

### Fund Objective

The objective of the portfolio is to deliver long-term capital growth by investing in various asset classes, predominantly in equity.

### Fund Strategy

The portfolio will apart from assets in liquid form invest in participatory interests of the Northstar Global Flexible Fund established under the Sanlam Global Funds PLC. The Northstar Global Flexible Fund invests in global equities which will primarily be common stocks and other securities with equity characteristics, comprising preference shares, as well as depository receipts, global bonds (fixed and/or floating; government and/or corporate; rated and unrated), real estate investment trusts (REITS) and cash and cash equivalents. The fund will be managed with a bias towards global equities due to the superior long-term returns from this asset class. If prospective returns from equities are unattractive, exposure to other asset classes, such as real estate, bonds and cash will increase. The Fund is not focused on any specific geographical area, industry or sector and may invest in equities of companies across the full spectrum of market capitalizations. The portfolio may also invest in financial instruments for the exclusive purpose of hedging against exchange rate risk.

### Fund Information

Ticker	NSCGF
Portfolio Manager	Rory Spangenberg
ASISA Fund Classification	Global - Multi Asset - Flexible
Risk Profile	Moderate Aggressive
Benchmark 1	EEA Fund USD Flexible Allocation
Benchmark 2	60% MSCI World Index & 40% Bloomberg Barclays Global Aggregate Bond Index
Fund Size	R 106,274,480
Portfolio Launch Date	11/07/2017
Fee Class Launch Date	11/07/2017
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

### Fees (Incl. VAT)

### A-Class (%)

Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.40
Total Expense Ratio	1.92
Transaction Cost	0.35
Total Investment Charges	2.27
Performance Fee	—
TER Measurement Period	11 July 2017 - 31 March 2019

Total Expense Ratio (TER) is the percentage value of the Financial Product that was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

Transaction Cost (TC) is the percentage value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

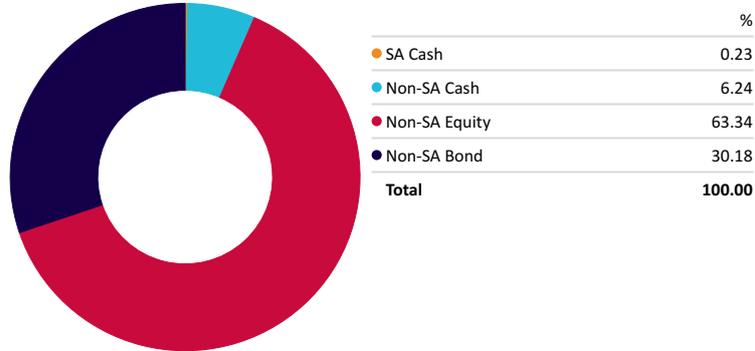
\*These figures will become available once sufficient performance history has been met.

### Top Ten Holdings

Portfolio Date	(%)
30/06/2019	
Northstar Global Flexible Fund	98.85
Cash	1.15

### Asset Allocation

Portfolio Date: 30/06/2019



### Annualised Performance (%)

	Fund	Benchmark 1	Benchmark 2
1 Year	16.21	9.94	13.41
3 Years	—	—	—
5 Years	—	—	—
Since Inception	11.94	6.00	9.69

### Cumulative Performance (%)

	Fund	Benchmark 1	Benchmark 2
1 Year	16.21	9.94	13.41
3 Years	—	—	—
5 Years	—	—	—
Since Inception	25.31	12.36	20.31

### Highest and Lowest Annual Returns\*

Time Period: Since Inception to 31/12/2018

Highest Annual %	11.93
Lowest Annual %	11.93

### Risk Statistics (3 Year Rolling)\*

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

### Distribution History (Cents Per Unit)

30/06/2019	0.00 cpu
31/12/2018	0.00 cpu

## Risk Profile

### Moderate Aggressive

Your primary aim is to achieve the required capital growth necessary to realise your long-term goals and objectives. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short-term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

## Glossary Terms

### Annualised Returns

Annualised return is the weighted average compound growth rate over the period measured.

### Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

### Capital Volatility

Volatility is a measure of 'risk' and refers to the extent to which the price of an investment or capital value fluctuates over a certain period of time. Funds with high volatility usually offer the potential for higher returns over the longer-term than low volatility funds.

### Cumulative Returns

Cumulative return is the total growth experienced over the period measured.

### Derivatives

Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

### Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, biannual or annual distribution pay-outs.

### Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

### Financial Instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

### Fund Objective

The fund objective is the portfolio's core goal.

### Fund Strategy

The fund strategy is the way that the fund is managed to achieve the fund objective.

### Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

### Collective Investment Schemes

Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

### Market Capitalization

Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

### Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

### Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

### Performance Fee

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark.

### Sharpe Ratio

The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

### Standard Deviation

Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

## Portfolio Manager Comment

As at 30 June 2019

### Performance Review:

The **Northstar Global Flexible Fund** delivered a return of +3.95% for the 3 months to end-June 2019. The Fund's composite benchmark, comprised of 60% **MSCI World Index** and 40% **Bloomberg Barclays Global Aggregate Bond Index** returned +3.97%, while the average fund return in the **Morningstar EEA USD Flexible** category was +2.14%.

For the 12 months to end-June 2019 the Fund returned +10.93%, which compares favorably to the composite and peer group returns of +6.21% and +2.14% respectively, placing the Fund amongst the top 4% of Global Flexible funds over the period.

Despite negative global growth data, equities continued where they left off in the first quarter, rallying strongly in April (+3.6%), before taking a breather in May (-5.68%). The pause was short lived, however, as risk appetite returned in June, after the Federal Reserve signaled a rate cut was likely at its July meeting. The **MSCI World Index** returned +6.63% in June to end the quarter +4.0% higher. The **Financials** (+6.43%), **Information Technology** (+5.91%) and **Consumer Discretionary** (+5.62%) sectors led the market, with **Energy** (-1.11%) **Real Estate** (+0.48%) and **Health Care** (+1.57%), lagging.

The **US 10 Year Treasury** yield continued its relentless march lower, declined a further 40 bps in the quarter to 2.00%, extending the rally from 3.24% in early-November. Global bonds, therefore enjoyed a strong quarter with the **Bloomberg Barclays Global Aggregate Index** 3.9% higher.

Equity selection remains a key driver of returns. The Fund's underlying equities delivered a return of 6.34% for the quarter, 221 bps ahead of the MSCI World Index. **Blackstone Group** (+28.1%), **Walt Disney Co.** (+25.7%) and **LVMH Moët Hennessy** (+17.1%) were the best performing holdings over the 3 months, with 138 bps, 100 bps and 71 bps of performance attributable to each respectively, taking account of the Fund's weighting relative to the equity benchmark.

**Cognizant Technology Solutions** (-12.22%), **British American Tobacco plc** (-10.26%) and **Philip Morris International** (-9.84%) were the worst performing holdings, with the largest negative attribution coming from **Alphabet Inc** (-59bps), **Philip Morris International** (-49bps) and **Reckitt Benckiser plc** (-37bps).

### Fund Positioning:

Having increased the Fund's allocation to equities in early January, we actively reduced exposure to the asset class during the quarter, taking account of the rally year-to-date and the meaningfully reduced intrinsic value discount of the Fund equity portfolio. Quarter-on-quarter, the equity exposure reduced from 68.01% to 62.96%.

Following a period of strong relative performance, we completed the switch out of **British American Tobacco plc (BTI)** into **Phillip Morris** in late-June. We initiated this action in October 2018 owing to a preference for Philip Morris's stronger positioning in Next Generation Products (NGP) and on concerns over BTI's greater exposure to US regulatory risk.

We increased the Fund's exposure to Bonds from 14.38% to 19.53% during the quarter, remaining considerably underweight and short duration.

### Portfolio Manager

Rory Spangenberg

B.Com Economics (Unisa)

PGDAM (AAA)

### Investment Manager Information

Northstar Asset Management (Pty) Ltd

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**Additional Information**

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Northstar Asset Management (Pty) Ltd, (FSP) Licence No. 601, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting [www.sanlamunittrustsmdd.co.za](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.