

**NORTHSTAR GLOBAL FLEXIBLE FUND**

A sub-fund of the Sanlam Global Funds plc

**NORTHSTAR**

MDD Issue Date: 2020/10/16

**FUND OBJECTIVE**

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

**FUND STRATEGY**

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.

**FUND INFORMATION**

Manager	Sanlam Asset Management (Ireland) Ltd
Investment Manager	Northstar Asset Management (Pty) Ltd
Portfolio Manager	Rory Spangenberg
Depository / Custodian	Brown Brothers Harriman Trustees Services (Ireland) Ltd
Administrator	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
Transfer agency	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
Domicile	Ireland
Fund Classification	EAA Fund USD Flexible Allocation
Risk Profile	Medium to high
Base Currency	US Dollar
Benchmark	EAA Fund USD Flexible Allocation
Fund Size	\$ 66.6 million
Unit Price	\$ 1.30 (Class A USD)
Portfolio Launch Date	1 June 2017
Minimum Investment	\$ 1,000 (Class A USD)
Income Declaration Date	The fund does not distribute income. Dividends and income are automatically added to the NAV of the fund
Portfolio Valuation Time	Midnight South African time on each dealing day
Transaction Cut Off Time	4 PM (Irish time on the business day preceding a dealing day)
Daily Price Information	www.sanlam.ie
Dealing / redemption frequency	Daily

**FEES**

Minimum Initial Advice Fee	0% (up to 5% with intermediary charges if applicable) (Class A USD)
AIFM Fee	0.15% (Class A USD)
Investment Management Fee	1.25% (Class A USD)
Performance Fee	Not applicable
Exit Fee	Not applicable
Other allowed expenses	Depository fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees.
Total Expense Ratio	1.63% (Class A USD)
Transaction Cost	0.22% (Class A USD)
Total Investment Charge	1.85% (Class A USD)

\*All fees are our best estimate because of the short life of the fund. Full details of fees, including the other classes available, are contained in the fund supplement, which can be obtained at [www.sanlam.ie](http://www.sanlam.ie)

**TOP TEN HOLDINGS**

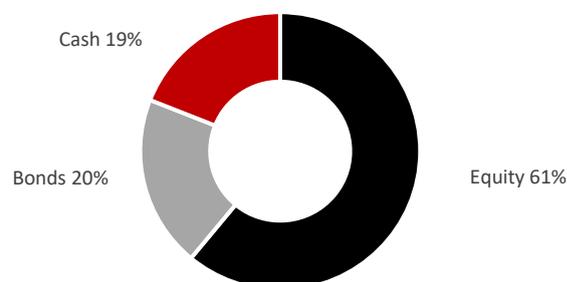
(at 30/09/2020)

**(%)**

ISHARES 0-5 YR INV GRD CORP ETF	14.47
UNILEVER PLC	3.65
MASTERCARD INC	3.63
PHILIP MORRIS INTERNATIONAL	3.58
MEDTRONIC PLC	3.48
BERKSHIRE HATHAWAY INC-CL B	3.36
US TIPS 0.125% 04/15/21	3.05
ORACLE CORP	2.93
VISA INC-CLASS A SHARES	2.86
ALPHABET INC-CL C	2.84

**ASSET ALLOCATION**

(at 30/09/2020)



Source: Brown Brothers Harriman Fund Administration Services (Ireland) Ltd

**ANNUALISED PERFORMANCE (%)**

(at 30/09/2020)

\*Strategy: Northstar Asset Management are the portfolio manager of the Northstar SCI Global Flexible Fund ("NSSGF"); a SA CIS, which is approved by the SA regulator (FSCA), which follows an identical investment strategy to that of this Fund. The NSSGF's inception date was 12 January 2016. In order to produce the Strategy data below; the performance of the NSSGF is used between 12 January 2016 and 31 May 2017, and the Northstar Global Flexible Fund performance is used from 01 June 2017 to present. This provides investors and potential investors with a longer-term track record of the Portfolio Manager's performance; this forms the Strategy

Strategy Inception: 12 January 2016	*Strategy	Benchmark
3 Year	8.36	2.05
Since Inception	11.01	4.29
Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	10.19	3.05
3 Year	8.36	2.05
5 Year	N/A	N/A
Since Inception	8.14	2.61

Source: Morningstar

**CUMULATIVE PERFORMANCE (%)**

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	10.19	3.05
3 Year	27.23	6.27
5 Year	N/A	N/A
Since Inception	29.81	8.98

Source: Morningstar

**HIGHEST AND LOWEST ANNUAL RETURNS****On a 12-month rolling period since: 01/06/2017 to 30/09/2020**

Highest Annual %	21.35
Lowest Annual %	-3.60

Source: Morningstar

Past performance is not necessarily a guide to future performance

## RISK PROFILE

### Medium to high risk

While the manager may diversify across all asset classes, the fund is expected to be meaningfully invested in equities over time. This fund is deemed to be medium to high risk in relation to other asset classes due to its exposure to shares and stocks. The price of shares and the income from them may fall as well as rise and investors may not get back the amount they have invested.

Irish domestic law implementing EU and United Nations sanctions may limit or prohibit investment in certain markets and this may have an adverse impact on the operations of the Fund. Investing in international companies means that currency exchange rate fluctuations will have an impact on the Fund returns. Foreign currency shortages in some markets could reduce the fund's ability to repatriate funds. The investment manager aims to reduce the overall risk by their value and fundamental stance. Other risks are Settlement and Clearing Risk, Political Custody Risk, Legal Risk, Efficient Portfolio Management Risk, Reinvestment of Cash Collateral Risk and Securities Lending Risk. Further information regarding risk can be obtained by reference to the Prospectus and Supplement.

## GLOSSARY TERMS

### Annualised total returns

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

### Capital growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

### Equities

Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10-year horizon.

### Undervalued equity stocks (Value investing approach)

This is a strategy of selecting shares that trade for less than their intrinsic values. Value investors actively seek stocks that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's actual long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.

### Securities

A general term for shares, bonds, money market instruments and debentures.

### Collective investment scheme (CIS)

Collective investment schemes (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.

### Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

### 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 amount of expected volatility in an investment.

### Disclaimer

Northstar is an authorised financial services provider (licence number 601). The Northstar Global Flexible Fund launch date is 1 June 2017. Further details of the fund are available at [www.sanlam.ie](http://www.sanlam.ie) The graphs and detail are intended to provide the user with an indication as to how the fund will function, nothing is guaranteed. There are risks involved in buying or selling financial products. Past performance is not necessarily indicative of future performances. Please refer to <http://northstar.co.za/page/legal-information/>.

## PORTFOLIO MANAGER

Rory Spangenberg joined Northstar in January 2017 as an analyst, with a focus on global research and investments. Rory joined Northstar from SignalHill Investment Management, where he was the managing director and portfolio manager.

Prior to SignalHill, Rory spent 10 years with Investec managing value and income growth strategies. Experience prior to that includes: heading the South African research sales desk at Investec, London; research sales for Barnard Jacobs Mellet; and equity portfolio manager of the Sasol Pension Fund.

## PORTFOLIO MANAGER COMMENT

### As at 30 September 2020

#### Portfolio Review:

The Northstar Global Flexible Fund delivered a return of +6.03% in US dollars for the 3 months to end-September 2020, which compares with the average fund return in the Morningstar EEA USD Flexible Fund peer group of +4.04%.

Year-to-date the Fund returned +4.97%, ahead of the Morningstar peer group and MSCI World Index returns of -0.96% and +1.70% respectively, but behind the return offered by the Bloomberg Barclays Global Aggregate Bond Index of +5.72%.

Despite the strong recovery in global equity markets over the past 6 months, the Fund continues to deliver on its longer-term objective, which is to outperform global equities over a full market cycle, through lower downside participation. The Fund outperformed the MSCI World Index over the past 2 and 3 years by +1.78% p.a. and +1.08% p.a. respectively, ranking amongst the top 4% of global flexible funds tracked by Morningstar over the past three years.

Global equities enjoyed another strong quarter, led by Emerging Markets (+9.07%) and cyclical sectors, notably Consumer Discretionary (+16.07%) and Information Technology (+11.90%). Energy (-15.6%), Financials (+1.95%) and the FTSE 100 (+0.42%) were notable laggards, as the reflationary force behind a recovery in traditional Value sectors ran out of steam.

The underlying equity component of the Fund outperformed the MSCI World Index by +2.25% on a gross basis over the past quarter. Stock selection continues to be the key driver of Fund return, contributing +1.73% of the equity return.

In the three months to September, Alibaba (+36.3%), Dunkin Brands (+26.2%) and Cognizant Technology (+22.6%) were the best performing holdings in the Fund, whilst Boeing (-9.8%), Jones Lang LaSalle (-7.5%) and Blackstone (-7.2%) underperformed. Taking account of relative positioning to the benchmark, Alibaba (+0.72%, Berkshire Hathaway (+0.49%) and Dunkin Brands (+0.46%), made the largest contribution to overall returns, offset by negative attribution from Blackstone (-0.56%) as well as from Apple (-0.74%) and Tesla (-0.35%), which the Fund had no exposure to.

#### Portfolio Positioning:

We continue to actively manage the equity allocation in the Fund in accordance with its weighted intrinsic value discount, i.e. guided by a proprietary bottom up valuation process.

Having re-established equity weights from a low of less than 50% of the Fund in mid-March, we once again set about reducing exposure in mid-August from a high of 67.8%. This action was motivated by the less attractive valuation of equities following a greater than 50% rally from March lows and was specifically the case for some of the remaining Technology exposure in the Fund, which had performed very strongly.

This action proved prescient as the market peaked approximately two weeks later, with Technology shares particularly hard hit.

We continue to view global bonds as unattractively valued, choosing to retain the balance of the Fund's holdings in short duration investment grade bonds as well as commercial paper and money market instruments.

## Investment Manager Information

Northstar Asset Management  
 (Pty) Ltd (FSP) License No. 601  
 Physical Address: Suite 1A, Madison Place, Alphen Office Park, Constantia Road,  
 Constantia, 7806  
 Postal Address: PostNet Suite #784, Private Bag X16,  
 Constantia, 7848 Tel: +27 (21) 810 8400  
 Email:  
[admin@northstar.co.za](mailto:admin@northstar.co.za)  
 Website:  
[www.northstar.co.za](http://www.northstar.co.za)

## Manager Information

Sanlam Asset Management (Ireland) Ltd  
 Physical Address: Beech House, Beech  
 Hill Road, Dublin 4, Ireland  
 Web: [www.sanlam.ie](http://www.sanlam.ie)  
 Tel: +353 1 2053510  
 Fax: +353 1 2053521  
 Email: [intouch@sanlam.ie](mailto:intouch@sanlam.ie)  
 Company registration number: 267640 – UCITS IV Management Company &  
 Alternative Investment Fund Manager regulated by the Central Bank of Ireland  
 and is licensed as a Financial Services Provider in terms of Section 8 of the South  
 African FAIS Act of 2002.

### Codes (Class A USD)

ISIN	IE00BD5NF328
Bloomberg	NSGFLAU ID
Morningstar Category	EAA FUND USD FLEXIBLE ALLOCATION
Fund Category	EAA FUND USD FLEXIBLE ALLOCATION

### Client Service: Northstar Asset Management

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 Web: [www.nortshstar.co.za](http://www.nortshstar.co.za)

## Regulatory statement

The Fund is a sub-fund of the Sanlam Global Funds plc, an open-ended Umbrella type Investment Company, with segregated liability between its sub-funds, authorised by the Central Bank of Ireland, as a Retail Investors Alternative Investment Fund, a category of non-UCITS collective investment scheme to which the Companies Act 2014 and Chapter 1 of the AIF Rule Book applies. The Fund is managed by Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4, Ireland, Tel + 353 1 205 3510, Fax + 353 1 205 3521 which is authorised by the Central Bank of Ireland, as a UCITS Management Company, and an Alternative Investment Fund Manager, and is licensed as a Financial Service Provider in terms of Section 8 of the South African FAIS Act of 2002.

The Sanlam Global Funds Plc full prospectus, the Fund supplement, and the MDD is available free of charge from the Manager or at [www.sanlam.ie](http://www.sanlam.ie). This is neither an offer to sell, nor a solicitation to buy any securities in any fund managed by us. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, and the relevant subscription/application forms, all of which must be read in their entirety together with the Sanlam Global Funds plc prospectus, the Fund supplement and the MDD. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents, and the completion of all appropriate documentation. A schedule of fees and charges and maximum commissions is available on request from the Manager.

This is a Section 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). Sanlam Collective Investments (RF) (Pty) Ltd is the South African Representative Office for this fund.

The information to follow does not constitute financial advice, solicitation, invitation or investment recommendation as contemplated in terms of the South African 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, not all investments are suitable for all investors. Collective investment schemes are generally medium to long term investments.

Please note that past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. The validity and accuracy of any illustrations, forecasts or hypothetical data are not guaranteed and are only provided for illustrative purposes. Changes in exchange rates may have an adverse effect on the value, price or income of the product. 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 based on the initial fees applicable, the actual investment date, 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. Trail commission and incentives may be paid and are for the account of the Manager. The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates. The Manager retains full legal responsibility for this fund. Performance figures for periods longer than 12 months are annualized.