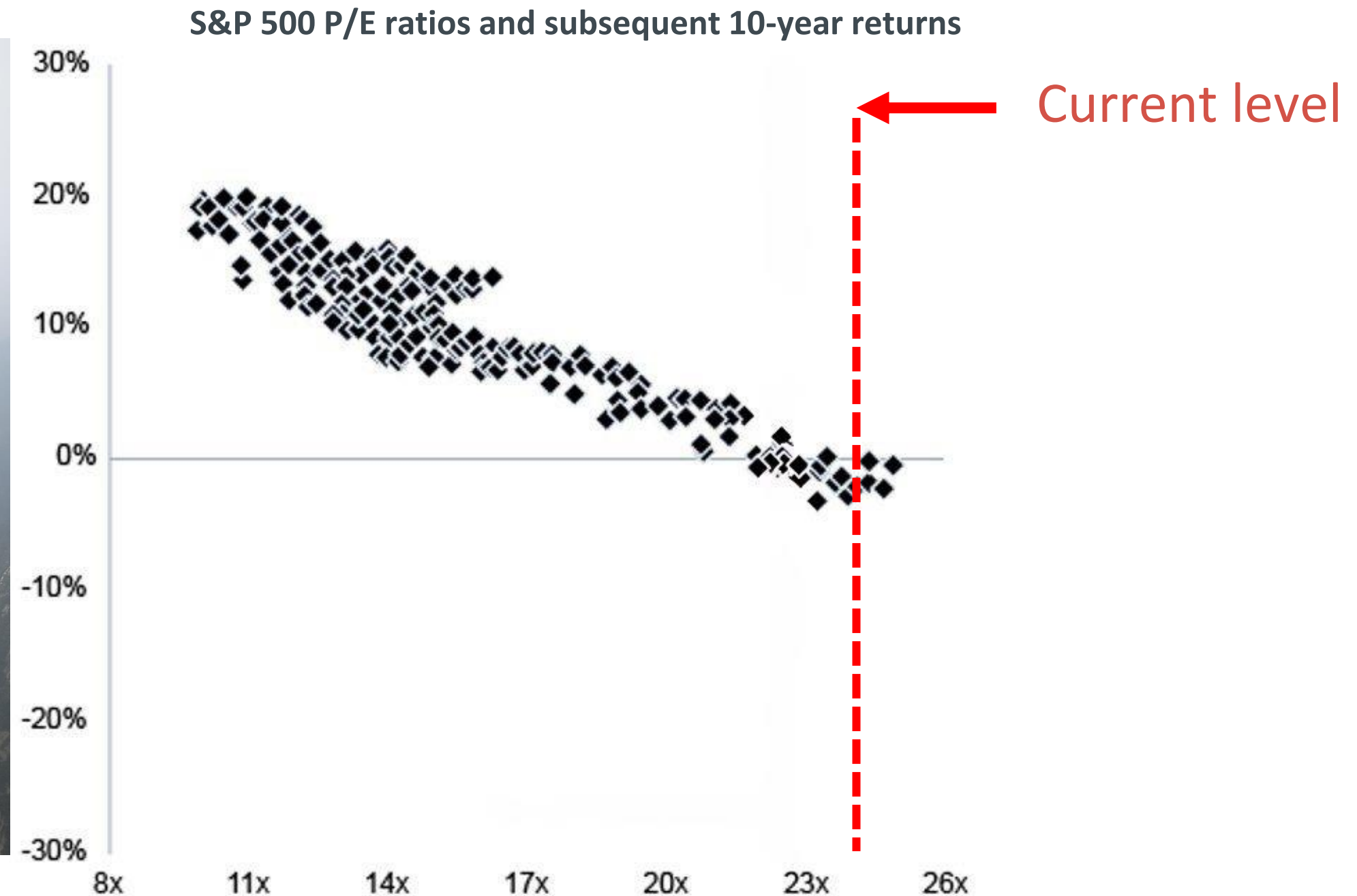


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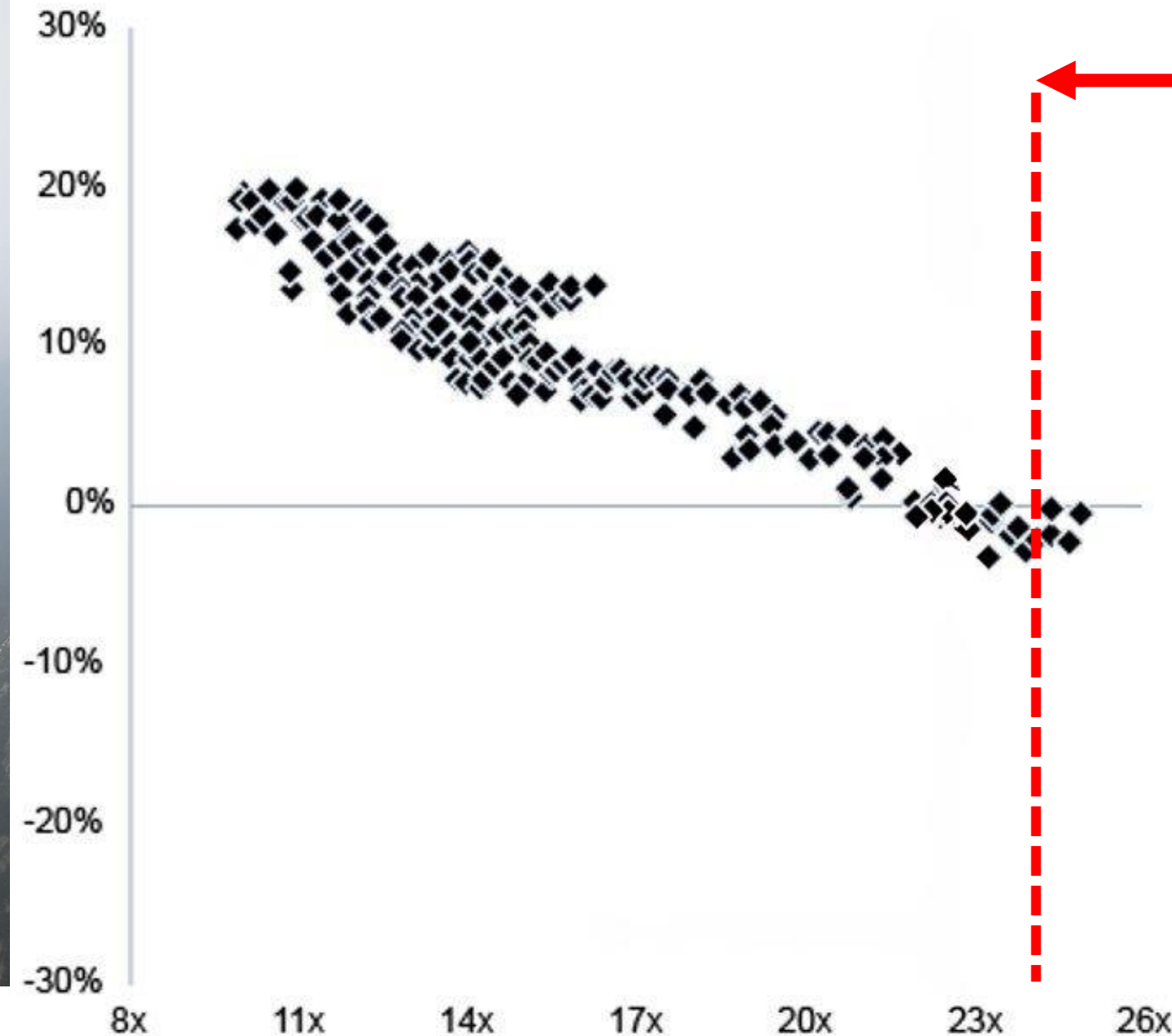


But valuations also matter – the higher, the riskier

Higher starting valuations have consistently led to lower returns and vice versa



S&P 500 P/E ratios and subsequent 10-year returns



Current level

- Returns = -2% to 0% p.a. for 10 years
- What if the multiple correction is compressed into 1-2 years?

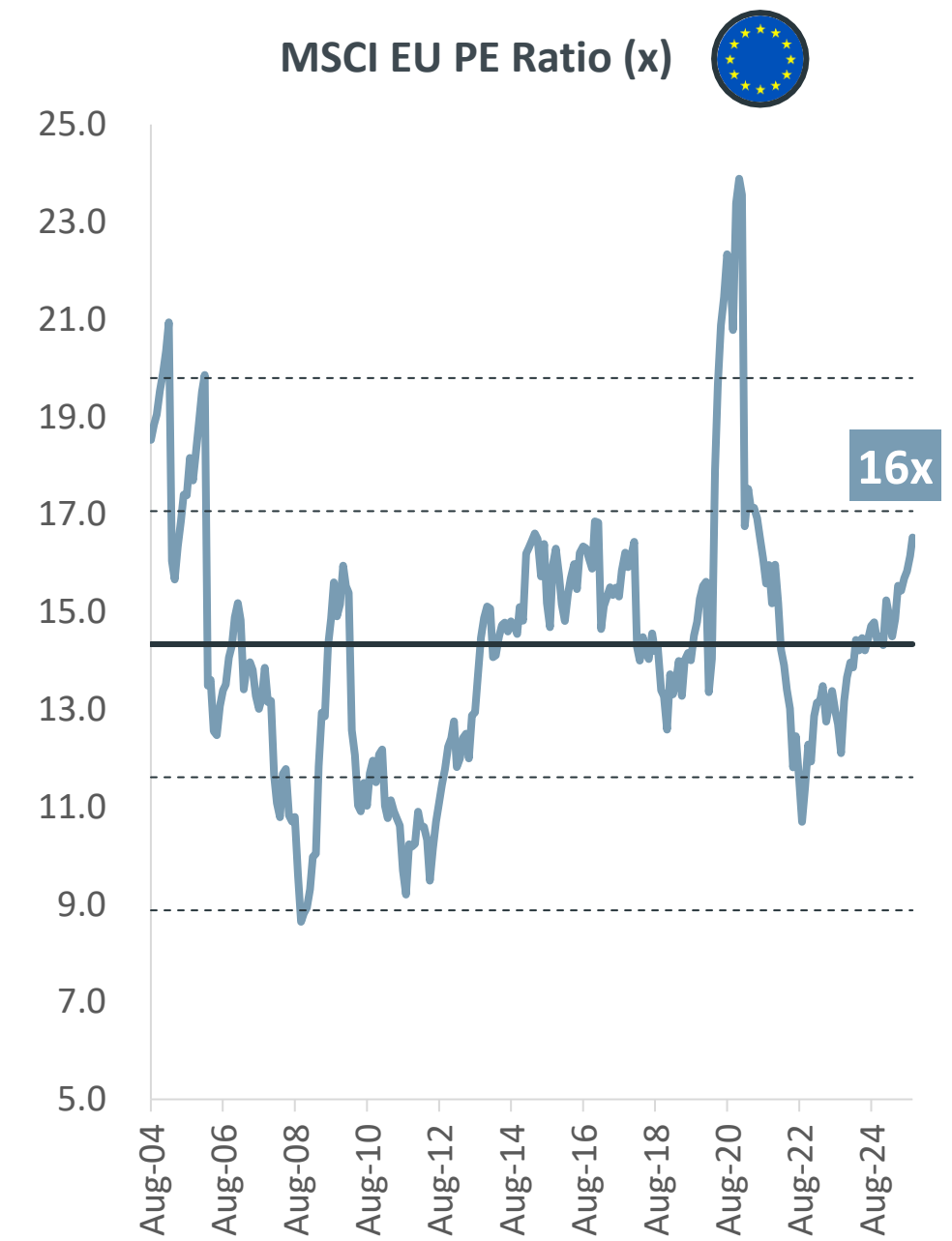
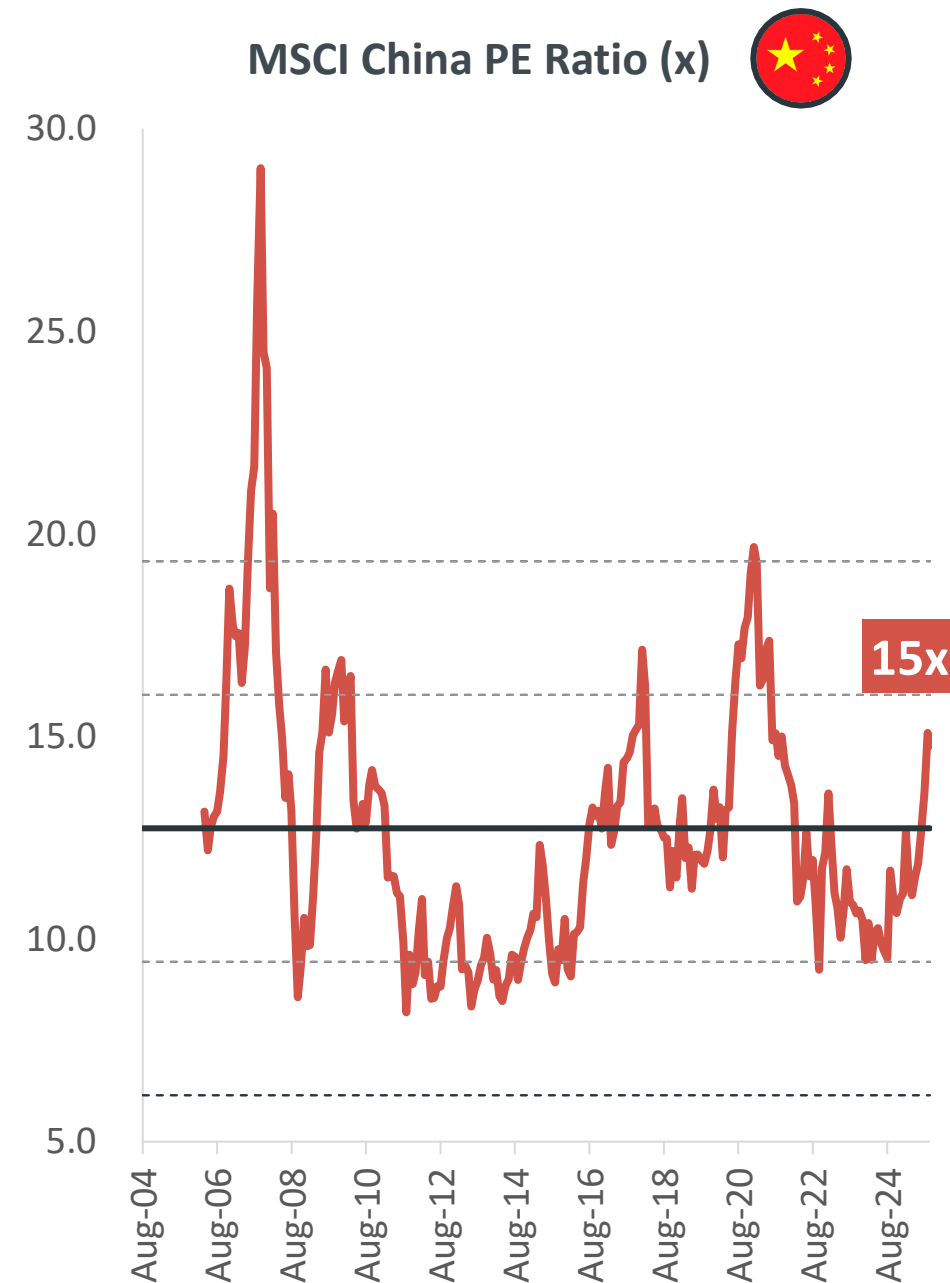
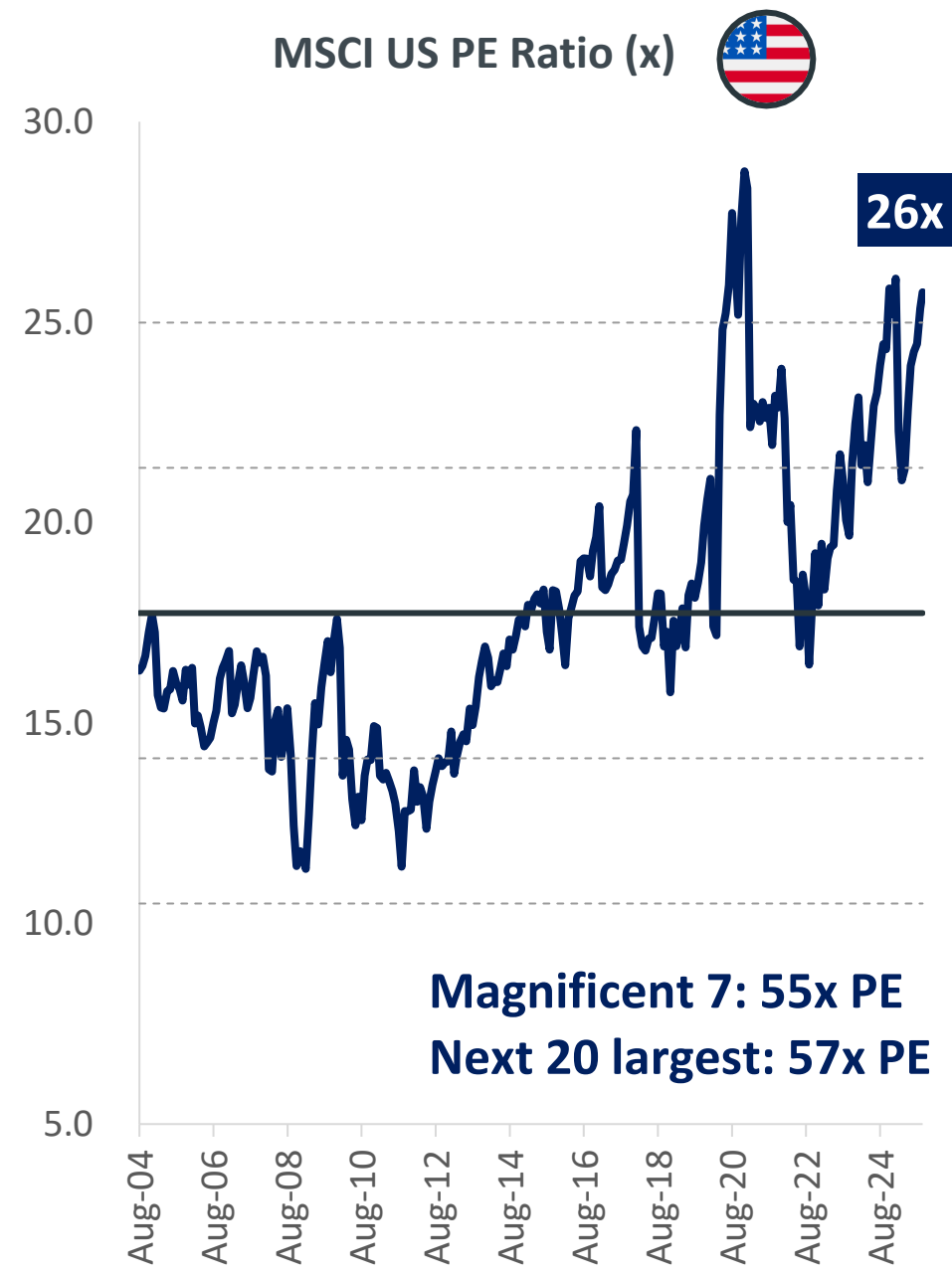
- 1) 1973 to 1974 : **-48%**
- 2) 2000 to 2002 : **-49%**

Source: Morgan Stanley, Howard Marks



High US market valuations relative to other regions

Valuation comparison across regional markets



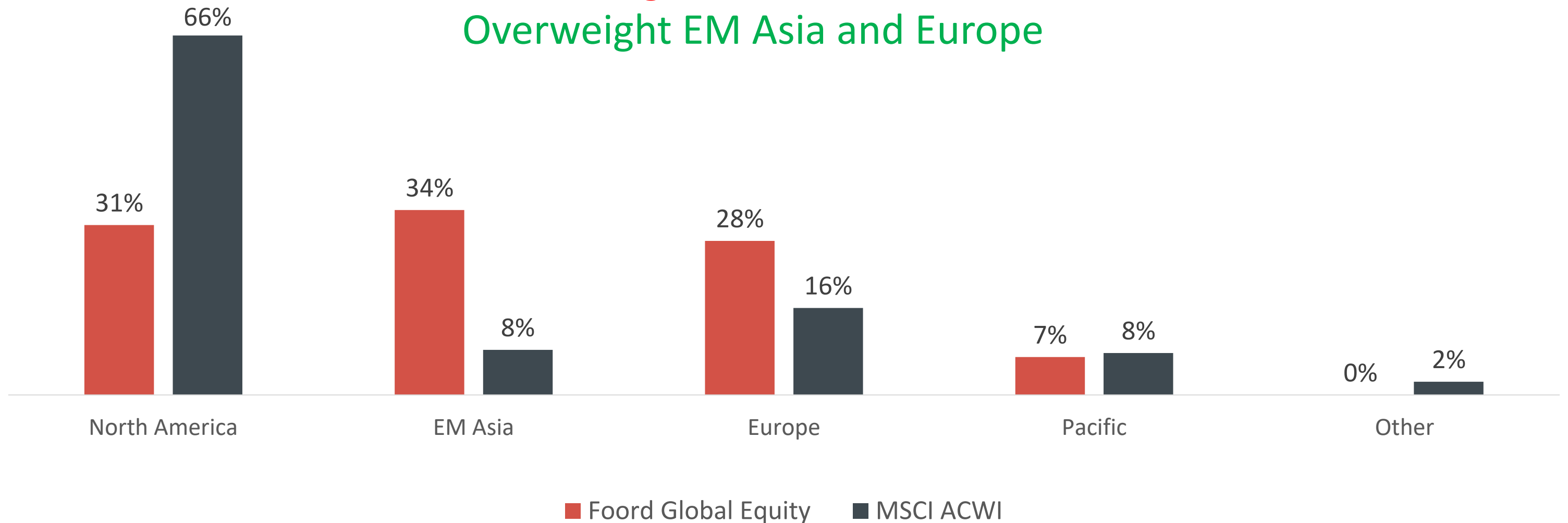
Source: Bloomberg



Foord Global Equity Fund regional breakdown

Foord Global Equity vs MSCI AC World Index — 31 December 2025

Underweight North America
Overweight EM Asia and Europe



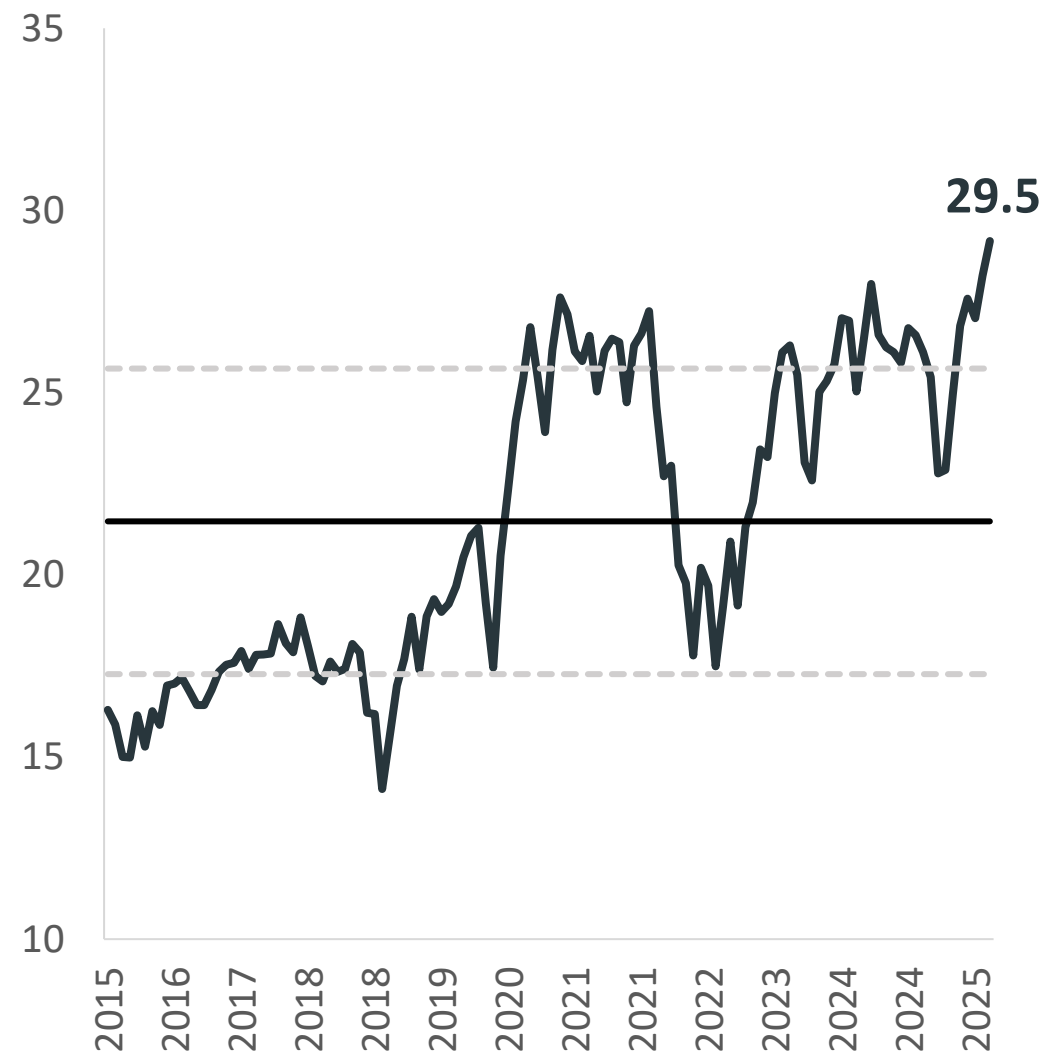
Source: MSCI



IT sector valuation now at all-time highs

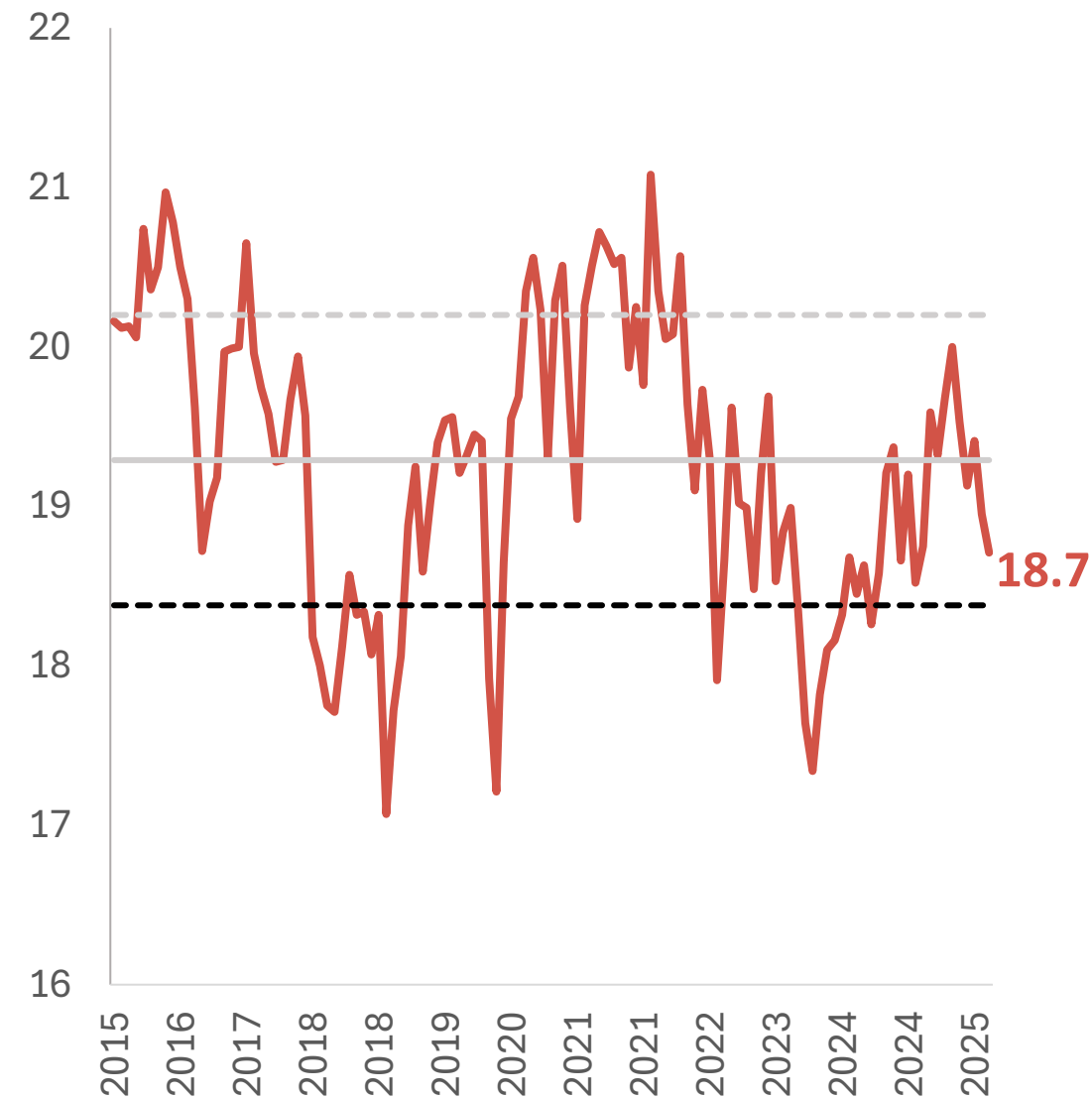
Sectors like Healthcare and Staples offer better value

MSCI World **Technology** Sector



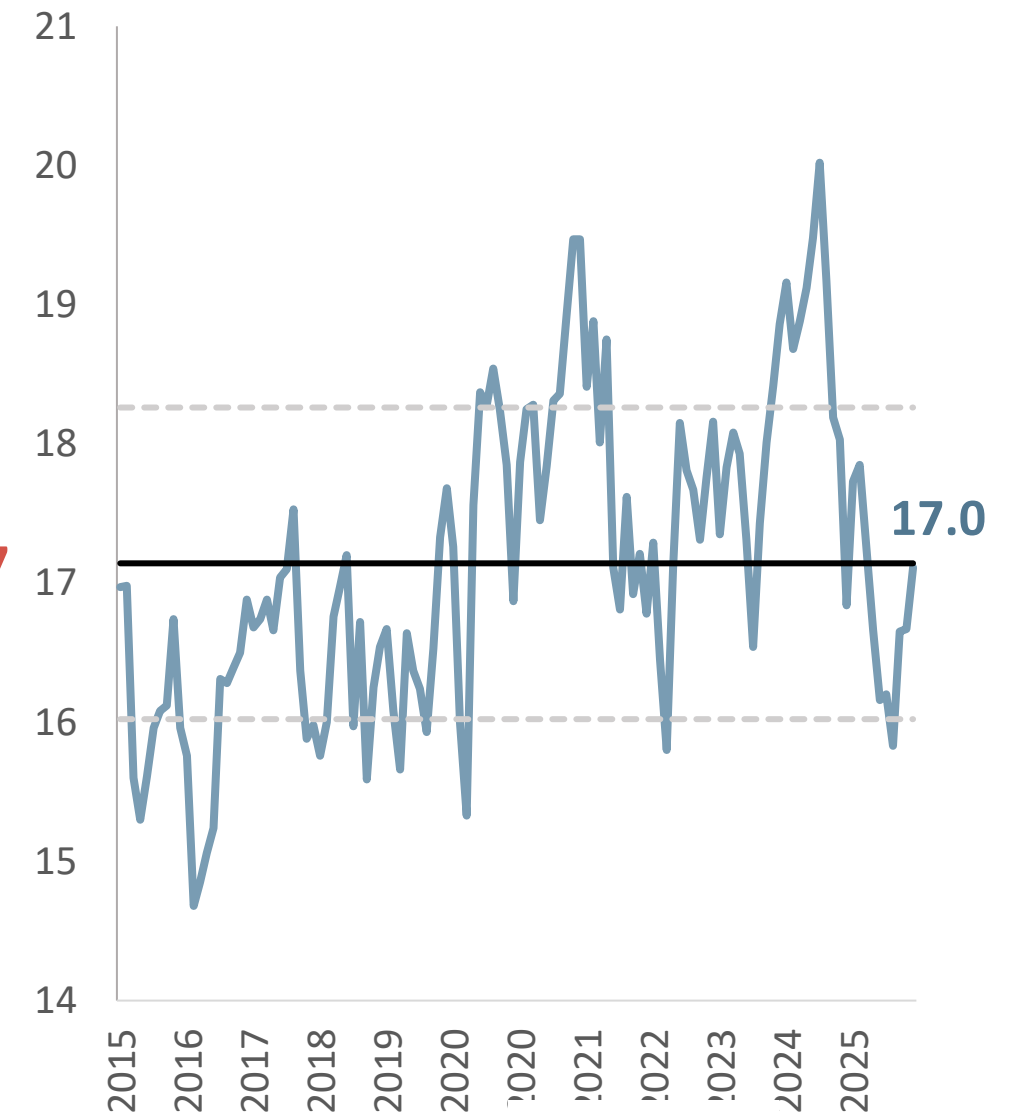
Tencent 腾讯

MSCI World **Healthcare** Sector



Roche

MSCI World **Consumer Staples** Sector



FEVER-TREE

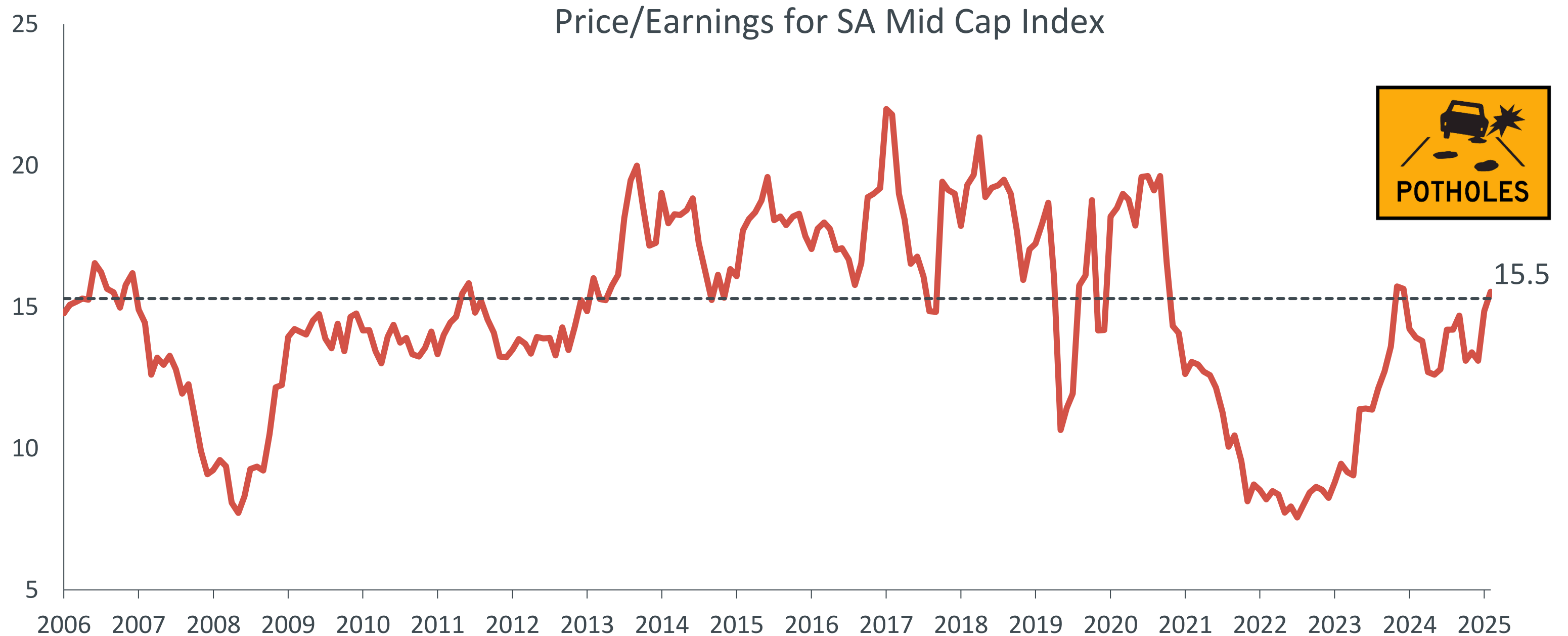
Source: Factset





Is South Africa a structural opportunity?

Sustainable economic growth is needed for a broader-based recovery

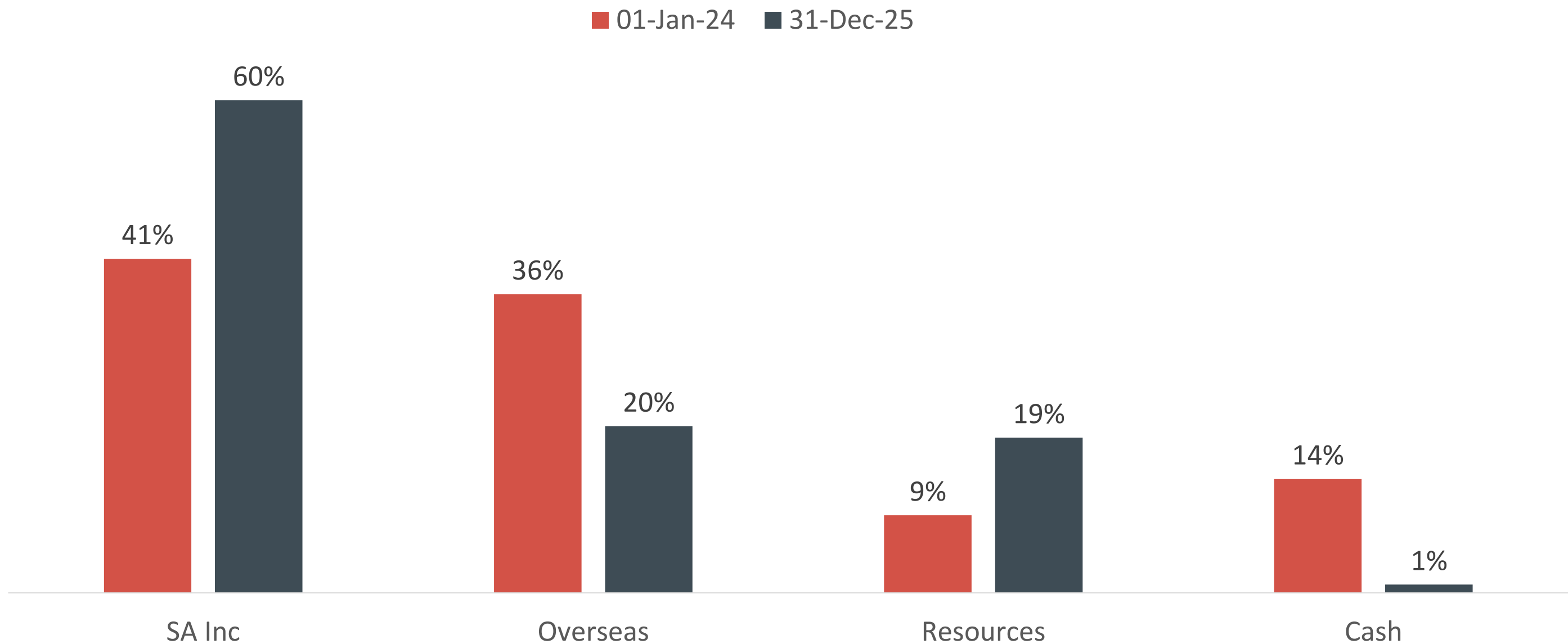


Source: Factset



Foord has significantly increased SA Inc. holdings

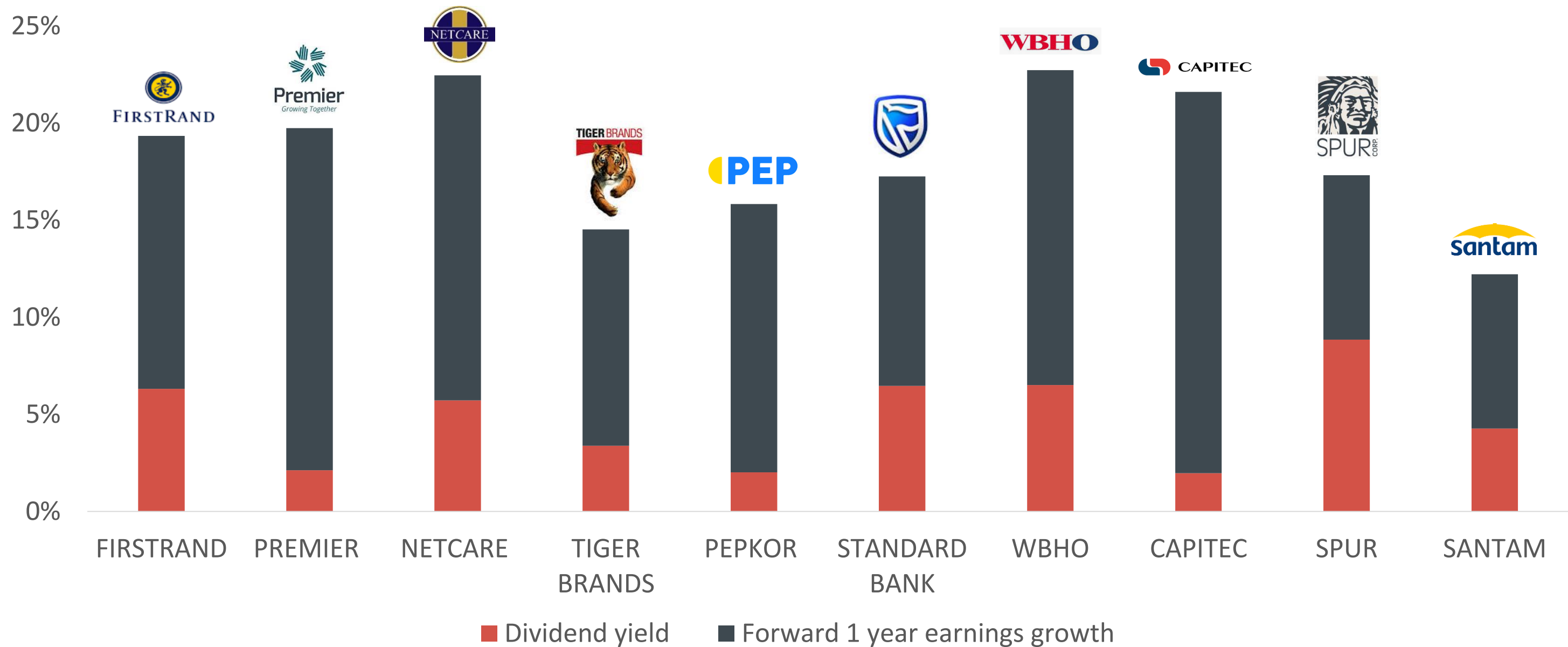
Foord Equity Fund



Robust returns expected from Top 10 SA Inc. stocks

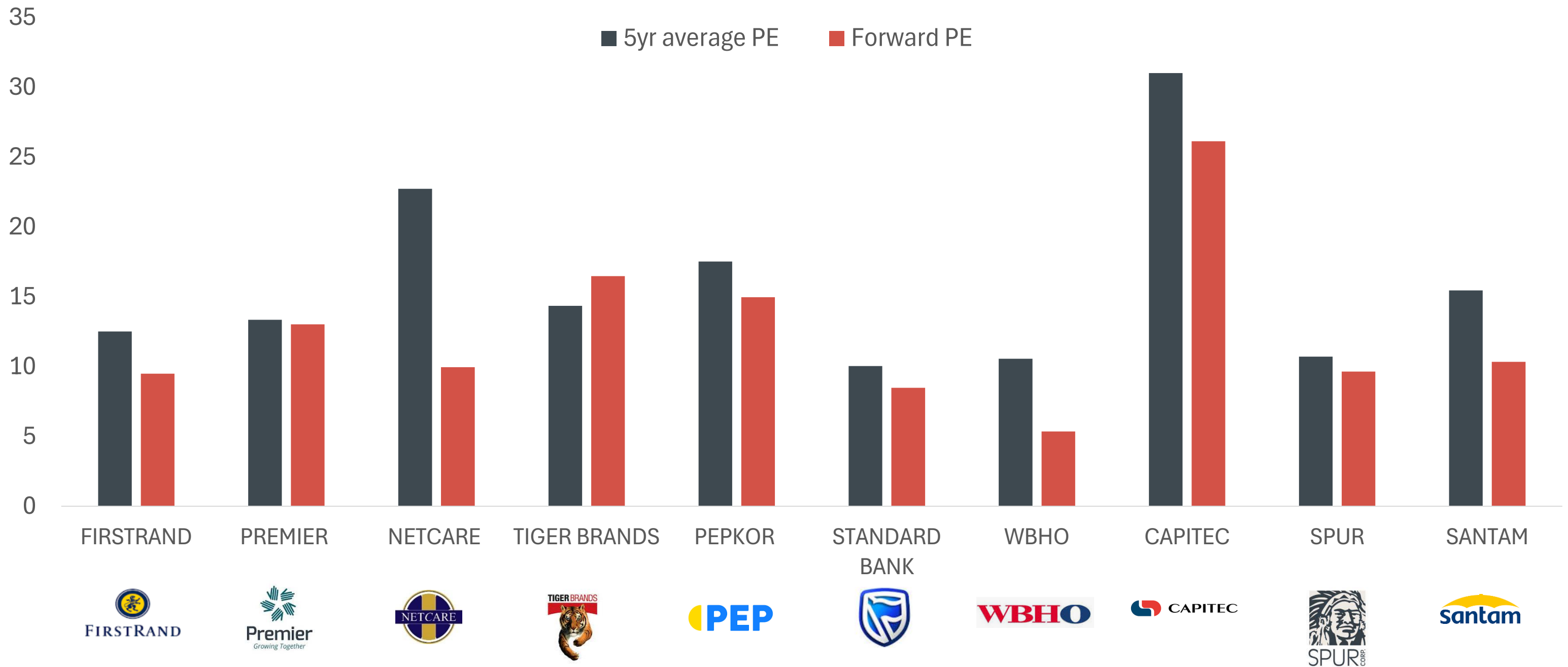
Boosted by high dividend yields on local shares

Expected returns if ratings stay stable



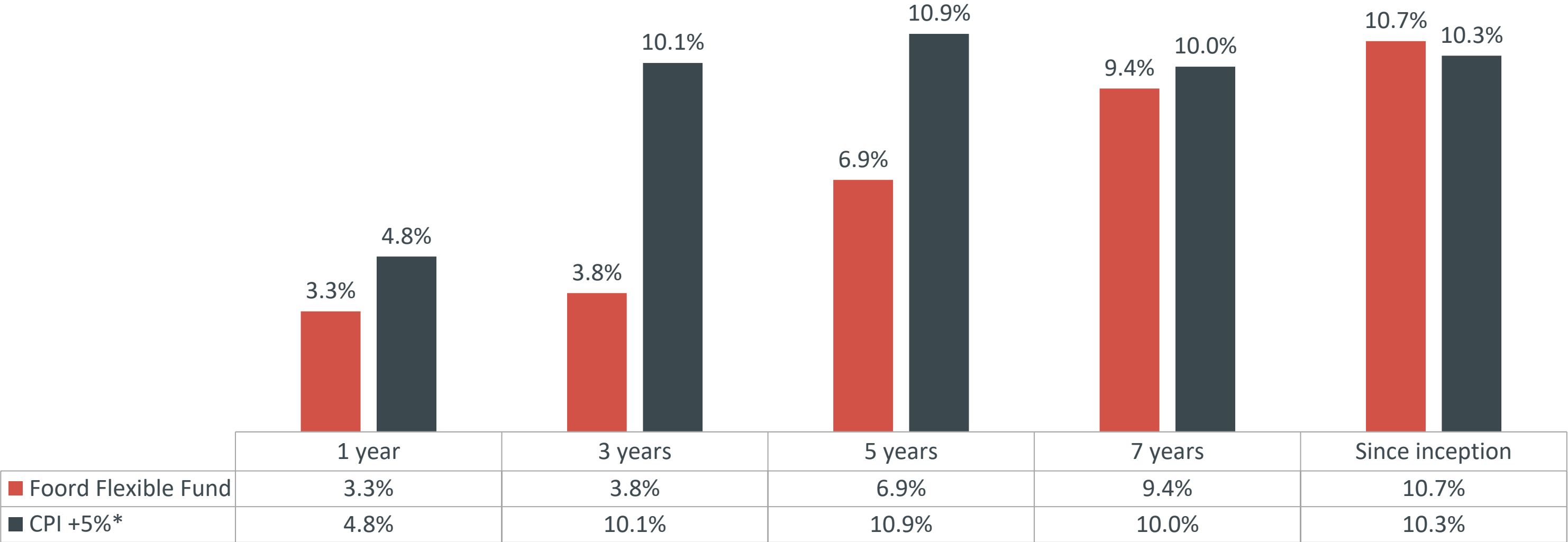
Valuations appealing for Top 10 SA Inc. stocks

Potential upside contribution from rating over time as well



Foord Flexible Fund performance: June 2024

Returns to 30 June 2024

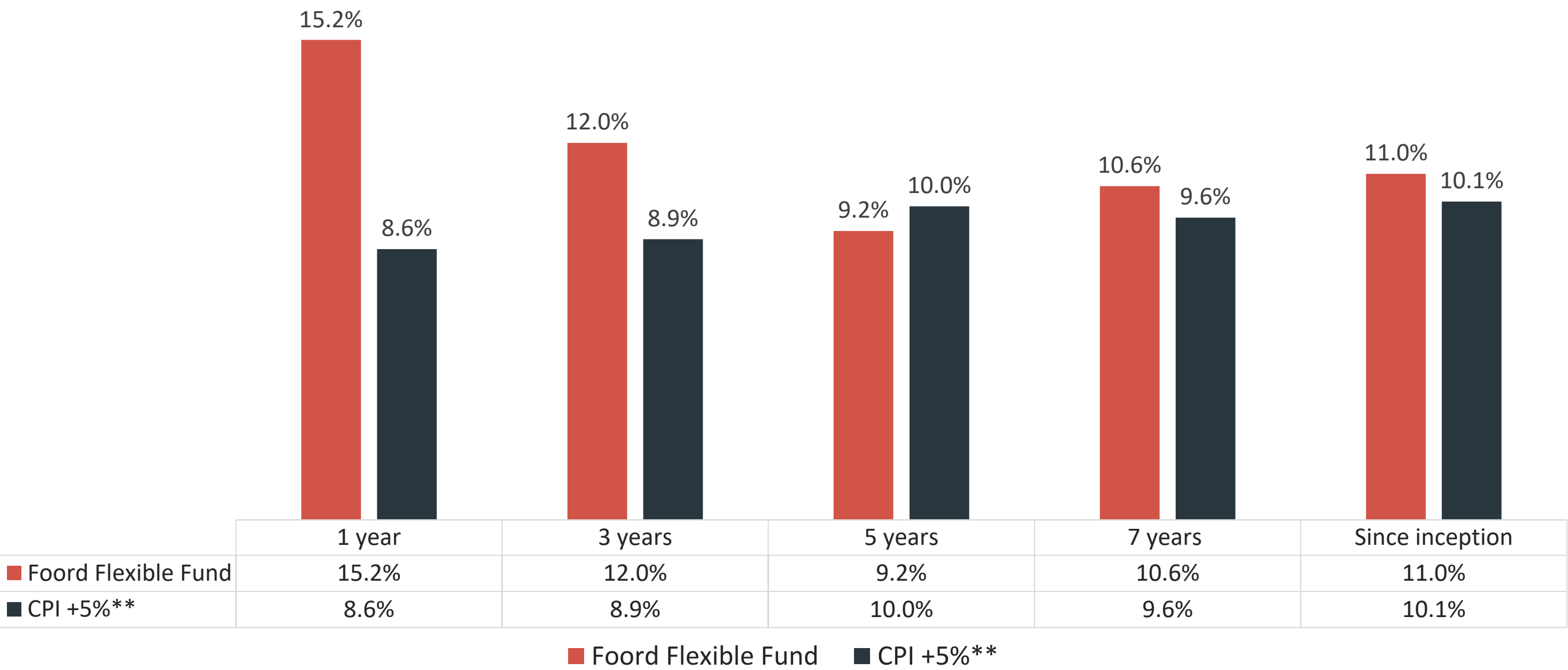


* CPI +5% (Source: Statistics South Africa)
Foord Flexible Fund (Class A). The above portfolio performance is calculated on a NAV to NAV basis. Income is reinvested on the ex-dividend date. Individual investor performance may differ as a result of the actual investment date, the date of reinvestment of income and withholding taxes. Periods greater than one year are annualised to show the average twelve month return. Actual annual figures are available on request. Past performance is not necessarily an indication of future performance.



Foord Flexible Fund performance: December 2025

Returns to 31 December 2025



* CPI +5% (Source: Statistics South Africa) (estimated for December 2025)

Foord Flexible Fund (Class A). The above portfolio performance is calculated on a NAV to NAV basis. Income is reinvested on the ex-dividend date. Individual investor performance may differ as a result of the actual investment date, the date of reinvestment of income and withholding taxes. Periods greater than one year are annualised to show the average twelve month return. Actual annual figures are available on request. Past performance is not necessarily an indication of future performance.



Summary

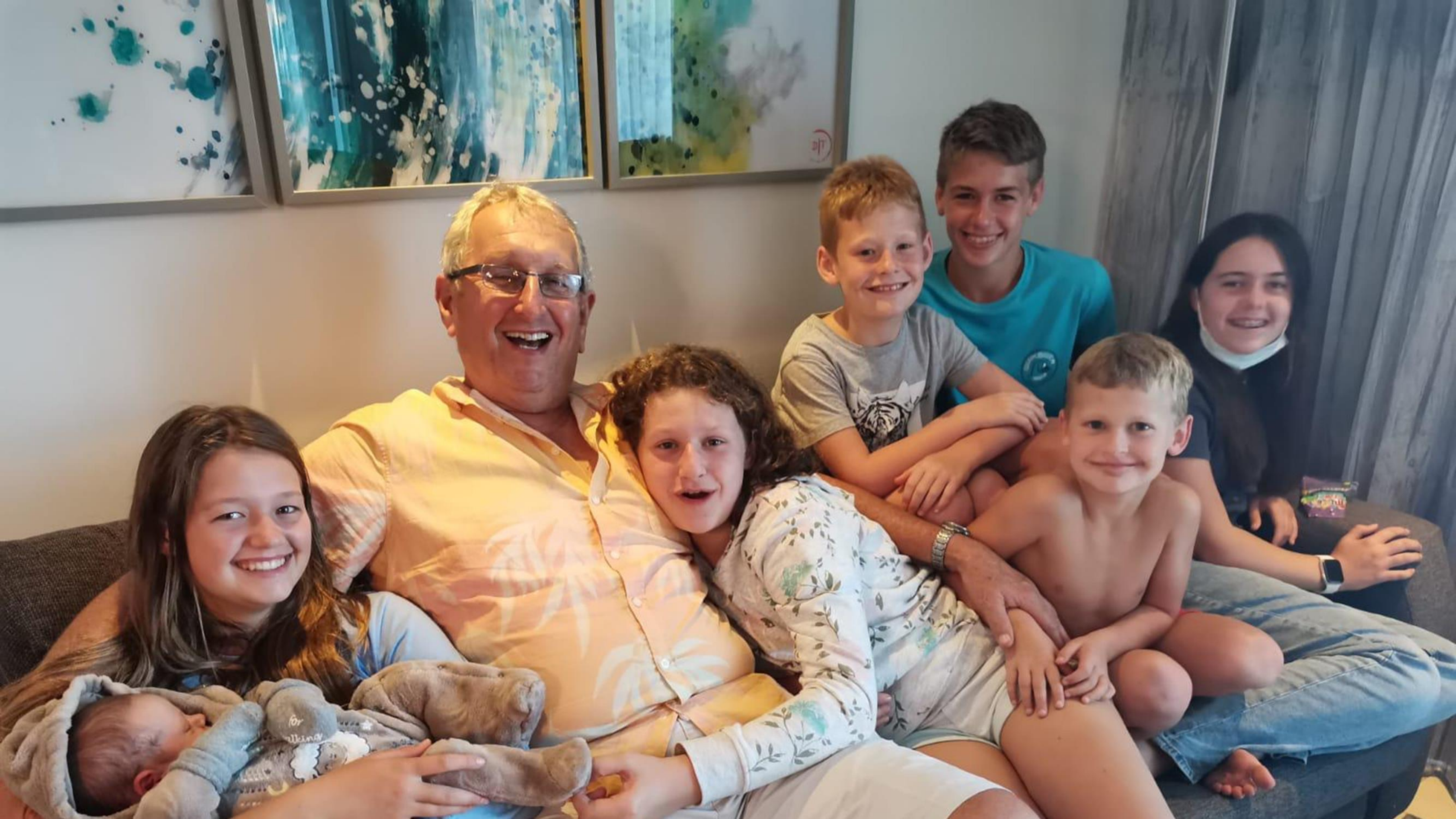
- Time in the markets counts the most
- Earnings and dividends matter the most over the long term
- Valuations can make a big difference over the short/medium term
- Need to be forward-looking when considering where returns will come from
- SA still more tactical rather than structural opportunity – selective exposure key
- Know where you're headed, stay on the path, and let us take care of the journey



Stay focused on the destination

And let us take care of the journey





THANK YOU

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