

NORTHSTAR GLOBAL FLEXIBLE FUND

A sub-fund of the Sanlam Global Funds plc

NORTHSTAR

MDD Issue Date: 2024/07/17

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	Northern Trust Fiduciary Services (Ireland) Limited
Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Transfer agency	Northern Trust International 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	\$ 88.1 million
Unit Price	\$ 1.55 (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	1.59% (Class A USD)
Transaction Cost	0.15% (Class A USD)
Total Investment Charge	1.74% (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

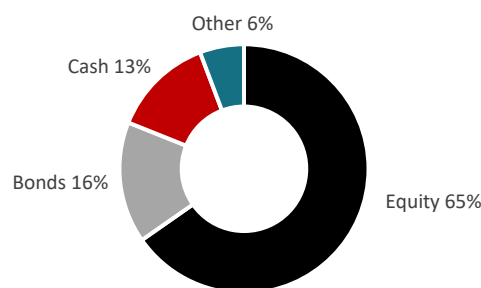
(at 30/06/2024)

(%)

NORTHSTAR GLOBAL INCOME FUND A USD ACC	10.80
SPDR GOLD SHS.	5.74
VISA INC COM CL A	3.36
MASTERCARD INC	3.24
SPDR BLOOMBERG BARCLAYS GBL. AGGREGATE UCITS ETF	2.90
THERMO FISHER SCIENTIFIC INC COM	2.54
RECKITT BENCKISER GROUP PLC ORD GBP0.10	2.30
ELEVANCE HEALTH INC	2.25
ADOBE SYS INC COM	2.22
INTERTEK GROUP ORD GBP0.01	2.22

ASSET ALLOCATION

(at 30/06/2024)

**ANNUALISED PERFORMANCE (%)**

(at 30/06/2024)

*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	0.75	0.33
Since Inception	8.28	4.12

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	9.04	9.05
3 Year	0.75	0.33
5 Year	6.17	4.70
Since Inception	6.44	3.30

Source: Morningstar

CUMULATIVE PERFORMANCE (%)

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	9.04	9.05
3 Year	2.27	0.99
5 Year	27.06	20.15
Since Inception	55.56	25.86

Source: Morningstar

HIGHEST AND LOWEST ANNUAL RETURNS**On a 12-month rolling period since: 01/06/2017 to 30/06/2024**

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 30 June 2024

Market and Portfolio Review:

To successfully grow client capital, a natural tension exists between driving investment returns versus taking on risk.

Unfortunately, there is no public warning bell that rings to enlighten all market participants that the risk versus return scales have tipped one way or the other. In fact, what happens in practice is that market participants under risk when the potential for future capital returns are greatest, which coincides with cheap assets but downbeat views around markets and conversely, over-risk when prospective returns are low, ironically at times when markets are rallying and euphoric.

At Northstar, our approach to navigating expensive or cheap markets is not dependent on us guessing whether the market is over or under indexing risk. Instead, we independently value all the businesses, properties, bonds, and other available investment options that could be deserving of our clients' capital and avoid those assets that are overvalued whilst investing in those that offer value. Central to our approach is the belief and knowledge that the stock market over and under values assets through cycles.

This approach has, as its only real risk, timing mismatches between the market's performance versus the performance of the instruments which are held in our portfolios. Importantly, our approach avoids the risk of permanent capital losses!

Q2 2024 is such a time.

For the quarter, world indices continued to head higher (MSCI All Country World +3%), but, like the past year, only a handful of companies have driven most of these returns. This underlying market dynamic is evident in the return differential between the S&P 500 index for the year ending June 2024 of 24.9% versus the performance of the S&P equal weighted index, which gained a respectable but much lower 10.9%. In the 2nd quarter of 2024, the S&P gained 4.6% but the equally weighted index fell 2.8%.

Further illustration of this skewed performance dynamic in the market is that despite the MSCI World Index returning 2.8% in Q2, six of its eleven subsectors lost money during the quarter and only three subsectors outperformed the overall index – the top performer was technology at 11.5% return.

Two factors are impacting market returns. The first is significant index concentration – the S&P 500 is currently more concentrated than it ever has been. Over the past 35 years, the average weighting for the top 10 stocks in the index has been 20%, during the dot-com bubble this rose to 27% and is currently at 33%.

This concentrated market has also produced higher than normal returns. The longer-term average annual return from the S&P 500 has been about 10%, compared to the past decade's average annual return of 13%. It is worth pointing out that although index concentration levels are historically elevated, the valuation premium on the largest index stocks versus the rest of the market is not as extreme as it was in late 1999/2000.

The second reason for the outperformance of a narrow grouping of stocks versus the overall market is that they have delivered superior growth in profitability, especially since early 2023. Historically, the earnings momentum of US "value stocks" and "growth stocks" moved in sync with each other. However, since 2023, a huge divergence in the earnings momentum of the Magnificent 7 has occurred relative to the rest of the market. The year-on-year forward earnings for these growth companies is 22% versus a mere 4% for the balance of stocks.

Portfolio Positioning:

As we head into the backend of 2024, the earnings base for these top performing tech companies is elevated. It is going to become incredibly difficult, if not impossible, to sustain earnings superiority at these raised levels. Of course, with risk taking at elevated levels, the market is sanguine in this regard, not only extrapolating ever higher levels of future profitability, but also placing these stocks on elevated prices and valuations. The converse is true for the balance of the market – earnings are low, expectations are low, and pricing is low.

Six such episodes of concentration have occurred over history in markets – in all instance normalization occurs where the balance of the market begins to outperform the market heavyweights and in so doing the level of stock concentration normalizes.

A unique opportunity exists to own high quality companies with enduring business models that have long-term earnings power and are underpriced and unloved by the market. The Northstar Global Flexible Fund owns many of these types of businesses, a few examples include Reckitt Benckiser, Medtronic, Visa and Mastercard – these 4 companies are between 50% and 25% undervalued based on our work. We contrast these quality undervalued companies against the five largest stocks that account for the MSCI All Country World Index – Microsoft, Nvidia, Apple, Amazon, and Meta – whilst we do not dispute that these too are phenomenal businesses, but based on our work, their share prices have significant downside to our view of their intrinsic values.

For the 2nd quarter the Northstar Global Flexible \$ fund lagged the peer average (+0.89%), with a -0.82% return. Year-to-date the fund gained 4.96% versus its global peer average of 4.58%.

Portfolio Managers

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

Mark Seymour
B.Sc Engineering (UCT)

Investment Manager Information

Northstar Asset Management
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 Email:
admin@northstar.co.za
 Website:
www.northstar.co.za

Manager Information

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 Tel: +353 1 2053510
 Fax: +353 1 2053521
 Email: 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
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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.