

NORTHSTAR GLOBAL FLEXIBLE FUND

A sub-fund of the Sanlam Global Funds plc

NORTHSTAR

MDD Issue Date: 2024/01/24

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	\$ 82 million
Unit Price	\$ 1.48 (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

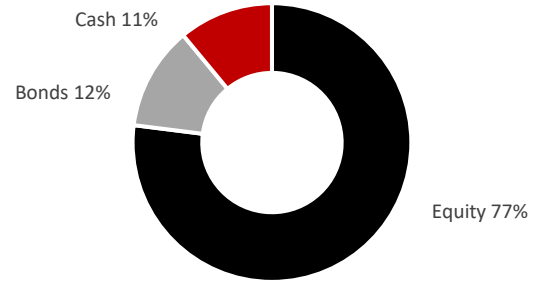
FEES

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

TOP TEN HOLDINGS (at 31/12/2023)

	(%)
NORTHSTAR GB INCOME-A USD	9.55
SPDR GOLD SHARES	6.54
MASTERCARD INC - A	3.47
VISA INC-CLASS A SHARES	3.46
PHILIP MORRIS INTERNA	2.62
L3HARRIS TECHNOLOGIES INC	2.54
THERMO FISHER SCIENTIFIC INC	2.54
MEDTRONIC PLC	2.31
RECKITT BENCKISER GROUP /GBP/	2.08
INTERTEK GROUP PLC /GBP/	2.08

ASSET ALLOCATION (at 31/12/2023)

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

ANNUALISED PERFORMANCE (%) (at 31/12/2023)

*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	1.64	0.87
Since Inception	8.17	3.84

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	11.93	10.22
3 Year	1.64	0.87
5 Year	4.63	2.34
Since Inception	6.16	2.90

Source: Morningstar

CUMULATIVE PERFORMANCE (%)

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	11.93	10.22
3 Year	5.00	2.64
5 Year	19.86	9.69
Since Inception	48.22	20.70

Source: Morningstar

HIGHEST AND LOWEST ANNUAL RETURNS**On a 12-month rolling period since: 01/06/2017 to 31/12/2023**

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 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 31 December 2023

Market Review:

The MSCI World Index returned a healthy 24.4% in 2023 and 11.53% in Q4. Despite extreme levels of volatility, the global aggregate bond index gained 5.72% for the year and 8.1% in the final quarter of the year.

2023 should theoretically have proven an outstanding year for investors, but the bizarre nature of where returns came from, made this improbable. The equally weighted S&P 500 index underperformed the cap-weighted S&P 500 index by 12% for the year under review with 7 of the 11 equal weighted sectors underperforming their cap weighted counterparts.

The skewness in market returns was evident in the performance of the average global large cap equity manager last year – the average returns of funds constituting the EAA Large Cap Manager sector was 19.21%, thus underperforming the MSCI by just over 5%. It has become household knowledge that 7 companies drove most of the S&P's returns last year – Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla account for 28% of the market capitalization of the index and accounted for about 66% of the returns of the index in 2023.

Despite great market returns in 2023, the stars were hardly well aligned for risk assets at the beginning of the year. The Federal Reserve raised interest rates four times last year and US corporate earnings (the US accounts for approximately 70% of the MSCI World Index) will probably end the year flat versus 2022 – we await the results of quarter 4, 2023. But the key and that is where it all came together, is that expectations at the beginning of the year were low, following on a terrible 2022, where the MSCI World Index ended in the red by 18%.

A few important features of the market this past year are worth discussing. As mentioned above, expectations were bombed, yes, earnings were flat 2022/2023, but they were expected to be much worse than this. Then the dollar weakened (Euro +3.5%, Sterling +6% and Swiss franc +9.9% - only the Yen weakened against the dollar as the BOJ has kept rates at very low levels), a weaker dollar has the propensity to loosen financial conditions, buoying markets.

Despite a lower dollar, the US +26.6% outperformed Europe +20.7%, Pacific +15.6% and the UK +14.1%. Japan returned a very respectable +20.8% last year, especially considering the Yen's 6.4% depreciation against the greenback. Emerging markets gained +10.3% in US\$ in 2023, excluding China this would have been +20.6% and dispersion was immense, with LATAM +33.5% versus EMEA's +8.6% and Asia's +8.2%, dragged down by China -11%.

Of course, the dollar was the tell-tell signal that the market was watching the inflation cycle turning down and thus preparing for lower rates in 2024. The global economy also proved much more resilient than has been the case during past higher rate cycles – so far, the inverted yield curve has been a red herring. The final feature of the year was the visit by the AI angel, more than 50% of the surge in the technology sector's earnings growth is attributable to the staggering profit surge from Nvidia.

Portfolio Review:

Specifically, with regards to the Northstar BCI Global Flexible Fund, it returned +21.9% in 2023 in rands and +11.9% in dollars. For the final quarter, the dollar return was +7.44% and the rand return was +5.12%. The equity component of the fund returned +17.75% over 12 months and +9.32% for the quarter. This significantly outperformed the S&P Equally Weighted Index but underperformed the MSCI World Index. The fund was on average 65.4% exposed to equities for the year, with bonds at 19.4%, gold at 6.9% and cash 8.4%.

Strong performances and sizable exposures to financials and industrials worked during the year, as did low levels of exposure to underperforming real estate. What hurt was being overweight Tech (fund at 6.7% versus the B/M at 21.1%), when Tech returned 58% in 2023; being overweight Consumer staples (fund at 14.1% and B/M at 7.5%) and Healthcare (Fund 22.7% and the B/M 13%). Consumer staples returned 2.5% last year and Healthcare 4.21%.

The largest gainers in the fund were Zimvie +90%, Blackstone +83%, Amazon +81%, Transdigm +67% and Alphabet +59%. The largest detractors were Estee Lauder -40%, Bristol Myers -26%, BAT -19%, Schwab -16% and Baba -11%.

Portfolio Positioning:

The portfolio is relatively conservatively positioned with equity exposure just above 65% and a healthy weighting in defensive lower duration fixed income securities after the significant rally seen in treasuries in Q4. The gold position has been retained.

Sell-side consensus is for healthcare to show the strongest earnings growth in 2024, if this is the case, the fund should benefit from its large overweight position. Being overweight Consumer services should also be useful as this is another area of the market expected to deliver premium earnings growth. The S&P 500 is anticipated to grow earnings at an index level for 2024, by 12%. One area where the fund is overweight but earnings growth at 6% is anticipated to lag the market is Consumer staples. Exposure is being maintained as the companies held are extremely lowly priced relative to our view of intrinsic value. Little good news is needed to result in a meaningful improvement in ratings.

We feel that the most important requirements in 2024 for outperformance will be a strong valuation framework and the ability to move with fluidity. We anticipate a volatile year where the index finds new leadership.

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

Portfolio Managers

Adrian Clayton
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PMD (UCT)
MBL (UNISA)

Mark Seymour
B.Sc Engineering (UCT)

Investment Manager Information

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 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
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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. 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.