# NORTHSTAR GLOBAL FLEXIBLE FUND

A sub-fund of the Sanlam Global Funds plc

NORTHSTAR

MDD Issue Date: 09/06/2026

## 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 |
| Depositary / 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 | $ 130.8 million |
| Unit Price | $ 1.80 (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

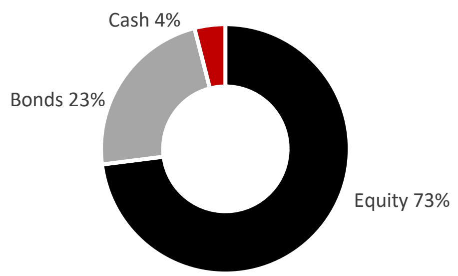
| | |
|---|---|
| Minimum Initial Advice Fee | 0% (up to 5% with intermediary charges if applicable) (Class A USD) |
| AIFM Fee | 0.10% (Class A USD) |
| Investment Management Fee | 1.25% (Class A USD) |
| Performance Fee | Not applicable |
| Exit Fee | Not applicable |
| Other allowed expenses | Depositary fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees. |
| Total Expense Ratio | 1.55% (Class A USD) |
| Transaction Cost | 0.11% (Class A USD) |
| Total Investment Charge | 1.66% (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

## TOP TEN HOLDINGS (at 31/03/2026)

| | (%) |
|---|---|
| NORTHSTAR GLOBAL EQUITY FUND CLASS D USD | 19.13 |
| NORTHSTAR GLOBAL INCOME FUND A USD ACC | 10.37 |
| VISA INC COM CL A | 2.45 |
| MASTERCARD INCORPORATED CL A | 2.22 |
| MICROSOFT | 2.20 |
| ELEVANCE HEALTH INC | 1.95 |
| S&P GLOBAL INC COM | 1.86 |
| AMAZON.COM | 1.75 |
| CONSTELLATION SOFTWARE INC COM | 1.75 |
| ZIMMER BIOMET HLDGS INC COM | 1.72 |

## ASSET ALLOCATION (at 31/03/2026)




## ANNUALISED PERFORMANCE (%) (at 31/05/2026)

| Fund Inception: 01 June 2017 | Fund | Benchmark |
|---|---|---|
| 1 Year | 6.10 | 16.45 |
| 3 Year | 10.75 | 11.00 |
| 5 Year | 7.11 | 7.63 |
| Since Inception | 7.16 | 4.95 |

Source: Morningstar

## CUMULATIVE PERFORMANCE (%)

| Fund Inception: 01 June 2017 | Fund | Benchmark |
|---|---|---|
| 1 Year | 6.10 | 16.45 |
| 3 Year | 35.83 | 36.76 |
| 5 Year | 31.61 | 34.21 |
| Since Inception | 86.40 | 54.47 |

Source: Morningstar

## HIGHEST AND LOWEST ANNUAL RETURNS

**On a 12-month rolling period since: 01/06/2017 to 31/05/2026**

| | |
|---|---|
| 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.



## PORTFOLIO MANAGER COMMENT

### As at 31 March 2026

### Market Review:

Heading into 2026, following three consecutive years of strong double-digit returns from global markets, optimism remained firmly entrenched. Expectations centred on continued earnings growth, supported by both monetary and fiscal easing, driving further gains. Consensus views reflected a continuation of the prevailing 2025 themes: a weaker US dollar, outperformance of emerging markets relative to developed markets, stronger returns from developed markets (ex-US) compared to the US, and continued strength in gold.

However, the first quarter of 2026 has decisively challenged these views. An already eventful 2025 was followed by a material inflection point on 28 February 2026, with the onset of the Iran conflict triggering one of the largest oil supply shocks in history. The impact was swift and broad-based. The US dollar strengthened, developed markets outperformed emerging markets, and US equities led global returns. At the same time, expectations for monetary easing were priced out, with markets now increasingly factoring in the risk of further rate hikes as inflationary pressures intensified. In our view, this sharp reversal highlights how fragile consensus views can be when confronted with exogenous shocks.

In addition, concerns that began to emerge in late 2025 regarding the return on investment from hyperscaler spending on AI have continued to build. The "Magnificent Seven" underperformed while semiconductors, clear beneficiaries of this capex cycle, outperformed. Software, by contrast, has been aggressively derated, with segments of the market effectively pricing in disruption and obsolescence.

This has led to the emergence of a new and, in our view, unsustainable market dynamic. Capital has rotated into traditionally capital-intensive, lower-return businesses, specifically energy, materials, and utilities which have collectively contributed approximately 80% of the positive returns in the quarter. Most other sectors delivered negative returns. From a Northstar perspective, this is a critical point of differentiation. Our process is anchored in identifying businesses that are reliable generators of cash flow and that consistently deploy capital at high rates of return. Energy, materials, and utilities do not typically meet these criteria. While their recent share price performance has been strong, we remain resolute in our view that long-term shareholder returns are best driven by companies with superior cash generation and high returns on invested capital.

The quarter has also been characterised by a pronounced market dislocation. Our work shows that, to have performed well in 2026 thus far, investors needed to be positioned at the extremes: either in deeply discounted "value" stocks (P/E < 15x) or in highly rated segments of the market (P/E 40-45x). Companies trading on more moderate multiples where our portfolio is predominantly positioned, with an average P/E of 20x have materially underperformed. A similar dynamic is evident when analysing returns by quality. Companies with low returns on invested capital (<10%) have outperformed, while those with high returns (>30%) have lagged. We believe this reflects a degree of crowding in "quality" strategies, which has unwound in a disorderly fashion.

Importantly, we do not view this as a structural shift, but rather as a cyclical dislocation. Quality investing, like Growth, Value, or Momentum, is inherently cyclical. These are not linear return streams, nor do they deliver consistent outcomes over short periods. Periods of underperformance are a natural consequence of maintaining discipline. This is clear when comparing our performance with global peers. Many leading quality managers have delivered returns broadly in line with Northstar in 2026. Conversely, Value managers have experienced one of their strongest starts to a year in over two decades.

From a market performance perspective, the MSCI World Index delivered -3.57% for the quarter (-6.37% in March), compared to the MSCI Emerging Markets Index which delivered -0.17% (-13.06% in March). The S&P 500 declined -4.42% for the quarter (-5.01% in March), compared to the STOXX Europe 600 at -2.89% (-9.89% in March), while the STOXX Asia Pacific 600 delivered 1.64% for the quarter (-11.37% in March). Gold was up 7.77% for the quarter (-10.85% in March), while the US dollar strengthened by 1.61% (2.27% in March). These moves were largely driven by oil, which surged 70.89% for the quarter (42.68% in March). Ten of the eleven global equity sectors declined materially, falling between 4% and 11%, with energy the sole outperformer, gaining 11.5% in March.

Fixed income markets also came under pressure. As inflation expectations rose, anticipated rate cuts were priced out, with markets beginning to factor in potential rate hikes. This resulted in negative low single-digit returns across bond indices. Currency markets reflected broad-based US dollar strength, with most major currencies weakening against it.

### Fund Review:

The Northstar Global USD Flexible Fund returned -10.46% in Q1, underperforming the Morningstar peer group mean of -2.40%. On a grossed-up basis, the fund's equity component returned -13.63% in USD for the quarter, underperforming the MSCI World Index's -3.44%.
From a stock selection perspective, positive contributors in Q1 included ASML (+0.29%), no exposure to Tesla (+0.20%), Microsoft (+0.19%), Anheuser-Busch (+0.16%), and L3Harris (+0.15%). The largest detractors were Adobe (-0.92%), FICO (-0.85%), Constellation Software (-0.69%), Intertek (-0.54%), and SAP (-0.52%), with performance largely driven by the prevailing "software is dead" narrative, as well as a broader rotation away from quality.
In late 2025, we began increasing exposure to software companies, marking a deliberate shift after a prolonged period of underweight positioning due to valuation concerns. AI-driven dislocation provided, in our view, a rare opportunity to acquire high-quality software businesses at attractive valuations. 2026 has, thus far, been extremely challenging for these positions. However, our investment philosophy is grounded in fundamental delivery, not short-term narrative shifts. The companies we own continue to deliver strong earnings, robust cash flows, and returns that meet or exceed our expectations. If anything, the divergence between price and fundamentals has widened, strengthening, our conviction.

### Fund Positioning:

We remain acutely aware of the elevated risks in the current environment, particularly those stemming from the oil shock. However, it is important to maintain perspective. Oil spikes have historically been transitory and have often created attractive entry points into secular, non-energy-related assets. At the same time, these periods are characterised by heightened tail risks. Our approach has therefore been measured and deliberate: maintaining equity exposure, upgrading portfolio quality, and allocating capital where valuation dislocations are most compelling. Our buy list is currently trading at levels we consider indicative of a highly attractive long-term opportunity set. We acknowledge that 2026 has not started well for the fund. However, our philosophy has never been to optimise for short-term outcomes. We invest with a long-term horizon measured in years and decades, not quarters. And, as our experience consistently reminds us: markets are never as good as they seem at the top, nor as bad as they feel at the bottom.

**Portfolio Managers**

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

**Mark Seymour**
B.Sc Engineering (UCT)

**Investment Manager Information**

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Email: admin@northstar.co.za Website: www.northstar.co.za

**Manager Information**

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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 |
| Fund Category | EAA FUND USD FLEXIBLE ALLOCATION |

**Client Service: Northstar Asset Management**

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**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. 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.