

## NORTHSTAR BCI MANAGED FUND (A1)

MINIMUM DISCLOSURE DOCUMENT | 31 MAY 2024

### INVESTMENT OBJECTIVE

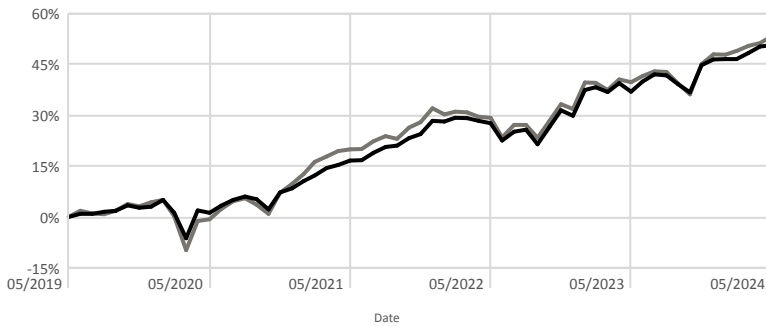
Northstar BCI Managed Fund's objective is to provide investors with a moderate to high long term total return.

### INVESTMENT POLICY

The investments to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing instruments and securities, bonds, debentures, corporate debt, equity securities, notes, property securities, preference shares, convertible equities and non-equity securities. The portfolio may invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment schemes. The portfolio may from time to time invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange rate swap transactions. For the purpose of this portfolio, the manager shall reserve the right to close the portfolio to new investors in order to manage the portfolio in accordance with its mandate.

### PERFORMANCE (Net of Fees)

Performance: 5 years



— Northstar BCI Managed Fund (A1)  
— Fund Benchmark

Cumulative (%)	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	10.02	29.22	50.60	80.36	165.52
Fund Benchmark	9.71	27.85	53.28	93.85	180.76

### Annualised (%)

Fund	10.02	8.92	8.53	6.08	8.07
Fund Benchmark	9.71	8.53	8.92	6.84	8.55

Inception date: 01 Mar 1998

### Risk Statistics

Fund	Standard Deviation	1 Year	3 Years	Maximum Drawdown	1 Year	3 Years
Fund	6.95%	7.51%	Fund	-3.74%	-6.10%	
Fund Benchmark	7.85%	8.03%	Fund Benchmark	-4.77%	-6.62%	

### Highest and Lowest: Calendar year performance since inception

Fund	High	20.90%	Fund Benchmark	High	40.59%
	Low	-0.54%		Low	-8.24%

### MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2024	0.1	0.0	1.2	1.3	0.3	-	-	-	-	-	-	-	2.86
2023	5.9	0.5	-1.0	1.9	-1.8	2.2	1.5	-0.2	-1.8	-1.8	5.8	1.2	12.82
2022	-0.2	0.9	-0.1	-0.6	-0.6	-4.0	2.1	0.5	-3.5	4.2	3.9	-1.2	1.14
2021	2.0	1.5	1.9	0.8	1.1	0.1	1.9	1.5	0.3	1.9	0.9	3.2	18.38
2020	2.0	-3.7	-7.4	8.7	-0.7	2.1	1.7	0.9	-0.7	-2.8	4.8	1.1	5.24
2019	0.6	3.3	1.8	3.0	-2.8	0.9	0.0	0.7	0.3	1.5	-0.7	0.3	9.05

Effective 25/08/2023: Northstar Sanlam Collective Investments Managed Fund amalgamated with Northstar BCI Managed Fund. Annualised return is the weighted average compound growth rate over the period measured.

### FUND INFORMATION

Portfolio Manager:	Adrian Clayton & Mark Seymour
Launch date:	01 Mar 1998
Portfolio Value:	R 958 818 365
NAV Price (Fund Inception):	207.664 cents
NAV Price as at month end:	300.04 cents
JSE Code:	METP
ISIN Number:	ZAE000020384
ASISA Category:	SA Multi Asset High Equity
Fund Benchmark:	SA Multi Asset High Equity sector average
Minimum Investment Amount:	None
#Monthly Fixed Admin Fee:	Refer page 2 notes
Valuation:	Daily
Valuation time:	15:00
Transaction time:	14:00
Regulation 28:	Yes

### FEE STRUCTURE

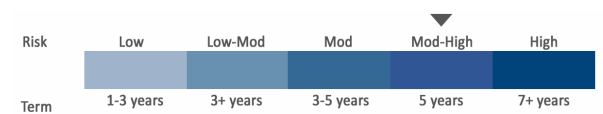
Annual Service Fee:	1.25% (Incl. VAT)
Performance Fee:	20% of the excess performance above the benchmark, calculated over a rolling 1 year basis, capped at a maximum of 1%. Fee at BM 0%.
* Total Expense Ratio (TER):	Mar 24 : 1.36% (PY: 1.91%)
Performance fees incl in TER:	Mar 24 : 0.23% (PY: 0.57%)
Portfolio Transaction Cost:	Mar 24 : 0.13% (PY: 0.06%)
Total Investment Charge:	Mar 24 : 1.49% (PY: 1.97%)
	All percentages include VAT, where applicable

### Income Distribution (cpu)

Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
3.76	-	0.90	-	-	-
Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
2.28	-	-	-	-	-

Date of Income Declaration: 30 June/31 December  
Date of Income Payment: 2nd working day of Jul/Jan

### RISK PROFILE



### Moderate - High Risk

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long-term investment returns could therefore be higher than a medium risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium to long-term investment horizons.

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## PORTFOLIO HOLDINGS

Effective Exposure (%)	As at 30 Apr 2024	Top Holdings (%)	As at 30 Apr 2024
Domestic Equity	49.16	Northstar BCI Income B2	17.8
Domestic Bonds	17.11	Northstar Global Flexible B USD	16.7
Offshore Equity	15.22	Northstar Global Income A	5.6
Unit Trusts	6.64	Naspers Ltd	5.3
Domestic Cash	5.02	Standard Bank Group Ltd	3.0
Offshore Cash	2.26	Firstrand Limited	2.9
Offshore Bonds	1.61	Anglo American PLC	2.8
Domestic Property	1.53	NewGold Issuer Limited	2.5
Offshore Property	0.23	Absa Group Ltd	2.2
Other	1.22	British American Tobacco PLC	2.0

Derivative exposure included above (look-through on underlying funds included) 0.00%

## INFORMATION AND DISCLOSURES

### Risks

Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

### \* Total Expense Ratio (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER. The prior year ("PY") TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 December 2023, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 31 March 2024.

### Effective Annual Cost:

Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at [www.bcis.co.za](http://www.bcis.co.za). BCI calculates the EAC as per the ASISA standard for a period of 3 years up till the most recent TER reporting period.

#Monthly Fixed Admin Fee: R15 excl. VAT which will apply to all direct investor accounts with balances of less than R100 000 at month end, unless an investor transacts online, in which case no such fee will be levied.

### Total Investment Charges

* Total Expense Ratio (TER)	Transactional Cost (TC)	Total Investment Charge (TER & TC)
1.36%	0.13%	1.49%
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

### FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

### Investment Manager

Northstar Asset Management (Pty) Ltd is an authorised Financial Service Provider FSP 601.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website [www.bcis.co.za](http://www.bcis.co.za).
- Valuation takes place daily and prices can be viewed on our website ([www.bcis.co.za](http://www.bcis.co.za)) or in the daily newspaper.
- Actual annual performance figures are available to existing investors on request.
- Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

### Management Company Information

Boutique Collective Investments (RF) (Pty) Limited  
 Catnia Building,  
 Bella Rosa Village, Bella Rosa Street,  
 Bellville, 7530  
 Tel: +27 (0)21 007 1500/1/2  
 + Email: [clientservices@bcis.co.za](mailto:clientservices@bcis.co.za) + [www.bcis.co.za](http://www.bcis.co.za)

### Custodian / Trustee Information

The Standard Bank of South Africa Limited  
 Tel: 021 441 4100

### DISCLAIMER

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of ASISA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. BCI does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance fees are calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly. Performance figures quoted for the portfolio are from Morningstar, as at the date of this minimum disclosure document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax. BCI retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI's products. Access the BCI Privacy Policy and the BCI Terms and Conditions on the BCI website ([www.bcis.co.za](http://www.bcis.co.za)).

### PERFORMANCE REVIEW

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After a lengthy period of strong peer outperformance leading into late 2023, the Northstar BCI Managed Fund returned just over 1.3% for the first quarter of 2024, placing the returns slightly behind the peer median for the period under review.

The stark difference in returns between the South African market (MSCI SA Index) of -3.4% (ZAR) and World markets (MSCI World Index) +12.9% (ZAR) detracted from the performance of the fund over the quarter under review. Over the year, the Capped SWIX has gained 2.87% (ZAR) whereas the MSCI World has risen a staggering 34.2% (ZAR).

The rand depreciated by 3.4% against the dollar in 2024, on top of its 7% fall in 2023. The ZAR is not unique with regards to its performance in 2024, the dollar has been rampant against most cross rates, with even the Swiss franc down about 7% this year. A combination of buoyant US economic data and sticky inflation prints changed the course of US interest rate expectations in November 2023, and this has continued into 2024. Both the performance of the dollar and the price momentum in US stocks this year, reflects these changing dynamics.

### MARKET OUTLOOK AND PORTFOLIO POSITIONING

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The Northstar BCI Managed Fund has had approximately 26% of its capitalization in foreign markets, with 16% exposed to global equities. In contrast, 47% of the fund has been invested in the South African equity market, and 22% in SA fixed income. In 2023, the management team of the fund navigated the stark differences in performances between the domestic and global markets with smart interventions in the fund, such as value adding hedge instruments, less such opportunities could be capitalized upon in the first few months of 2024 and consequently, the fund's SA bias detracted from its performance over the quarter relative to peers.

It is heartening to report to investors, that despite the fund's allocation of assets working against it so far in 2024 (being underweight offshore versus some large peers), the SA equities held within the fund, outperformed the Capped SWIX, implying that Northstar's domestic equity team added value, this value being 0.26% for the quarter. Over the year, the fund's domestic equity portfolio was ahead of the market by 0.5%.

The same applies to the performance of the fixed income component of the fund, over 0.5% of alpha was added for the quarter under review and so too for the year. Despite the global equities held in the fund returning a very respectable 28.2% over 12 months in rand terms, this was behind the market, but for the quarter, our global equities held returned 12.1%, not far off the MSCI World Index, at 12.8%.

It is important to contextualize the asset positioning of a fund, at these times, when the fund is clearly skewed away from the best performing asset class – global equities and weighted to underperforming SA equities. Its asset allocation is propelled by our bottom-up asset allocation framework which incorporates our intrinsic value upsides on the various asset classes into which the Northstar BCI Managed Fund can invest.

Northstar's global equity buy lists' intrinsic value upside, has been steadily declining throughout 2023 and in 2024 has reached the lower bands of its historical range since its initiation over a decade ago, this as global stocks have rerated. We caution that numerous stocks on our global buy list currently trade above what we deem them to be worth. From our experience, what follows is that global markets produce muted returns, consequently, we believe that much of the global market's current performance is momentum, rather than valuation driven.

In contrast, our South African equity buy list trades at a deep discount to our calculated intrinsic value and for a number of months, has been exhibiting prospective returns ranging between 20% and 30% annualized. We acknowledge that the South African market has been an awful performer for over a decade, in fact, in dollar terms, excluding Russia and Turkey, it has delivered negative returns over 10, 5, 3 and 1 year. It is also true that these returns have not materialized and are being pushed out.

However, our buy list discounts have historically been informative of future market returns, in addition, the local market is not immune to sharp rallies after periods of stagnation. When the interest rate cycle in the US is firmly reversing (rates are

cut) and assuming developed markets do not enter a recession, emerging markets should rally on a weaker \$ and the JSE should do so in sympathy. It is important to clarify that most emerging markets have underperformed developed markets since the GFC (2008), and the strong dollar has been key in this regard – the JSE is not alone as a struggler.

The obvious key risks that could counter the local bourse delivering an improved performance in the months and years ahead, include firstly, that market participants have negated the probability of a US recession, this tends to be a contra cyclical indicator, and the inverted US yield curve, historically is an accurate recession indicator, and it remains inverted. The second is well documented and is that the local national election in May, delivers a result that is investor unfriendly!