







FO*RD*

TIME IN THE MARKETS

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|--|-------------|---|
| <p>Foord Compass delists</p> | <p>2014</p> | <p>POOLED OPTIONS: FOORD CONSERVATIVE and FOORD DOMESTIC BALANCED FUNDS ARE LAUNCHED</p> |
| <p>Foord Asset Management (Singapore) Pte. Limited is licensed by the Monetary Authority of Singapore to undertake fund management for all classes of investor, including retail investors</p> | <p>2013</p> | <p>Foord International Trust re-domiciled as Foord SICAV, an investment company with variable capital incorporated in Luxembourg and designated as a UCITS</p> |
| <p>Institutional (B3) pricing for pension funds introduced into unit trust portfolios</p> | <p>2012</p> | <p>FOORD ASSET MANAGEMENT (SINGAPORE) PTE. LIMITED established and FOORD GLOBAL EQUITY FUND LAUNCHED</p> |
| <p>Foord included in Alexander Forbes LARGE MANAGER WATCH</p> | <p>2010</p> | |
|  | <p>2008</p> | <p>FOORD FLEXIBLE FUND OF FUNDS LAUNCHED</p> |
| <p>Foord Compass, a listed absolute return fund, commences</p> | <p>2002</p> | <p>FOORD EQUITY and FOORD BALANCED FUNDS LAUNCHED</p> |
| <p>Company changes its name to Foord Asset Management (Pty) Ltd after Liston Meintjes leaves the business</p> | <p>2001</p> |  |
| <p>FOORD ESTABLISHES AN OFFICE IN GUERNSEY and LAUNCHES FOORD INTERNATIONAL TRUST</p> | <p>1997</p> |  |
| <p></p> | <p>1989</p> | <p>AJ North Pension Fund, Foord's longest standing retirement fund investor, appoints Foord as sole manager for its members' assets: 21.6% annualised return to end December 2014</p> |
| <p></p> | <p>1987</p> | <p>Foord Umbrella Provident Fund established: 26.1% annualised return to end December 2014</p> |
| <p>Move to current offices in Pinelands</p> | <p>1985</p> | |
| <p></p> | <p>1984</p> | <p>FIRST PENSION FUND MANDATE RECEIVED</p> |
| <p>DAVE FOORD AND LISTON MEINTJES FOUND FOORD & MEINTJES (PTY) LTD, INVESTMENT MANAGEMENT SERVICE</p> | <p>1981</p> |  |

INVESTMENT STEWARDSHIP

Foord Asset Management has been consistently growing personal savings since 1981 and managing retirement fund portfolios since 1984. As an independent and owner-managed business built on the principles of investment stewardship, Foord places investors' interests ahead of its own. This vision of investment stewardship remains the cornerstone of the Foord approach today.

The company offers a premium investment management service to long-term investors in investment funds and tailor-made portfolios. A multi-decade track record of successful investing evidences its capacity to consistently deliver superior investment returns for a range of investment strategies.

- We construct diversified investment portfolios based on rigorous fundamental research, high conviction ideas and an adaptable, value-driven investment policy.
- We embrace market volatility as opportunity, not risk.

Foord's objective is to provide investment returns in the top quartile of all recognised performance surveys on a rolling three-year basis. Foord seeks absolute investment value, and in doing so, aims for longer term consistency, not expecting to achieve industry outperformance each and every year.

MULTIPLE-COUNSELLOR APPROACH

Foord's twenty-two strong investment team is characterised by considerable experience. The longevity of the team is amongst the best in the industry. While the industry experience of the eight multiple-counsellor portfolio managers is on average 19 years, many of the senior investment professionals have spent significant time at Foord, ensuring robust succession.

These include Brian Davey (20 years), William Fraser (10 years), Mike Townshend (10 years), Nicholas Balkin (10 years), Carolyn Levin (7 years) and Dane Schrauwen (6 years). The team is led by founder Dave Foord who continues in the role of Chief Investment Officer after 34 years. The performance track record is testament to the skill, expertise and passion of this team.

Ideas are drawn from the entire team as part of Foord's multiple-counsellor process. In conventional fund management, a single fund manager typically takes full responsibility for the management of a portfolio. In contrast, the multiple-counsellor approach involves dividing the assets of each portfolio among a number of portfolio managers. These managers then make independent investment decisions and manage their portions as though they were separate funds. While the Foord hierarchy is flat and highly collegial, accountability for multiple-counsellor returns is squarely on each portfolio manager.

The emphasis on individual decision making within a team environment is premised on our belief that, for the most part, individuals produce better results than teams: Committees tend to dilute investment ability because the right decision is unlikely to meet with consensus approval. Individual authority and accountability results in swift decisions, keeping the distance between the seed of a good investment idea and its implementation as short as possible.

THE MOST **SUCCESSFUL INVESTORS** ARE
INDEPENDENT THINKERS AND PERPETUAL SCHOLARS

INVESTMENT PHILOSOPHY

How we think about investments determines how we act. The tenets of our investment philosophy are the lights that guide what we do.

GET THE BIG CALLS RIGHT

Meaningful investment returns are not earned by making incremental decisions. Superior long-term returns are generated by identifying and taking advantage of economic cycles. In the long term, it is never beneficial to invest in the fast hounds of the slow pack.

BUY AT THE RIGHT PRICE

The price at which one purchases an investment dictates future returns: pay too dear and future returns are compromised. "Cheap" or "dear" are concepts that crystallise with fundamental analysis of the future revenue streams and associated risks of an investment security. Investing with a margin of safety is critical to reducing the future risk of loss.

TAKE A LONG-TERM VIEW AND BE PATIENT

Speculation is a short-term activity with an inherently uncertain result. Investment is a long-term activity with a more certain result. Like the maturation of a good wine or the growing of a tree, an investment's full potential realises over time.

IGNORE THE BENCHMARK WHEN BUILDING PORTFOLIOS

A benchmark is often representative of what is in vogue or what is simply big. Bigger isn't always better and fashion is fickle. Portfolios should be constructed by applying objective, independent perspectives to their composition. To outperform the herd you have to be different from the herd.

DIVERSIFY AND MANAGE RISK

Diversification offers possibly the only "free lunch" in the market – it affords the investor the chance to manage the risk of being wrong. Diversification should be used often, but not excessively. Where careful analysis gives an investor greater conviction, less diversification is needed – because the risk of being wrong is lower.



THREE DECADE TRACK RECORD

“ **FOORD’S APPROACH,**
 COUPLED WITH THE AVOIDANCE OF HIGH COST STRUCTURES,
 THE APPOINTMENT OF A SINGLE MANAGER AND
 NOT BEING SWAYED BY FADS OR TRENDS
 HAS LED TO THE UNUSUAL SCENARIO OF MANY OF OUR STAFF MEMBERS
RETIRING WITH MORE MONTHLY INCOME THAN THEY HAD WHILST WORKING. ”

Roger Carter | Chairman: AJ North Pension Fund - Foord’s longest standing retirement fund investor

The AJ North Pension Fund, which has been a Foord retirement fund investor for over 26 years, has earned a compound annual return of 21.6% per annum (a real return of 14.1% per annum) to December 2014 under Foord’s stewardship. The effect of this premium return is profound, with many AJ North staff members having retired to pensions that have exceeded their final salaries.

Over the last 31 years in which Foord has managed its retirement fund mandates, the compound annual return has been an impressive 21.1% per annum (13.1% per annum after inflation). The greatest vindication of Foord’s ability has been the magnitude of the premium of those returns over the average pension fund which achieved an annualised return of 17.4% per annum for the same period: After 31 years, a Foord investor is almost three times wealthier than an investor in the average pension fund (calculated using data from the Consulting Actuaries Survey up to December 1997, thereafter the average of the Alexander Forbes Large Manager Watch).

The return profile is illustrated in the following charts:

CHART 1:

Rolling five-year returns vs inflation to 31 October 2015

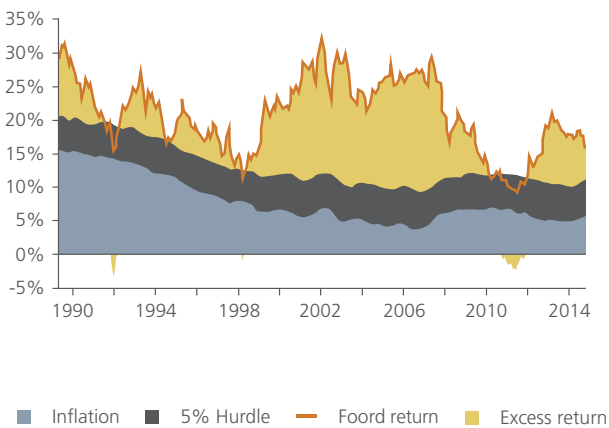
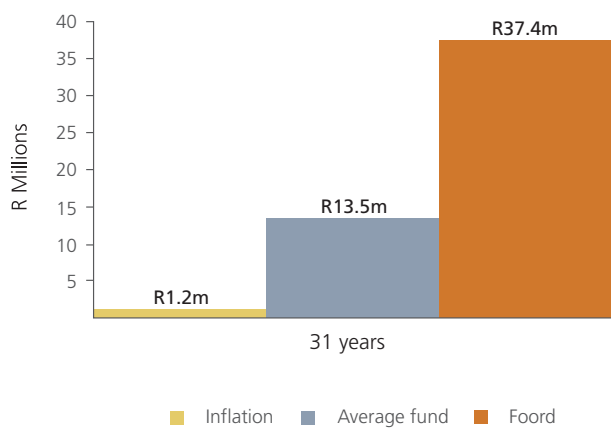


CHART 2:

Current value of R100 000 invested on 1 January 1984



The rolling five-year annualised returns in CHART 1 reveal the consistency of the returns (they move in a relatively narrow band) and the persistence thereof (they recur in successive periods). It is returns of this nature that are the hallmark of successful investing. CHART 2 illustrates the effect that compounding a small incremental return over very long periods has on the value of an investment.

INVESTMENT STRATEGIES

MULTI-ASSET CLASS STRATEGIES

RETIREMENT FUNDS – FULL DISCRETION

The strategy is to achieve total returns exceeding inflation plus 5% over long-term cycles, thereby preserving capital in real terms. This is achieved through a combination of income and capital growth, with stock selection and asset allocation expected to contribute to total returns. The mandates are managed to comply with Regulation 28 of the Pension Funds Act and include foreign assets up to a prudential maximum of 25% of portfolio.

| | 3 years | 5 years | 10 years |
|--------------------------------------|-------------|-------------|-------------|
| Foord | 15.6% | 16.3% | 15.7% |
| Median manager | 12.0% | 12.4% | 13.5% |
| Rank / Number of survey participants | 7/21 | 1/17 | 3/17 |

Source: Alexander Forbes Global Manager Watch BIV (non-investable) (September 2015)

RETIREMENT FUNDS – FULL DISCRETION (ABSOLUTE RETURN)

This strategy shares an objective with typical full discretion mandates, but places significantly greater emphasis on capital preservation over short-term cycles. The mandates are managed to comply with Regulation 28 of the Pension Funds Act and include foreign assets up to a prudential maximum of 25% of portfolio. Derivative instruments may be used judiciously from time to time to hedge potential short-term losses.

| | 3 years | 5 years | 10 years |
|--------------------------------------|-------------|-------------|-------------|
| Foord | 16.2% | 16.4% | 15.5% |
| Median manager | 11.2% | 11.1% | 11.5% |
| Rank / Number of survey participants | 1/16 | 1/16 | 1/12 |

Source: Alexander Forbes Absolute Return Manager Watch (CPI +5%) (September 2015)

RETIREMENT FUNDS – DOMESTIC ONLY

The strategy provides investors with Foord’s best investment view within the constraints of Regulation 28 of the Pension Funds Act and a portfolio constructed only from South African assets. We aim to outperform the peer group over long-term cycles, with both stock selection and asset allocation expected to contribute to total returns.

| | 3 years | 5 years | 10 years |
|--------------------------------------|-------------|-------------|-------------|
| Foord | 15.4% | 16.5% | 16.2% |
| Median manager | 12.1% | 13.1% | 14.7% |
| Rank / Number of survey participants | 1/12 | 1/12 | 1/12 |

Source: Alexander Forbes SA Manager Watch BIV (non-investable) (September 2015)

RETIREMENT FUNDS – CONSERVATIVE ORIENTATION

The strategy is to achieve total returns exceeding inflation plus 4% over rolling three-year periods, while emphasising capital preservation over the short term. The portfolio is suitable for very conservative investors with an investment horizon not exceeding three years. The mandates are managed to comply with Regulation 28 of the Pension Funds Act and include foreign assets up to a prudential maximum of 25% of portfolio.

| | 1 year |
|--------------------------------------|------------|
| Foord | 7.7% |
| Median manager | 8.2% |
| Rank / Number of survey participants | 4/6 |

Source: Alexander Forbes Global Manager Watch Conservative (non-investable) (September 2015)

MULTI-ASSET CLASS STRATEGIES (continued)

MEDICAL SCHEMES – FULL DISCRETION

The objective is to achieve returns exceeding cash plus 2% over long-term cycles. Both stock selection and asset allocation are expected to contribute to total returns. The medical aid portfolio is managed to comply with Annexure B to Regulation 30 of the Medical Schemes Act.

| | 3 years | 5 years | 10 years |
|--------------------------------------|-------------|-------------|------------|
| Foord | 11.2% | 11.6% | 12.1% |
| Median manager | 9.4% | 8.9% | 11.4% |
| Rank / Number of survey participants | 2/11 | 2/11 | 2/7 |

Source: Alexander Forbes Medical Aid Manager Watch (Balanced and Absolute Return Funds) (September 2015). Ranks calculated by Foord using nominal returns

GLOBAL MULTI-ASSET – BEST INVESTMENT VIEW

The strategy aims to produce returns exceeding US inflation plus 5% over long-term cycles. This should approximate an annualised return of 10% in US dollars over the very long term, outperforming world equity indices, but with significantly lower variability of returns. The strategy invests in a combination of global asset classes including equities, fixed interest securities, commodities and cash. Both stock selection and asset allocation are expected to contribute to total returns.

| | 3 years | 5 years | 10 years |
|--------------------------------------|--------------|-------------|-------------|
| Foord in ZAR | 23.2 | 20.4 | 14.2 |
| Peer Group in ZAR | 19.9 | 16.1 | 11.0 |
| Rank / Number of survey participants | 14/70 | 4/44 | 1/12 |

Source: USD Flexible Allocation Morningstar category average (excluding Foord) (September 2015)

EQUITY STRATEGIES

SOUTH AFRICAN EQUITY

The objective of this single-asset class strategy is to achieve a total return exceeding that of the South African equity market, as represented by the FTSE/JSE All Share Index including income, with less than market risk. Our long-term outperformance target is 5% per annum.

| | 3 years | 5 years | 10 years |
|--------------------------------------|-------------|-------------|-------------|
| Foord | 18.7% | 18.8% | 18.3% |
| Median manager | 13.2% | 12.9% | 14.6% |
| Rank / Number of survey participants | 3/22 | 1/21 | 1/12 |

Source: Alexander Forbes SA Equity Manager Watch (non-investable, non-benchmark cognisant) (September 2015). Ranks calculated by Foord using nominal returns

GLOBAL EQUITY

The strategy provides investors with exposure to a diversified mix of global equity and equity-related securities, with an objective of maximising return with minimum risk. The portfolio aims to produce an annualised return exceeding world equity indices plus 3%.

| | 1 year | 3 years |
|--|--------|---------|
| Foord in ZAR | 8.1% | 19.7% |
| MSCI All Country Total Return Index in ZAR | 14.4% | 27.0% |

Contact Foord's investor relationship team to discuss these investment strategies and other tailor made solutions.



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