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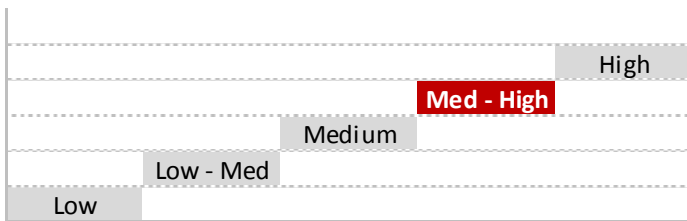
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### Fund Objective

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	440.7 M	
NAV price	Launch	1000.00 (cpu)
	31-Oct-17	2930.96 (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	R10 000 lump sum	
	R1000 debit order	
Reg. 28 Compliant	Yes	
Issue date	13 November 2017	

### Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Aug-17	10.8185	32.8463	0.5444	44.2091
Feb-17	9.4504	42.7032	2.6281	54.7817

NAV Values	Aug-17	Sep-17	Oct-17
Fund Units	14 987 650	14 992 913	15 030 239
Fund NAV	R 429 329 347	R 426 149 063	R 440 703 437
Class NAV	R 332 316 507	R 332 670 358	R 344 842 649

\*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): Mar 16 to Mar 17

**Total Expense Ratio (TER) 1.67 %**

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) 0.2 %**

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

**Total Investment Charges (TIC) 1.87 %**

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 **1.67 %**, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

### Portfolio Fees

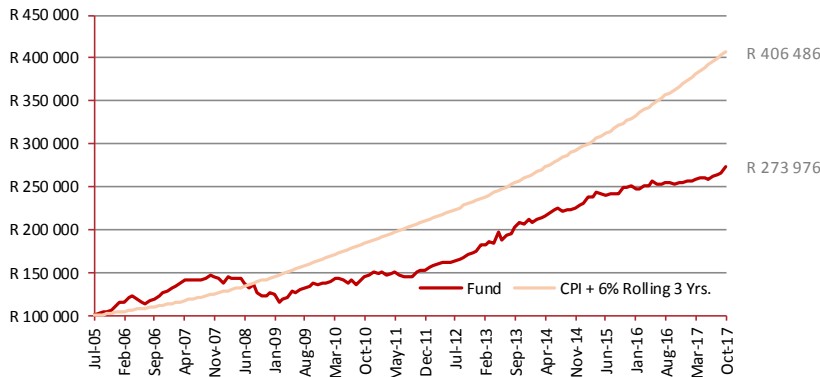
Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.55% (excl. VAT)

### 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 R100000

Fund Composition

TOP FIVE HOLDINGS	Exposure
Laurium Flexible Precient Fund	19.08%
Visio BCI Actinio Fund	14.67%
ABAX Absolute Return Pres Fund	12.86%
Investec Diversified Income Fund	12.70%
Precient Income Provider Fund	12.70%

Period	October-2017		September-2017		August-2017	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	3.16%	0.90%	0.73%	0.91%	0.42%	0.92%
3 Months	4.35%	2.75%	3.18%	2.79%	1.61%	2.81%
6 Months	5.33%	5.66%	3.06%	5.71%	3.12%	5.76%
YTD	8.29%	9.77%	4.97%	8.79%	4.21%	7.81%
1 Year	9.70%	11.90%	5.68%	11.96%	4.52%	12.01%
2 Years	6.19%	11.98%	6.21%	12.00%	5.74%	12.02%
3 Years	8.33%	11.98%	7.27%	12.00%	7.20%	12.03%
5 Years	10.86%	12.04%	10.78%	12.05%	10.80%	12.04%
Since Inception	10.00%	12.13%	9.72%	12.05%	9.66%	11.96%

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

Risk Statistics

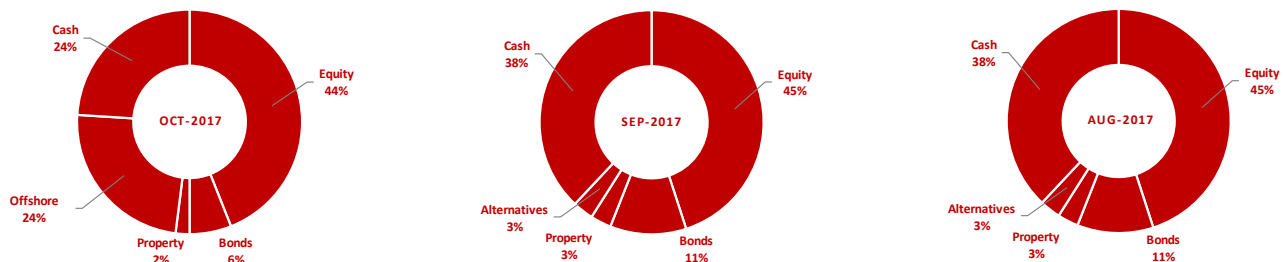
Risk Metrics	Fund (A1)	Benchmark
Volatility	7.31%	0.39%
Tracking Error	7.42%	
Information Ratio	-0.29	
Correlation	-0.19	
Beta	1.10	
Sharpe Ratio	0.37	
Max (Rolling 12 Mths)	24.25%	14.78%
Min (Rolling 12 Mths)	-18.39%	9.00%
Alpha	-2.09%	

\* Annualised

Monthly Performance		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2017	0.98%	0.08%	0.78%	0.94%	-0.24%	-0.80%	2.00%	0.42%	0.73%	3.16%			8.29%
Benchmark	2017	0.96%	0.97%	0.95%	0.95%	0.94%	0.93%	0.93%	0.92%	0.91%	0.90%			9.77%
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%
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%
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%
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%
Fund	2014	-1.21%	1.80%	0.45%	1.26%	1.64%	1.38%	0.73%	-0.88%	0.55%	0.17%	1.25%	1.44%	8.87%
Benchmark	2014	0.97%	0.99%	0.99%	1.00%	0.99%	0.98%	0.98%	0.99%	0.97%	0.96%	0.96%	0.94%	12.36%
Fund	2013	3.69%	-0.12%	2.15%	-0.61%	6.82%	-3.94%	2.94%	1.17%	3.45%	2.66%	-0.58%	2.43%	21.52%
Benchmark	2013	0.92%	0.93%	0.94%	0.95%	0.93%	0.94%	0.95%	0.96%	0.97%	0.97%	0.97%	0.97%	11.99%

Asset Class Returns	Oct-17
ALSI (TR)	6.26%
ALBI (TR)	-2.28%
SAPY (TR)	1.99%
CASH	0.57%
ZAR/USD	14.14

Asset Allocation



Data Source: Collective Endeavours Consulting (Pty)



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## Fund Commentary

Global markets in the third quarter of 2017 continued to march ahead as the synchronised recovery in global economic activity gained further traction. Low inflation numbers in the US, which have largely been a result of low oil prices and “transitory economic” anomalies have allowed the Fed to maintain a dovish stance for now. The upbeat market sentiment, together with strong corporate profits and a weak US dollar have spurred the S&P 500 to all-time highs. Trump’s much awaited tax reform policy was finally announced, and immediately US yields rose and the dollar strengthened which highlight the inflationary nature of his proposed policy changes. Eurozone economic data remained robust and GDP from the second quarter was confirmed at 0.6%. The possibility of reduced stimulus measures has been the focus of the market for some time and a strong Euro reflects that. The MSCI EMU index returned 4.3% in Euros for the quarter.

Emerging markets (EM) benefitted greatly from the continuation of excess liquidity in developed markets. Portfolio flows, particularly in favour of fixed income assets accelerated in recent months, benefitting EM currencies and their respective sovereign bonds. Foreign investors seem to have ignored recent political turmoil in countries like Turkey and South Africa, primarily chasing high real yields. EM equities have also benefitted from the uptick in global economic activity and the performance of equities in these markets reflect that. The Shanghai composite index for example gained 5%, while Russia’s Micex and Brazil’s Bovespa gained 11% and 18% respectively in local currency terms over quarter.

Closer to home, the JSE All Share Index gained 8.9% during the quarter, this performance was mainly driven by a handful of heavyweights such as Naspers. However, low investor confidence and weak economic activity held back stocks that are more exposed to domestic economy. Foreigners remained net sellers of SA equities and net buyers of SA bonds. The rand was rather resilient throughout the quarter until it sold off sharply in September to end the quarter at 13.6/\$.

Although the Lynx Balanced Fund remains cautiously positioned, it gained 3.2% during the quarter, with most asset classes contributing to the steady return. All eyes will be on the Fed and the ECB in the coming quarter as the potential for policy normalisation has increased substantially in recent weeks. This, together with the binary ANC elective conference in December could result in an uptick in market volatility. Nevertheless, we are comfortable with the fund positioning and remain well diversified across asset class and geography.

## 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.



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