

SYNOPSIS

PORTFOLIO PERFORMANCE

	Fund ¹	Peer Group ²	US Inflation	MSCI World Equities	World Bonds ³
	%	%	%	%	%
Last 3 months	-0.9	5.5	1.0	8.9	-2.4
Last 1 year	-7.9	12.0	3.1	25.1	-0.8
Last 3 years	-0.6	2.0	5.7	8.6	-6.1
Last 5 years	3.3	4.2	4.2	12.1	-2.2
Last 10 years	3.2	2.6	2.8	9.4	-0.8
Last 20 years	5.3	2.8	2.6	8.1	1.7
Since inception	5.9	3.9	2.5	7.2	3.1

¹ Based on Class R performance return. The fund was launched on 2 April 2013 by contributions in-kind from the net assets of Foord International Trust ("FIT"), which was incepted on 10 March 1997. Investment returns prior to 2 April 2013 are those of the FIT's track record.

² USD Flexible Allocation Morningstar category average

³ FTSE World Government Bond Index. Source: Bloomberg L.P.

Returns for periods greater than one year are annualised.

FUND VALUE

\$1.3 billion (31/12/2023: \$1.3 billion)

INVESTMENT OUTLOOK

US interest rates have likely peaked with the next move down (though unlikely until at least 2H24)

US equity valuations expensive even excluding the lofty IT sector

Core inflation to decline towards target, driven by a respite in shelter inflation

Headline inflation outlook uncertain due to volatile food and energy prices

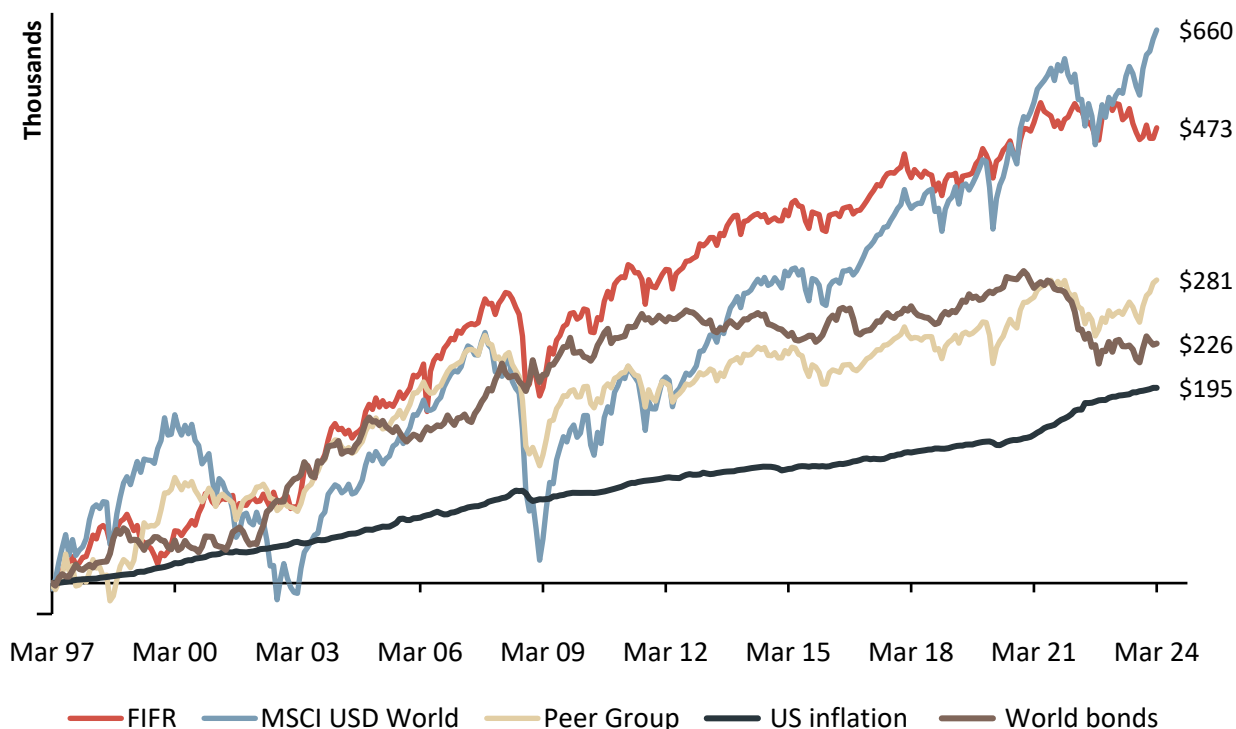
Chinese equities at low valuations and peak negative sentiment create opportunity

Gold maintains safe-haven appeal amid heightened political tension

Declining interest rates provide an additional catalyst for precious metals prices

Prefer defensive, high-quality, dividend-paying equities and high-quality credit

PORTFOLIO PERFORMANCE



PERFORMANCE COMMENTARY (PERCENTAGE RETURNS IN US DOLLAR UNLESS OTHERWISE STATED)

- A strong 4Q23 US GDP print (+3.5% Q/Q annualized) and continued strength in the US labour market drove US equities (+10.3%) and, in turn, global developed market equities (+8.9%) higher

Global risk assets continued to rise despite fixed income investors curtailing expectations of US interest rate cuts — markets are now expecting 75bp of cuts by year-end having previously been expecting 150bp of cuts at the start of the year
- The fund was little changed over the period, declining modestly and lagging world equities as the fund’s conservative positioning weighed on performance — the fund outperformed sovereign bonds (-2.4%), although rising interest rate expectations did little to curtail the rise of, already lofty, equities
- Global copper miner Freeport-McMoRan (+10.9%) contributed the most to fund returns — prospects of a soft landing buoyed the cyclical miner for the second straight quarter
- Other significant positive contributors to returns included the fund’s gold holding (+7.6%); prices of the interest rate sensitive precious metal rose despite rising interest rate expectations, and Saab (+47.7%) — shares of the Swedish defence contractor increased on unceasing geopolitical tensions and resultant continued strong orders
- The fund’s equity hedges in the form of short futures positions (+5.8%) detracted most from fund returns as the market ended the quarter with a fifth consecutive monthly increase — despite clear pockets of economic strength, reasons for caution remain as US retail sales, for example, failed to meet expectations for the third consecutive month

PORTFOLIO STRUCTURE¹

ASSET ALLOCATION (%)		Changes since last quarter
Equities	49 ▼	(19.3)
Government bonds	13 ▲	0.4
Commodities	7 ▲	0.6
Corporate Bonds	2 ▼	(3.6)
Real estate	4 ▲	0.1
Cash	25 ▲	21.9

TOP 10 INVESTMENTS

SECURITY	ASSET CLASS	LISTING	% OF FUND
ETFS Physical Gold	Commodity	GBR	6.0
SSE PLC	Equity	GBR	5.9
Freeport-McMoran Inc	Equity	USA	5.6
Wheaton Precious Metal	Equity	USA	4.1
FMC Corp	Equity	USA	3.9
Nestle	Equity	CHE	3.5
Air Products & Chemicals	Equity	USA	3.3
Occidental Petroleum	Equity	USA	3.2
US Treasury 4.00% 31/07/2030	Government bond	USA	2.7
Alibaba	Equity	HKG	2.6

GEOGRAPHIC GROSS EXPOSURE ANALYSIS

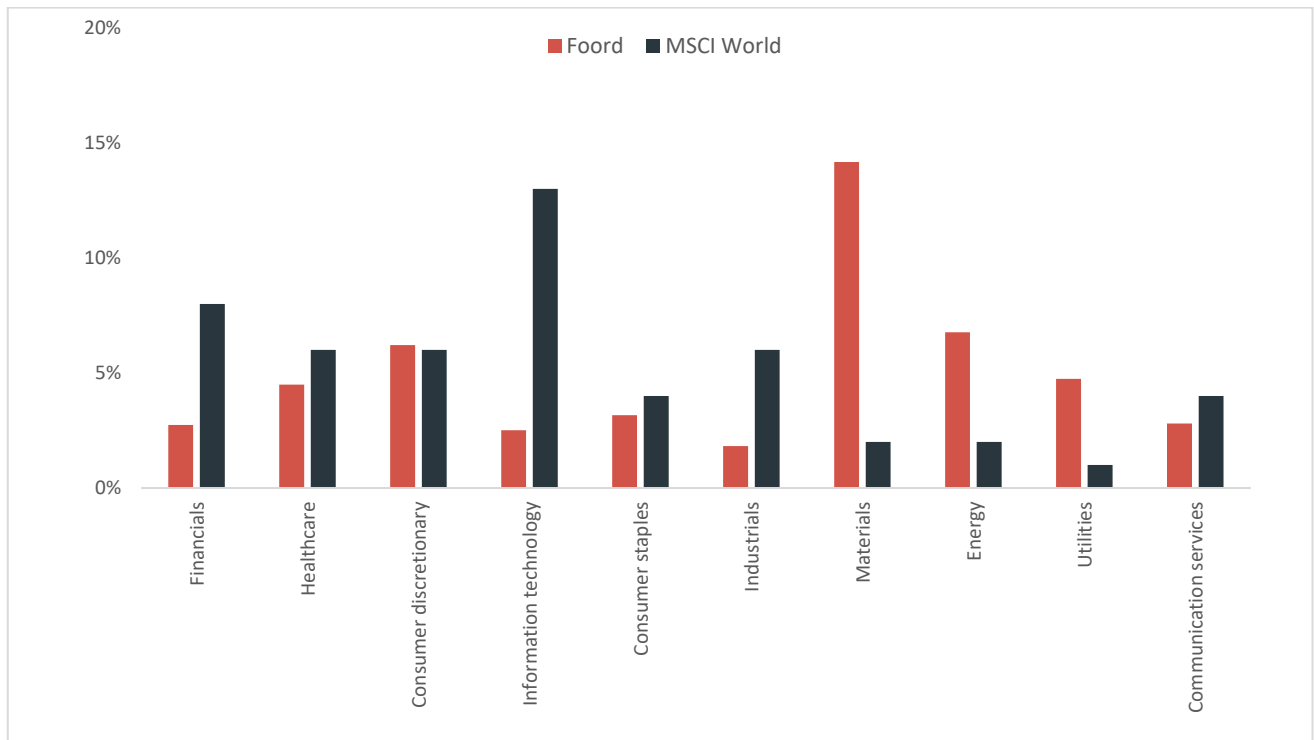
REGION (%)	TOTAL	EQUITY		CASH
		Current Qtr	QoQ change	
North America	50	31	-	6
Europe	24	18 ▼	(1)	-
Pacific	11	7	-	-
Emerging Asia	13	13 ▲	1	-
Africa & Middle East	2	-	-	-
TOTAL	100	69		6

¹ Figures may vary and total may not cast perfectly due to rounding

PORTFOLIO STRUCTURE (CONTINUED)

EQUITY SECTOR ALLOCATION (%)		Changes since last quarter	
Materials	13	▼	(6)
Energy	7	▼	(2)
Consumer discretionary	6	▼	(2)
Utilities	5	▼	(2)
Healthcare	4	▼	(2)
Consumer staples	3	▼	(2)
Communication services	3	▼	(2)
Financials	3	▼	(1)
Information technology	3		-
Industrials	2	▼	(2)

EQUITY SECTOR WEIGHTING RELATIVE TO MSCI WORLD INDEX



FUND CONSTRUCTION

- The fund's equity exposure decreased materially during the quarter — although corporate earnings continue to grow, US equity market valuations are well above long-term averages as well as the prospects of a forthcoming slowdown temper our short-term return expectations
- The fund's fixed income exposure declined modestly upon maturation of one of the fund's corporate credit exposures — the managers view buying opportunities in high-quality corporate and sovereign credit as the most attractive in over 15 years after having been mostly absent this asset class for years owing to excessive valuations
- Despite the back up in interest rate expectations, gold has continued to perform well (the non-interest-bearing metal faces headwinds in rising rate environments) — gold's uncorrelated drivers of return continue to serve the portfolio as a hedge during periods of geopolitical and/or market volatility
- The materials and energy sectors constitute 25% of the fund's holdings and 40% of the fund's equity exposure — underinvestment in traditional energy resources and select industrial metals is likely to result in attractive supply and demand dynamics over our investment horizon
- Utilities is also among the fund's largest sector allocations — investors underappreciate the growth tailwinds now evident in select regulated utilities companies due to the electrification of large portions of the economy, including transportation
- Persistent property sector woes and relatively sluggish growth combined with geopolitical tensions have resulted in peak negative foreign-investor sentiment and least-expensive Chinese equity valuations in decades — while timing a rebound is uncertain, the earnings growth reported in recent quarters for select equities within the Chinese market are amongst the most attractive globally
- Cash and cash equivalents increased during the quarter following the reinstatement of a portion of the fund's equity hedges — though the managers remain cautious and the fund conservatively positioned
- Foord's approach to finding value and managing risk by buying quality businesses underpinned by strong fundamental moats and real cash earnings is embedded firmly in our investment philosophy — we continue to employ this approach, investing with conviction in companies that meet our fundamental investment criteria while offering adequate downside protection and good value
- In the pursuit of the fund's dual mandate to protect investor capital and to safely grow returns meaningfully ahead of inflation over time, our caution towards overvalued US markets and conviction in undervalued quality Chinese names hurt the portfolio's last twelve months performance — the managers still believe it prudent to exercise caution and as we move through 2024 and the fund is balanced with holdings both positioned to benefit from long-term economic growth term while maintaining its conservatism

VOTING RESOLUTIONS

We apply our minds to every single resolution put to shareholders. We do not abstain unless it would be for strategic or tactical reasons.

We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of directors, authorising loans and financial assistance to directors, associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion, we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated.

The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes.

In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings.

	Total vote	For (%)	Against (%)	Abstain (%)
Adopt financials	3	100	-	-
Auditor/Risk/Social/Ethics related	2	100	-	-
Dividend related	1	100	-	-
Political expenditure/Donation	1	-	100	-
Re/Elect director or members of supervisory board	20	100	-	-
Remuneration policy including directors' remuneration	4	25	75	-
Signature of documents/ Ratification	2	100	-	-

B ARCESE / D FOORD
April 2024

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MORE ABOUT THE FUND

Foord SICAV—Foord International Fund is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). For regulatory matters, please contact the Management Company, Lemanik Asset Management S.A. on T: +352 26 39 60, F: +352 26 39 60 02 or E: info@lemanik.lu. A summary of investor rights, available in English, is available on www.foord.com. The Management Company or Foord may terminate the arrangements made for marketing of collective investment undertakings in accordance with Article 93a of Directive 2009/65/EC and Article 32a Directive 2011/611/EU.

Foord does not guarantee the capital invested or the performance of the investment. The portfolio includes qualifying investments listed on regulated exchanges outside the fund's domicile that carry risks as described in the prospectus, including the possibility of non-recoverable withholding taxes and non-repatriation of funds. Investment values and some costs may fluctuate because of factors including but not limited to currency exchange rates that can be affected by a wide range of economic factors.

The Fund is actively managed. The portfolio information is presented using effective exposures. The fund may borrow up to 10% of the NAV and does not engage in scrip lending. Since inception, no subscription fees or realisation fees were charged. No dividends or distributions were declared or made. Shares will be issued or realised on a forward pricing basis only on Valuation Day (as defined in the prospectus) and calculated based on the net asset value (“NAV”) represented by one share. Prices are published on www.foord.com within 2 business days after the relevant Valuation Day. All dealing application requests must be received before 16h00 (Central European time) on each Valuation Day. A schedule of fees and charges and maximum commissions is disclosed in the prospectus or PRIIP KID and available on request.

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