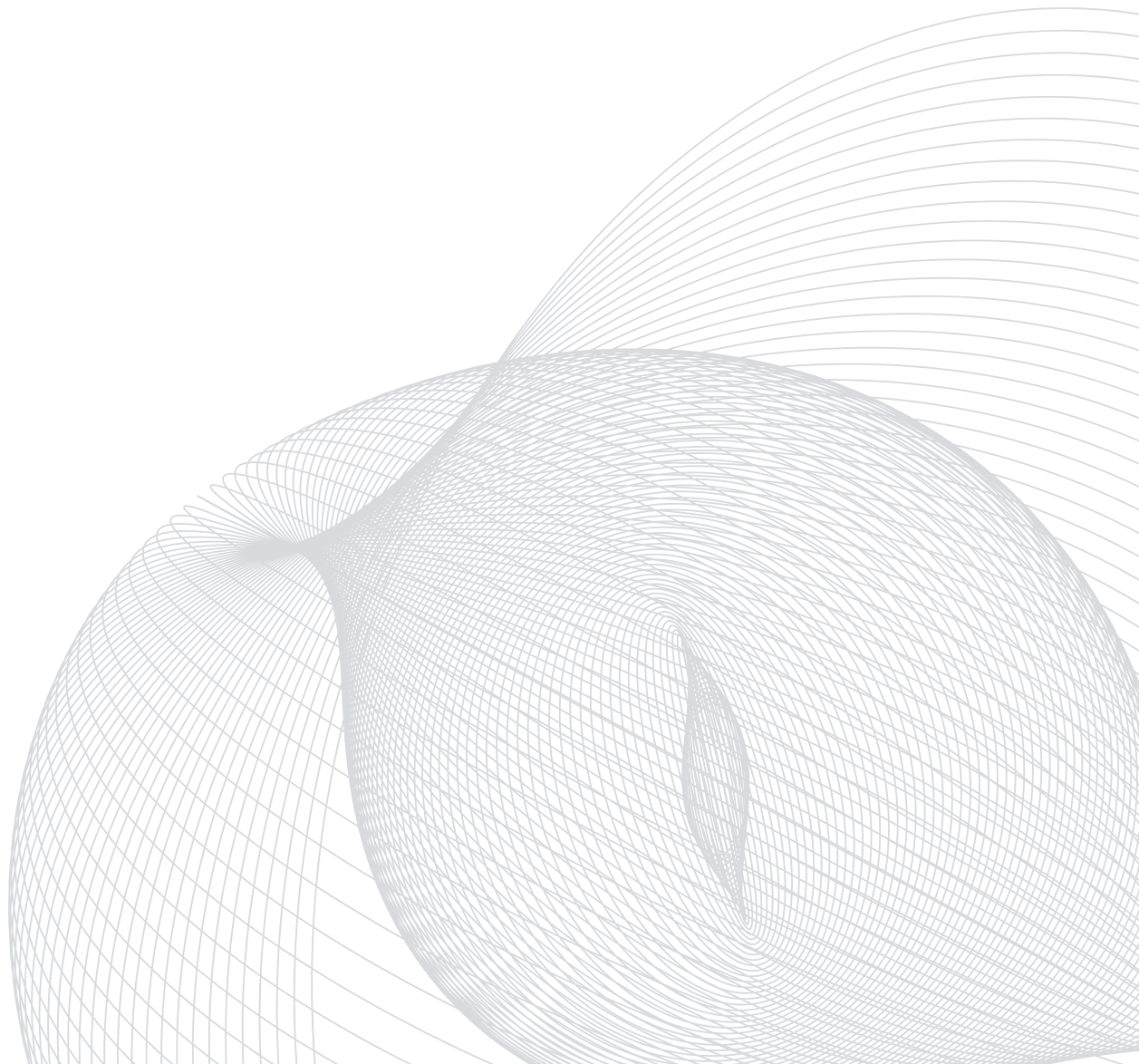




FOORD INTERNATIONAL TRUST

Annual report and financial statements
For the year ended 31 December 2020



FOORD INTERNATIONAL TRUST

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FOORD INTERNATIONAL TRUST

Corporate Directory

Principal / Investment Manager

Foord Asset Management (Guernsey) Limited

Ground Floor
Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 2HT

Directors of the Principal Manager

Agnes Cai
Paul Cluer
Prakash Desai
Brett Foord
David Foord
James Tracey

Trustee

Royal Bank of Canada (Channel Islands) Limited

PO Box 48
Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 3BQ

Designated Administrator and registrar

RBC Offshore Fund Managers Limited

PO Box 246
Dorey Court
Admiral Park
St Peter Port
Guernsey, GY1 3QE

Independent Auditor

Deloitte LLP

PO Box 137
Regency Court
Glatigny Esplanade
St Peter Port
Guernsey, GY1 3HW

Legal Adviser

Mourant Ozannes

Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey, GY1 4HP

FOORD INTERNATIONAL TRUST

Report of the Investment Manager for the year ended 31 December 2020

OBJECTIVE

The fund aims to achieve meaningful inflation-beating US dollar returns over rolling five-year periods by investing exclusively in Foord International Fund, a sub-fund of Foord SICAV (the “Master Fund” or the “Fund”), which is also managed by the Investment Manager. The Master Fund, a Luxembourg UCITS, is a conservatively managed portfolio of global equities, warrants, exchange traded funds, UCITS and other UCIs, interest bearing securities and cash instruments reflecting the Investment Manager’s prevailing best investment view.

MARKET REVIEW AND INVESTMENT OUTLOOK

Global equity markets began 2020 at or near all-time highs, having delivered the best calendar-year return of the decade in 2019. The economic fallout from the COVID-19 pandemic soon tipped the world into an economic contraction which was twice as severe as the 2008/2009 Global Financial Crisis.

Within a month of COVID-19 spreading from China to the West, global bourses collapsed by a third. Governments and central banks responded with unprecedented fiscal and monetary stimulus to boost liquidity, cushion the fallout from the deepest economic recession since the Great Depression, and ignited a price rally on world stock and bond markets.

Most global equity markets (+16.3%) recouped earlier losses, with some ending the year achieving all-time highs on the coronavirus vaccine developments that heralded a possible return to normal in 2021. Emerging markets (+18.3%) gained, driven by China on its quick exit from early lockdowns.

Markets were driven mostly by the information technology (+45.6%), consumer discretionary (+36.7%), communications services (+23.7%), materials (+20.9%) and healthcare (+14.9%) sectors. Cyclical sectors like energy (-28.6%) and financials (-3.8%) underperformed on demand destruction and asset quality concerns, respectively.

Developed market bond yields plummeted in 2020 on the back of unprecedented monetary support. The US 10-year Treasury yield fell below 1.0% before latterly rising on improved macroeconomic data and vaccine rollouts while reaccelerating COVID-19 infections kept European sovereign yields under pressure.

Currencies were volatile. The dollar weakened against all major currencies on collapsing interest rate differentials. Commodities including gold (+24.6%) and silver (+46.7%) rallied on safe-haven demand, lower yields and dollar weakness while industrial metals copper (+25.9%) and iron ore (+70.3%) benefitted and quicker economic turnaround in China. Oil plunged but gained later in the year to close the year down -21.5%.

Global growth and earnings recovery in 2021 is largely dependent on the pace of vaccine rollouts. Resultant growth acceleration may lead to higher inflation and interest rates, although we expect monetary policy to remain supportive and fiscal spending to increase. Geopolitical risks have increased meaningfully. Investment risks are elevated with extreme divergence between growth and value stocks.

FOORD INTERNATIONAL TRUST

Report of the Investment Manager for the year ended 31 December 2020

Performance to 31 December 2020 (In US dollars, net of fees and expenses)

(Periods greater than one year are annualised)

	1 year %	3 years %	5 years %	10 years %	15 years %	20 years %	Since Inception %
Fund	7.1	4.3	5.8	5.2	5.9	6.3	6.6
US Inflation	1.3	1.8	1.9	1.7	1.9	2.0	2.1
MSCI World Equities	15.9	10.5	12.2	9.9	7.3	6.0	6.9
Peer Group	6.8	3.7	4.9	2.6	2.3	3.4	4.1

(US Inflation: FTSE World Government Bond Index. Source: Bloomberg L.P.)

(Peer Group: USD Flexible Allocation Morningstar category. Source: Morningstar)

The Fund ended the year on a high note, comfortably ahead of its US inflation plus 5% target and its Morningstar peer group average.

The top contributors were: Global copper and natural resources miner, Freeport-McMoran (+99.1%), US-based agricultural chemicals company, FMC Corp (+17.3%) and the Fund's gold holdings (+23.9%).

The Investment Manager continues to favour equities over other asset classes. Mindful of elevated equity valuations, however, the managers also hold cash, precious metals and a modest derivative position to hedge against a potential market retracement.

INVESTMENT THESIS

Foord is a fundamental earnings house that takes long-term views and patiently waits for prices to follow earnings. We do not trade on market sentiment. We are confidently different from peers and take sizable off-benchmark positions in businesses that offer asymmetric risk-reward to protect investor capital and deliver a safe investment yield.

We constructed the portfolio independently of the benchmark or objective we are trying to beat over time. Excellent stock selection was the cornerstone of our outperformance. Risk management was also critical to the fund's success in 2020. The portfolio spans key markets and sectors based on the managers' conviction of the future earnings of the businesses we own. In many cases, our expectations were very different from the market's.

Foord's commitment to investment stewardship and risk management underpins all that we do. While the future direction of markets is murky, our focus on long-term earnings growth will continue to serve as the guiding light in our quest for absolute returns.

Thank you for your ongoing trust and support.

FOORD ASSET MANAGEMENT (GUERNSEY) LIMITED
16 February 2021

FOORD INTERNATIONAL TRUST

Performance Record for the year ended 31 December 2020

The table below summarises the financial highlights per unit in issue:

Change in net asset per unit (US\$)

	2020	2019
Opening net asset value per unit	42.91	36.67
Return before fund expenses per unit ¹	3.04	6.25
Fund expenses per unit ²	(0.01)	(0.01)
Return on net asset value per unit ³	3.03	6.24
Closing net asset value per unit	45.94	42.91

Performance

Return after charges ⁴	7.06%	17.02%
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Other information

Closing net asset value (US\$)	455,662,764	485,504,235
Closing number of units - Class B	9,478,172.25	11,314,229.56
Closing number of units – Class C1	440,409.99	-
TER percentage ⁵	1.13%	1.36%

Prices

Highest unit price – Class B	45.99	43.01
Lowest unit price – Class B	35.47	36.44
Highest unit price – Class C1	45.50	-
Lowest unit price – Class C1	40.95	-

Notes:

1. Return before fund expenses per unit:
Calculated as the "Return after fund expenses per unit" plus "fund expenses per unit".
2. Fund expenses per unit:
The Fund expenses per unit shows the relevant operating expenses of the Fund expressed by reference to the average number of units in issue during the year. This calculation is synonymous with the ongoing charges per unit as prescribed by the Investment Association Statement of Recommended Practice (IASORP).
3. Return on net asset value per unit:
Calculated as the "closing net asset value per unit," minus "Fund expenses per unit," minus the "opening net asset value per unit".
4. Return after charges:
Calculated as the "return on net asset value per unit" divided by the "opening net asset value per unit".
5. Total expense ratio (TER) percentage:
The TER shows the relevant operating expenses from the most recent reporting period as a single percentage of the average net asset value over the same period and is indicative of ongoing costs. This ratio includes the equivalent TER ratio of the Master Fund. It is synonymous with the ongoing charges percentage as prescribed by the IASORP.

FOORD INTERNATIONAL TRUST

Portfolio Statement as at 31 December 2020

	Nominal Holding	Value US\$	% of Net Assets Value
Collective Investment Scheme			
Foord International Fund – Class B Shares	9,559,620.11	454,600,622	99.77%
Cash – US dollars		1,104,189	0.24%
Other current liabilities		(42,047)	(0.01%)
Net asset value		455,662,764	100.00%

FOORD INTERNATIONAL TRUST

Summary of Material Portfolio Changes for the year ended 31 December 2020

	Cost US\$
Purchases	
Foord International Fund – Class A Shares	750,114
Foord International Fund – Class B Shares	22,770,661
Total purchases for the year	23,520,775
Sales	
Foord International Fund – Class A Shares	34,375,210
Foord International Fund – Class B Shares	46,569,152
Total sales for the year	80,944,362

The above purchases and sales excludes the switches from Class A and B placed on 4 May 2020.

FOORD INTERNATIONAL TRUST

Principal Manager's Report for the year ended 31 December 2020

Statement of Principal Manager's and Trustee's Responsibilities

It is the Principal Manager's responsibility to prepare annual financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Authorised Collective Investment Schemes (Class B) Rules 2013, which give a true and fair view of the financial position of the Trust as at the end of the accounting year and its income and expenditure for the year.

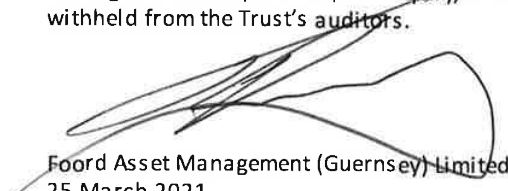
In preparing these financial statements, the Principal Manager confirms that it has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed Applicable Accounting Standards, subject to disclosure and explanation in the annual financial statements of any material departures; and
- prepared the financial statements on the going concern basis.

The Principal Manager keeps proper accounting records and manages the Trust in accordance with the Authorised Collective Investment Schemes (Class B) Rules 2013 and the Principal Documents. The Trustee is responsible for safeguarding the assets of the Trust and must take reasonable care to ensure that the Trust is managed by the Principal Manager in compliance with the provisions of the principal documents and the Authorised Collective Investment Schemes (Class B) Rules 2013. The Trustee and Principal Manager, are jointly responsible for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

Having taken all required steps of inquiry, the Principal Manager is not aware that any relevant audit information was withheld from the Trust's auditors.



Foord Asset Management (Guernsey) Limited
25 March 2021

FOORD INTERNATIONAL TRUST

Trustee's Report for the year ended 31 December 2020

In our capacity as Trustees, we confirm that the Principal Manager of the Trust, Foord Asset Management (Guernsey) Limited, has managed the Trust for the year ended 31 December 2020 in accordance with the provision of the Principal Documents and the Authorised Collective Investment Schemes (Class B) Rules 2013.

Royal Bank of Canada (Channel Islands) Limited
25 March 2021



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FOORD INTERNATIONAL TRUST

Independent Auditor's report to the unitholders of Foord International Trust

Opinion

In our opinion the financial statements of Foord International Trust (the 'Trust'):

- give a true and fair view of the state of the Trust's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Trust Deed dated 5 March 1997.

We have audited the financial statements which comprise:

- the Statement of Total Return;
- the Statement of Changes in Unitholders' Net Assets;
- the Balance Sheet; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Principal Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Principal Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Principal Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

FOORD INTERNATIONAL TRUST

Independent Auditor's report to the unitholders of Foord International Trust

Responsibilities of Principal Manager and Trustee

As explained more fully in the Principal Manager's and Trustee's responsibilities statement, the Principal Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Principal Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Principal Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Principal Manager either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Trust's industry and its control environment, and reviewed the Trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies (Guernsey) Law, 2008 and the Authorised Collective Investment Schemes (Class B) Rules 2013 and relevant tax legislation
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

The valuation of investments is the main driver of the Trust's performance and it is valued using the net asset value ("NAV") of the Class B shares in Foord International Fund a sub fund of Luxembourg Foord SICAV, therefore, there is a potential for management bias to manipulate the underlying NAV, which is a published price not a price listed on a recognised stock exchange. In addressing the risk of fraud related to investments valuation, we have recalculated the investments fair value based on the published price/NAV as of reporting date; and verified the NAV through challenging the valuation of the underlying investments and material balances.

FOORD INTERNATIONAL TRUST

Independent Auditor's report to the unitholders of Foord International Trust

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Guernsey Financial Services Commission.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the terms of our engagement, we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Trust's unitholders, as a body. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Guernsey, Channel Islands
25 March 2021

FOORD INTERNATIONAL TRUST

Statement of Total Return for the year ended 31 December 2020

	Notes	2020 US\$	2019 US\$
Interest income		2,689	21,963
Expenses	5	(106,112)	(67,120)
Net loss before taxation for the year		(103,423)	(45,157)
Taxation	7	-	-
Net loss after taxation for the year		(103,423)	(45,157)
Net capital gains on investments	4	27,654,551	74,027,797
Change in net assets attributable to unitholders		27,551,128	73,982,640
Earnings per unit—Class B	11	2.57	6.18
Earnings per unit—Class C1	11	2.65*	-
*Earnings per unit since date of launch, 28 May 2020			

All results derive from continuing activities.

Statement of Changes in Unitholders' Net Assets for the year ended 31 December 2020

	2020 US\$	2019 US\$
Net assets attributable to unitholders at the beginning of the year	485,504,235	465,582,712
Movement due to sales and repurchases of units:		
Amounts received on creation of units	4,659,779	7,612,027
Less: Amounts paid on cancellation of units	(62,052,378)	(61,673,144)
	(57,392,599)	(54,061,117)
Change in net assets attributable to unitholders	27,551,128	73,982,640
Net assets attributable to unitholders at the end of the year	455,662,764	485,504,235

The accompanying notes on pages 15 to 19 form part of these financial statements.

FOORD INTERNATIONAL TRUST

Balance Sheet as at 31 December 2020

	Notes	2020 US\$	2019 US\$
Assets			
Bank deposits		1,104,189	1,164,463
Accrued income		1,300	563
Total current assets		<u>1,105,489</u>	<u>1,165,026</u>
Investments	3	454,600,622	484,369,658
Total assets		<u>455,706,111</u>	<u>485,534,684</u>
Liabilities			
Payables	8	43,347	30,449
Total liabilities		<u>43,347</u>	<u>30,449</u>
Net current assets		<u>1,062,142</u>	<u>1,134,577</u>
Net assets attributable to unitholders		<u>455,662,764</u>	<u>485,504,235</u>
Number of units in issue – Class B	10	9,478,172.25	11,314,229.56
Net Asset Value per unit – Class B	12	45.96	42.91
Number of units in issue – Class C1	10	440,409.99	-
Net Asset Value per unit – Class C1	12	45.48	-

The accompanying notes on pages 15 to 18 form part of these financial statements.

The financial statements on pages 13 to 19 were approved by the Board of Directors of Foord Asset Management (Guernsey) Limited on 25 March 2021 and were signed on its behalf by:



Foord Asset Management (Guernsey) Limited

FOORD INTERNATIONAL TRUST

Notes to the Financial Statements for the year ended 31 December 2020

1. The Trust

Foord International Trust (the "Trust") is an open-ended unit trust established under the laws of Guernsey by a Deed of Trust dated 5 March 1997, last amended 30 October 2015 (the "Trust Deed"). The Trust is authorised as a Class B Collective Investment Scheme under the Authorised Collective Investment Schemes (Class B) Rules 2013 and regulated by the Guernsey Financial Services Commission. The Trust is an umbrella fund and comprises of one Class Fund ("Foord International Trust") which has two unit classes.

The Trust is a feeder fund of Foord International Fund (the "Master Fund"), a subfund of Foord SICAV, an open-ended variable capital investment company with multiple sub funds, incorporated in Luxembourg, and authorised as a UCITS and regulated by the Commission du Surveillance du Secteur Financier, the Luxembourg supervisory authority. On 4 May 2020, the Trust switched its investment in the Master Fund from Class A to Class B shares.

2. Summary of the accounting policies

The following accounting policies have been applied consistently throughout the year and the preceding years.

a) Basis of accounting

These financial statements have been prepared under the historical cost convention, modified to include certain items of fair value in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council, the Standards applicable in the United Kingdom and the Republic of Ireland and in accordance with the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", issued by the Investment Association, (the "IA SORP") in May, 2014 and revised in June 2017, where applicable for a Guernsey Unit Trust. Although the Trust only invests in the Master Fund the accounts were not consolidated as the Trust is not the majority shareholder and does not have control over the activities of the Master Fund.

b) Foreign exchange

The functional and presentational currency of the Trust is the US dollar (US\$).

Transactions undertaken in a currency other than the reporting currency are translated at the rate ruling at the transaction date. Monetary foreign currency assets and liabilities other than those denominated in the functional currency of the Trust have been translated at the rate ruling at the end of the year. Differences arising are dealt with in the Statement of Total Return.

c) Financial instruments

Investments in long positions

In accordance with Section 12 of FRS 102 'other financial instruments' the Trust has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted in the European Union) and the disclosure and presentation requirements of FRS 102 sections 11 and 12.

(i) Recognition / Derecognition

Investments in the Master Fund are designated as at fair value through profit and loss. Investments are recognised at fair value on the trade date at which the Trust commits to purchase additional shares. Investments are derecognised when the Trust redeems the shares and proceeds are set against the weighted average cost of the investment, with the resulting gain or loss recognised in the Statement of Total Return.

(ii) Measurement

After initial recognition, investments in the Master Fund are measured at fair value in accordance with IAS 39 of International Financial Reporting Standards as the performance is evaluated on a fair value basis. The year-end valuation is done on the last business day in December. Gains and losses arising from changes in the fair value of investments are recognised in the Statement of Total Return in the year in which they arise.

Other Financial Instruments

Cash consists of bank deposits.

FOORD INTERNATIONAL TRUST

Notes to the Financial Statements for the year ended 31 December 2020

d) Income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash.

e) Expenditure

All expenses including management fee are accounted for on the accrual basis.

f) Cash Flow Statement

The Trust is exempt from the requirement to produce a cash flow statement in the Annual financial statements in accordance with Section 7 'Statement of Cash Flows' of FRS 102, as the investments are highly liquid, carried at fair value and a Statement of Changes in Unitholders' Net Assets is presented.

g) Unitholders' Funds

In accordance with Section 22 'Liabilities and Equity' of FRS 102, Fund units are classified as equity as they meet all criteria of IASORP paragraph 2.80. Distributions on these units, if any, are recognised in the Statement of Changes in Unitholders' Net Assets.

h) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, the directors of the Principal Manager are required to exercise judgement that can have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The critical judgement relates to the classification of investment as Level 1 in the fair value hierarchy. The principal manager believes there to be sufficient liquidity available in the Foord International Fund (Class B) to be able to redeem its holdings in accordance with the requirements the Master Fund's prospectus and, as a result, no discount for illiquidity is applied in the determination of Fair Value. The fair value of the investment is therefore based on the Net Asset Value (NAV) per share of the Master Fund.

The Trust does not have any key sources of estimation uncertainty.

i) Going Concern

The Principal Manager has considered the impact of the COVID-19 pandemic on the Trust and its ability to continue for the foreseeable future. The Trust and its service providers have faced minimal business disruption. These annual financial statements are prepared on a going concern basis as the Trust has adequate liquid resources to continue in operational existence including meeting redemption obligations for at least twelve months from the date of this report. Should there be a significant redemption request, redemption gate can be imposed to exit investment positions in an orderly manner.

3. Investments

	2020 US\$	2019 US\$
Opening value	367,784,259	411,160,528
Purchases	23,520,775	7,612,038
Sales	(80,944,362)	(61,691,178)
Realised gains on investments	90,581,861	10,702,871
Closing cost	400,942,533	367,784,259
Unrealised gains	53,658,089	116,585,399
Investment value at year end	454,600,622	484,369,658

FOORD INTERNATIONAL TRUST

Notes to the Financial Statements for the year ended 31 December 2020

4. Net capital gains	2020 US\$	2019 US\$
Realised gain on investments	90,581,861	10,702,871
Movement in unrealised gains on investments	(62,927,310)	63,324,926
Net capital gains	27,654,551	74,027,797

5. Expenses		
Trustee fee	44,573	46,605
Audit fee	15,354	14,880
Management fee – Class C1	38,790	-
Miscellaneous expenses	7,395	5,635
Total expenses	106,112	67,120

6. Related party transactions

Royal Bank of Canada (Channel Islands) Limited (the Trustee) and the Principal Manager are considered as related parties under the IA SORP.

The Trustee receives a fee of not more than 0.02% per annum of the net asset value, subject to a minimum of US\$20,000 per annum.

The Principal manager receives a fee of 0.35% per annum of the net asset value of Class C1 units.

The fees are calculated on each valuation date and payable monthly in arrears. The total fees paid to both parties during the year and the outstanding amounts due to them at 31 December are disclosed in Note 5 and Note 8 respectively.

7. Taxation

The Trust is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. From 1 January 2015 a fixed annual fee of £1,200 is payable to the States of Guernsey in respect of this exemption and this amount is included within the miscellaneous expenses in note 5.

8. Payables

Audit fee	12,977	15,586
Management fee – Class C1	5,859	-
Trustee fee	3,798	4,042
Sundry creditors	35	-
Amounts payable for cancellation of units	20,678	10,821
Total	43,347	30,449

9. Financial instruments

The primary objective of the Master Fund is to achieve meaningful inflation-beating US dollar returns over rolling five-year periods through a conservatively managed portfolio that can include global equities, warrants, exchange traded funds, UCITS and other UCIs, interest-bearing securities and cash instruments reflecting the Manager's prevailing best investment view.

Accordingly, the Trust experiences the same risk profile and is subject to the same risk management policies as the Master Fund, which is managed by the Principal Manager as disclosed in Section 4 of the Master Fund's Prospectus.

Credit Risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it had concluded with the Trust. The Trust's credit risk is concentrated in its holding in the Master Fund. The cash funds are held on account with RBC, which is a reputable financial institution with a Aa2 Moody's credit rating.

There are no receivable amounts that are past due or impaired.

FOORD INTERNATIONAL TRUST

Notes to the Financial Statements for the year ended 31 December 2020

9. Financial instruments (continued)

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Trust's reporting currency is US dollars, and has no exposure to currencies other than the US dollar.

Interest Rate Risk Profile of Financial Assets and Financial Liabilities

The interest rate profile of the Trust as at 31 December 2020 was as follows:

	2020 US\$	2019 US\$
Financial assets		
Non-interest bearing	<u>454,601,922</u>	<u>484,370,221</u>
 Financial liabilities		
Non-interest bearing	<u>43,347</u>	<u>30,449</u>

The interest rate risk exposure in the Master Fund is managed by the Principal Manager.

Market Price Risk

Market price risk arises mainly from the uncertainty about future prices of its investments, resulting in a potential investment loss.

The Trust is exposed to price risk as consequence of changes in the net asset value per share of its investment in the Master Fund.

The Trust classifies its fair value measurements using a three-level fair value hierarchy that reflects the significance of the inputs used in making measurements.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – A recent transaction price if no significant change in economic circumstances; or
- Level 3 – A valuation technique to estimate an arm's length transaction price.

The Trust's investment in the Master Fund is classified as Level 1.

Liquidity Risk

Liquidity risk is the inability to settle its liabilities as they fall due because of differences in maturity dates between the Company's financial assets and liabilities.

The Trust's exposure to liquidity risk is minimal as the Fund's financial assets can be readily converted to cash equivalents.

Capital Management

The capital structure of the Trust consists of the net assets attributable to unitholders of the Trust.

The Principal Manager monitors the risks associated with the investment capital, including managing of the liquidity of the Trust to meet the redemption requests of the unitholders. The Trust is not subject to any external capital requirements.

FOORD INTERNATIONAL TRUST

Notes to the Financial Statements for the year ended 31 December 2020

10. Number of units in issue

Accumulating units – Class B

At the beginning of the year	11,314,229.56	12,696,687.20
Units created	104,606.28	189,185.25
Units cancelled	(1,940,663.59)	(1,571,642.89)
At the end of the year	<u>9,478,172.25</u>	<u>11,314,229.56</u>

Accumulating units – Class C1

At the beginning of the year	-	-
Units created	459,388.76	-
Units cancelled	(18,978.77)	-
At the end of the year	<u>440,409.99</u>	<u>-</u>

11. Earnings per unit

The earnings per unit is based on the net increase in amounts due to the unitholders from investment activities for each class and on the weighted average number of units in issue for the year.

Class B

Net growth from investment activities	26,429,873	73,982,640
Weighted average number of units	<u>10,291,675</u>	<u>11,972,676</u>
Earnings per unit	<u>2.57</u>	<u>6.18</u>

Class C1

Net growth from investment activities	1,134,678	-
Weighted average number of units	<u>428,705</u>	<u>-</u>
Earnings per unit	<u>2.65</u>	<u>-</u>

12. Net asset value per unit

The net asset value for each class is arrived at by dividing the amounts due to the unitholders of that class as at the balance sheet date, by the number of Units issued at the balance sheet date.

13. Post Balance Sheet Events

There were no material post balance sheet events to the date of approval of these financial statements.

