

Fund Objective

The objective of the portfolio is to provide investors with a regular and stable income that targets inflation beating returns over the long-term, while actively managing risk of capital loss in the short-term.

Fund Strategy

Investments to be included in the portfolio will, apart from assets in liquid form, consist of equity and non-equity securities, fixed interest instruments (including but not limited to bonds, cash deposits and money market instruments), debentures, preference shares and property securities as well as any other income enhancing securities which are consistent with the portfolio’s primary objective and that the Act may allow from time to time. The portfolio’s equity exposure will be limited to a maximum of 10% of the portfolio’s net asset value. The manager may also include any forward currency, interest rate and exchange rate and exchange rate swap transactions for efficient portfolio management purposes. The portfolio will be managed in accordance with regulations governing pension funds.

Fund Information

Ticker	NMIF
Portfolio Manager	Mark Seymour & Marco Barbieri
ASISA Fund Classification	South African - Multi Asset - Income
Risk Profile	Conservative
Benchmark	110% STeFI Call Deposit
Fund Size	R 598,529,229
Portfolio Launch Date	22/07/2014
Fee Class Launch Date	22/07/2014
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	March, June, September & December
Income Payment Date	1st business day of April, July, October & 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)	A1-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.98
Total Expense Ratio	1.02
Transaction Cost	0.02
Total Investment Charges	1.04
Performance Fee	—
TER Measurement Period	01 April 2020 - 31 March 2023

The manager decreased the annual management fee on 1 October 2017 to 0.96% from 1.14%.

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.

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.

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

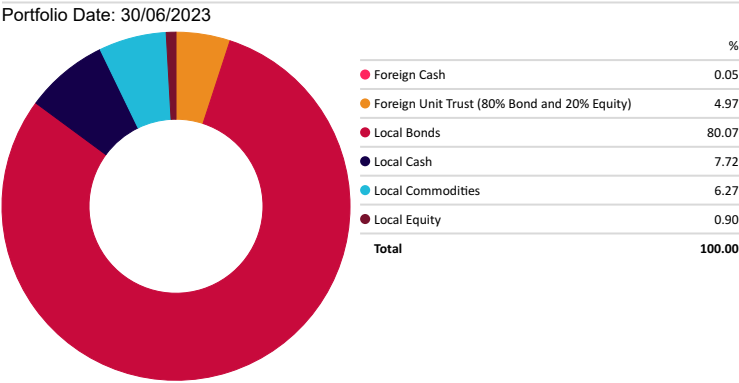
The Northstar Sanlam Collective Investments Income Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 08 September 2017.

MDD Issue Date: 21/07/2023

Top Ten Holdings

Portfolio Date	30/06/2023
R2030 Government Bond	14.57
I2025 Government ILB	7.69
Firststrand Bank Ltd Bond 31012025	6.27
NewGold ETF	6.27
Northstar GB Income A USD	4.97
I2029 Government ILB	4.69
Nedbank Group Ltd ILB 03042029	4.67
Standard Bank Group Ltd NCD 06052024	4.06
Standard Bank Group Ltd Bond 07122023	3.85
R213 Government Bond	3.58

Asset Allocation



Annualised Performance (%)

	Fund	Benchmark
1 Year	8.26	7.23
3 Years	7.03	5.11
5 Years	7.61	5.85
Since Inception	7.14	6.38

Cumulative Performance (%)

	Fund	Benchmark
1 Year	8.26	7.23
3 Years	22.58	16.11
5 Years	44.26	32.86
Since Inception	85.23	73.79

Highest and Lowest Annual Returns*

Time Period: Since Inception to 31/12/2022	
Highest Annual %	9.33
Lowest Annual %	3.94

Risk Statistics (3 Year Rolling)

Standard Deviation	2.23
Sharpe Ratio (geo)	1.03
Information Ratio	0.82
Maximum Drawdown	-0.53

Distribution History (Cents Per Unit)

30/06/2023	1.42 cpu	30/06/2022	1.18 cpu	30/06/2021	0.92 cpu
31/03/2023	1.34 cpu	31/03/2022	1.11 cpu	31/03/2021	0.87 cpu
31/12/2022	1.31 cpu	31/12/2021	1.18 cpu	31/12/2020	0.92 cpu
30/09/2022	1.30 cpu	30/09/2021	0.99 cpu	30/09/2020	0.95 cpu

Administered by

Risk Profile

Conservative

You prefer to receive stable income flows and are determined to keep your capital intact at all times. You understand that comfort means that you may not receive outsize returns but that your capital will be safe and the likelihood of losing money slim. The portfolio that gives you the most comfort consists primarily of income-oriented asset classes such as cash, nominal and inflation-linked bonds and property. You shy away from too much exposure to equities because of their higher volatility.

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

Performance review

The Northstar Income fund outperformed the STeFI x110% benchmark over the last 12 months, with a return of 8.26% vs. 7.21%.

The 37% weighting to fixed bonds contributed 3.41%, with solid performances from the R2030, R213, and ABS7 holdings. The 39% average weighting to Inflation Linked Bonds was the next best contributor of 2.19%, mainly due to holdings in I2025, FRBI25, SBSI14, and SBSI11. The balance of exposure in Gold (GLD 9%), floating rate notes 13%, and US Cash 2% contributed equally to the balance of returns.

Over the quarter, the fund has delivered softer returns of 84bps relative to the 2.1% from STeFI x110%. Fixed bond holdings of 31% detracted 8bps, and the 1% exposure to property detracted 3bps. The balance of exposures delivered positive returns, including our inflation-linked bonds, which contributed 30bps, despite the inflation-linked bond index providing a negative return of -74bps. The consolation is that the Northstar Income Fund outperformed the strategic benchmark by 46bps.

Market outlook and portfolio positioning

Inflation continues to moderate, with one-year consensus projections at approximately 5% for SA CPI YoY and 2.75% for US Inflation. As a result, the market is anticipating interest rates to top out this year, with the only debate as to whether there will be another one or two 25bps hikes by the Fed.

The US yield curve remains steeply inverted, with the bond market anticipating much looser monetary policy from the Fed within the next two years. The factors driving this view are; 1) the Fed has inflation under control, and 2) the economy will experience a rapid slowdown. We believe the bond market is being over-optimistic (US10y trading as low as 3.38% during the quarter) and the yield curve remaining inverted for a year (US10y minus US2y at -1%), and yet no indication from the Fed that interest rates have peaked or when rates are likely to start moderating. Any upwards revisions to inflation or the economic outlook will likely see US bond yields rise.

Conversely, local fixed bonds have yet to price in lower interest rates and inflation and continue to reflect slowing economic growth and heightened fiscal risk. Despite softer commodity prices, the Rand and local bonds probably reflect unrealistically pessimistic outcomes, given the discipline of the SARB and their efforts to control inflation. The differential between the US10y and SA10y is near historic highs of 8%, despite the anticipated inflation differential at historic lows of 2%.

Local fixed-income assets look poised to deliver handsome real returns for investors; however, we remain vigilant with an underweight corporate bond holding, both locally and offshore. In addition, we hold inflation-linked bonds at the front end of the local curve and maintain an appropriate amount of exposure to Gold through the GLD ETF.

Overall, the Northstar Income Fund trades on a yield of 9.2%, with the prospect of further gains from our attractively priced fixed bonds on a 10.4% yield and 6-year maturity profile. From a risk perspective, the portfolio has a modified duration of 2.4 and a weighted average maturity profile of 2.8 years; however, and remains very well diversified across both local and offshore assets.

Portfolio Manager

Mark Seymour
B.Sc Engineering (UCT)

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
Website: 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
Website: www.sanlaminunitrusts.co.za

Trustee Information

Standard Bank of South Africa Ltd
Tel: +27 (21) 441 4100
Email: 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 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.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.