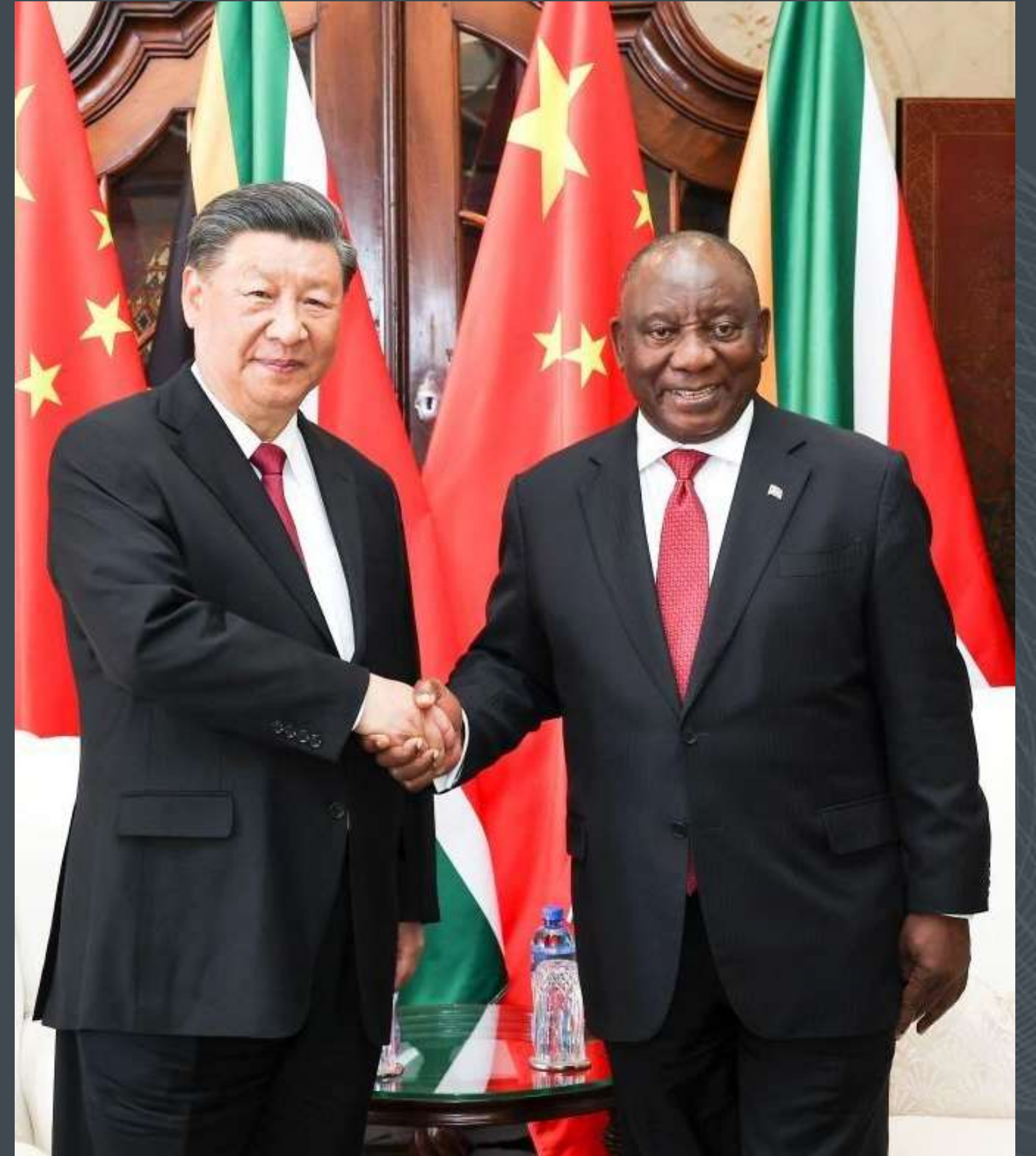


MEET THE MANAGER

China & South Africa – diverging paths or parallel opportunities?

RASHAAD TAYOB
LINDA EEDES

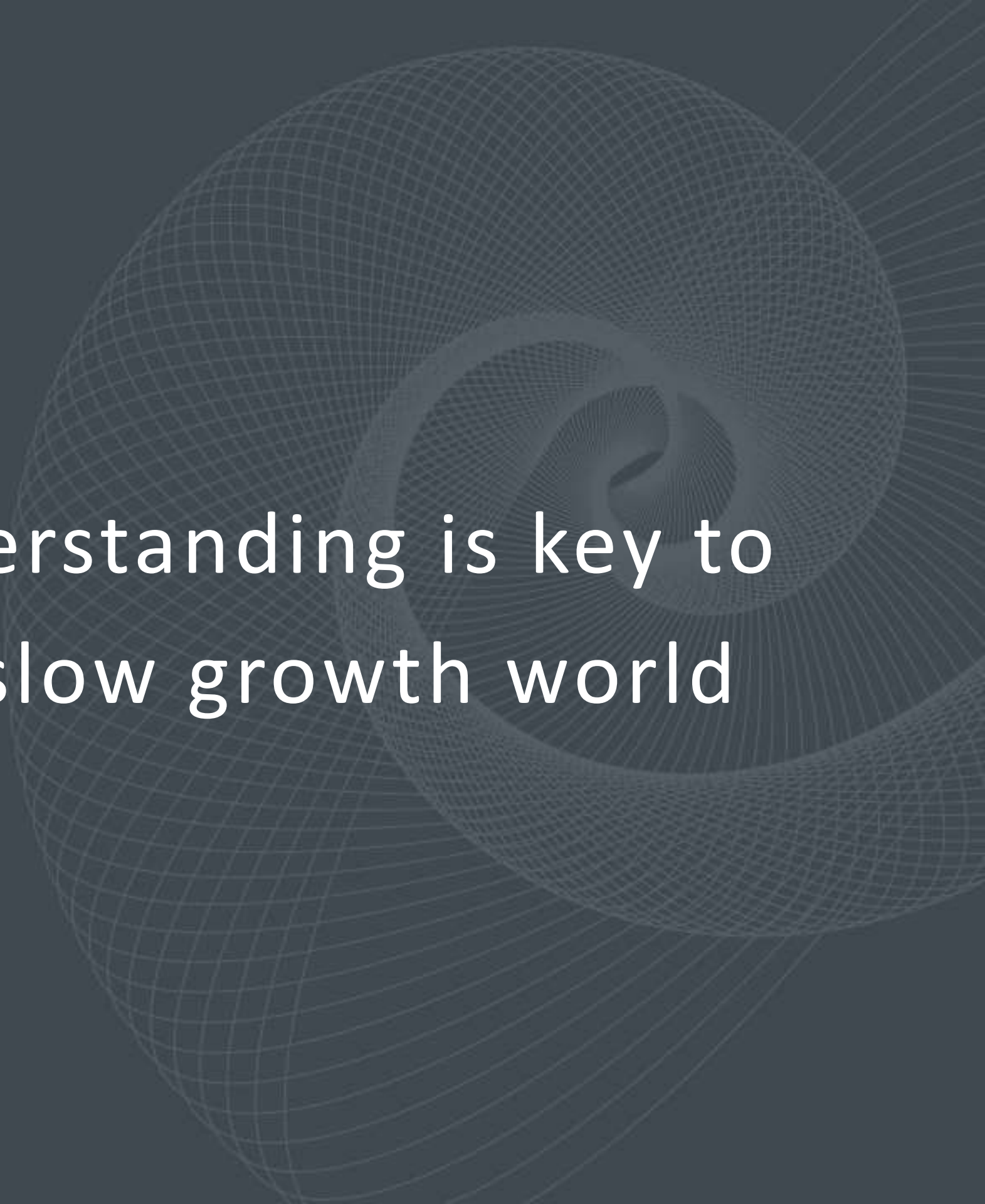
JUNE 2025



China: Under-appreciated Innovators

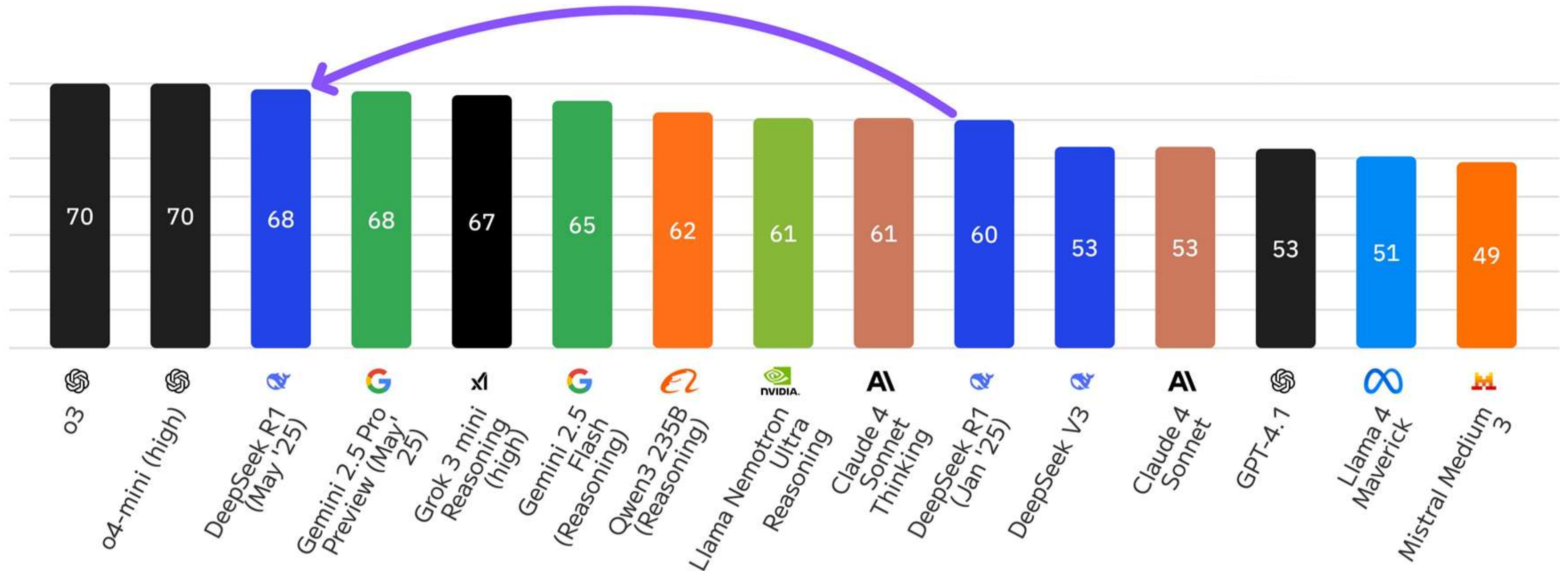


Finding market misunderstanding is key to
alpha generation in a slow growth world

An abstract background graphic on the right side of the slide. It features a dark gray background with a complex, wireframe-like structure. This structure consists of multiple overlapping, concentric, and slightly offset spheres or ellipsoids. The lines forming these shapes are thin and light gray, creating a sense of depth and geometric complexity. The overall effect is a modern, technical, and somewhat futuristic aesthetic.

Artificial Intelligence Index

Deepseek is leapfrogging the other leaders

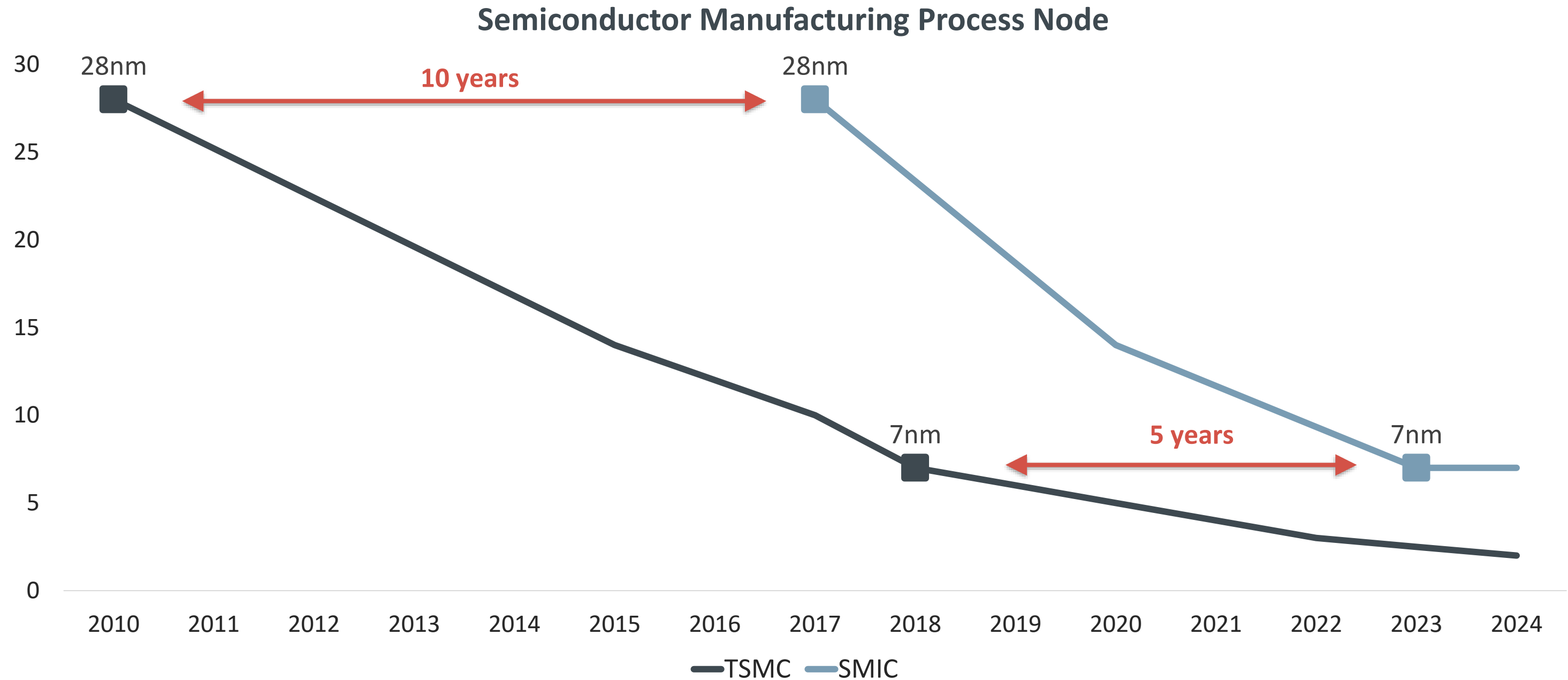


Source: Artifical Analysis



Semiconductor

Closing the technology gap



Source: Company Reports



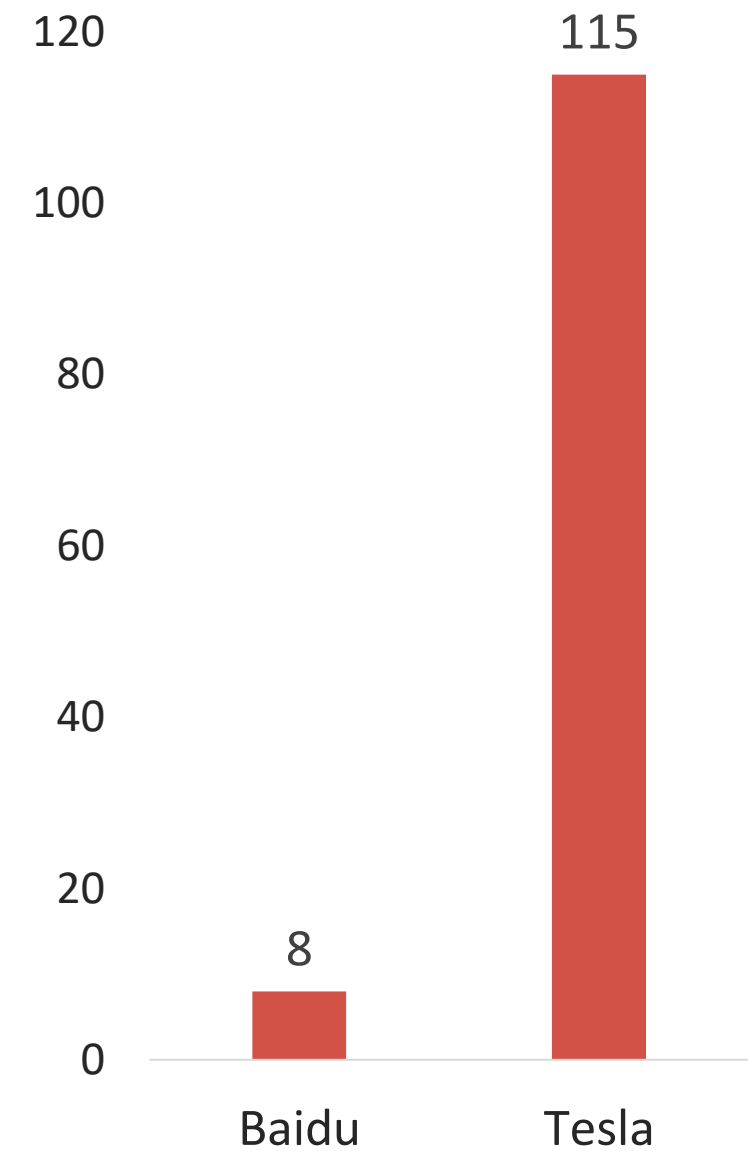
Autonomous Driving

Truly autonomous, no longer just a blueprint



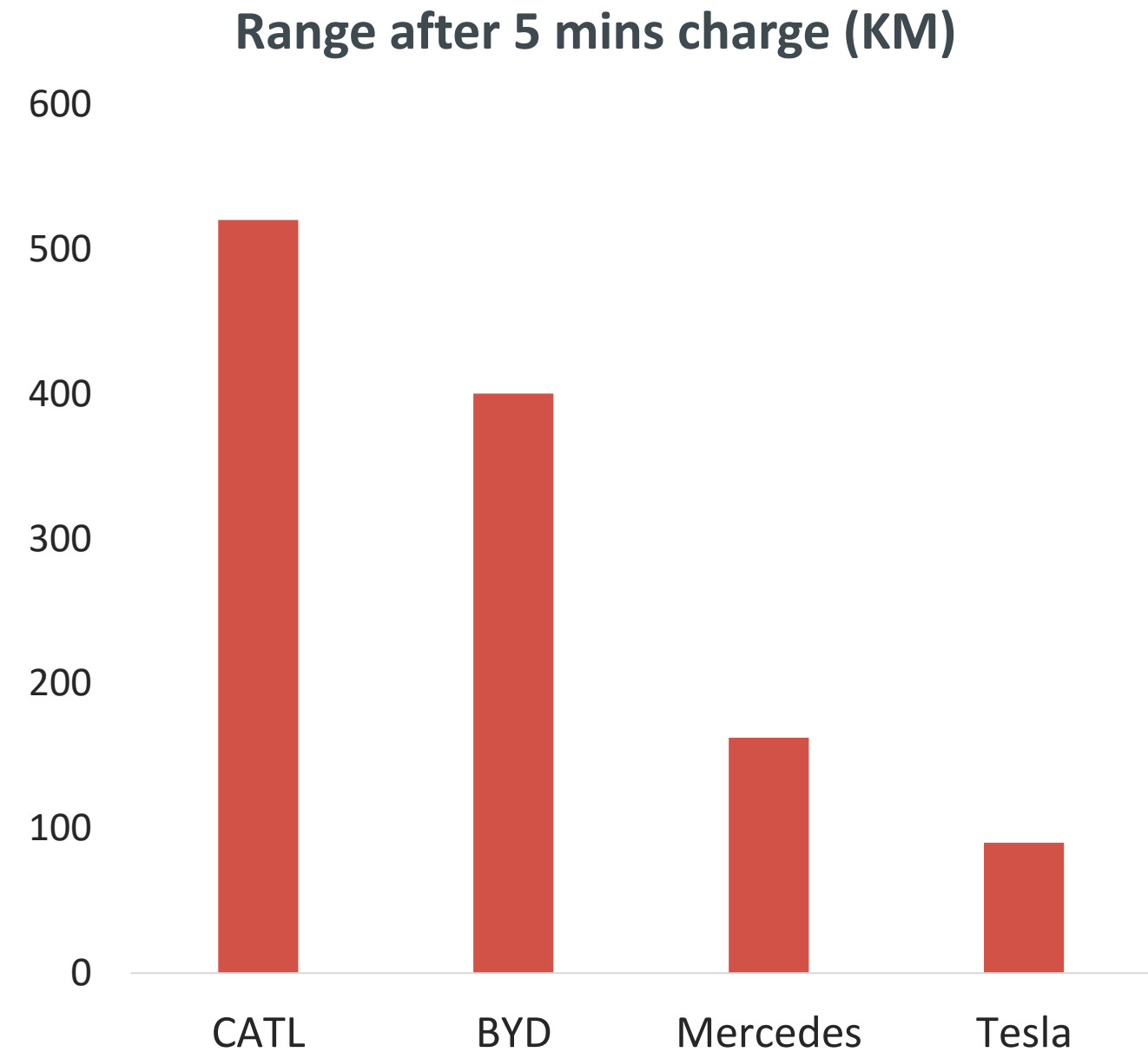
Source: Baidu; Bloomberg

PE Ratio (x)



Batteries

Advancing world leading battery technology year after year

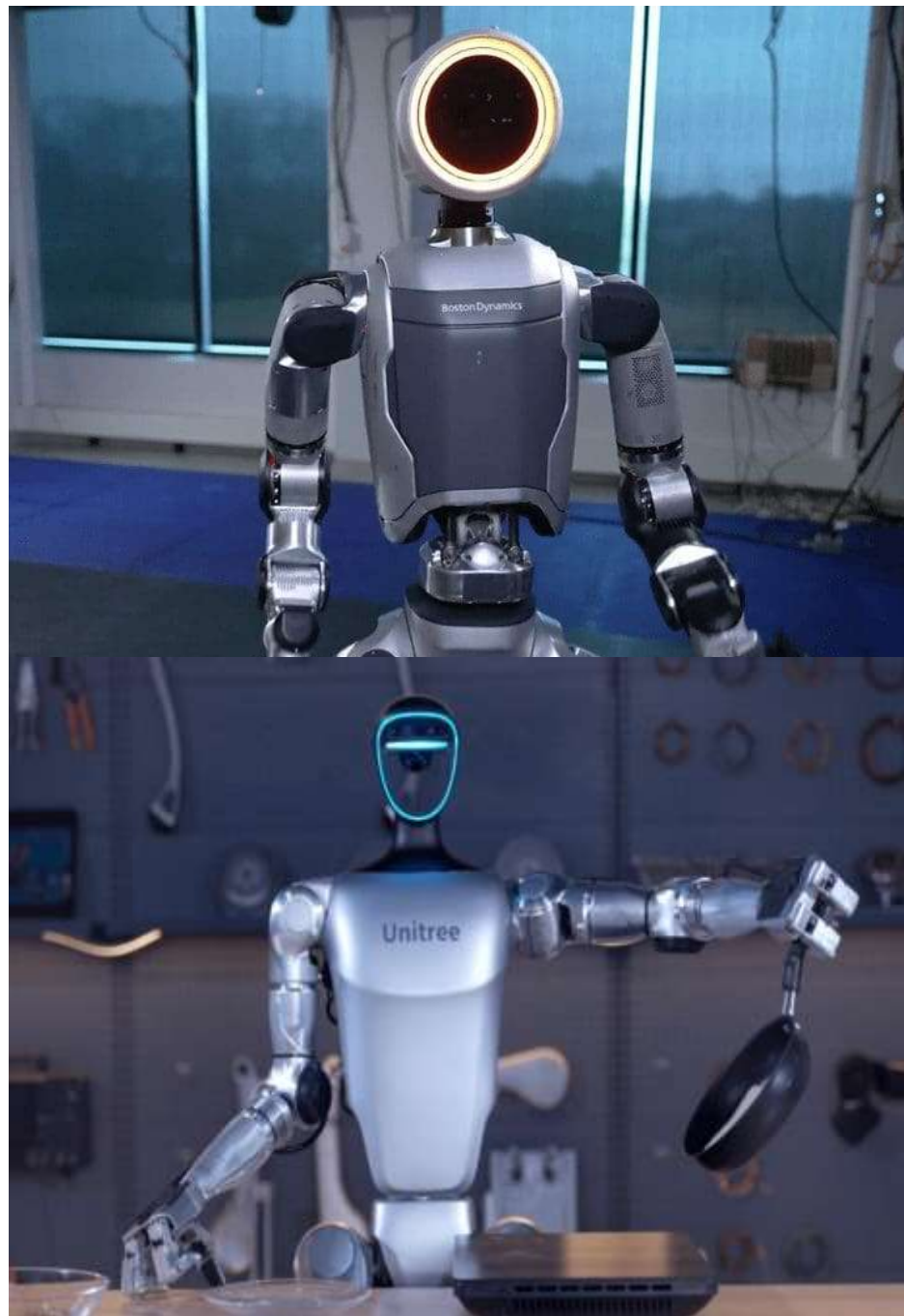


Source: Company reports



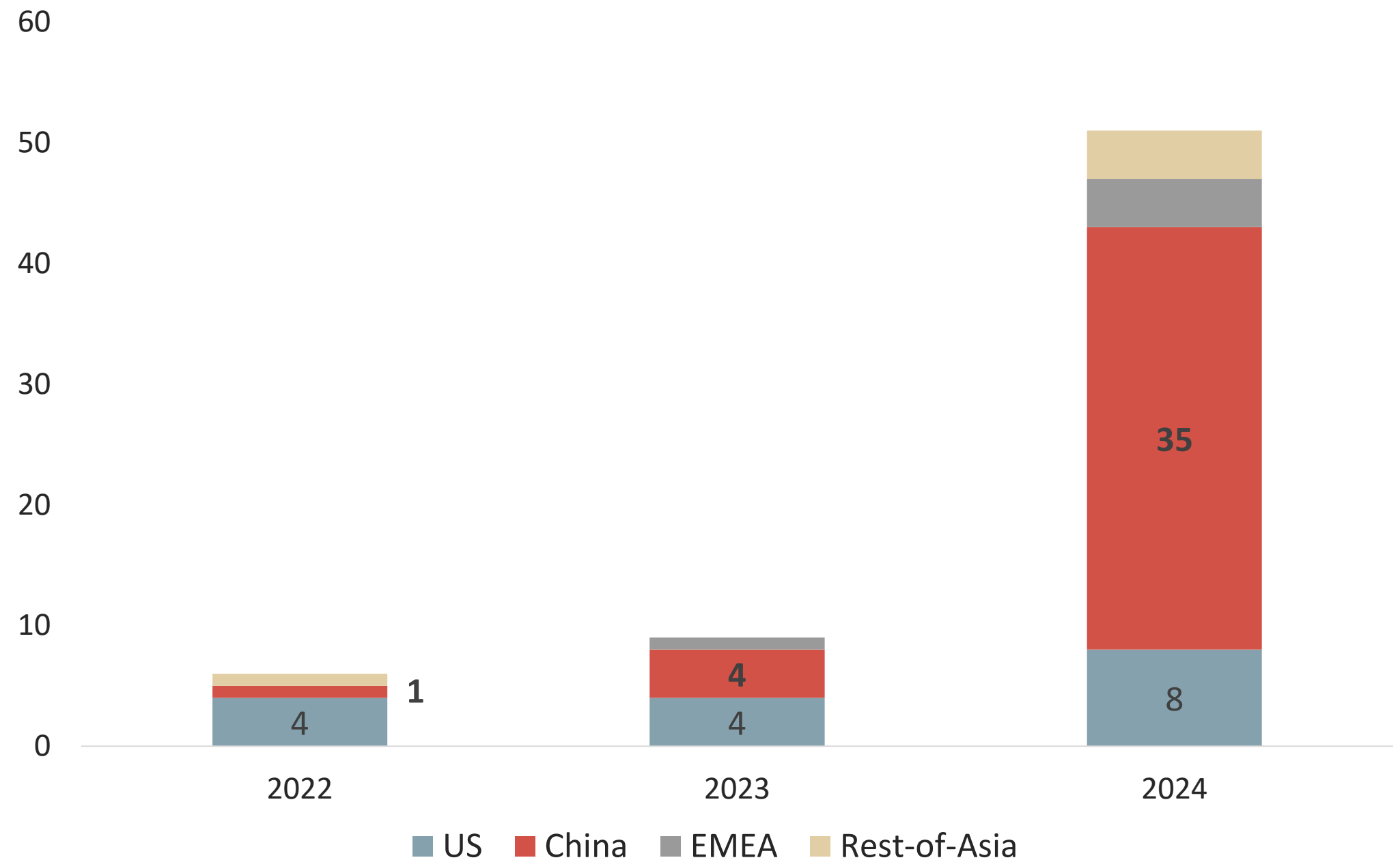
Robotics

Already ahead of the west



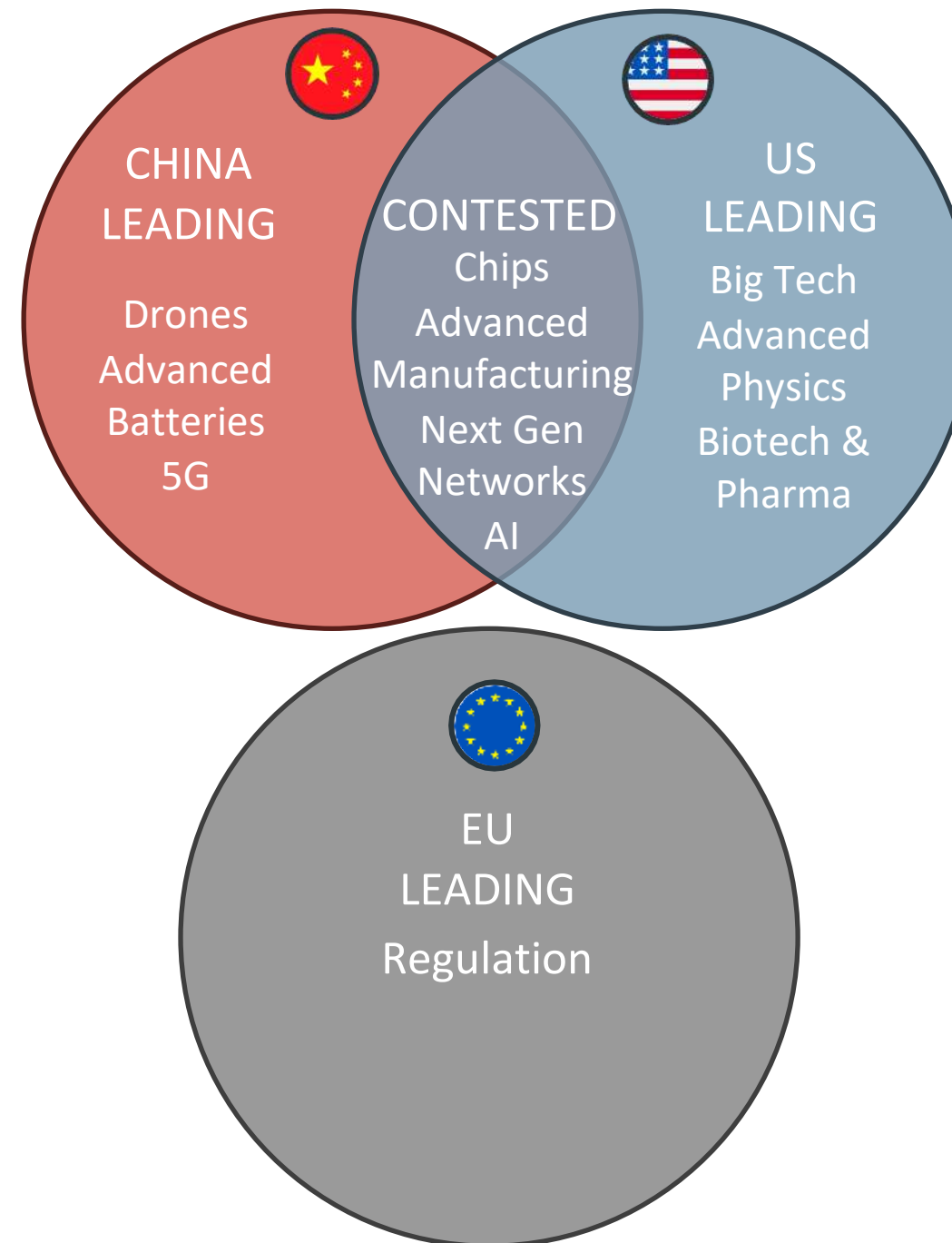
Source: Morgan Stanley

Humanoid Unveils by Year and Country (#)




A two-horse race for technological supremacy

The old continent has been left behind

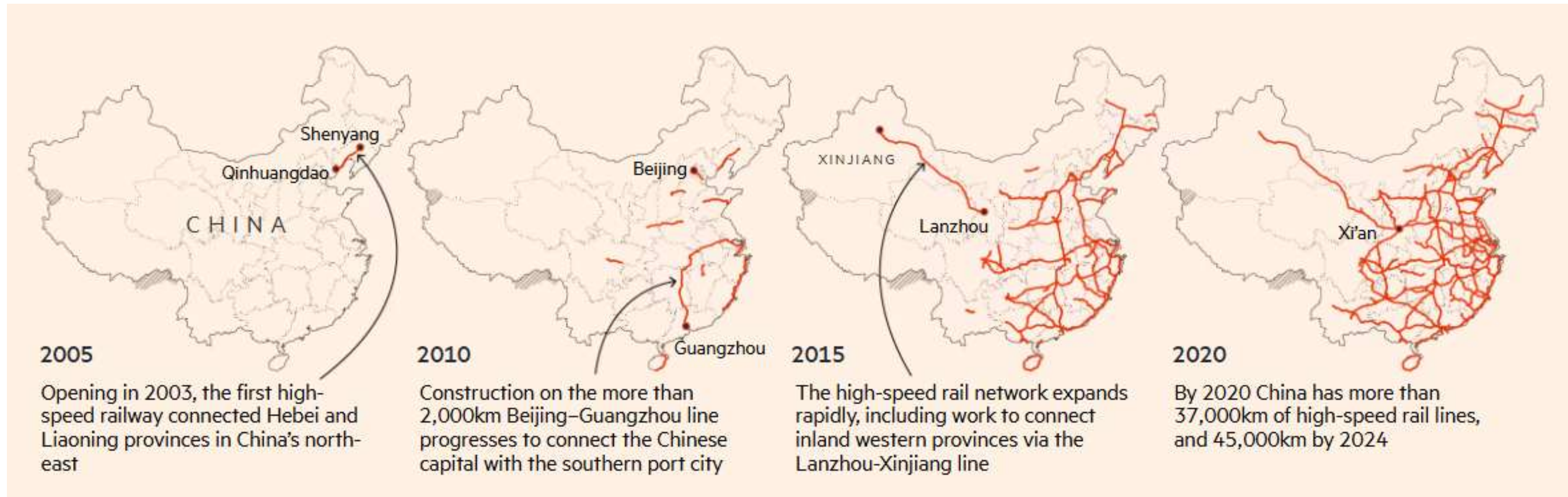


Qualities entrenched in Chinese culture
and history continues to be
misunderstood

The background features a dark gray gradient. On the right side, there is a large, faint, wireframe sphere. Overlaid on and to the right of this sphere is a complex, multi-layered spiral pattern that resembles a nautilus shell or a mathematical fractal, rendered in a lighter gray color.

Speed of Execution

High-speed rail network epitome of China speed

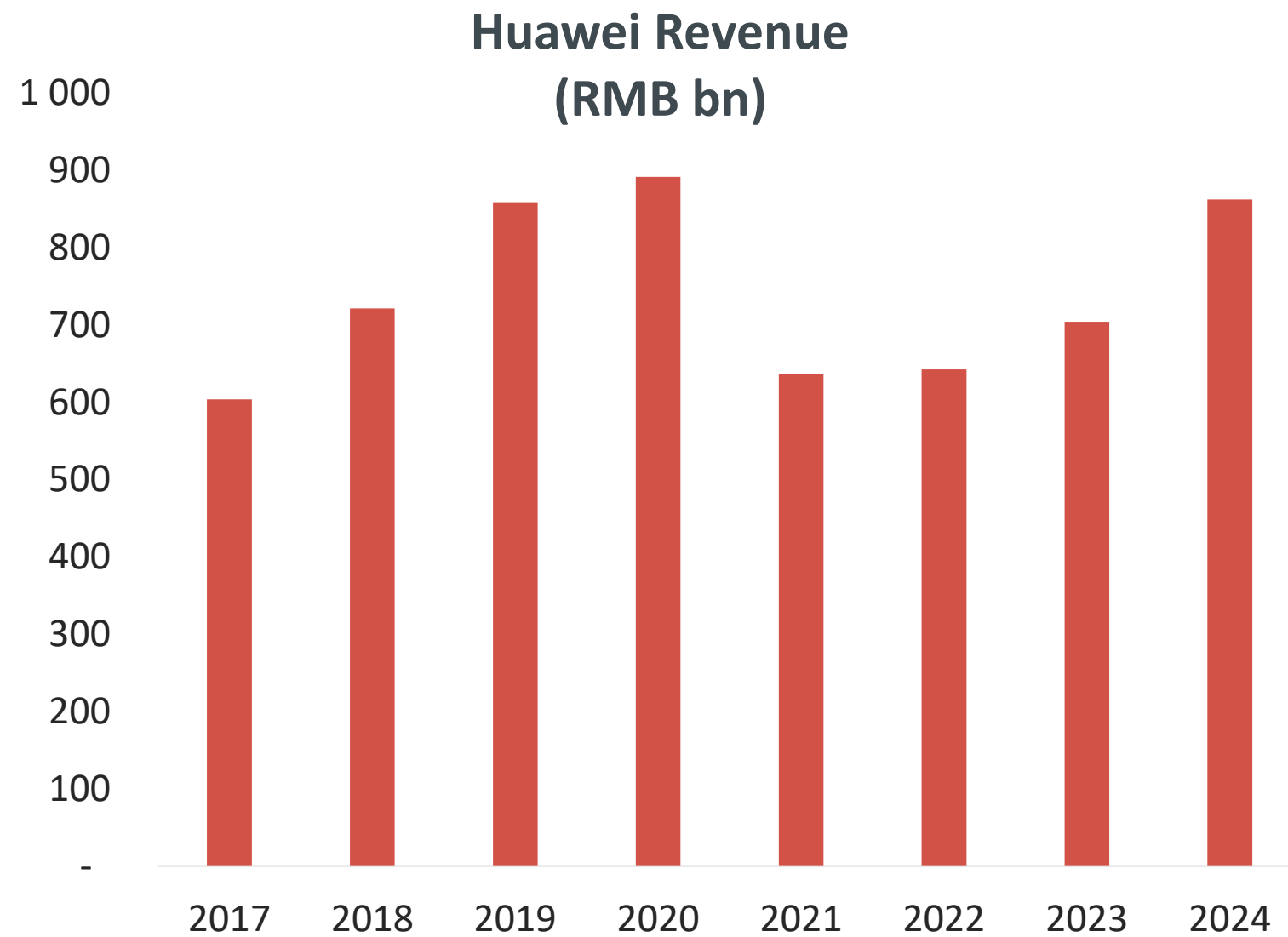


Source: Financial Times; Davis, Qian & Zeng 2025

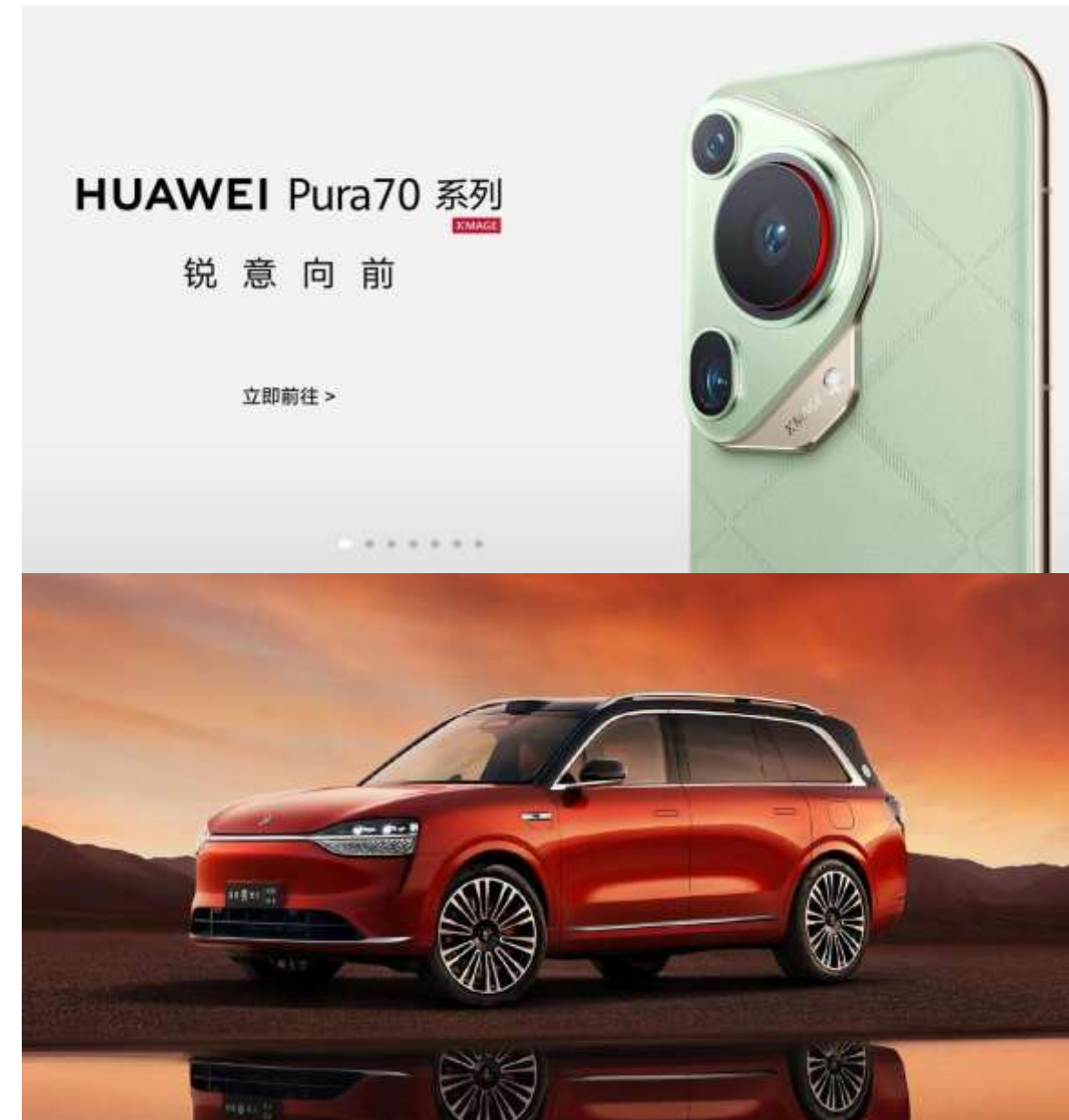


Resilience

Huawei – sanctioned but stronger than ever



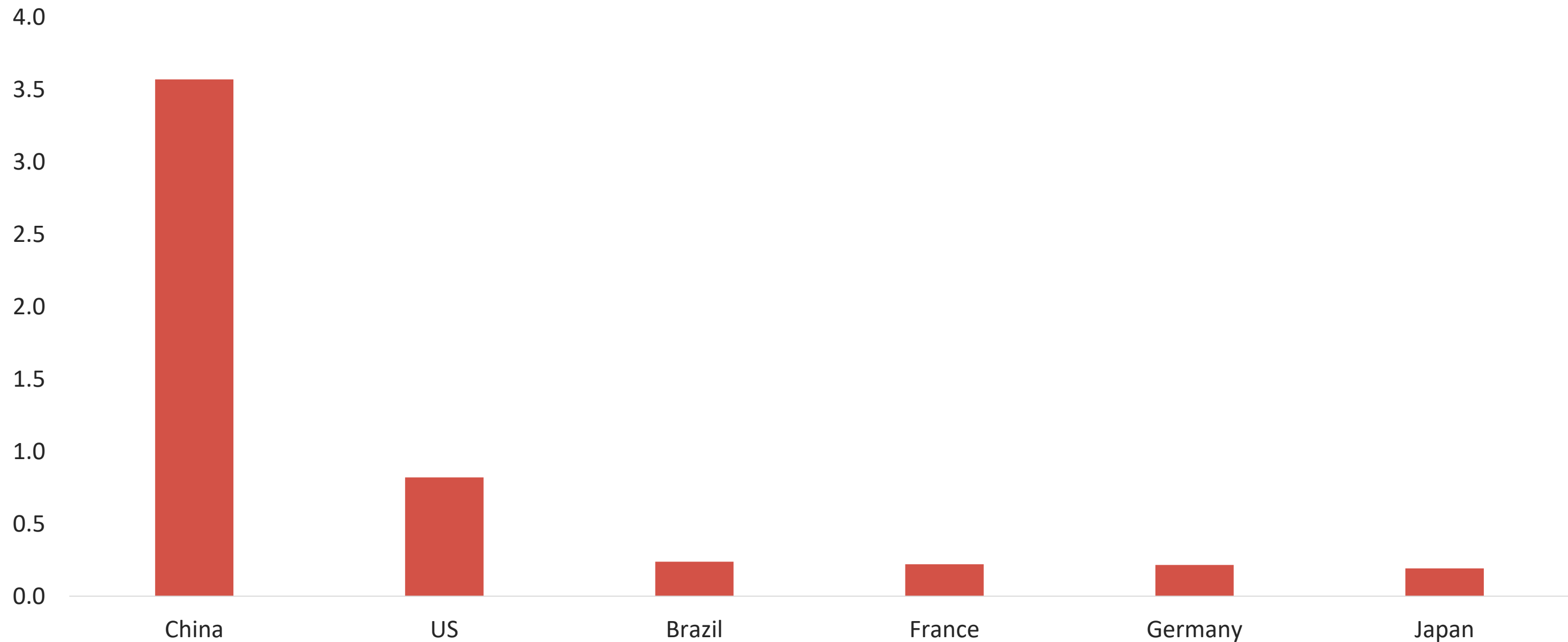
Source: Company reports



Long-term Thinking

Decades long commitment to growing a strong education system

Annual number of Science & Tech graduates (Mn)

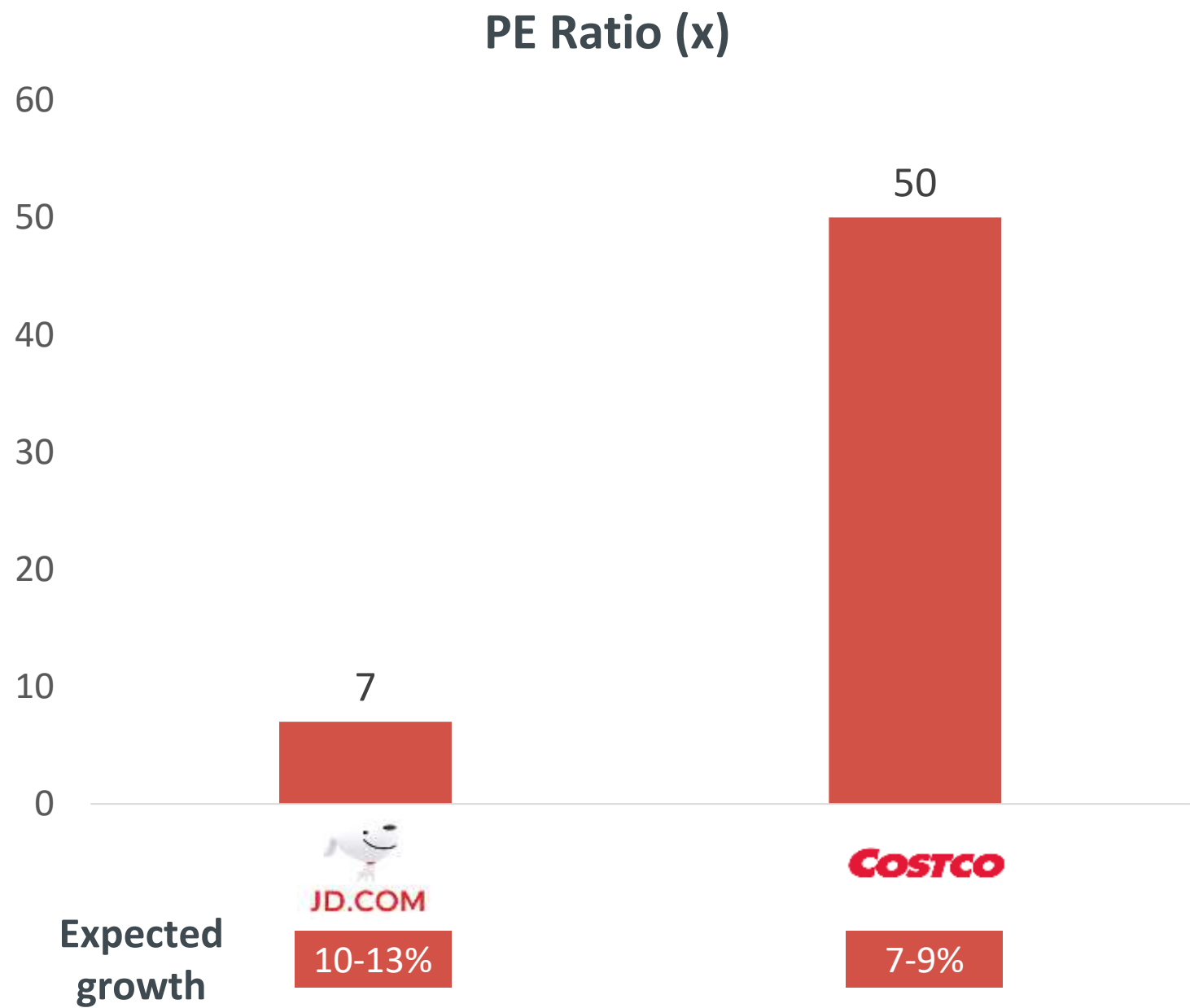


Source: CSETGeorgetown



Valuation

Does the gap make sense?



1970s Nifty Fifties

Company	1972 PE Ratio (x)	Subsequent 10Y Annualised Return (%)
McDonald's	86	+2%
International Flavors	76	-5%
Disney	82	-4%
Johnson & Johnson	62	+2%
Coca Cola	48	-7%
Eli Lilly	46	-1%
Merck	46	0%

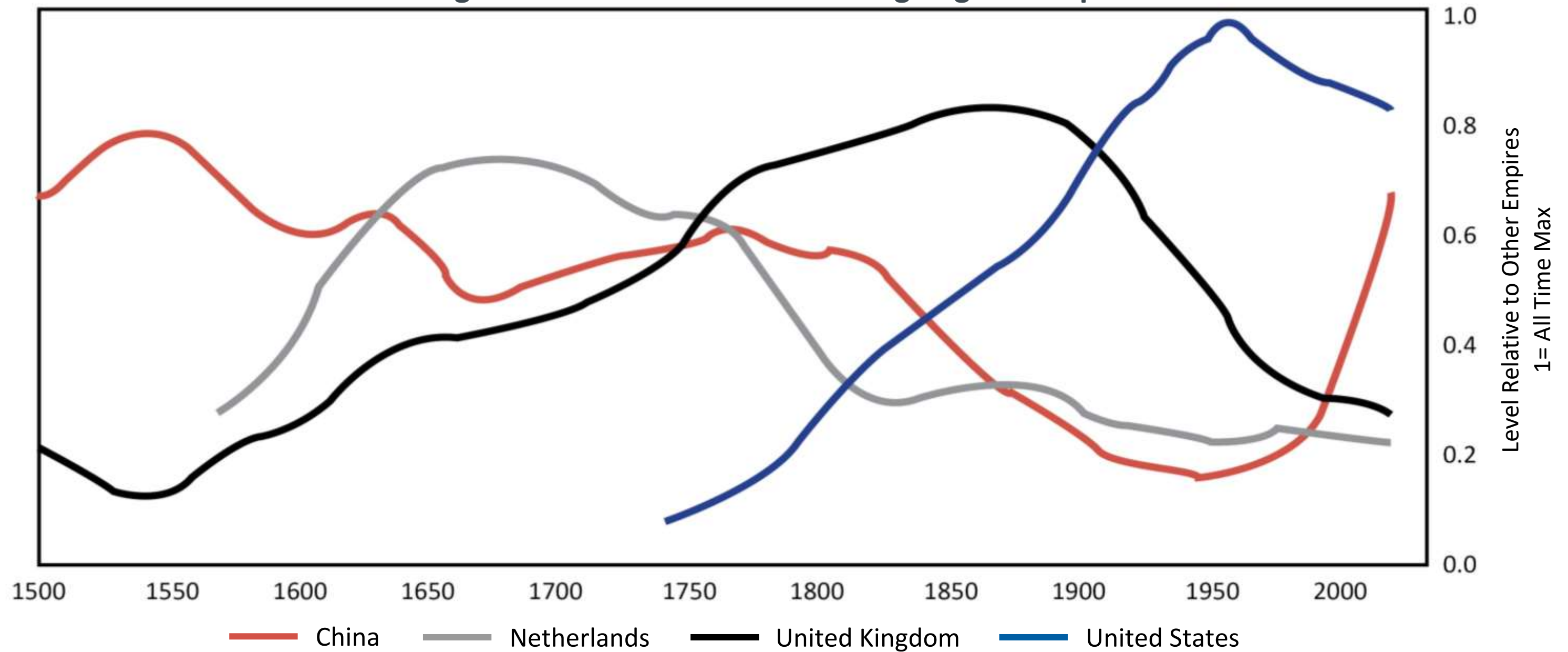
Source: Company reports; Bloomberg



Rise and fall of the superpowers

Probability of China catching up is increasing

Rough estimates of relative standing of great empires



Source: Ray Dalio, The Changing World Order



Conclusion

- China is innovating and creating world-class products
- China moves with speed, is resilient and thinks long-term
- China has challenges, but valuation gap too large given positive developments
- Risk in US - priced for perfection, opportunity in under-appreciated China
- Foord's global funds are invested in high-quality Chinese companies
- Foord Asia ex-Japan Fund now available on local platforms

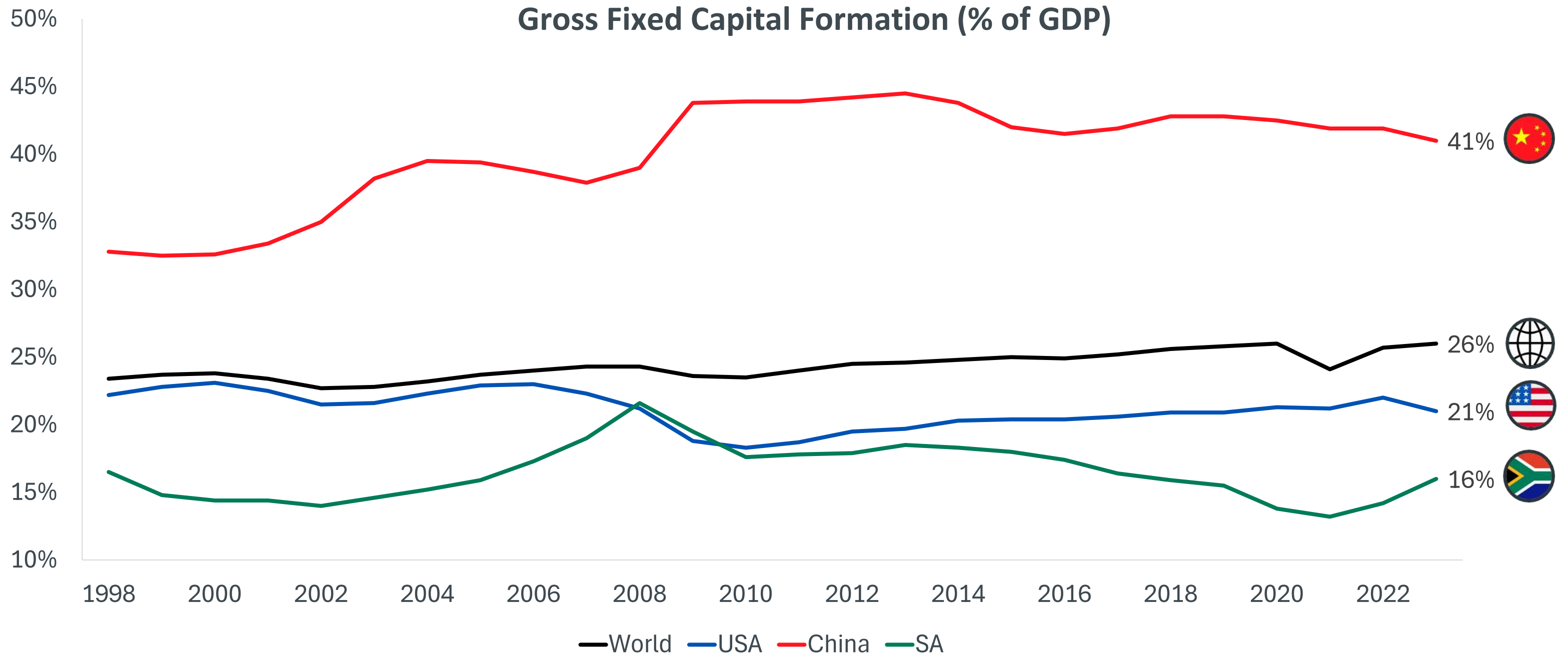


South Africa: Opportunities in a low-growth environment

An abstract background graphic on the right side of the slide. It features a dark grey background with a large, light grey, wireframe-style sphere. A spiral pattern, resembling a nautilus shell, is superimposed on the sphere, starting from the center and expanding outwards. The spiral is composed of many thin, intersecting lines that create a grid-like texture.

Structural investment in SA still lagging

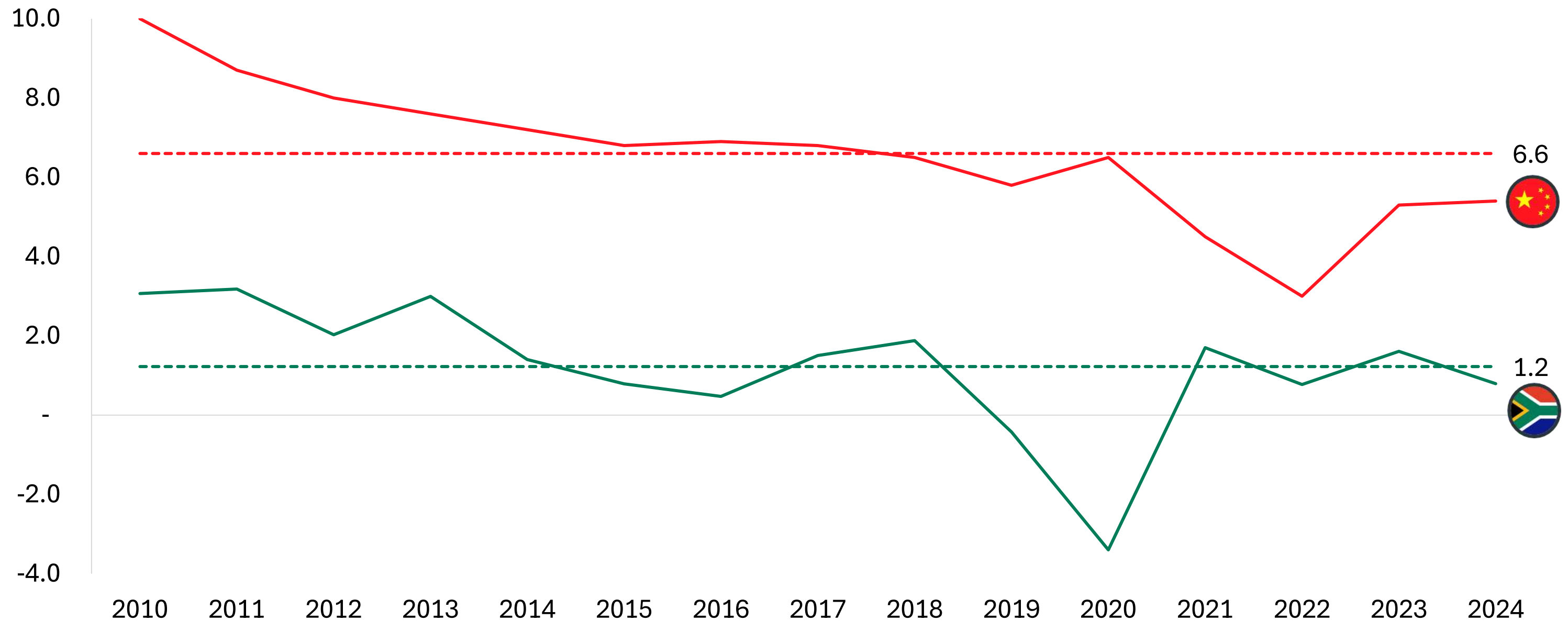
SA improving, but still below levels required to boost productive capacity



Muted growth reflects policy paralysis

SA has had disappointing economic growth for over a decade

China vs South Africa GDP Growth YoY

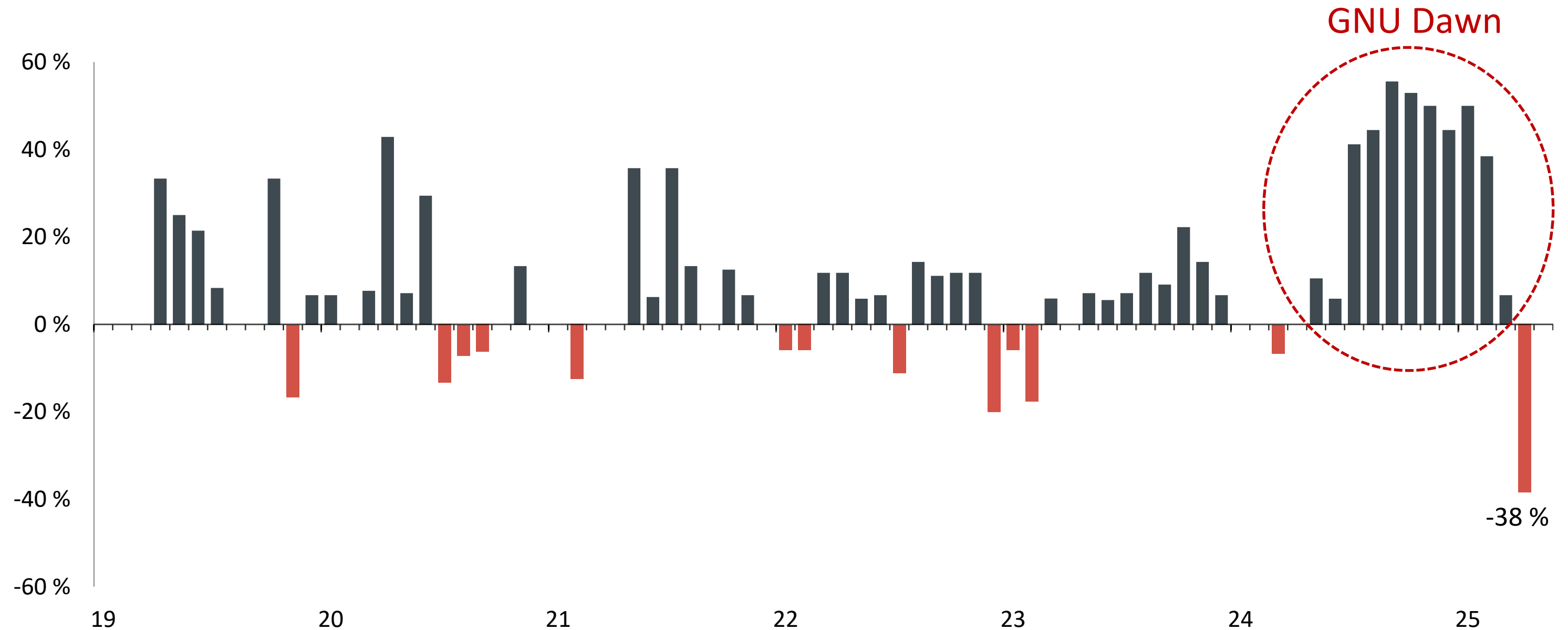


Source: Factset



Investor confidence in reform is waning

A net 38% of managers see reform 'slowing'



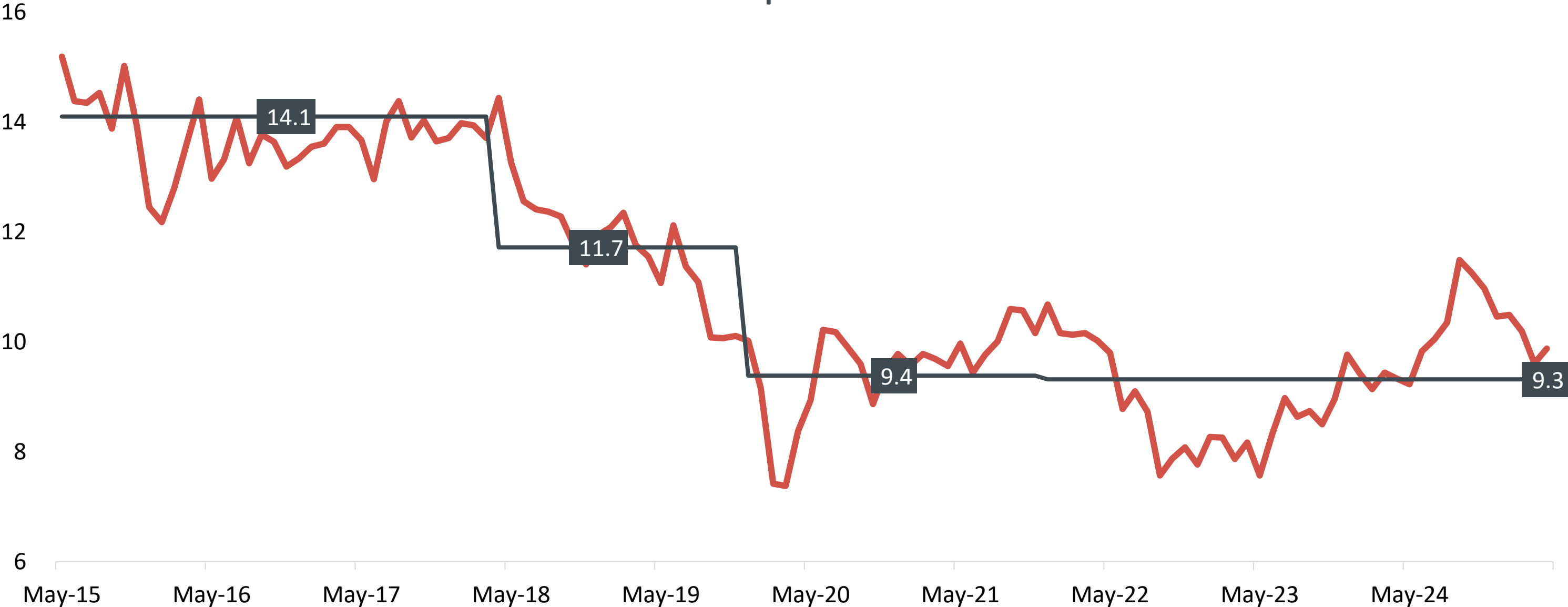
Source: BofA Global Research, South Africa Fund Manager Survey



But pessimism breeds opportunity

Valuations are reflecting poor macros

Mid-Cap Fwd PE

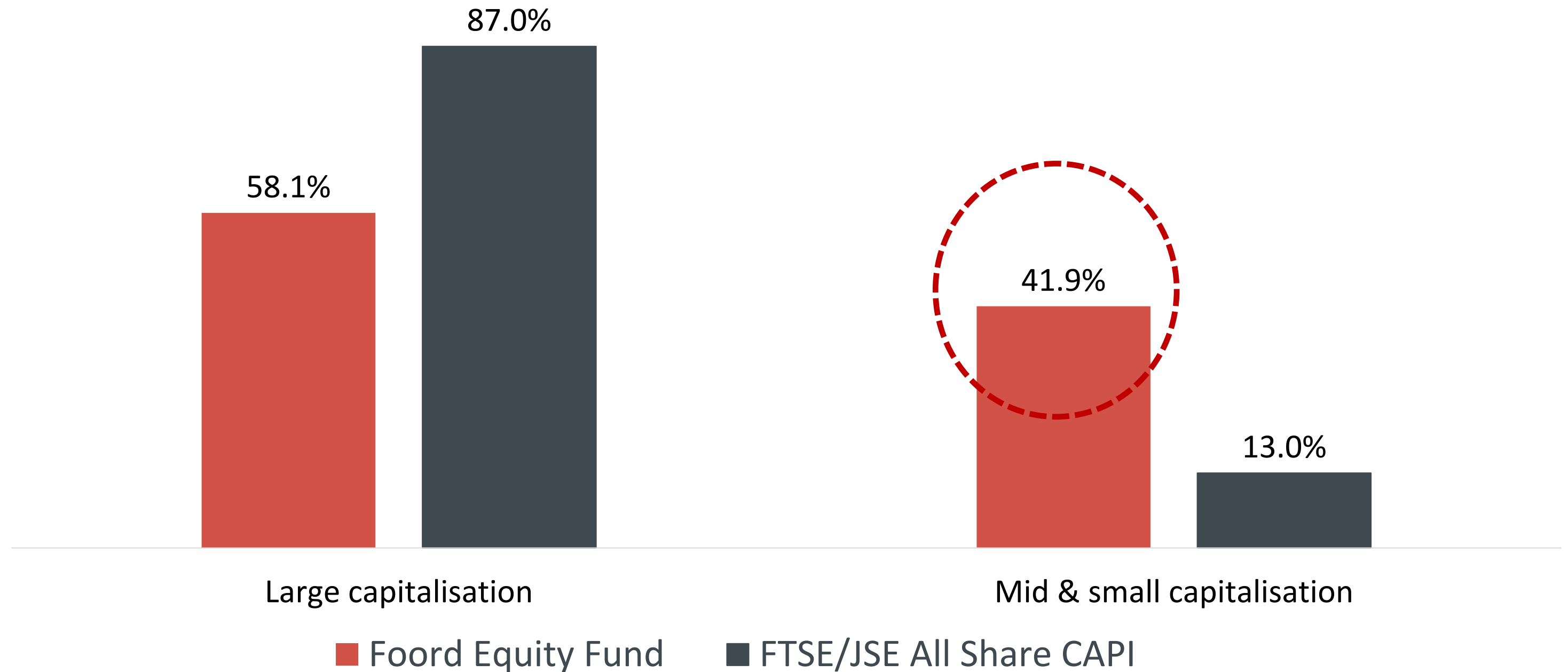


Source: Factset



Expanding the lens beyond the large caps

Foord Equity Fund versus benchmark

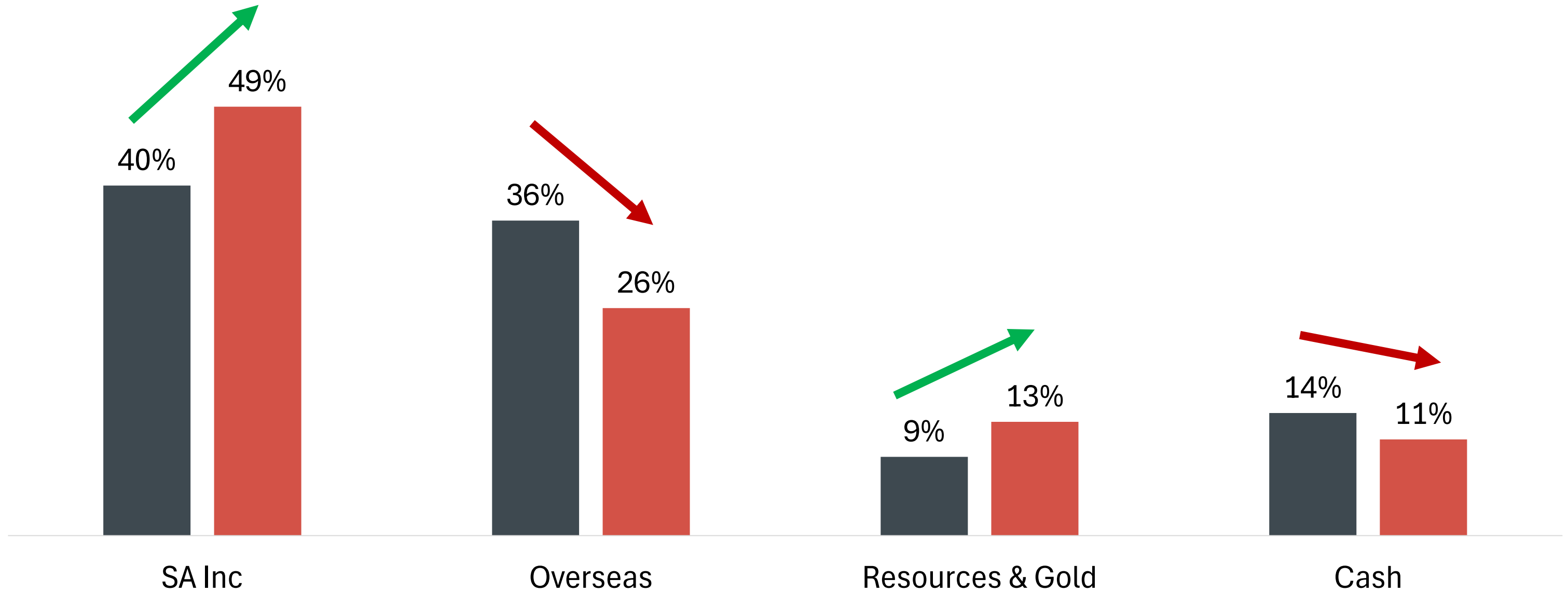


As at 31 May 2025



Selective exposure to the best of SA Inc.

Foord Equity Fund has increased weighting to 'SA Inc' from 40% to 49%



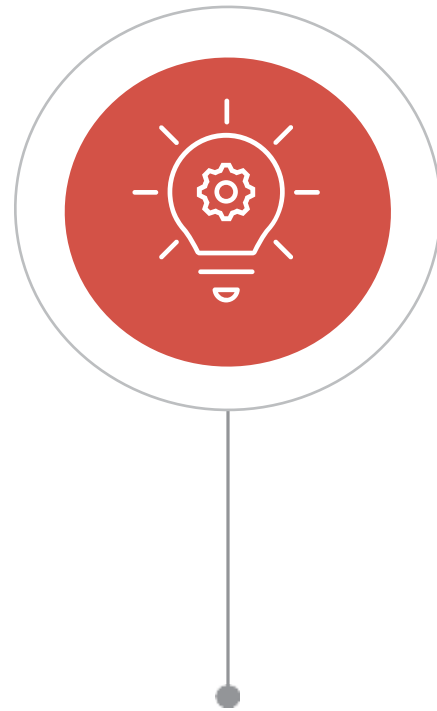
31 December 2023 versus 30 April 2025



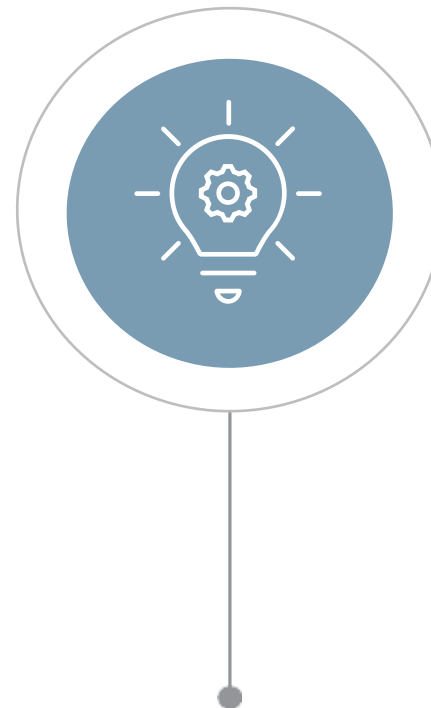
How to finding winners in a low-growth environment

Market Share Winners, Turnarounds and Survivors

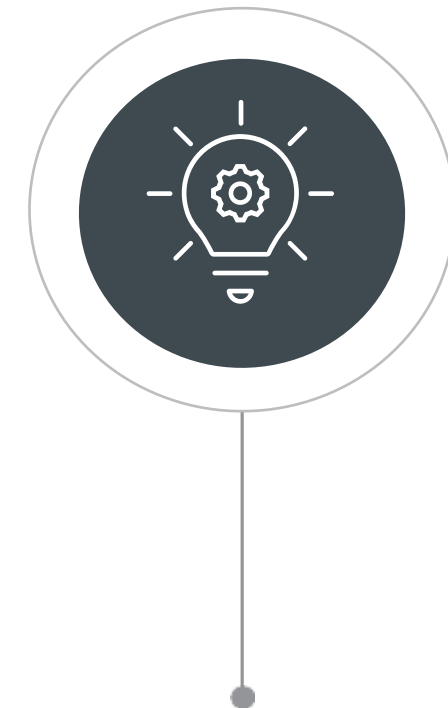
Market Share Winners



Self-Help Stories

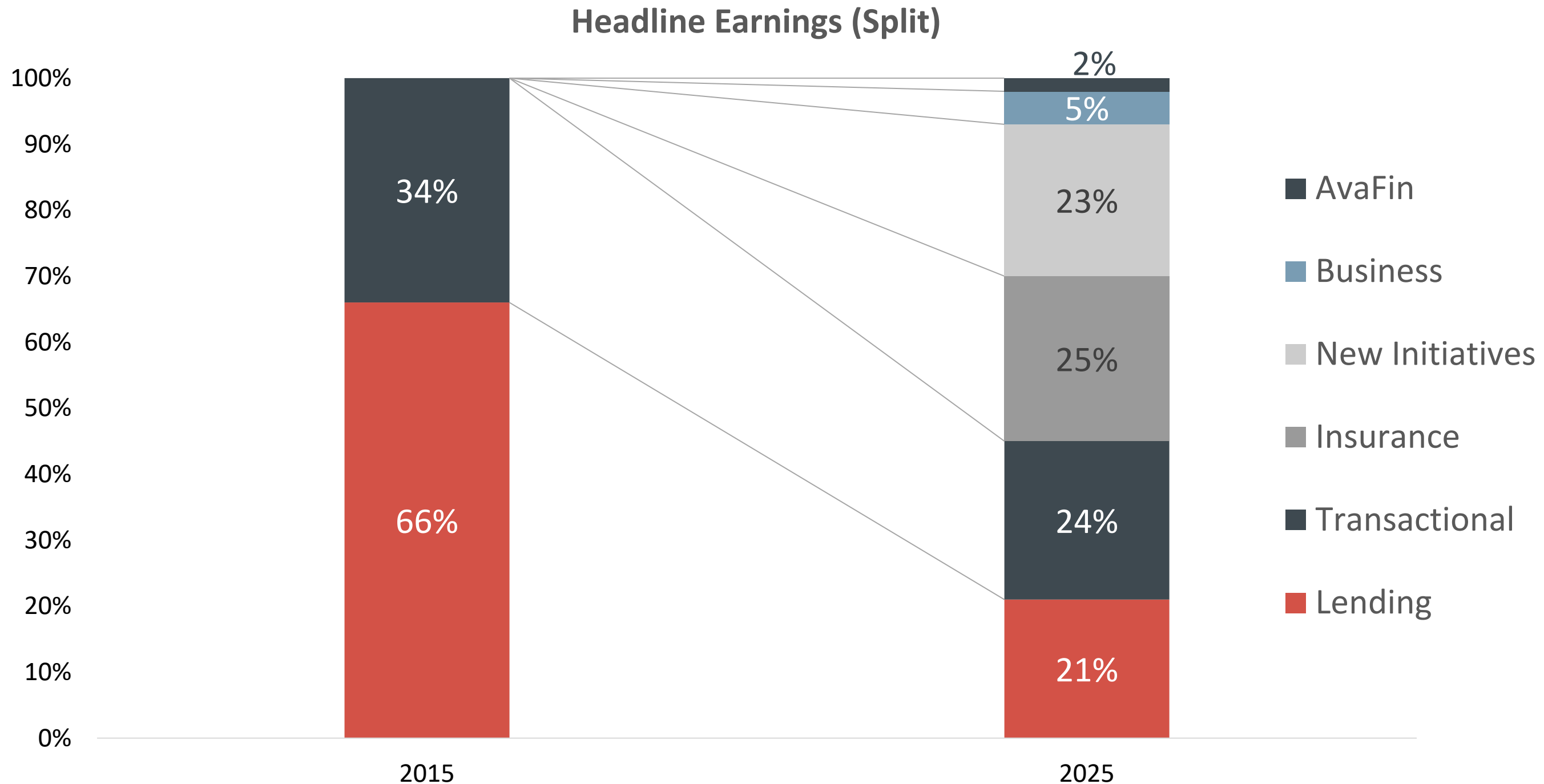


Last Man Standing



Capitec: Diversifying its growth engines

Earnings Split: 2015 versus 2025

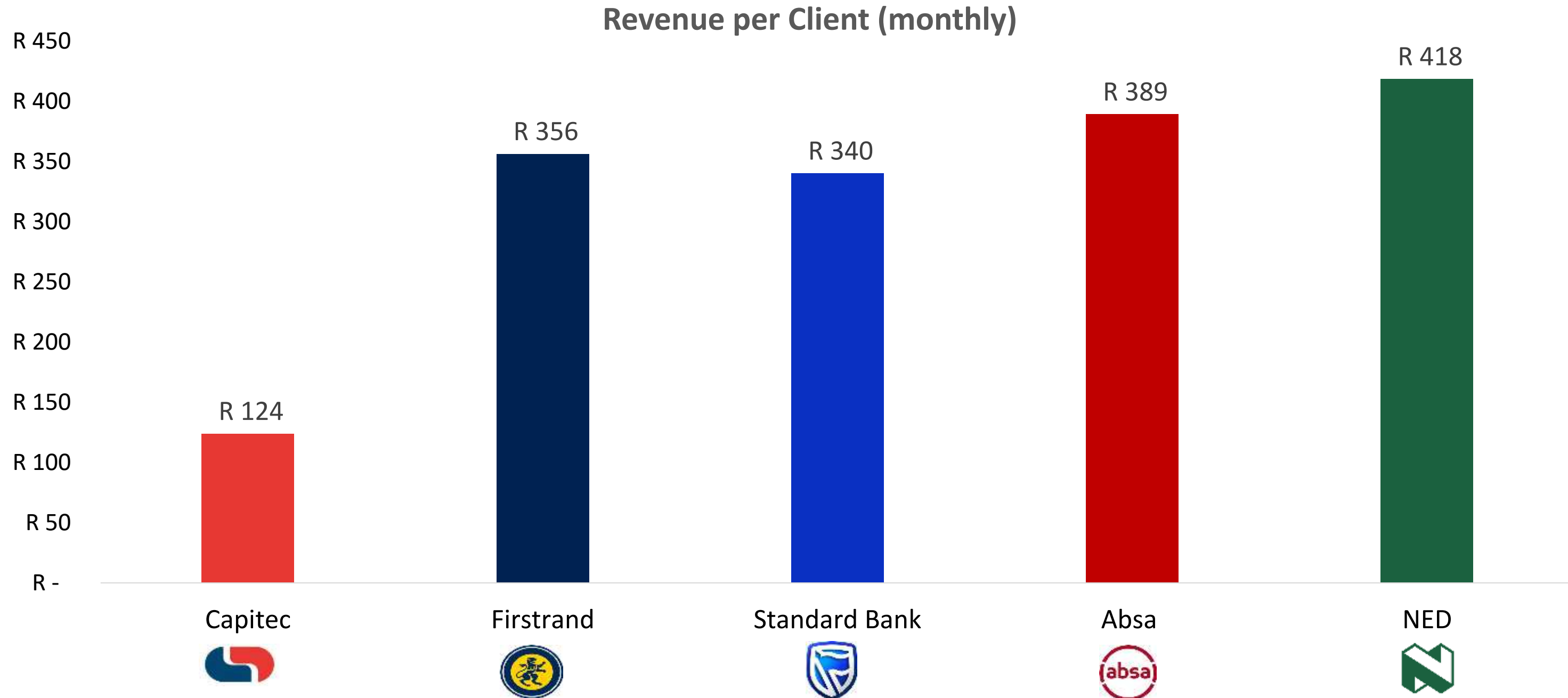


Source: Results Presentation (2015 and 2025)



Capitec: Early days of monetizing its customer base

Capitec Monthly Revenue per Client versus Peers



Source: Annual Reports (2025)

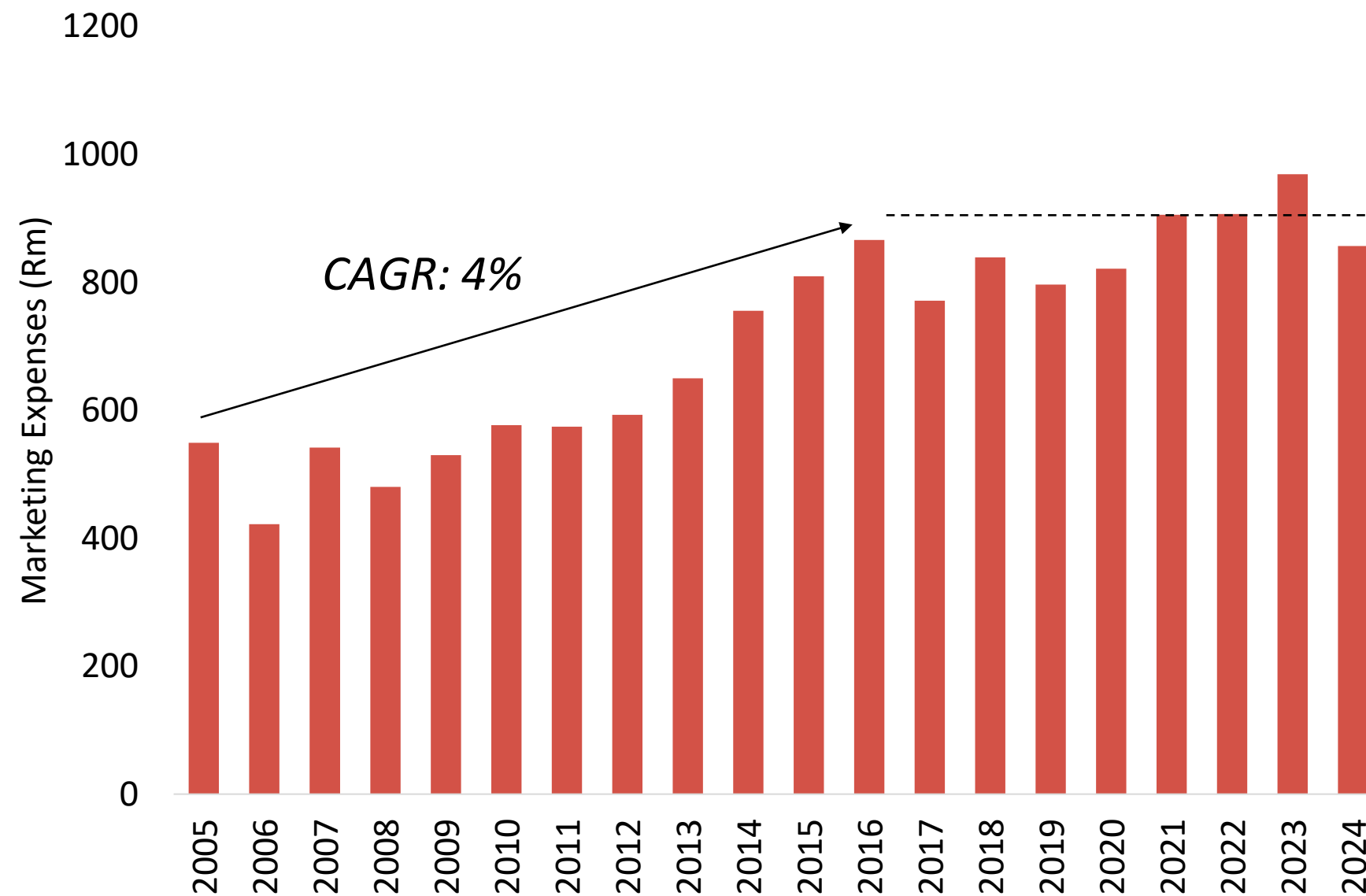


Tiger Brands: Refocused and re-energised

Targeted marketing spend and investment in capex to increase efficiency



Decade of underinvesting in marketing



Focused spend on core brands



Source: Annual Reports

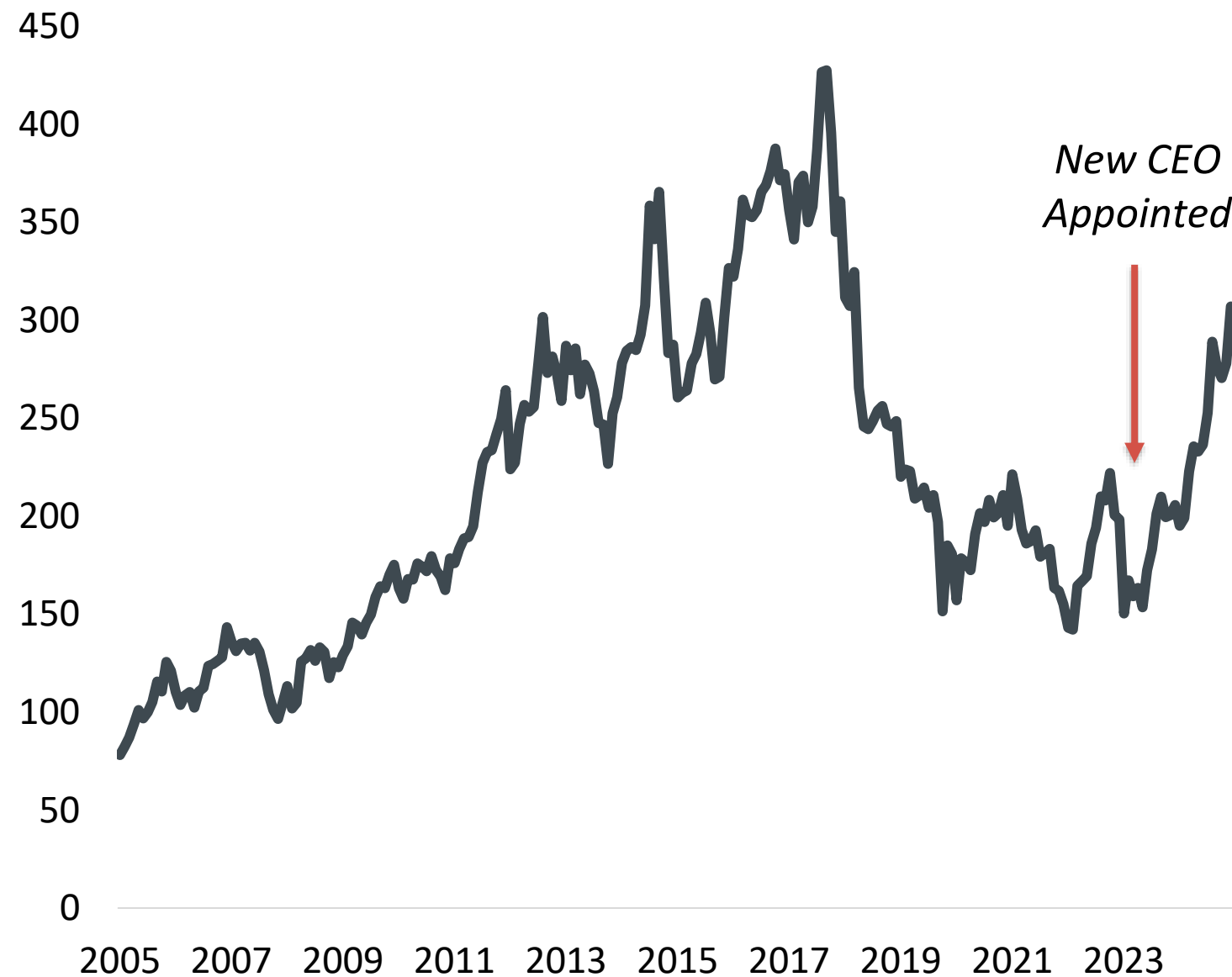


Tiger Brands: Strong earnings growth potential

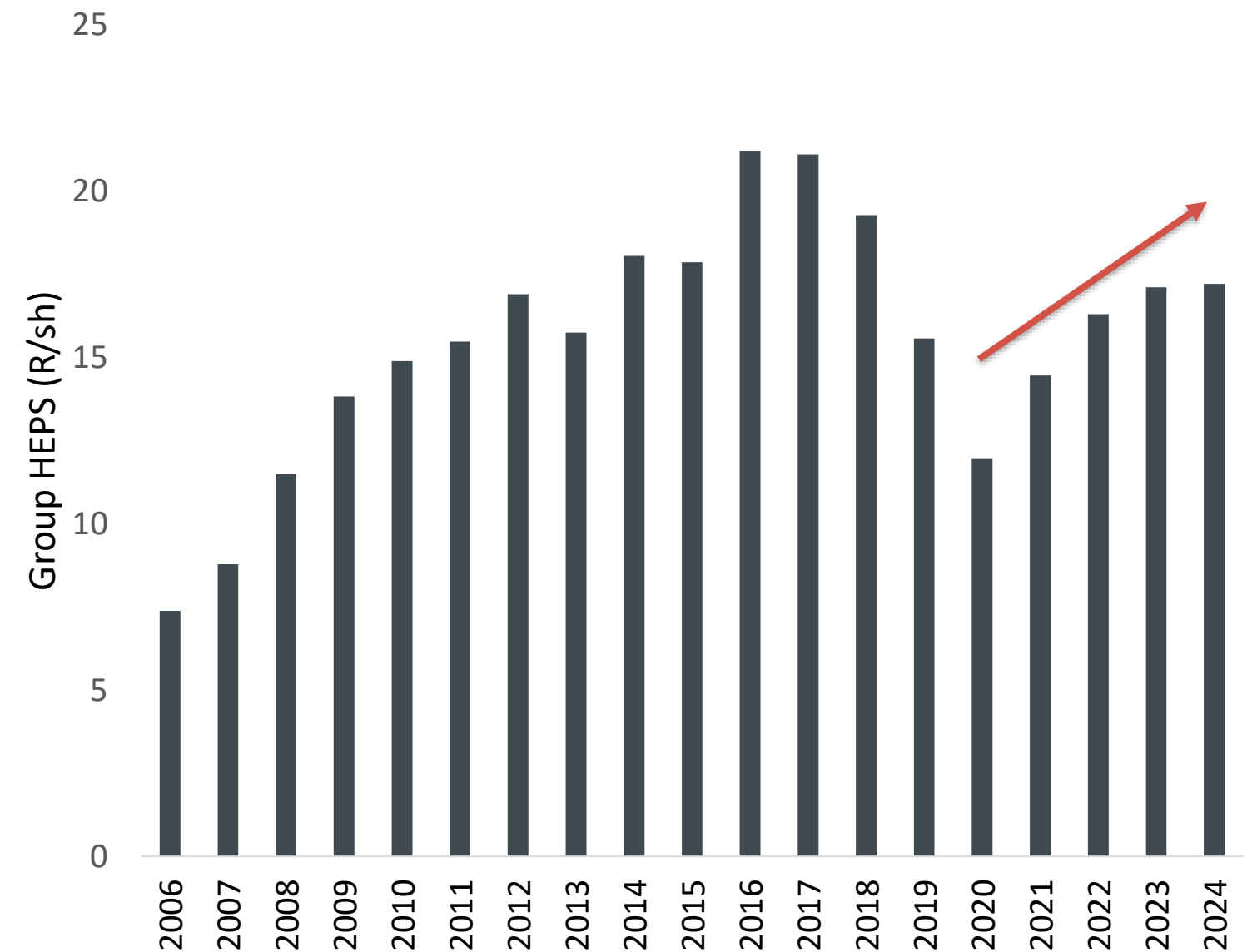
On a path to generating superior returns on capital with high cash flow generation



Tiger Brands Share Price (R/sh)



Group Headline Earnings per Share



Source: Annual Reports and Foord Research (forecast)

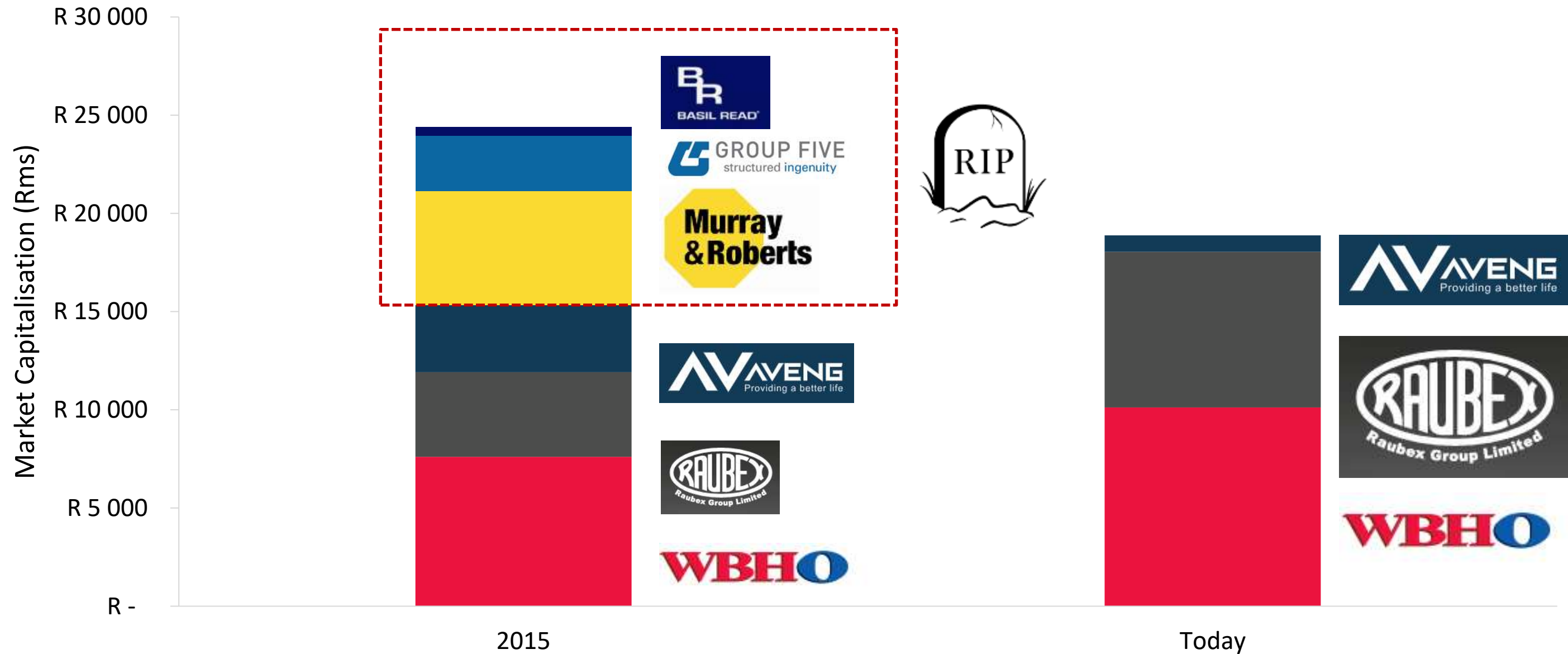


WBHO: Survival of the fittest in construction



Some construction companies did not survive the tough times

Market Capitalisation (Rm)



Source: Factset

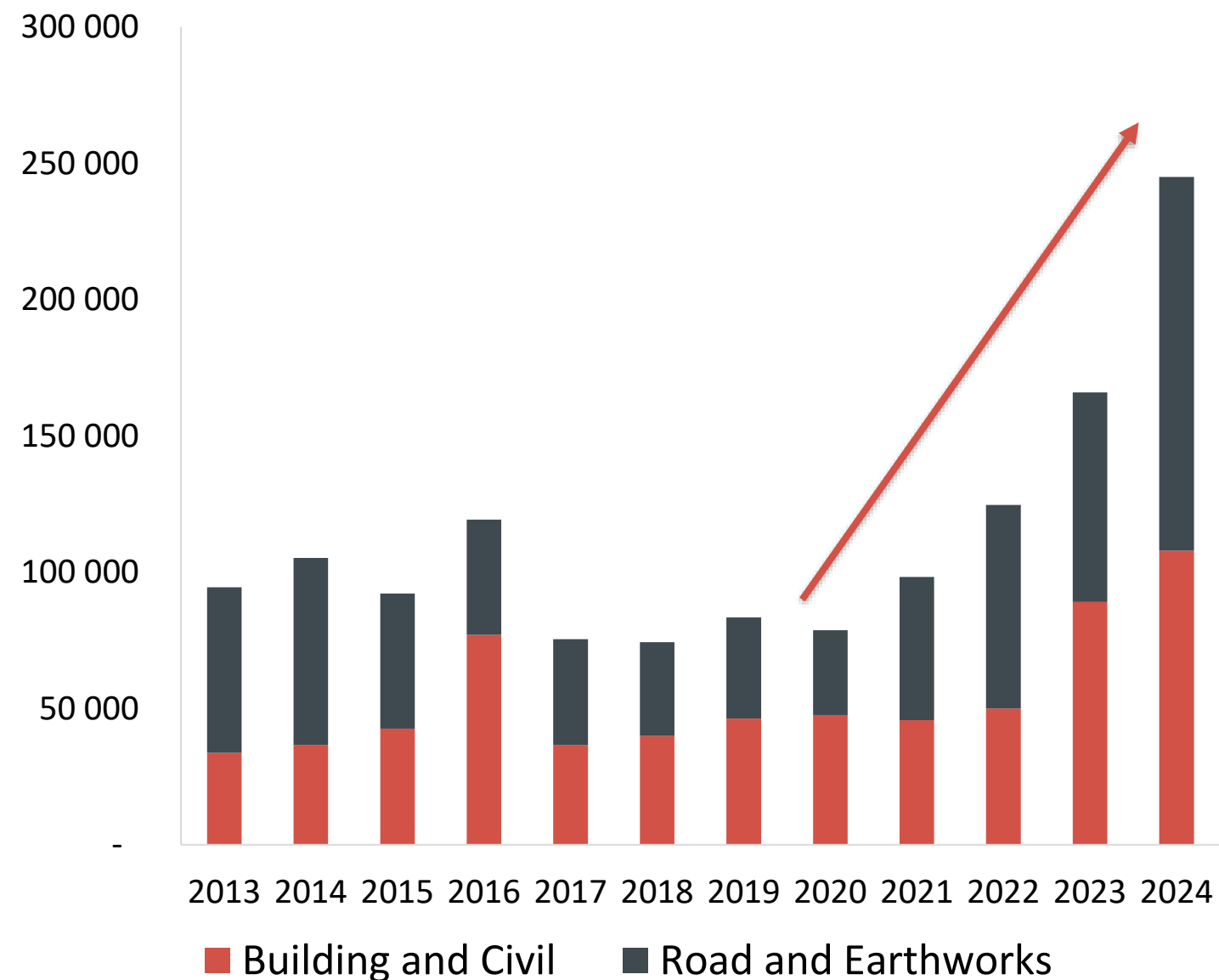


WBHO: Strong pipeline and order book growth

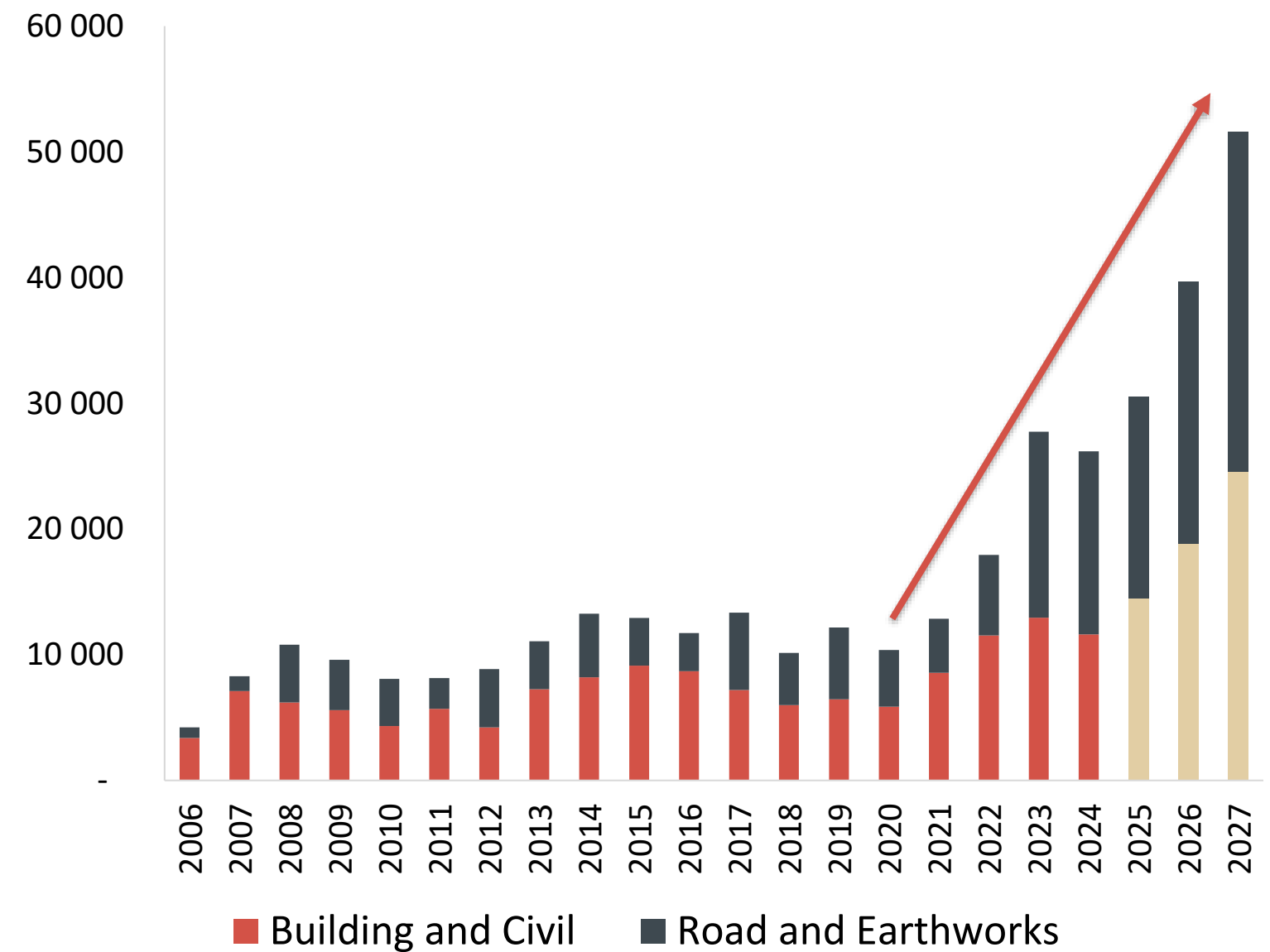


Growing pipeline resulting in healthy order book

WBHO Pipeline (Rm)



WBHO Order Book (Rm)

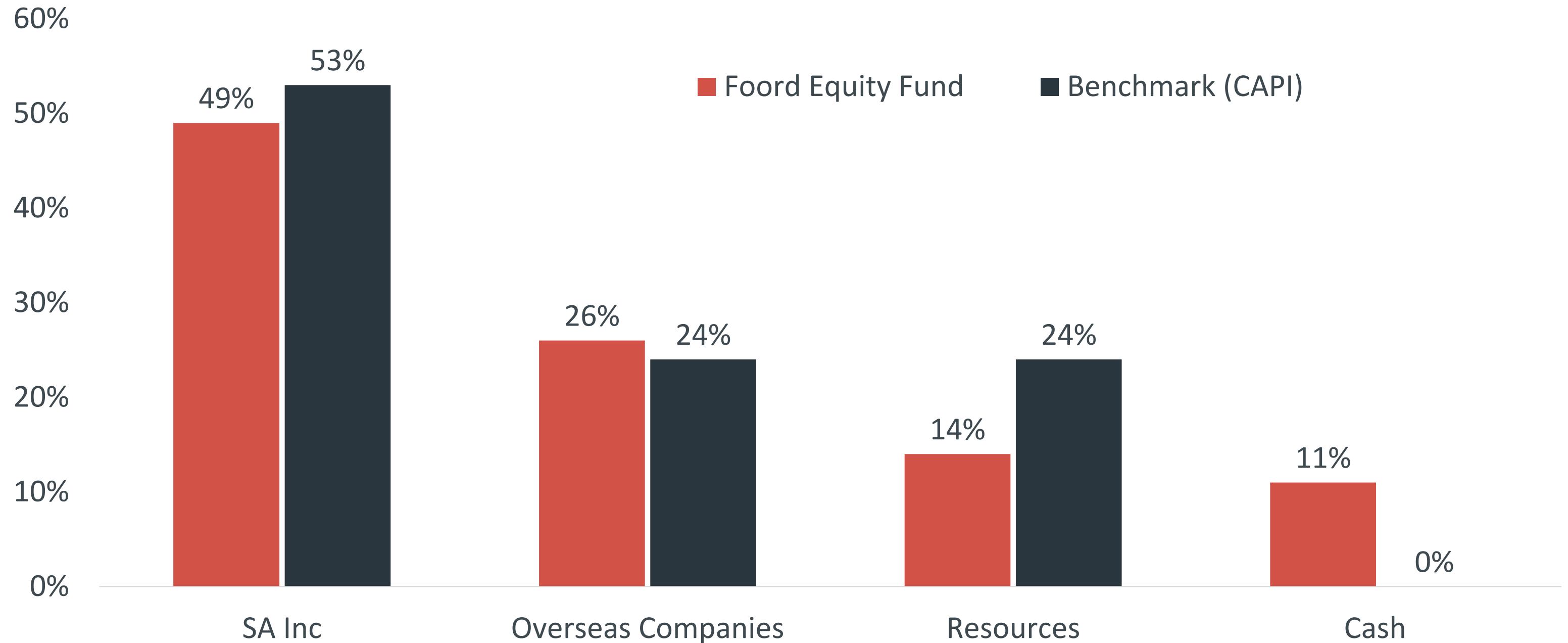


Source: Annual Reports



Foord Equity Fund – Built for resilience and growth

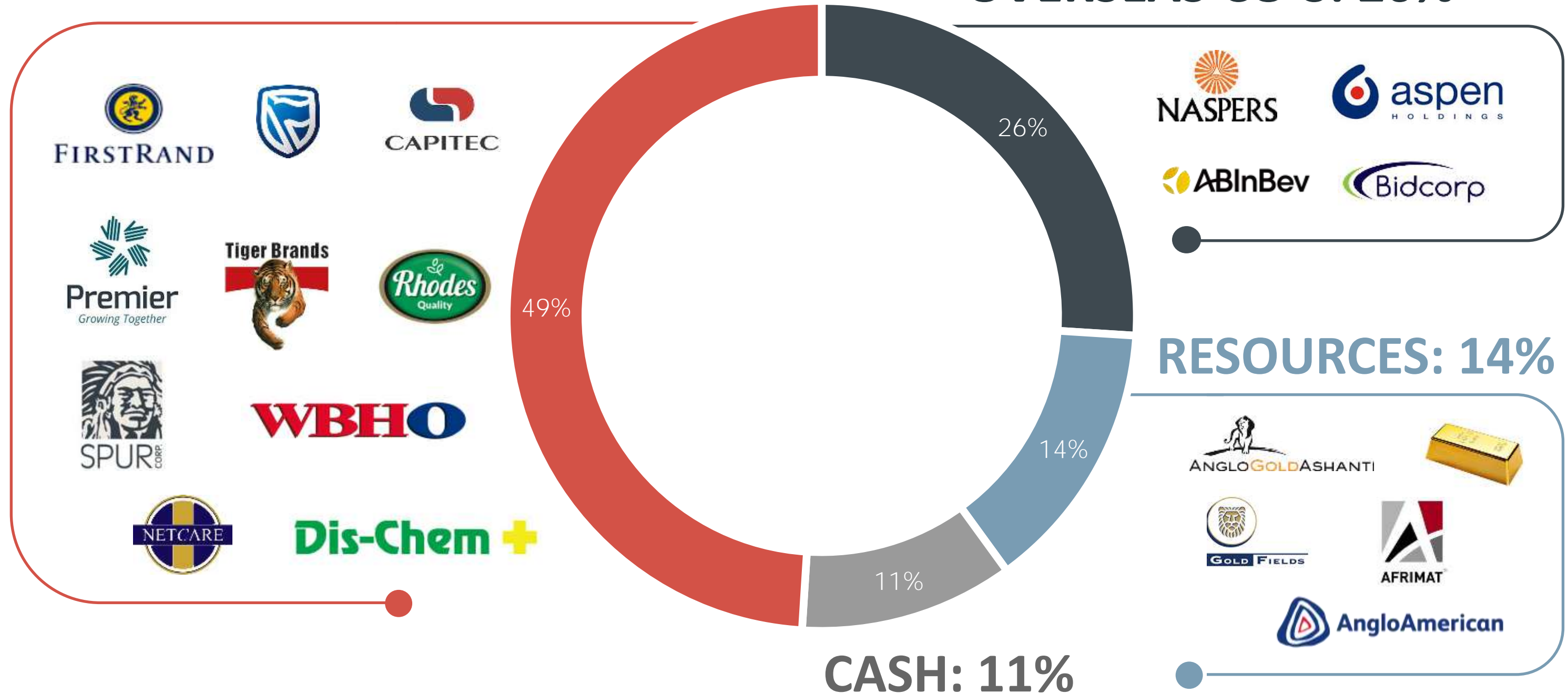
Foord equity positioning versus FTSE/All Share CAPI Index



Foord Equity Fund: Quality companies, compelling valuations

SA INC: 49%

OVERSEAS CO'S: 26%



Finding winners in a low-growth environment

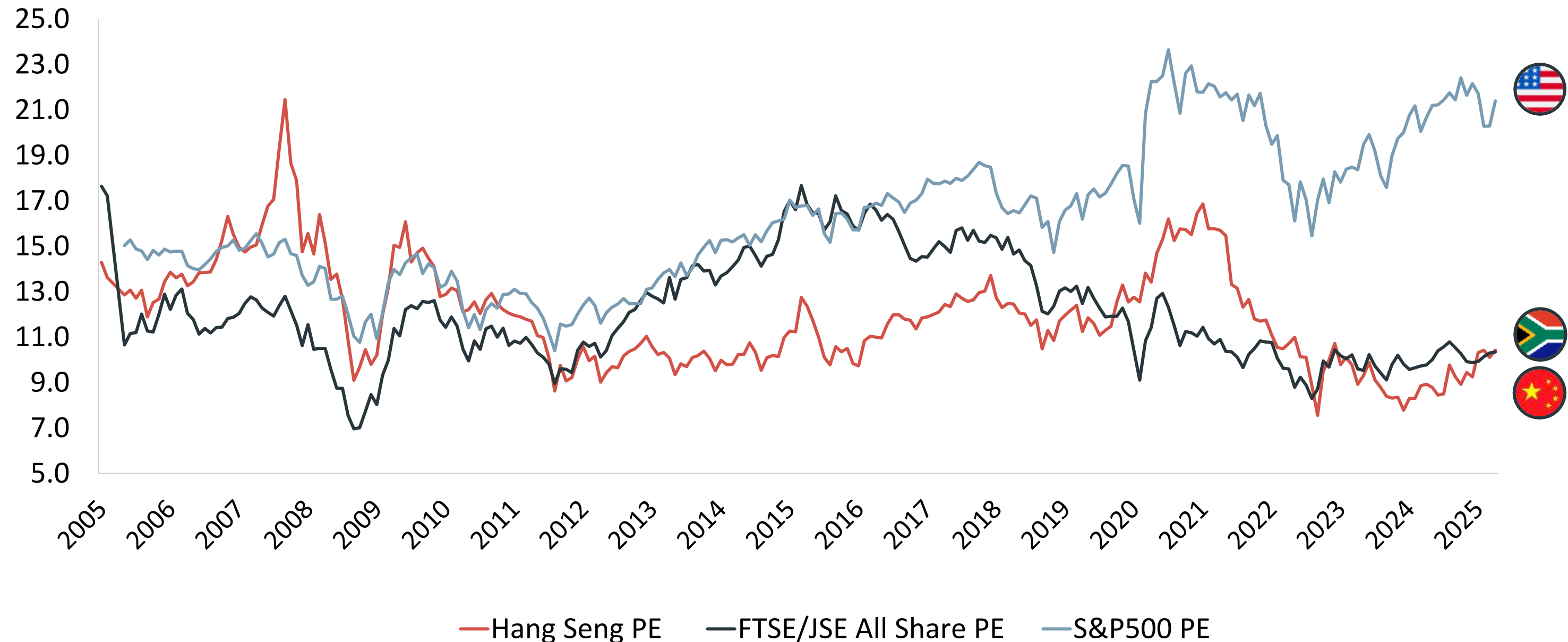
- South Africa's structural growth outlook remains weak
- But pessimism creates opportunity
- Our focus is on companies that can thrive despite the low-growth backdrop
- Each of these businesses has clear, internal growth drivers
- Foord's approach is disciplined, valuation-driven and selective



Risk in US, opportunity in China and SA

Find equities outside of the US with strong fundamentals, priced more attractively

S&P 500 PE versus Hang Seng PE



Source: Bloomberg



Two markets, two strategies – one global capability



THANK YOU

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