

Fund Objective

The primary objective of the portfolio is to deliver maximum capital growth over the long-term through investments in predominantly the equity market.

Fund Strategy

The portfolio's investment universe consists of equity securities listed on the Johannesburg Stock Exchange and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in the Republic of South Africa. The portfolio will be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Collective Investment Schemes Control Act from time to time in order to achieve its investment objective. The manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

Ticker	NCEFA
Portfolio Manager	Adrian Clayton & Marco Barbieri
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	ASISA Category Avg: SA - Equity - General
Fund Size	R 261 757 925
Portfolio Launch Date	2017/07/05
Fee Class Launch Date	2017/07/05
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	0,97
Total Expense Ratio	1,09
Transaction Cost	0,56
Total Investment Charges	1,65
Performance Fee	0,09
TER Measurement Period	05 July 2017 - 30 June 2020

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.

Manager Performance Fee - Performance fee benchmark: ASISA Category Average: South African - Equity - General; Minimum Fee 0.85%; Maximum Fee 2.85%; Fee at Benchmark: 1.25%. All fees are inclusive of VAT. Performance fees are calculated as 20% of the outperformance of the benchmark over a rolling 12 month period.

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

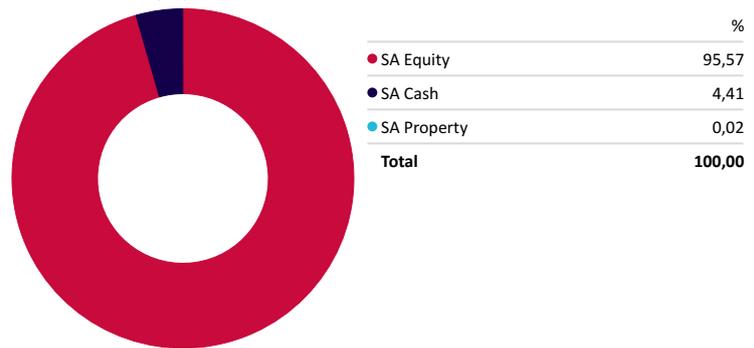
**Highest and Lowest annual returns are updated annually at year end.

Top Ten Holdings

Portfolio Date	2020/09/30	(%)
British American Tobacco Plc		10,68
Naspers Ltd		9,67
Remgro Ltd		6,27
Firststrand Ltd		5,42
Standard Bank Group Ltd		4,99
Reinet Investments SCA		4,29
Prosus (PRX)		3,94
NewGold ETF		3,29
BHP Billiton Plc		2,97
MultiChoice Group Limited		2,90

Asset Allocation

Portfolio Date: 2020/09/30



Annualised Performance (%)

	Fund	Benchmark
1 Year	-13,33	-2,91
3 Years	-6,53	-1,16
5 Years	—	—
Since Inception	-5,45	0,30

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-13,36	-2,91
3 Years	-18,34	-3,44
5 Years	—	—
Since Inception	-16,60	0,99

Highest and Lowest Annual Returns**

Time Period: Since Inception to 2019/12/31

Highest Return %	3,19
Lowest Return %	-10,26

Risk Statistics (3 Year Rolling)*

Standard Deviation	16,58
Sharpe Ratio	-0,73
Information Ratio	-1,68
Maximum Drawdown	-33,02

Distribution History (Cents Per Unit)

2020/06/30	7.52 cpu
2019/12/31	11.10 cpu

Risk Profile

Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short-term, in anticipation of the higher returns you expect to receive in five years or beyond.

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 September 2020

Global equity markets maintained positive momentum during the third quarter of year after rebounding strongly in Q2 2020. Markets benefitted from several important dynamics including improved mobility as lockdown measures have been progressively relaxed, positive news flow around Covid-19 vaccine trials and significant monetary and fiscal stimulus globally.

Whilst all mentioned factors contributed to improved sentiment and returns, central bank actions played a particularly pivotal role. Global central banks provided significant liquidity to the system with overall combined balance sheets expanding by USD 7.6 trillion year-to-date, almost twice the amount experienced during the Global Financial Crisis (GFC). The impact to markets has been significant with the S&P500 recording its fastest ever recovery from a bear market since the 1930s.

The JSE Capped Swix index has benefitted from improved global sentiment bouncing 1.0% in Rand terms during the quarter. SA Resources were up 6% and continued to outperform the rest of the local market spurred by improved global growth expectations and a strong performance from precious metals. SA industrials and financials declined by 2.3% and 1.6% respectively during the quarter as South Africa consumer confidence and GDP numbers hit multi-decade lows.

From a valuation perspective global developed equity markets look reasonably rich after a strong recovery over the last two quarters. The local equity market is however trading at highly depressed multiples and a record discount to EM peers. Whilst we note that South African companies are experiencing a particularly difficult macro environment, we believe that current valuations are discounting as a fair state of affairs. Our own buy-list is suggesting potential returns from our local universe of 30% plus from current levels.

The Northstar SCI Equity fund underperformed the JSE capped Swix during the quarter primarily as a result of an underweight position to SA resources despite reasonably good stock selection outside of commodities. The degree of outperformance of resources to the rest of the market has meant that only 35% of stocks have been able to outperform the market over the last year. We have spent considerably time analysing commodity prices and companies and would note that whilst valuations of resources at spot are reasonable, we maintain that most commodities, particularly bulks and precious metals, are trading at significantly elevated levels on an historical basis as well as against industry cost curves.

Looking ahead, a difficult local economic environment has made us search intently for companies that are less reliant on growth factors and more exposed to self-help options. The fund is well diversified, being exposed to a combination of Rand hedges and inexpensive local stocks which we believe will outperform over time.

Portfolio Managers

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Additional Information

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