

**NORTHSTAR GLOBAL FLEXIBLE FUND**

A sub-fund of the Sanlam Global Funds plc

**NORTHSTAR**

MDD Issue Date: 2023/11/17

**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	Adrian Clayton & Mark Seymour
Depository / Custodian	Brown Brother 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	\$ 73.3 million
Unit Price	\$ 1.34 (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	1.58% (Class A USD)
Transaction Cost	0.17% (Class A USD)
Total Investment Charge	1.75% (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**

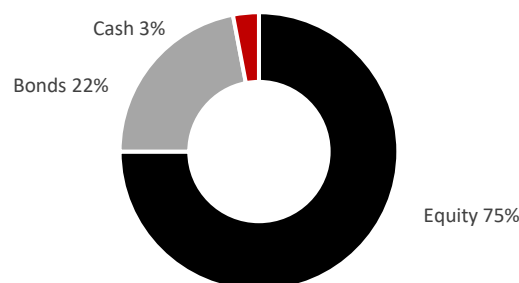
(at 30/09/2023)

**(%)**

NORTHSTAR GB INCOME-A USD	9.89
SPDR GOLD SHARES	6.30
MASTERCARD INC - A	3.67
VISA INC-CLASS A SHARES	3.34
SPDR BBG GLOBAL AGG ETF	2.89
PHILIP MORRIS INTERNATIONAL	2.49
MEDTRONIC PLC	2.40
RECKITT BENCKISER GROUP /GBP/	2.34
THERMO FISHER SCIENTIFIC INC	2.31
L3HARRIS TECHNOLOGIES INC	2.30

**ASSET ALLOCATION**

(at 30/09/2023)



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

**ANNUALISED PERFORMANCE (%)**

(at 31/10/2023)

\*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. 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	1.70	0.77
Since Inception	6.99	2.73

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	4.93	3.03
3 Year	1.70	0.77
5 Year	3.08	0.79
Since Inception	4.70	1.53

Source: Morningstar

**CUMULATIVE PERFORMANCE (%)**

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	4.93	3.03
3 Year	5.19	2.34
5 Year	12.92	3.19
Since Inception	34.30	10.26

Source: Morningstar

**HIGHEST AND LOWEST ANNUAL RETURNS**

On a 12-month rolling period since: 01/06/2017 to 31/10/2023

Highest Annual %	29.82
Lowest Annual %	-19.50

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 (license 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 COMMENT

As at 30 September 2023

### Market Review:

The third quarter of 2023 was unfriendly to investors both with regards to equity returns and so too bonds.

We believe that we are nearing the top of a global rising interest rate cycle, but the higher for longer mantra pushed by central banks, finally gripped market participants this quarter and bond yields rose in sympathy. Tighter monetary conditions reflected in higher positive real yields stunted equity enthusiasm and consequently, bond and equity returns were negative. The Barclays Global Bond Index fell 3.6% in Q3 and the MSCI World Index fell 3.4%.

Besides Norway, which rose by 11% based on its oil bias, developed markets delivered a poor showing with all regions negative and Europe under the most pressure, losing 4.9% in dollars for the quarter. North America fell 3.1% and the Pacific 2.6%. Emerging markets declined 2.8% in Q3. A very strong dollar remained a theme and all developed market currencies weakened relative to the dollar, with Sterling down by 4% and the Euro 3%.

The rand (-9.7%) is the 3rd worst performing currency against the dollar year-to-date after the Turkish Lira (-31.7%) and Egyptian Pound (-19.9%) but ironically, is one of the few currencies that held up well in this past quarter.

### Portfolio Review:

Against all these moving parts, the Northstar Global Flexible fund returned -3.30% in Q3 whereas the 60% equity and 40% bond proxy or benchmark, fell 3.43%. The fund had an average equity weighting of 64.39% for the period in question and these equities (-3.76%) slightly underperformed the MSCI World Index, which dropped by 3.4%. The stocks that added the most to performance were Blackstone, Google and Broadridge whereas the top detractors were Estee Lauder, Delta Airlines and L3Harris.

Over the past year, the fixed income component of the fund has significantly outperformed its benchmark and this trend continued over the quarter under review. This is ascribable to being underweight bonds at 22.5% versus the 40% benchmark and being shorter duration. The fund's bond holdings lost 1.3% over the quarter, whereas the bond benchmark fell 3.6%.

### Portfolio Positioning:

As we enter the final quarter of the year, we near a possible fulcrum in economic conditions in the western world, which could be meaningfully impactful for markets. High interest rates are beginning to impact the robustness of the US economy – this is seen in credit extension, rising defaults and manufacturing surveys. If the economy falters, which it typically does at the end of a rising rate cycle, defensive sectors outperform and bond yields rally.

The Northstar Global Flexible Fund is close to double the benchmark weight in Consumer Staples (12.12% versus the benchmark at 7.35%) and has a heavy skew towards Healthcare at 20.17% versus the benchmark of 12.75%. These are defensive sectors that we anticipate will outperform in a slowing environment. Conversely, the fund is underweight more cyclical sectors such as Consumer discretionary, Energy, Information Technology and Materials.

We believe that the portfolio is appropriately positioned for an anticipated economic slowdown.

### Portfolio Managers

Adrian Clayton  
B.Soc.Sc (UCT)  
PMD (UCT)  
MBL (UNISA)

Mark Seymour  
B.Sc Engineering (UCT)

## Investment Manager Information

Northstar Asset Management  
 (Pty) Ltd (FSP) License No. 601  
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 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  
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 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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## 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.