

# Northstar Sanlam Collective Investments Global Flexible Feeder Fund

## Minimum Disclosure Document

As of 31/01/2018

# NORTHSTAR

### Fund Objective

The objective of the portfolio is to deliver long term capital growth by investing in various asset classes.

### Fund Strategy

The portfolio will apart from assets in liquid form invest in participatory interests of the Northstar Global Flexible Fund established under the Sanlam Global Funds PLC. The Northstar Global Flexible Fund invests in global equities which will primarily be common stocks and other securities with equity characteristics, comprising preference shares, as well as depository receipts, global bonds (fixed and/or floating; government and/or corporate; rated and unrated), real estate investment trusts (REITS) and cash and cash equivalents. The Fund will be primarily managed with an equity bias with the Investment Manager maintaining a majority exposure to global equities. The portfolio manager will have a natural equity bias because of the higher returns of equities over the long term historically. However, if returns from equities as an asset class are not providing such higher returns and where the Investment Manager considers it in the best interest of the Fund, and subject to Investment Restrictions set out in the Prospectus, the exposure to other asset classes will increase according to the Investment Manager's view of the changing economic and market conditions. The Fund is not focused on any specific geographical area, industry or sector and may invest in equities of companies across the full spectrum of market capitalizations. The portfolio may also invest in financial instruments for the exclusive purpose of hedging against exchange rate risk.

### Fund Information

Ticker	NSCGF
Portfolio Manager	Rory Spangenberg
ASISA Fund Classification	Global - Multi Asset - Flexible
Risk Profile	Moderate Aggressive
Benchmark	60% MSCI World Index & 40% Barclays Global Aggregate
Benchmark	EAA OE Flexible Allocation
Fund Size	R 42,306,202
Portfolio Launch Date	01/07/2017
Fee Class Launch Date	01/07/2017
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	December
Income Pricing Date	1st business day of 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	3.42
Maximum Annual Advice Fee	1.14
Manager Annual Fee	0.39
TER	—
TC	—
TIC	—

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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

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.

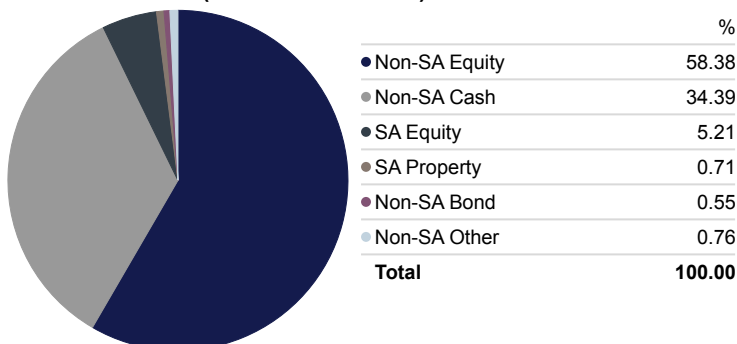
Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

\*These figures will become available once sufficient performance history has been met.

### Top Holdings (31 December 2017)

	% of Portfolio
Northstar Global Flexible Fund	93.41%
Cash	6.59%

### Asset Allocation (31 December 2017)



### Annualised Performance (%)\*

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

### Cumulative Performance (%)\*

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

### Highest and Lowest Annual Returns\*

Time Period: Performance Start Date to 31/12/2017	
Highest Annual %	—
Lowest Annual %	—

### Risk Statistics (3 Year Rolling)\*

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

### Distribution History (Cents Per Unit)

31/12/2017: 0.11 cpu

Administered by



### Risk Profile: Moderate Aggressive

Your primary aim is to achieve the required capital growth necessary to realise your long-term goals and objectives. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

### 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, bi-annual 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.

#### Collective Investment Schemes

Collective Investment Schemes (CIS) (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.

#### 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.

#### Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

#### 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.

### Northstar Global Flexible Portfolio Manager Comment

#### Portfolio Review

The Northstar Global Flexible Fund delivered a return of +1.47% for the month of December. The Fund's composite benchmark comprising 60% MSCI World Index and 40% Bloomberg Barclays Global Aggregate Bond Index returned 1.01%, while the median fund in the Morningstar EEA USD Flexible category returned 0.84%.

Since launching on 1 June 2017, the Fund has returned 5.71%.

UK and Asian equities delivered strong returns over the past month with the FTSE 100 and Stoxx Asia 600 indices up 3.7% and 2.1% respectively. Emerging market equities lagged with the MSCI Emerging Market Index down 2.9%. Investment grade bonds recovered following a sell-off in November, with the iShares Investment Grade ETF returning 1.2% during the month.

US dollar weakness, which was a strong theme throughout the year, continued in December with the Greenback down 1% on a trade-weighted basis, taking its losses to 10.4% for the year.

Sector returns reversed somewhat from November with Energy (+4.5%) and Materials (+3.7%) ending the year strongly, whilst defensive sectors such as Utilities (-4.9%) and Health Care (-0.1%) retreated.

Capital & Counties plc (+22.1%), Dunkin Brands (+8.0%) and British American Tobacco plc (+7.9%) were the best performing portfolio holdings during the month, while Oracle (-3.6%), Moody's Inc. (-2.7%) and Alibaba (-2.6%) underperformed.

The biggest contributors to the portfolio's return (taking into account our average weight during the month) were: British American Tobacco plc (+35bps), Reckitt Benckiser plc (+28bps) and Boeing (+23bps). Meanwhile Moody's (-14bps), Oracle (-12bps) and Cognizant Tech Solutions (-11bps) detracted.

#### Portfolio Positioning:

During the month we increased the Fund's holdings in British American Tobacco plc and Monsanto.

British American Tobacco plc is likely the fastest growing large cap European consumer staple company, trading at a 40% discount to global tobacco peers, Phillip Morris and Altria.

While Monsanto's takeover by Bayer AG continues to go through the regulatory approval process, we think the probability adjusted return to the cash offer of \$128 looks very attractive, considering the deal is anticipated to close in the first quarter of 2018 and taking into account the \$2 billion break fee.

We exited small positions in Pandora and Henkel, were our fundamental work did not confirm or support some of our preliminary quantitative analysis. No new holdings were established during the month.

We continue to avoid interest rate risk by not holding any fixed income in the Fund.

1 All figures quoted are total returns in US dollars

### Portfolio Manager

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

### Investment Manager Information

**Northstar Asset Management (Pty) Ltd**  
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Email: admin@northstar.co.za  
Website: www.northstar.co.za

### Manager Information

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### Trustee Information

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### Additional Information

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 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 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. 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 co-named 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.sanlamunitrustsmdd.co.za](http://www.sanlamunitrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.