

# Foundation Global Income and Growth Fund

## Monthly Report as at 29 April 2022



NAV per unit: Class A USD 1.2719 Class A HKD 1.2848

### Important Information

- Foundation Global Income and Growth Fund (the "Fund") primarily invests in global equities and debt securities.
- The Fund focuses its investments in equity, debt securities, which involve certain risks associated with emerging markets such as greater political, tax, economic, liquidity and regulatory risks. The Fund may invest lower investment grade or non-investment grade investments which may subject to high risks, such as volatility, loss of principal and interest, creditworthiness and downgrading, default, interest rate, general market, and liquidity risks.
- The Fund's net derivative exposure may be up to 50%.
- Debt securities in emerging markets may involve certain risks not typically associated with investment in more developed markets, such as greater political, tax, economic, liquidity and regulatory risks. This investment may involve risks that could result in loss of part or entire amount of investors' investment.
- Dividend payment in respect of Distribution Classes may, at the sole discretion of the Investment Manager, be made out of the Fund's capital or effectively out of the Fund's capital which represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. This may result in an immediate decrease in the NAV per share and the capital of the Fund available for investment in the future and capital growth may be reduced.
- In making investment decisions, investors should not rely solely on this material. Please read the explanatory memorandum for details and risk factors.

### Investment Objective

Foundation Global Income and Growth Fund (the "Fund") aims to provide income distribution and long term capital growth by investing in global equities and debt securities. There can be no assurance that the Sub-Fund will achieve its investment objective.

The Fund seeks to achieve its investment objective by investing primarily (at least 70% of the Fund's Net Asset Value) in a diversified portfolio of global equities and debt securities, up to 70% of its NAV may be invested in equities of companies located across the globe, up to 70% of its NAV may be invested in debt securities, up to 30% of its NAV may invest in debt securities rated below investment grade or unrated. The Fund may temporarily include cash and cash equivalents, up to 100% of its Net Asset Value under exceptional market conditions.

### Fund Information

Foundation Global Income and Growth Fund (the "Sub-Fund") is a sub-fund of Foundation Fund Series which is a unit trust established by a trust deed dated 20 September 2018 as an umbrella fund under the laws of Hong Kong. The Trust and each Sub-Fund have been authorised by the Securities and Futures Commission in Hong Kong (the "SFC") under Section 104 of the Securities and Futures Ordinance of Hong Kong.

Inception Date	18 Mar 2020
Investment Manager	Foundation Asset Management (HK) Limited
Fund Size	USD 46.35 million
Base Currency	USD
Non-Base Currency Class	HKD
Dealing Frequency	Daily
Trustee	ICBC (Asia) Trustee Company Limited
Legal Advisor	Simmons & Simmons
Auditor	Ernst & Young

### Calendar Year Return of the Fund<sup>1</sup>

(NAV, %)	2021	2020	2019	2018	2017	2016
The Fund	3.4	32.4	-	-	-	-
The Benchmark <sup>2</sup>	5.7	12.8	-	-	-	-

### Calendar Year Return of an Unauthorised Scheme<sup>3</sup>

(NAV, %)	2019	2018	2017
Unauthorised Scheme	6.7	2.5	2.4
The Benchmark <sup>2</sup>	10.4	-6.1	5.7

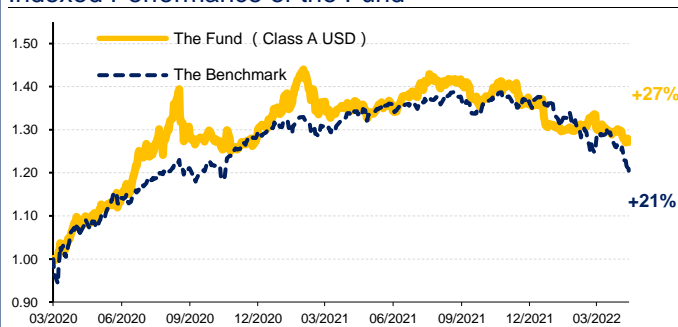
### Performance Update of the Fund<sup>1</sup>

(NAV, %)	Month to Date	Year to Date	1 Year	3 Year	5 Year	Since Inception
The Fund	-2.2	-7.1	-6.2	-	-	27.2
The Benchmark <sup>2</sup>	-7.0	-12.5	-9.8	-	-	20.5

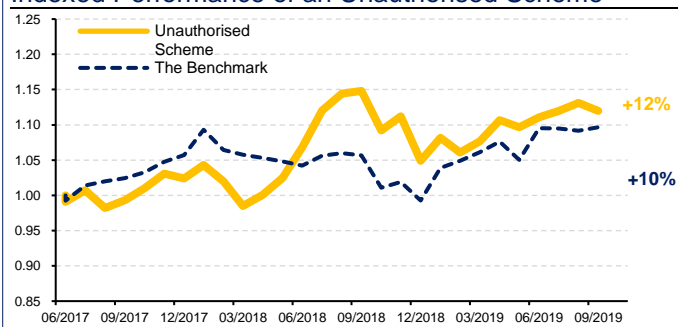
### Performance Update of an Unauthorised Scheme<sup>3</sup>

(NAV, %)	Month to Date	Year to Date	1 Year	Since Inception
Unauthorised Scheme	-1.0	6.7	-2.5	12.0
The Benchmark <sup>2</sup>	-0.4	10.4	3.8	9.7

### Indexed Performance of the Fund



### Indexed Performance of an Unauthorised Scheme<sup>3</sup>



### Monthly Performance Since Inception: Class A USD (NAV, %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-5.27	1.07	-0.85	-2.18	-	-	-	-	-	-	-	-	-7.13
2021	1.99	1.32	-2.27	1.35	0.33	1.36	2.31	0.16	-2.68	1.68	0.01	-2.02	3.43
2020	-	-	3.24	6.44	2.58	3.95	7.82	9.10	-6.97	-2.21	0.96	4.61	32.42

### Warning Notes

The Unauthorised Scheme is not authorised by the Securities and Futures Commission (the "Commission") and is not available for sale to the public in Hong Kong. The investment objective of the Unauthorised Scheme is substantially the same as that of the Fund, and has similar investment strategy, restrictions and risk profile as the Fund. The past performance figures of the Unauthorised Scheme presented are not those of the Fund. The past performance information of the Unauthorised Scheme and the Fund is not indicative of future performance of the Fund. The purpose of presenting the past performance information of the Unauthorised Scheme is to provide additional information to investors relating to the investment experience of Foundation Asset Management (HK) Limited in managing the same strategy. The Fund is authorised by the Commission and its authorisation does not imply official recommendation.

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邦德資產管理  
**FOUNDATION**  
ASSET MANAGEMENT

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### Fund Manager's Report<sup>4</sup>

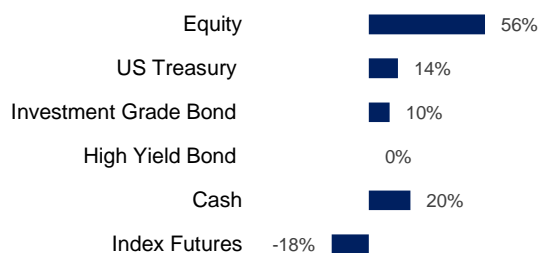
The Fund was down 2.2% in April, significantly outperforming the benchmark which suffered a 7.0% drop. S&P 500 down 7.8%, Hang Seng Index down 4.1%. On the fixed income side, Bloomberg Barclays US Treasury Index down 3.1%, Global IG Bond Index down 5.5% and Global High Yield Bond Index down 4.6%. The market remains volatile due to upcoming rate hikes and continuing geopolitical tensions. The manager has announced a monthly dividend. The Fund's flexible position-adjusting strategy of equities, debt securities and prudent hedging continues to offer better downside protection, income distribution and long-term capital growth.

We would like to share some of our investment highlights to our investors. Investors should not solely rely on such information to make any investment decisions. An outstanding contribution to our portfolio is Lockheed Martin, one of the largest companies in the aerospace, military support, security, and technologies industry globally. Lockheed Martin delivered strong margin expansion and free cash flow above expectations. Management also reiterated their 2022 guidance. In times of geopolitical tension, we expect defence contractors like Lockheed Martin to continue to outperform.

In March, the US ISM manufacturing sector PMI fell to 55.4\* from 57.1 in February. US real GDP also slowed 1.4% in 1Q. The Fed is expected to increase interest rate by 50bps again. Our Fund's flexible position control and value-investing strategy should reduce short-term volatility and let investors focus on what our 'Foundation Model' can deliver over medium/long-term return.

\*Source: Bureau of Economic Analysis, Federal Reserve, as of April 2022

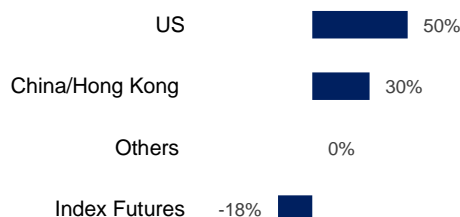
### Asset Exposure



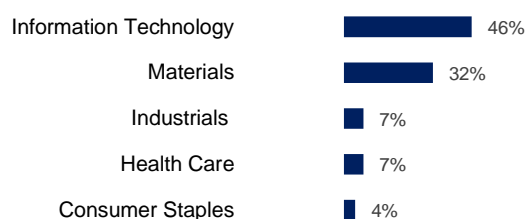
### Top 10 Holdings

Name	Country/Regions	%
Foundation China Equity Fund	China/HK	30.1%
iShares Floating Rate Bond ETF	US	9.4%
Vanguard Short-Term Inflation-Protected Securities ETF	US	9.0%
Nutrien Ltd	US	5.8%
iShares 1-3 Year Treasury Bond	US	5.2%
Microsoft Corp	US	4.0%
Mosaic Co.	US	2.6%
Apple Inc	US	2.1%
CrowdStrike Holdings	US	2.0%
Lockheed Martin	US	2.0%

### Geographical Exposure



### Equity-Sector Exposure (% of Equity)



### Fee Structure

	Class A USD	Class A HKD	Class A USD(Dist)	Class A HKD(Dist)	Class QD USD
Minimum Subscription	6,500	50,000	6,500	50,000	10,000,000
Minimum Subsequent Subscription	130	1,000	130	1,000	1,000,000
Subscription Fee	Up to 5 %	Up to 5 %	Up to 5 %	Up to 5 %	Up to 5 %
Management Fee	1.50%	1.50%	1.50%	1.50%	0.75%
Performance Fee	NIL	NIL	NIL	NIL	NIL
Redemption Fee	NIL	NIL	NIL	NIL	NIL

### NAV & Codes

	Class A USD	Class A HKD	Class A USD (Dist)	Class A HKD(Dist)	Class QD USD
NAV	1.2719	1.2848	1.1370	1.1710	-
ISIN	HK0000554193	HK0000554201	HK0000554177	HK0000554185	HK0000554219
Bloomberg	FGIGUAU HK	FGIGAHA HK	FGIGAU HK	FGIGAHI HK	FGIGQDU HK

<sup>1</sup>Performance is calculated from the Class A USD source: Bloomberg, as of 29<sup>th</sup> April 2022.

<sup>2</sup>50% MSCI ACWI Index + 50% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD

<sup>3</sup>Source: Bloomberg, as of 30<sup>th</sup> September 2019.

<sup>4</sup>The Manager's comment above solely reflects the opinion, view and interpretation of the fund managers as of the date of issuance of this document. Investors should not solely rely on such information to make any investment decision.

#### Important Note

Investment involves risks. Past performance is not indicative of future performance. Investors should read the explanatory memorandum for details, including the risk factors and product features. This material has not been reviewed by the Securities and Futures Commission and is issued by Foundation Asset Management (HK) Limited. All data is as of the date of this document and sourced from Foundation unless otherwise stated. Investors should seek independent advice from a financial adviser before making any investments. Portfolio weightings and allocations are subject to change. The weightings for each breakdown are rounded to the nearest tenth or hundredth of a percent; therefore, the aggregate weights for each breakdown may not equal 100%.