

Fund Objective

The primary objective of the portfolio is to deliver maximum capital growth over the long-term through investments in predominantly the equity market.

Fund Strategy

The portfolio's investment universe consists of equity securities listed on the Johannesburg Stock Exchange and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes, registered in the Republic of South Africa. The portfolio will be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Collective Investment Schemes Control Act from time to time in order to achieve its investment objective. The manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

Ticker	NCEFA
Portfolio Manager	Adrian Clayton & Marco Barbieri
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	ASISA Category Avg: SA - Equity - General
Fund Size	R 5 425 434
Portfolio Launch Date	2017/07/01
Fee Class Launch Date	2017/07/01
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Payment Date	1st business day of July & 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	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.97
Total Expense Ratio	—
Transaction Cost	—
Total Investment Charges	—
Performance Fee	—
TER Measurement Period	N/A

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.

Manager Performance Fee - Performance fee benchmark: ASISA Category Average: South African - Equity - General; Minimum Fee 0.86%; Maximum Fee 2.87%; Fee at Benchmark: 1.26%. All fees are inclusive of VAT.

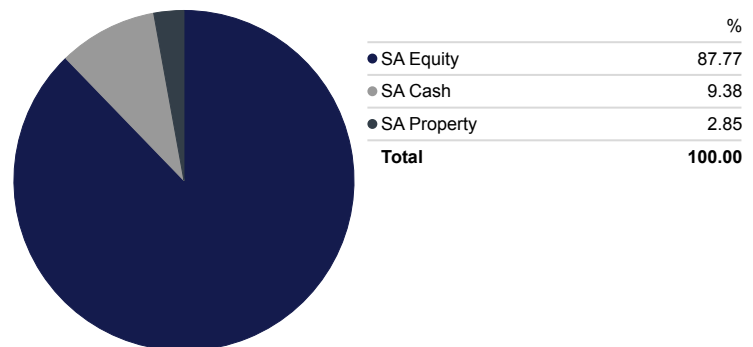
*These figures will become available once sufficient performance history has been met.

Top Ten Holdings

	(%)
British American Tobacco Plc	9.53
Naspers Limited	8.83
Old Mutual Plc	5.23
Compagnie Financiere Richmond Sa	4.24
BHP Billiton Plc	3.88
Investec Plc	3.76
Life Healthcare Group Holdings	3.70
Remgro Limited	3.35
Sasol Limited	3.26
Reinet Inv Sca	3.02

Asset Allocation

Portfolio Date: 2018/03/31



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: Since Inception to 2017/12/31

Highest Annual %

Lowest Annual %

Risk Statistics (3 Year Rolling)*

Standard Deviation

Sharpe Ratio

Information Ratio

Maximum Drawdown

Distribution History (Cents Per Unit)

2017/12/31 7.19 cpu

Risk Profile

Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

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, biannual 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.

Performance Fee

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark.

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.

Portfolio Manager Comment

As at 31 March 2018

In relative terms, the Northstar SCI Equity fund had a very good quarter.

Stock selection, sector selection and consequently, hit rates and win-loss ratios were excellent. In absolute terms, the fund lost money, it was down 3.71% over the three month period, but against the market's 6% fall and significant draw-downs by various peers, performance was stellar. The market had its worst performance in 8 quarters, the last time the JSE fell to this extent was in Q2 2010 when it lost 8.2%.

All major indices dropped over the quarter, the biggest decline was seen in SA Industrials (thanks to Naspers -16.2%), down 8% with SA Financials faring better at -3.6% and SA Resources -3.8%. Resources were buoyed by Gold Mining which rose 6.1% and Forestry 3.2%. Of the 35 sub-sectors of the local market, 12 posted positive returns year-to-date, whilst 23 posted negative returns. The asymmetry of these positive versus negative returns is however striking. Only one underlying sector gained in excess of 20% over the quarter, yet four JSE sectors produced returns of -20% or more. Eleven sectors delivered gains greater than 0% but less than 10%, whereas six sectors produced returns of between -10% and -20%. Four sectors delivered negative returns greater than 20% and two negative returns greater than 30%. In a nutshell, it was a horrid quarter for the SA market.

We are very pleased that the fund's outperformance was as much about avoiding the various catastrophes that defined the SA bourse in 2017 and 2018, as it was about unearthing or being exposed to counters that did well. Our entire process is aimed at identifying and avoiding risky businesses that we deem as low quality entities. 2017 and 2018 has revealed that many perceived rising stars, were in fact black holes, we feel vindicated avoiding Steinhoff and the entire Resilient stable of businesses (this quarter Resilient fell 65.4%).

Of the top 20 best performing stocks on the SA market in 2018, the fund owned 4 of these and they were as follows Rolfe's (21.75% return), AECI (15.5% return), Netcare (13.82%) and Standard Bank (11.77%). With respect to the worst performers on the JSE this year, the fund owned 0.2% of Curro, which was down 24.8%. Quite clearly, the combination of avoiding various serious implosions on the domestic market whilst identifying and investing into companies that are quality at a reasonable price, has played a significant role in producing sound returns against peers and the market as a whole.

To conclude, the portfolio's hit rate in 2018 is 67%, implying that 67% of the stocks owned have outperformed the market and the win-loss ratio is 173%. The win-loss ratio calculates whether a manager is backing winners and underweighting losers, a ratio above 100% is what is sought.

Portfolio Managers

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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. 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 conamed 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.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.