

# Northstar Sanlam Collective Investments Equity Fund

## Minimum Disclosure Document

As of 30/06/2023

# NORTHSTAR

### 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 393,753,735
Portfolio Launch Date	05/07/2017
Fee Class Launch Date	05/07/2017
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 & www.sanlamunitrusts.co.za
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	1.27
Total Expense Ratio	1.09
Transaction Cost	0.40
Total Investment Charges	1.49
Performance Fee	-0.21
TER Measurement Period	01 April 2020 - 31 March 2023

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 0.85%; Maximum Fee 2.85%; Fee at Benchmark: 1.25%. All fees are inclusive of VAT. Performance fees are calculated as 20% of the outperformance of the benchmark over a rolling 12 month period.

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

\*\*Highest and Lowest annual returns are updated annually at year end.

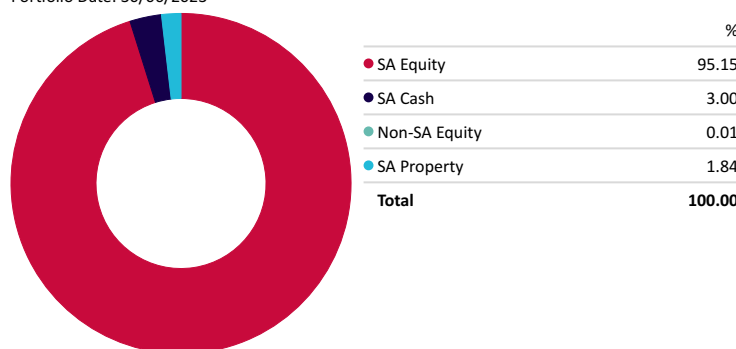
MDD Issue Date: 19/07/2023

### Top Ten Holdings

Portfolio Date	30/06/2023
Naspers Ltd	9.13
Firstrand Ltd	6.09
Standard Bank Group Ltd	5.51
British American Tobacco Plc	4.68
Absa Group Ltd	4.01
MTN Group Ltd	3.80
Remgro Ltd	3.69
Sanlam Ltd	3.49
Sasol Ltd	3.04
Gold Fields Ltd	2.90

### Asset Allocation

Portfolio Date: 30/06/2023



### Annualised Performance (%)

	Fund	Benchmark
1 Year	12.39	12.26
3 Years	13.04	14.29
5 years	3.01	6.97
Since Inception	3.41	6.91

### Cumulative Performance (%)

	Fund	Benchmark
1 Year	12.39	12.26
3 Years	44.39	49.25
5 Years	15.96	40.07
Since Inception	22.23	49.13

### Highest and Lowest Annual Returns\*\*

Time Period: Since Inception to 31/12/2022

Highest Return %	23.66
Lowest Return %	-10.26

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

Standard Deviation	13.09
Sharpe Ratio	0.63
Information Ratio	-0.27
Maximum Drawdown	-11.38

### Distribution History (Cents Per Unit)

30/06/2023	15.95 cpu	30/06/2021	7.22 cpu	30/06/2019	15.17 cpu
31/12/2022	14.23 cpu	31/12/2020	7.09 cpu	31/12/2018	14.38 cpu
30/06/2022	13.87 cpu	30/06/2020	7.52 cpu	30/06/2018	22.28 cpu
31/12/2021	15.63 cpu	31/12/2019	11.10 cpu	31/12/2017	7.19 cpu

Administered by



**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 30 June 2023

**Market Performance review**

Global equities rebounded strongly in 2023 after a particularly difficult 2022, which saw the MSCI World Index decline by 17.7%. Developed market (DM) equities, benefitting from resilient economic data, continued to show positive momentum during the second quarter (+7.0%) to return 15.4% year-to-date (Ytd), while emerging markets (EM) lagged at +5.1%. Interestingly, the dispersion of returns across markets has been high, particularly across the EM space where broadly strong returns from Latin American, Eastern European and Asian (ex-China) have been offset by subdued performance from index heavyweights China and India.

The JSE Capped Swix Index, while recording positive gains of +1.2% in Q2 2023 and +3.6% Ytd in Rand terms, was among the weakest EM performers during both periods in US dollars. SA financials and industrials recorded gains during the quarter of 5.3% and 3.4% respectively while resources were down 6.1% during the quarter and -10.5% Ytd. Commodity markets weakness persisted as weak economic data out of China and recessionary fears in the US weighed on most metals and energy prices.

**Fund's quarterly performance**

The Northstar SCI Equity fund was up +0.92% during the quarter, marginally lagging the JSE Capped Swix (+1.16%) but outperforming the (ASISA) South African Equity General Peer Median which returned +0.68%. Pleasingly the fund had a particularly strong performance in June as SA sensitive assets, such as banks and retailers, rebounded following a particular difficult start to the year. Over the quarter, the fund benefitted mostly from sector allocation effects, in particular being under-weight underperforming materials and having exposure to a large position in financials, which performed well ahead of the market. From a stock perspective, the largest contributors to returns included conviction positions in FirstRand, Standard Bank, Remgro and Sanlam while the main detractors included Dis-chem, ABInBev and underweight positions in Impala Platinum and Anglo American.

**Positioning and expectations**

During the quarter our fundamental and valuation work drove the rotation of a number of positions, most significantly an increase to our bank exposure, the inclusion of property and the reduction in our exposure to Richemont and Bidvest, which have performed exceeding well over the past year. Overall the fund remains broadly under-weight materials and cyclical Rand hedges, which are pricing overly optimistic global growth dynamics in our opinion, and over-weight a diversified basket of local industrials and financials, which look attractive on a medium term outlook.

**Portfolio Managers**

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

Marco Barbieri

B.Com (Hons) Financial Analysis & Portfolio Management (UCT)  
B.Sc (Hons) Chemistry (UCT)  
CFA®, FRM

**Investment Manager Information**

Northstar Asset Management (Pty) Ltd

(FSP) License No. 601

Physical Address: Suite 1A, Madison Place, Alphen Office Park, Constantia Road, Constantia

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 Collective Investments (RF) (Pty) Ltd

Physical Address: 2 Strand Road, Bellville, 7530

Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532

Tel: +27 (21) 916 1800

Email: [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)

Website: [www.sanlamunitrusts.co.za](http://www.sanlamunitrusts.co.za)

**Trustee Information**

Standard Bank of South Africa Ltd

Tel: +27 (21) 441 4100

Email: [compliance-sanlam@standardbank.co.za](mailto:compliance-sanlam@standardbank.co.za)

**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 on request 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 on request 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 countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. 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](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.