



Fund Objectives and Key Facts

Fund Performance

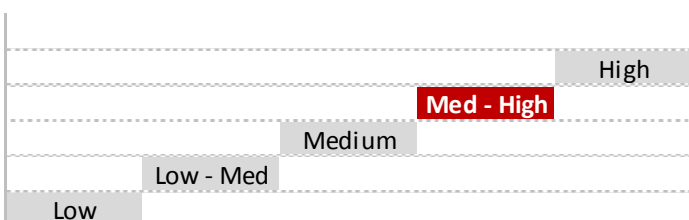
Portfolio Commentary

Contact Details and Disclaimer

Fund Objective

The objective of the Lynx Prime Balanced Fund of Funds is to provide investors access to a diversified portfolio of collective investments across all major asset classes. The fund aims to provide investors with capital growth over the long term at a rate of inflation plus 6% measured over a rolling 3 year period.

Investor Risk Profile\*



\*Please refer to glossary section for further information.

Fund Facts

Classification	South African - Multi Asset - High Equity	
Benchmark	Infl.(CPI) + 6% over a rolling 3 year period	
Inception Date of Fund	03 May 2005	
Inception Date of Class	01 July 2005	
Total Portfolio Size	429.5 M	
NAV price	Launch	1000.00 (cpu)
	30-Apr-17	2826.14 (cpu)
JSE code	LYPA1	
ISIN number	ZAE000221156	
Income Declaration	February, August	
Valuation	Valuation time	17h00 (daily)
	Dealing cut-off	14h00 (daily)
Payment	3rd working day of Mar/Sep	
Minimum Initial Investment	R 10 000 lump sum	
	R1000 debit order	
Reg. 28 Compliant	Yes	
Issue date	11 May 2017	

Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Feb-17	9.4504	42.7032	2.6281	54.7817
Aug-16	0.0068	0.6675	0.0000	0.6743

NAV Values	Feb-17	Mar-17	Apr-17
Fund Units	14 952 122	15 187 939	15 208 990
Fund NAV	R 422 604 732	R 424 899 279	R 429 473 572
Class NAV	318 771 956	326 544 531	328 129 005

\*All figures have been rounded to the nearest Unit and Rand

Fund Universe

The Lynx Prime Balanced Fund of Funds is a multi-managed fund that will consist of a mix of collective investment portfolios investing in a range of asset classes locally and abroad.

Investment Strategy

The fund is actively managed and assets will be adjusted to reflect changing economic and market conditions. The fund has a maximum effective equity exposure of 75% and a maximum effective property exposure of 25%.

Who should be investing ?

The fund's asset allocation is suited to investor with a moderate approach to risk. The fund conforms to Regulation 28 of the Pension Fund Act.

Total Investment Charges

Period (annualised): Jan 16 to Dec 16

**Total Expense Ratio (TER) 1.68 %**

Expenses related 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 be necessarily be an accurate indication of future TER's.

**Transaction Costs (TC) 0.18 %**

Costs relating to the buying and selling of the assets underlying the Financial Product

**Total Investment Charges (TIC) 1.86 %**

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. Inclusive of the TER of **1.68 %**, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

Portfolio Fees

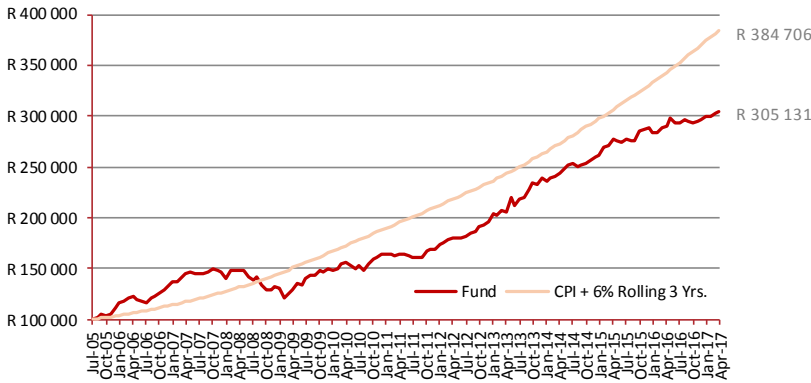
Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.55% (excl. VAT)

Mandate Compliance

The Fund remains within the reporting regime as at the date of this report.

Fund Performance

Growth of a R 100 000 Investment



Performance History: Based on an initial investment of R100 000

Period	April-2017		March-2017		February-2017	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	0.94%	0.95%	0.78%	0.95%	0.08%	0.97%
3 Months	1.81%	2.90%	1.85%	2.91%	1.49%	2.92%
6 Months	4.15%	5.90%	2.54%	5.91%	1.36%	5.91%
YTD	2.81%	3.88%	1.85%	2.91%	1.06%	1.94%
1 Year	5.32%	12.18%	4.51%	12.18%	5.65%	12.17%
2 Years	5.02%	12.10%	5.62%	12.10%	5.53%	12.09%
3 Years	7.74%	12.10%	7.85%	12.12%	7.73%	12.14%
5 Years	11.10%	12.00%	11.19%	12.00%	11.23%	11.99%
Since Inception	9.96%	12.15%	9.87%	12.06%	9.80%	11.97%

\* Returns above one year are annualised; \*\* Fund Returns are net of fees

Fund Composition

TOP FIVE HOLDINGS	Exposure
Laurium Flexible Prescient	19.47%
Visio Actinio	14.87%
Investec Diversified Income	14.37%
Prescient Income Provider	13.06%
Lynx Prime Global Diversified	12.57%

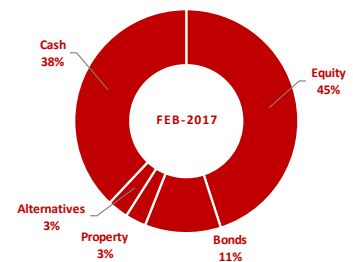
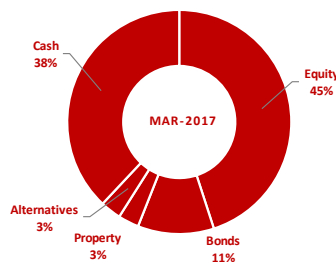
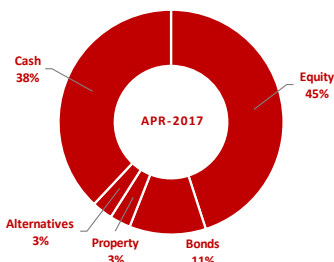
Risk Statistics

Risk Metrics	Fund (A1)	Benchmark
Volatility	7.40%	0.39%
Tracking Error	7.51%	
Information Ratio	-0.29	
Correlation	-0.19	
Beta	1.10	
Sharpe Ratio	0.37	
Max (Rolling 12 Mths)	24.25%	14.78%
Min (Rolling 12 Mths)	-18.39%	9.00%
Alpha	-2.14%	

\* Annualised

Monthly Performance	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Asset Class Returns	Apr-17
Fund	2017	0.98%	0.08%	0.78%	0.94%									2.81%	ALSI (TR)	3.38%
Benchmark	2017	0.96%	0.97%	0.95%	0.95%									3.88%	ALBI (TR)	1.42%
Fund	2016	-1.61%	-0.10%	1.88%	0.16%	2.75%	-1.49%	0.02%	0.90%	-0.38%	-0.62%	0.88%	0.42%	2.76%	SAPY (TR)	0.51%
Benchmark	2016	0.95%	0.96%	0.94%	0.96%	0.97%	0.98%	0.97%	0.96%	0.95%	0.96%	0.96%	0.97%	12.14%	CASH	0.61%
Fund	2015	0.86%	2.83%	0.60%	2.10%	-0.17%	-0.86%	1.18%	-0.15%	-0.16%	3.20%	0.45%	0.89%	11.22%	ZAR/USD	13.38
Benchmark	2015	0.92%	0.93%	0.93%	0.95%	0.95%	0.96%	0.98%	0.97%	0.95%	0.94%	0.93%	0.93%	11.94%		

Asset Allocation





Links

Fund Objectives and Key Facts

Fund Performance

Portfolio Commentary

Contact Details and Disclaimer

### Fund Commentary

Global equity markets continued their strong run from where they had left off in 2016, the S&P 500 for example broke through all-time highs in January and February, and remains at elevated levels. More recently however, the optimism injected into markets by President Trump's expected policy changes has waned. The push back from the members within his own Republican party has taken him by surprise and has called an end to the "honeymoon" phase of his presidency.

The risk-on sentiment has been great for emerging markets such as South Africa. The Rand was one of the best performing currencies until Jacob Zuma unceremoniously removed Pravin Gordhan and other key ministers who clearly oppose him. The day following this announcement, S&P Global Ratings agency downgraded our SA sovereign offshore debt to junk status, citing the risk the reshuffle will have on fiscal and growth outcomes. This stirred up volatility once again in local bond and equity markets; interest rate sensitives were hit worst while rand hedge resource companies fared best.

The Lynx Balanced Fund has a significant amount of its assets invested offshore. This together with exposure to South African Rand hedge stocks, has ensured the reshuffle and downgrade has had a limited impact on the fund. The Lynx Balanced fund ended the quarter up 1.9%. Considering the recent political developments and the subsequent volatility in the currency and bonds markets, we are pleased with the performance.

We have been weary of South African bonds, despite the high yields on offer, due to the associated political risks which we believed could result in Rand weakness, increasing the possibility that rates may rise again. Our larger allocation to short dated and floating rate instruments has also helped insulate the fund.

Although there is a lot of hope that this may be the end for Zuma, we feel that there is a greater likelihood that he'll be able secure a smooth exit from power later in the year at the ANC NEC Conference. As a result, we prefer to remain well diversified with a significant offshore exposure, be it directly or through rand hedge stocks.

### Glossary of Terms

**Fund of Funds** is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds or other securities. This type of investing is often referred to as multi-manager investment. Investing in a fund of funds may achieve greater diversification. The benefit of diversification is that it can reduce volatility and the overall risk in the portfolio, while maintaining returns.

**Total Expense Ratio** is the total costs associated with managing and operating an investment (excluding 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.

**An equity** or share represents an institution/individual's ownership in a listed company and is 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 and this 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 with a higher level of risk i.e. share investments have the most volatile returns over the short term. An investment in this type of asset should be viewed with a 7 to 10 year horizon.

**Risk Profile (Medium to High):** The investors' primary aim is to achieve the required capital growth necessary to realise his/her long-term goals and objectives. The investor is prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

**Volatility** is a statistical measure of the dispersion of returns for a given security or market index.

**Tracking error** is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

**Information ratio**, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark.

**Sharpe Ratio** is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk. 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).




**Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

**Alpha** is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.

[Links](#) | 
 [Fund Objectives and Key Facts](#) | 
 [Fund Performance](#) | 
 [Portfolio Commentary](#) | 
 [Contact Details and Disclaimer](#)

Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd

[www.primeinvestments.co.za](http://www.primeinvestments.co.za)


 +27 (0)10 594 2100  
 +27 (0)86 642 1880  
 [save@primeinvestments.co.za](mailto:save@primeinvestments.co.za)



1st Floor, Building B,  
 Hurlingham Office Park,  
 59 Woodlands Ave, Hurlingham Manor,  
 Sandton

PostNet Suite 208,  
 Private Bag X9,  
 Benmore, 2010

Fund Contact Details

**Fund Manager**  
 Lynx Fund Managers (Pty) Ltd.  
 (FSP No: 23987)  
 +27 (0)11 707 9940

**Trustee**  
 Societe Generale Security Services  
 +27 (0)11 448 8800

**Administrator**  
 Global Independent Administrators  
 +27 (0)10 594 2100  
 [save@primeinvestments.co.za](mailto:save@primeinvestments.co.za)

Disclaimer

This is a minimum disclosure document and a general investor report. Collective Investment Schemes are generally medium to long term investments. The value of participatory interests may go down as well as up. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Past performance is not necessarily an indication of future performance. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close portfolios to new investors in order to manage them more efficiently in accordance with their mandates. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Lump sum investment performances are quoted. Income distributions are in the calculations. Performance numbers and graphs are sourced from Collective Endeavours Consulting (Pty) Ltd. NAV to NAV figures have been used. The investment performance is for illustrative purposes only. The investment performance is calculated after taking the actual initial fees and all ongoing fees into account. The reinvestment of income is calculated on the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. Foreign securities may be included in the portfolio from time to time and as such may result in the following: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information. One can also obtain additional information on Prime products on the Prime CIS website and all price related queries or information is readily available on request. Fund of funds are portfolios that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. The daily cut off time is 14:00 for trades and the valuation point is 17:00. Prices are published on Finswitch by 10:00 daily. Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd is a registered Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a wholly owned subsidiary of Prime Financial Services (Pty) Ltd, a member of ASISA.