

**NORTHSTAR GLOBAL FLEXIBLE FUND**

A sub-fund of the Sanlam Global Funds plc

**NORTHSTAR**

MDD Issue Date: 2024/03/18

**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	\$ 104.8 million
Unit Price	\$ 1.71 (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	1.00% (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	1.57% (Class A USD)
Transaction Cost	0.14% (Class A USD)
Total Investment Charge	1.71% (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](http://www.sanlam.ie)

**TOP TEN HOLDINGS**

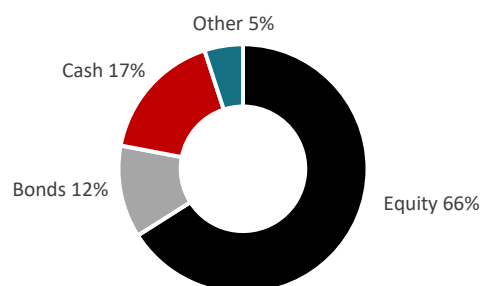
(at 31/12/2024)

**(%)**

NORTHSTAR GLOBAL INCOME FUND A USD ACC	9.85
SPDR GOLD SHS.	5.32
VISA INC COM CL A	3.91
MASTERCARD INC	3.05
RECKITT BENCKISER GROUP PLC ORD GBP0.10	2.56
ADOBE SYS INC COM	2.41
ELEVANCE HEALTH INC	2.25
THERMO FISHER SCIENTIFIC INC COM	2.22
AIRBUS SE EUR1	2.11
INTERTEK GROUP ORD GBP0.01	2.00

**ASSET ALLOCATION**

(at 31/12/2024)

**ANNUALISED PERFORMANCE (%)**

(at 28/02/2025)

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	12.69	7.19
3 Year	4.50	3.10
5 Year	4.96	2.59
Since Inception	7.20	3.60

Source: Morningstar

**CUMULATIVE PERFORMANCE (%)**

Fund Inception: 01 June 2017	Fund	Benchmark
1 Year	12.69	7.19
3 Year	14.11	9.60
5 Year	21.39	10.78
Since Inception	71.41	31.57

Source: Morningstar

**HIGHEST AND LOWEST ANNUAL RETURNS**

On a 12-month rolling period since: 01/06/2017 to 28/02/2025

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](http://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 2024

#### Market and Portfolio Review:

The Northstar Global Flexible \$ fund aims to own quality, undervalued assets. The Equity component of the fund returned +14.46% over the past 12 months and lost -3.07% for the fourth quarter. Despite underperforming the MSCI World Index, which is disappointing, it is worth noting that the fund's equity holdings outperformed all major world indices except for the S&P 500. We contend that if ever there was a time to underperform the MSCI World Index, it is now, as the market is being bolstered by a slither of over-priced companies.

The fixed income portion of the fund gained 3.2% over 12 months versus -1.69% from the GLAG. The fund's FI did -2.06% for Q4 versus the GLAG's -5.1%. The fund also held about 5.9% of gold throughout the year, which gained 27% but was down -2.8% in Q4. The decision to be overweight cash in 2024 versus holding bonds, worked very well for the fund.

Taking all the moving parts into account, the Northstar Global Flexible Fund returned 11.3% in dollars for the year under review, placing it in the top quartile of its global peer group.

Since inception, the fund has returned 8% annualized, placing it in the top 10% of its peer group.

#### Portfolio Positioning:

The backdrop for global markets in 2024 was asymmetrical. On the equity front, returns were skewed to American bourses, momentum and growth styles and large capitalization stocks. The final quarter of 2024 replicated all these themes.

The MSCI World Index gained +18.7% last year, it was flat in quarter four. But skewness of returns was the main theme. The S&P 500 rose +25% over 12 months and +2.4% in Q4 against emerging markets that did 7.5% (-8% in Q4), Europe +2.6% (-9.6% in Q4) and Japan +8.7% (-4.1% in Q4). Importantly, the dollar strengthened significantly (+6.8% vs euro, +11% vs yen, +23.3% vs Mexican peso), playing a crucial role in translating currency returns. Most currencies endured double digit losses against the Greenback for the year and much of this happened in the final quarter.

The rand was one of the top performers last year, losing only +3.2% against the dollar, but it struggled in Q4, in line with most currencies, falling -9.4%. Ironically, gold proved a top performer in 2024, gaining +27.5% despite the dollar headwind.

Fixed income had a torrid 2024. The Bloomberg Global Bond Aggregate lost -1.7% for the year and -5.1% in Q4. Emerging market debt fared better (+5.7% for 2024 and -2.1% in Q4) than developed market debt whilst US duration was a prominent laggard. 7-to-10-year duration USTs delivered -0.2% over 12 months and -4.2% in Q4.

The disparity of returns in styles which played out across sector calls, was also a key theme for the period under review. Momentum was the winner at (+30.2% full year and +0.2% Q4), with Growth a close second at (+25.9% full year and +3.8% Q4). At the opposite extreme, Value returned +11.5% over 12 months and -4.2% in the final quarter. Quality produced a return of +18.4% over the year but lost -3.2% in Q4.

Expensive (Growth/Momentum proxies) areas of the market – Communication Services (Alphabet and Meta are constituents) and technology (Apple, Nvidia, Microsoft, Broadcom are constituents) returned +33.8% and +32.8% respectively whereas the likes of the deeper value sectors such as Energy (+2.7% in 2024), Healthcare(+1.1% in 2024), Staples (+5.7% in 2024) and Materials (-5.5% 2024) gave investors very little to cheer about. This theme was pervasive, and even more dramatic in the final quarter, where these cheaper sectors sold off heavily. Materials collapsed by -14.3% and Healthcare -11.4%.

Consequently, winning in 2024 and in particular, the last quarter of the year, demanded a sniper-like aim, but not, as one would think, to aim at undervalued currencies, debt and equity markets, but rather, to focus all attention on owning those assets, sectors and stocks where price momentum was in charge. In hindsight, this was a period for a purist momentum, risk-on approach.

#### Portfolio Managers

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

Mark Seymour  
B.Sc Engineering (UCT)

## Investment Manager Information

Northstar Asset Management  
 (Pty) Ltd (FSP) License No. 601  
 Physical Address: Suite 1A, Madison Place, Alphen Office Park, Constantia Road,  
 Constantia, 7806  
 Postal Address: PostNet Suite #784, Private Bag X16,  
 Constantia, 7848 Tel: +27 (21) 810 8400  
 Email:  
[admin@northstar.co.za](mailto:admin@northstar.co.za)  
 Website:  
[www.northstar.co.za](http://www.northstar.co.za)

## Manager Information

Sanlam Asset Management (Ireland) Ltd  
 Physical Address: Beech House, Beech  
 Hill Road, Dublin 4, Ireland  
 Web: [www.sanlam.ie](http://www.sanlam.ie)  
 Tel: +353 1 2053510  
 Fax: +353 1 2053521  
 Email: [intouch@sanlam.ie](mailto: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

Tel: +27 21 810 8400  
 Fax: +27 21 794 2885  
 e-mail: [admin@northstar.co.za](mailto:admin@northstar.co.za)  
 Web: [www.nortshtar.co.za](http://www.nortshtar.co.za)

## 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](http://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.