NORTHSTAR
ASSET MANAGEMENT

Market Report

QUARTER 3, 2026



Closer to the truth

2026 – Sell Your Active Positions – Both Stocks and Managers and Just Buy the Index!



Adrian Clayton
CIO

Everyone's telling you to dump your active funds and "slow" growing stocks and just buy the index, some hot AI companies and last year's best performing managers. Thirty years in this seat has taught me that oral volume seldom aligns with wealth creation. No better time to dig deep into the data and make well informed decisions. Or, read this article, we've done so for you.

That experience lends itself to avoiding spats on subjects debated by those bellowing loudest on public stages whilst being adjudicated by keyboard warriors.

But that should not curtail me from airing our views, particularly as these are pragmatic and always in the interest of our clients.

Points of discussion

In this article I will discuss whether it is rational being a stock market investor, if there are times when the odds of making money are higher than average and vice versa, and if now, or ever, is a good time to sell out of well managed active portfolios and to direct this capital into mainstream passive indices. This article is not aiming to debate the merits or demerits of active versus passive management, that is well whipped and boring!

Does owning the market as an investor make sense over the long-term?

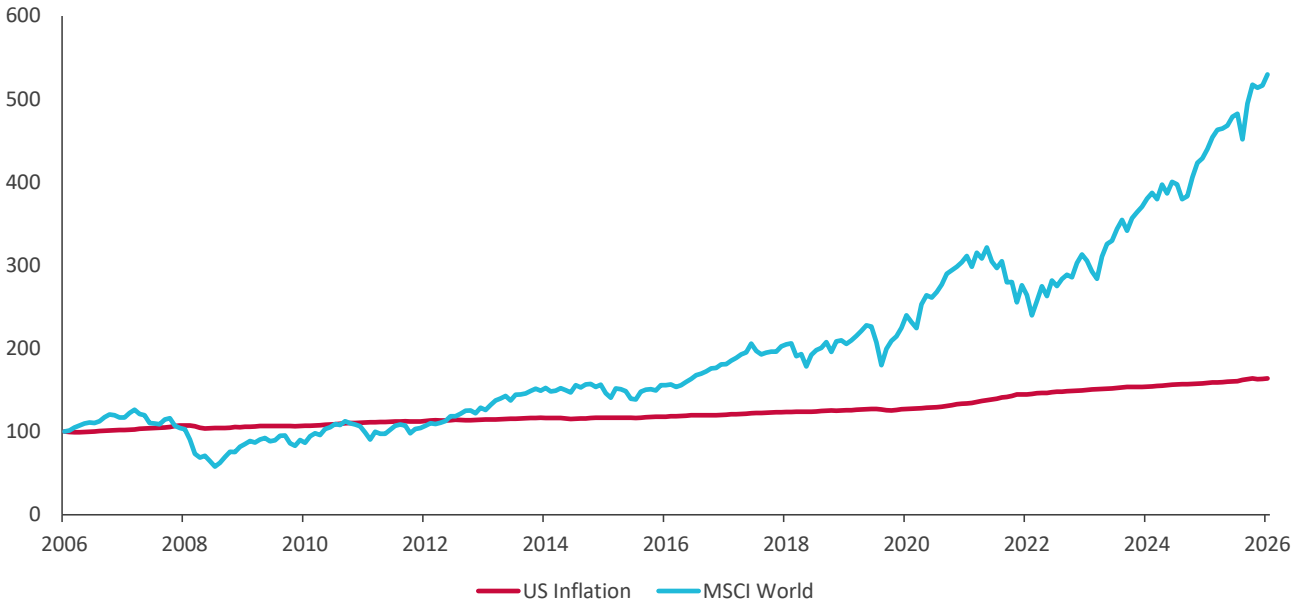
Over the past 20 years, owning the MSCI World Index has returned to investors 8.7% annualised in US dollars.

Considering US CPI or inflation (annual percentage change) has averaged just over 2.5% for this period, there is little debating that investing in the market has been a winning strategy.

To understand this, an investment of $1m in the MSCI World index 20 years ago, would be worth about $5.5m today.

At 2.5% annual inflation, $1.6m in 2026, would have the same buying power as $1.0m in 2006, 20 years ago. So, an investor has been enriched to the tune of 6.05% annualised or by $3.33m post inflation over the 20 years.

Chart 1: MSCI world versus US inflation



Source: Bloomberg

Has the index had a particularly strong run of late?

If we take the past three years of performance for the MSCI World Index, it has gained a staggering 20.11% annualised. This 3-year period is a significant relative returns outlier, exceeding 49 of the past 53 comparable 3-year periods. The average annualised 3-year return (prior to this period) was 10.5%.

What to expect after a purple patch of performance from the index?

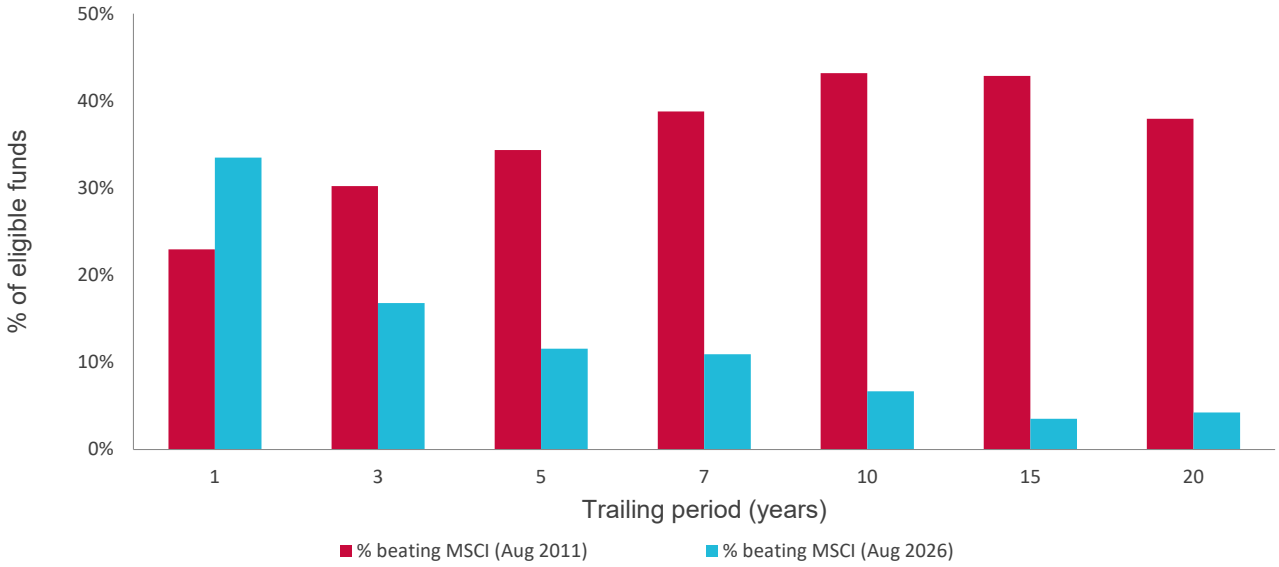
If we define a healthy performance period for the index as an annualised return of more than 10% over the previous three years, what should investors reasonably expect thereafter? Historically, subsequent returns have tended to be more modest, with annualised returns of 5.6% over the following five years and 5.9% over the following ten years.

Is it hard for the average global active manager to outperform the MSCI World Index?

We analysed all the mainstream global equity funds over various periods, from 50 years to 1 year. Our findings and observations are what follows.

Firstly, there have been two distinct periods – before 2011 when active managers found it easier to outperform the market and post 2011, when indexing really took off. The below chart shows this clearly.

Chart 2: Percentage of funds beating the MSCI



Source: Morningstar; Northstar Asset Management

We believe that several macro factors catalysed this shift (low interest rates, cheap capital and elevated risk appetite), post-GFC in 2008. Once that locomotive started rolling, the weight of capital pouring into the passive industry resulted in a self-fulfilling prophecy. Whilst not for this article, those post 2008 factors, we argue, are starting to reverse.

Secondly, active managers struggle most during protracted periods of powerful upward momentum in the index, typically when returns exceed 15% annually. That has been the case since 2008!

Conversely, a higher percentage of active managers show relative outperformance against the index after these booms, when market returns are lower.

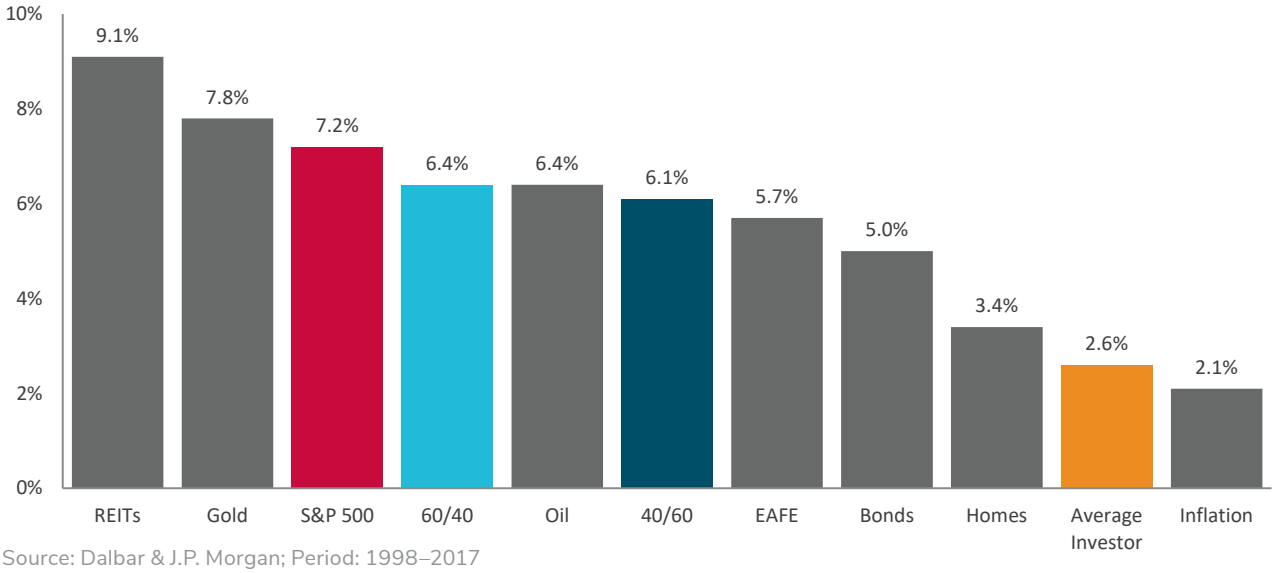
Active investment managers are valuation-driven, but when the stock market shifts into a lengthy bull market phase, share prices typically exceed what the underlying companies are worth. It thus makes sense that in these 'blow-up' periods, active managers will struggle.

Considering how well the markets have performed over the past 3 years, if previous performance cycles are repeated, active management should be in for happier times ahead.

Destroying client wealth – inappropriately buying and selling past performance

Albeit a few years old, research from JP Morgan and Dalbar from 2017 shows how the average investor underperforms most asset classes and market indices whilst just beating inflation over time.

Chart 3: 20-year annualised returns by asset class (1998 - 2017)



Source: Dalbar & J.P. Morgan; Period: 1998–2017

Dalbar's research demonstrated that at the heart of this underperformance was that retail clients chase performance – buying at the wrong time; panic sell – fear selling when markets drop; hold funds for too short a period of time without allowing the performance proposition to unfold; trade excessively incurring fees; and live and respond to a world of media financial noise.

We are observing signs of these above-described behavioural traits on the rise among investors – the most prominent requests being to move from well managed active funds to passive indices, or to shift between active managers – chasing yesterday's winners.

Index concentration – managing the odds of winning

The S&P 500 consists of 500 companies, we looked at the weighting of the 10 largest companies within that index through time, compared to the other 490 companies, and asked ourselves if this could give us a clue of future returns.

Our data range is from 1964, using 5-year rolling periods.

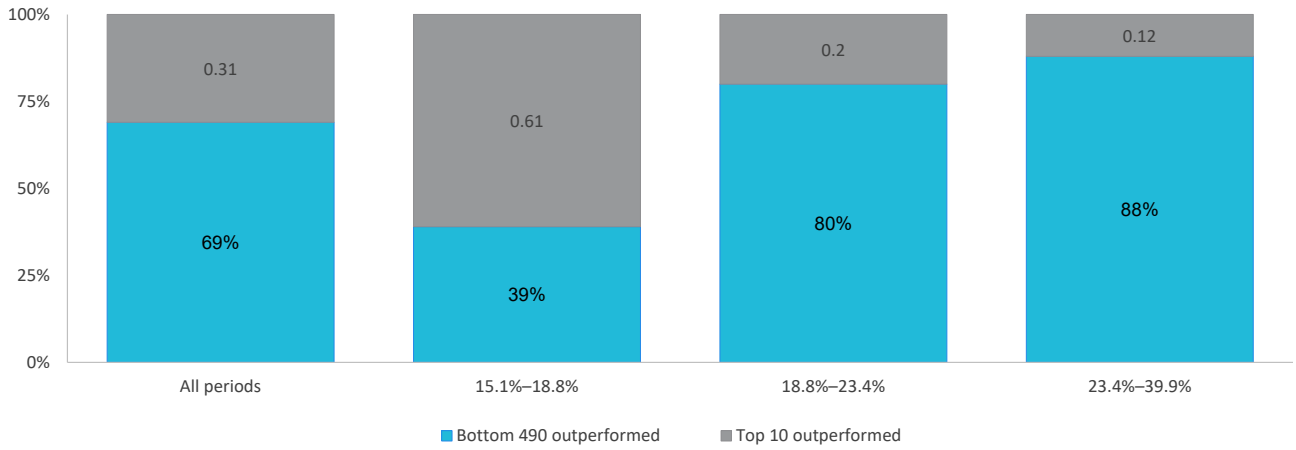
The main finding from our study is that when the weighting of the top 10 stocks in the index is below 18.8%, the largest companies outperform the other 490 companies 61% of the time in the subsequent 5-year period.

Conversely, when the weighting of the largest stocks accounts for over 23.4% of the index, the smaller stocks, the other 490, outperform 88% of the time for the subsequent 5-year period.

Considering the top 10 companies in the S&P 500 presently represent 38% of the market weighting of the index, the data would imply being underweight these stocks.

In essence, when concentration rises, the smart money starts to move away from the index, not into it!

Chart 4: Percentage of rolling 5-year periods in which the bottom 490 equal weight outperformed



Top 10 concentration levels at the start of each period | Concentration observations divided equally into thirds

Source: Compustat; Hartford Equity Modeling Platform. Published by CFA Institute Research and Policy Center
Data range: 31 Dec 1964–31 Dec 2024. Based on the 500 largest US stocks by market capitalisation. Top 10 and bottom 490 portfolios were equal weighted and rebalanced monthly.

It's not a guess; it's our interpretation of the data to make a judgement call

This is not an industry that lends itself to exact predictions, quite the opposite, managing money professionally is complex science intertwined with magnificent art.

But as the profession ages, our data sets are deepening and growing, and we have the luxury of finding patterns in the numbers. Consequently, we can take a stab at what the odds are for future outcomes.

With this in mind, we feel the following judgement calls have a relatively high chance of playing out in the years ahead:

- The S&P 500 will begin to deliver single digit returns.
- The equally weighted index will outperform the market cap index – in other words, the largest capitalisation shares will underperform.
- The ingredients for higher-than-normal risk taking, which were present from 2008 onwards will fade and remove a tailwind for index obsession.
- Active managers will start to perform better.
- Investor behaviour will remain "stupid" and continue to be price-focused as against valuation-driven and wealth will be lost.

We feel that being unaware of where we are in the market cycle right now, will have a profound outcome for future winners versus losers!

Playing With Fire



Mark Seymour
Director: Fixed Income

On September 9th, Scott Bessent told markets to bet against him if they dared. Two days later the ten-year Treasury yield hit its highest level since 2023. The man who once made a fortune correctly identifying the moment a currency defence becomes unsustainable is now the one running one — and the arithmetic behind what he actually has to defend it with says more about where this goes than anything he said in Texas.

Speaking at Southern Methodist University on September 9th, the Treasury Secretary delivered a line built for the moment rather than the transcript: "I am the house now. You can bet against me if you want." He went further, claiming a specific edge over currency markets — "When we intervene with the Japanese yen, I have pretty good insight into what the Bank of Japan... is going to do. I have asymmetric information" — days after Washington had quietly stepped into the market itself, selling euros to buy yen. That is what a currency intervention is: a government trading its own reserves to push an exchange rate in the direction it wants, rather than leaving it to buyers and sellers. This particular one let Tokyo defend the yen without having to sell its own holdings of US Treasury bonds to raise the cash — a favour with a purpose, as the next section explains. The market's reply arrived within forty-eight hours: the ten-year Treasury yield touched 4.93% on September 10th, its highest level since 2023, a level breached only once in the past two decades. Whether he was defending the dollar or the bond market, Bessent's warning did nothing to stop the selling.

What's actually being defended?

Start with the one rule that explains everything else in this section: when a government, or anyone, sells a large volume of a bond, it pushes that bond's price down — and because a bond's yield moves opposite to its price, more selling means higher yields. Keeping borrowing costs down therefore means either buying your own bonds back, or stopping other large holders from dumping them. Bessent is doing both, through three tools, none of which required new legislation.

The first is Treasury's own bond buyback programme — Treasury using its own cash to buy older bonds back out of the market, the same logic a company uses when it repurchases its own shares to support the price. The floor per operation moved from $2 billion to "at least $4 billion" effective September 9th. The single operation run the next day was capped at $6 billion — $10.5 billion was offered by sellers, and $5.2 billion was actually bought — a scaling-up, not a leap to some new permanent ceiling. It's one instalment in a programme that has already retired $203 billion of face value across 55 operations this year, including $104 billion of longer-dated debt swapped into short-term bills since May 2024. Officially this is routine liquidity management; in practice, it supports prices and caps yields at the long end of the market, exactly where the Federal Reserve has declined to help.

The second and third tools both run through the Exchange Stabilization Fund — a Depression-era pool of dollars, foreign currency and gold. It gives the Treasury Secretary wide discretion to trade with minimal congressional oversight, and it's the same fund behind the yen intervention. One use of it is the direct trade already described: Washington selling an estimated $5-10 billion of euros to buy yen, notable because the dollar itself never appeared on either side of that trade. The other, quieter but arguably more consequential, is the Federal Reserve's FIMA Repo Facility. A repo, short for repurchase agreement, is a short-term loan in which the borrower hands over an asset as collateral and buys it back later; the FIMA facility lets foreign central banks post US Treasury bonds as that collateral and borrow dollars against them, rather than selling the bonds outright — the difference between forcing supply onto the market, pushing yields up, and simply parking it at the Fed's window for cash instead. It is likely doing more than either of the other two tools to keep large foreign holders of US debt from becoming forced sellers. Economist Robin Brooks, formerly chief economist at the Institute of International Finance, has drawn a pointed comparison. Bessent's approach, he argues, mirrors Japan's own decades-long habit of suppressing its own bond yields to manage a debt load above 200% of GDP. In his words: "as Japan shows, it can be next to impossible to stabilize a currency once it enters a devaluation spiral." Running underneath all three tools is a further pressure none of them controls: Iran-linked oil above $100 a barrel, keeping inflation expectations elevated at precisely the moment Treasury needs investors to accept lower compensation for holding its debt.

The man who broke a currency, defending one

Bessent's authority to make this bet rests on a biography that cuts in two directions at once. A Yale graduate, he began his career interning for Jim Rogers before becoming chief investment officer at Soros Fund Management. There, he ran the trade that made the firm's name: shorting the Japanese yen — borrowing and selling it on a bet it would fall, then buying it back cheaper once it did, for a profit of close to a billion dollars in three months. He founded Key Square Capital, became the public face of the Trump campaign's "3-3-3" economic plan in 2024, and was confirmed as Treasury Secretary in early 2025. That history is precisely why "I am the house now" is worth taking seriously rather than dismissing as bravado: this is a man who has stood on the other side of this exact trade and won. But that same history cuts the other way too: traders who correctly call one currency's collapse aren't immune to overestimating their ability to defend a different one. And "asymmetric information" — knowing more than the other side — is only useful if you can back it up, which raises the question of how much firepower he actually has. The Exchange Stabilization Fund held roughly $27.8 billion in liquid Treasury securities and foreign currency as of its most recent published figures. It also holds $175–176 billion in Special Drawing Rights, an IMF reserve asset — but that money can't be spent directly in currency markets; it has to be converted into cash first. Global foreign exchange markets, by contrast, now turn over roughly $9.6 trillion a day, according to the Bank for International Settlements' latest Triennial Survey — the highest figure it has recorded since it began measuring in 1986. Even generously counted, Treasury's readily usable firepower is a small fraction of a single day's global turnover. Asymmetric information is a real edge in a contained skirmish; it is not the same thing as having the balance sheet to win a sustained standoff if enough of the market decides to test the claim at once.

The head that won't bend

On the other side of the same imbalance sits Kevin Warsh, whose Fed chairmanship has so far resisted the rate cuts Bessent's tools are quietly trying to substitute for. His hawkishness — a preference for higher rates over easier growth, to keep inflation in check — has a long paper trail: he resigned from the Federal Reserve board in March 2011, in open disagreement with Ben Bernanke's second round of bond-buying stimulus, walking away from the institution rather than implement a policy he considered unsound. He has not needed a Wall Street salary since marrying into the Estée Lauder family in 2002, which affords him a degree of independence from career pressure that few Fed chairs have enjoyed. And by most accounts he had no personal relationship with Donald

Trump before his January 2026 nomination — chosen, it appears, for market credibility rather than loyalty, which leaves him with comparatively little personal debt to repay through compliant policy. Institutionally, he is also harder to remove than any Fed chair in decades: the Supreme Court's June ruling in Trump v. Cook blocked the president's attempt to remove Fed Governor Lisa Cook without the specific legal steps the Federal Reserve Act requires, and did so in the same term it otherwise significantly expanded presidential power to fire other officials — a deliberate carve-out for the Fed, not an oversight. Put the four facts together — the resignation precedent, the financial independence, the absence of personal loyalty, and the freshly reinforced legal protection — and Warsh looks like the least persuadable actor in this standoff, a fact the bond market is very likely already weighing when it decides how much credibility to give his hawkish rhetoric relative to Bessent's activist reassurance.

The patience that could run out

Trump's own posture has been notably restrained. Asked in late August whether he opposed Warsh's drift toward a rate hike, he demurred: "I have a lot of respect for him, and he'll do what he has to do" — a strikingly hands-off line from a president who spent 2025 in open conflict with Warsh's predecessor. Two explanations fit the restraint better than any sudden change of temperament. First, Trump v. Cook has already shown what a renewed attempt to pressure the Fed costs: a 5-4 loss, and a Court that went out of its way to shield the institution even as it expanded presidential power almost everywhere else, making a second attempt on different facts a legally uncertain and politically expensive bet. Second, Bessent is currently supplying something that looks like action, even without visible results — intervention, buybacks, combative rhetoric — which may be enough to hold Trump's attention on other fronts for now. That patience is also the least predictable variable in this piece, and the one most likely to run out quickly if yields keep climbing and start reading as a public loss rather than a contained standoff.

The absent fourth

None of the above changes because the one body that could resolve the deficit underlying it has shown no inclination to try. The federal deficit is on track to reach $2.1 trillion this fiscal year; only three of twelve required FY2027 appropriations bills had passed the House by early September, the Senate had passed none, and government funding runs on a stopgap resolution to December 11th — months after 2025's shutdown became the longest in US history. The spending actually driving the deficit — Social Security, Medicare, Medicaid, and now roughly $1 trillion a year in net interest on the debt itself — sits outside that annual fight entirely, running on autopilot regardless of what Congress does or doesn't pass. That closes off the one exit ramp that would make Bessent's bet and Warsh's resistance unnecessary: Congress isn't a live variable in the months ahead, it's the fixed condition guaranteeing the burden keeps landing on two men who didn't create the deficit and can't fix it.

What actually happens next

Ranking the plausible paths, rather than picking one, is the more honest exercise. The most likely outcome by some distance is simple continuation: Bessent keeps expanding buybacks and intervening at the margin, Warsh holds his hawkish line through and past the Federal Reserve's September decision, and yields stay elevated and volatile without a clean break either way — the highest-probability path precisely because it requires no one to change behaviour, only more of what is already happening. A genuine test event is the next most plausible: a weak Treasury auction — one where buyers demand a noticeably higher yield than expected to take the debt off Treasury's hands — a fresh Iran-linked oil spike, or a sharp risk-off episode could force Bessent to escalate past what can still credibly be called routine debt management, the point at which Brooks's devaluation-spiral warning stops being theoretical. Renewed pressure on Fed independence is possible but structurally harder than it looked a year ago, given what Trump v. Cook already cost the administration once.

Warsh capitulating to political pressure is the least likely outcome of all, given his own resignation precedent and financial independence — markets should treat a Warsh cave as a bigger surprise than a Warsh resignation. A congressional resolution belongs at the bottom of the list for the reasons already given. Worth watching in the weeks ahead: whether the buyback floor rises again, whether further currency intervention follows the yen episode, the reception of the next long-dated Treasury auction, and whether December 11th produces anything more durable than another stopgap.

Betting on the structure, not the dare

None of this is abstract for a rand-based, multi-asset investor. As at early September, the rand was trading at 16.19 to the dollar — well above Northstar's own modelled fair value of roughly 12.84, the level our models say the exchange rate should sit at given each economy's fundamentals. In other words, the rand looks cheap relative to that model. That matters directly if the dollar side of this standoff eventually breaks the way Brooks describes rather than the way Bessent is betting. It also shapes how the Northstar Managed Fund is positioned. The fund's local fixed-income sleeve runs mostly through floating-rate notes, which reset their interest payments periodically and so barely move in price when yields rise, and inflation-linked bonds, whose payouts adjust with inflation, rather than long-dated fixed-rate debt, whose price falls hardest when yields climb. The result is a blended modified duration — how much a bond portfolio's value moves for a given rise in yields — of close to two years, well short of the swings this standoff keeps threatening to produce, regardless of which side eventually wins it. A strategic allocation to gold-adjacent equities — Gold Fields and AngloGold Ashanti together account for just over 6% of the fund — is insurance against the debasement scenario specifically, not a bet that it happens on any particular date. None of this requires calling the outcome of Bessent's dare correctly. It requires being positioned for the possibility that the house, for once, is wrong about its own odds. Casinos are built on the mathematical certainty that the house wins over a long enough run of hands. Sovereign currency defences don't come with that same guarantee — they come with a balance sheet, and Washington's, for now, is a fraction of the table it just sat down at.

Corpay: Compounding Beyond the Fuel Card



Donovan Stefan
Head of Research

Corpay's evolution into a broader corporate payments business combines established competitive advantages, attractive economics and a long runway for growth as businesses modernise how they manage and spend money.

What the company does

Corpay is a global payments and expense-management company that helps businesses control spending, pay suppliers and manage expenses more efficiently. Its solutions go beyond simply moving money by reducing administration, improving visibility and helping prevent unauthorised spending.

The business operates across three main areas, namely Corporate Payments, Vehicle Payments and Lodging Payments. Corporate Payments helps companies automate supplier payments, manage commercial cards and make international payments. Vehicle Payments manages fuel, tolls, parking and other vehicle expenses, while Lodging Payments helps businesses arrange and pay for workforce and crew accommodation.

Corpay earns transaction and service fees, card-payment economics, foreign-exchange margins and lodging commissions as these payments flow through its platforms.

Why we like it: an evolving business with a larger opportunity

Formerly known as FLEETCOR, Corpay has evolved from a predominantly fleet-card business into a broader business-to-business payments platform. This transformation is central to our investment case, expanding the company into faster-growing markets while leveraging its existing customer relationships, networks and payment infrastructure.

The shift is already visible with Corporate Payments representing 41% of group revenue in the second quarter of 2026 and growing organically by 16%. As this business grows, Corpay's growth opportunity expands while its reliance on the more mature vehicle business declines.

We therefore believe viewing Corpay simply as a fuel-card company understates what the business is becoming: an increasingly important platform through which companies control, automate and manage their expenditure.

Competitive advantage: a self-reinforcing payments ecosystem

Corpay's moat is built around its specialised networks, customer relationships and deep integration into business workflows.

1. A Scaled, Self-Reinforcing Ecosystem: Corpay serves more than 800,000 business clients and connects them to more than 4 million merchants and vendors through 30+ proprietary networks. Each participant benefits from the ecosystem:
   - Business clients: Gain lower costs and discounts, simpler payments, better expense control, fraud prevention and useful spending data.
   - Merchants and vendors: Gain access to a large pool of recurring customer spending, supporting transaction volumes and strengthening loyalty to Corpay's network.
   - Proprietary networks: Specialised integrations and payment controls provide better functionality and economics than general-purpose payment solutions, while generating valuable transaction data.
   - Network growth: More customers and merchants increase the network's usefulness, generating more data, cross-selling opportunities and deeper customer integration. This strengthens switching costs and supports retention above 90%.

   This creates a virtuous circle: more customers attract merchants; greater merchant acceptance attracts customers and increasing transaction volumes generate more data and opportunities to deepen relationships.

2. Embedded Switching Costs: Corpay is integrated into invoice processing, payment approvals, expense management and accounting workflows. Changing providers therefore involves more than replacing a card; it can require changing systems, processes and established ways of working. This helps explain consistently high customer retention of above 90%.

3. Specialised Products and Infrastructure: Corpay solves payment problems that general-purpose bank products often cannot. Fleet customers, for example, can control what drivers purchase, where they purchase it and how much they spend. International customers gain access to payments, foreign bank accounts and sophisticated FX management. Replicating these capabilities requires technology, merchant relationships, licences, compliance infrastructure and specialised sales expertise built over many years.

Together, these advantages make Corpay increasingly valuable as more customers, merchants and transactions enter its ecosystem.

A high-quality business model

Corpay benefits from the recurring nature of business expenditure. Customers repeatedly pay suppliers, refuel vehicles and arrange accommodation, creating durable transaction volumes. Combined with retention above 90%, this results in long customer relationships during which Corpay can cross-sell additional products.

Corpay’s business model benefits from favourable lifetime economics. It incurs the cost of acquiring customers upfront, but those relationships are long-lasting and become more valuable over time through higher transaction volumes and cross-selling. Because the incremental cost of servicing additional activity is relatively low, revenue growth can translate into attractive margins and strong cash generation.

This strong cash generation has supported both acquisitions and share repurchases. Under long-serving CEO Ron Clarke, Corpay has compounded revenue and cash earnings per share at approximately 17% and 19%, respectively, since listing, while reducing its share count materially. Capital allocation has therefore been an important component of long-term shareholder value creation.

Growth Prospects

Corpay's largest opportunity is the continued digitisation of business payments. Many mid-sized businesses still rely on manual invoice processes, bank transfers, cheques and fragmented payment systems. Corpay brings these activities together, helping businesses automate payments while maintaining greater control over expenditure.

Management estimates a roughly $600 billion global revenue opportunity across spend management, cross-border payments and vehicle solutions. Corpay estimates that it holds a market share of less than 1% in both spend management and cross-border payments, illustrating the runway available if it can continue gaining share.

Growth should come from winning new customers, cross-selling more products, geographical expansion and acquisitions. Recent transactions such as Alpha Group and the investment in AvidXchange further strengthen Corpay's capabilities in cross-border payments and accounts-payable automation, accelerating the shift towards Corporate Payments.

Risks

Corpay operates in competitive payments markets against banks, established payment companies and newer technology providers, creating potential pressure on pricing and customer-acquisition costs. Transaction volumes are also exposed to economic conditions, while fuel prices, foreign-exchange movements and electric-vehicle adoption can affect parts of the business.

Acquisitions introduce execution and integration risk, while the use of debt increases the importance of disciplined capital allocation. Finally, the company's long association with CEO Ron Clarke creates key-man and succession risk.

Valuation and return potential

A good business does not automatically make a good investment; the price paid remains critical. Despite the shares rising approximately 37% year to date, Corpay still trades at less than 14 times expected earnings over the next twelve months. Management is targeting organic revenue growth of 10%+ a year and approximately 22% annual growth in cash earnings per share between 2026 and 2029. Even allowing for earnings growth below these targets, we believe the combination of its established earnings base, expanding corporate payments business and attractive valuation offers the potential for mid-teens annualised returns without relying on a re-rating.

For us, the central attraction is Corpay’s ability to compound earnings and cash generation over time. A higher valuation multiple could provide additional upside, but it is not a prerequisite for an attractive investment outcome.

NORTHSTAR

CIS DISCLOSURES

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of the Association for Savings and Investment SA.

Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance. The Manager does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance fees will be calculated and accrued on a daily basis based upon the daily outperformance, in excess of the benchmark, multiplied by the share rate and paid over to the manager monthly.

Performance figures quoted for the portfolio is from Morningstar, as at the date of this document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

Boutique Collective Investments (RF) Pty Ltd retains full legal responsibility for the third party named portfolio.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI/the Manager's products.

Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a current yield and is calculated daily.

A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund.

THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

Northstar Asset Management Proprietary Limited is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act 2002. All information contained in this document should not be construed, or relied upon, as advice. If you require financial and/or investment advice, please engage the services of an independent financial adviser.

INFORMATION AND CONTENT

The information and content (collectively 'information') accessible in this document are provided by Northstar as general information about the company and its products and services. Northstar does not guarantee the suitability or potential value of any information or particular investment source. Any information in this document is not intended nor does it constitute financial, tax, legal, investment, or other advice. Nothing contained in any service or any other content in this document constitutes a solicitation, recommendation, endorsement or offer by Northstar. Nothing contained in any service or any other content in this document constitutes a solicitation, recommendation, endorsement or offer by Northstar. Illustrations, forecasts or hypothetical data are not guaranteed and are provided for illustrative purposes only; returns or benefits are dependent on the performance of underlying assets or other variable market factors; there are risks involved in buying or selling a financial product; past performances are not necessarily indicative of future performances; and no guarantees are provided.

NORTHSTAR ASSET MANAGEMENT

Northstar Asset Management (Pty) Ltd
Registration No. 1996/001423/07 | FSP number 601
Suite 1A, Madison Place, Alphen Office Park, Constantia Road,
Constantia PostNet Suite #784, Private Bag X16, Constantia 7848
Tel +27 (0)21 810 8400 | Fax +27 (0)21 794 2885
info@northstar.co.za | www.northstar.co.za

DISCLAIMER

The Management of portfolios 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. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No. 37 of 2002). Please be advised that there may be representatives acting under supervision. The manager retains full legal responsibility for the co-named portfolios. Legal Information http://northstar.co.za/page/legal-information/