

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's investment universe includes equity securities, government bonds, corporate bonds and inflation linked bonds, debentures, property securities, property related securities, interest bearing securities, preference shares, money market instruments and assets in liquid form. The portfolio will have at least 80% exposure to markets outside of South Africa at all times. The Manager shall have the maximum flexibility to vary assets between asset classes and countries to reflect the changing economic and market conditions. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective. The portfolio may also invest in participatory interests of portfolios of collective investment schemes.

Fund Information

Ticker	BFGFA
Portfolio Manager	Rory Spangenberg
ASISA Fund Classification	Global - Multi Asset - Flexible
Risk Profile	Moderate Aggressive
Benchmark	ASISA Category Avg: Global - Multi Asset - Flex
Fund Size	R 513 866 265
Portfolio Launch Date	2016/01/12
Fee Class Launch Date	2016/01/12
Minimum Lump Sum Investment	R 5 000 000
Minimum Monthly Investment	—
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	1,43
Total Expense Ratio	1,58
Transaction Cost	0,26
Total Investment Charges	1,84
Performance Fee	—
TER Measurement Period	01 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.

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.

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

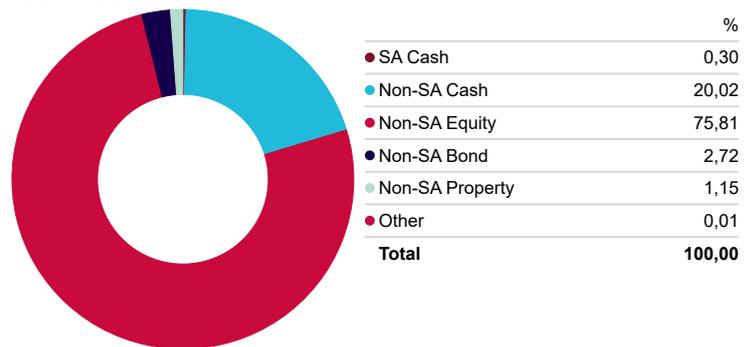
The Northstar Sanlam Collective Investments Global Flexible Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 20 January 2018.

Top Ten Holdings

Portfolio Date	2020/09/30
iShares 0-5 YR INV GRD CORP ETF	14,85
Unilever Plc	3,75
Philip Morris International Inc	3,71
Mastercard Inc	3,71
Medtronic Plc	3,58
Berkshire Hathaway Inc	3,44
US Treasury Bond 15042021	3,41
Oracle Corporation	3,00
Visa Inc	2,93
Alphabet Inc	2,91

Asset Allocation

Portfolio Date: 2020/09/30



Annualised Performance (%)

	Fund	Benchmark
1 Year	20,63	14,84
3 Years	16,54	9,90
Since Inception	11,21	6,14

Cumulative Performance (%)

	Fund	Benchmark
1 Year	20,63	14,84
3 Years	58,28	32,75
Since Inception	65,12	32,48

Highest and Lowest Annual Returns*

Time Period: Since Inception to 2019/12/31

Highest Return %	19,24
Lowest Return %	10,28

Risk Statistics (3 Year Rolling)

Standard Deviation	16,44
Sharpe Ratio (geo)	0,59
Information Ratio	1,18
Maximum Drawdown	-14,55

Distribution History (Cents Per Unit)

2019/06/30	0.06 cpu
2016/08/31	0.42 cpu
2016/02/29	1.17 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.

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.

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

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.

Fund 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.

Portfolio Manager

Rory Spangenberg
B.Com Economics (Unisa)
PGDAM (AAA)

Investment Manager Information

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Manager Information

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Additional Information

The Northstar Sanlam Collective Investments Managed Fund performance measurement start date is 1 November 2011. 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 on request 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 on request 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 countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. 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 conamed 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 and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.