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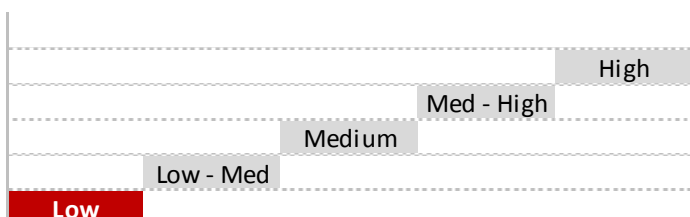
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### Fund Objective

The objective of the Lynx Prime Cautious 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 3% measured over a rolling 3 year period.

### Investor Risk Profile\*



\*Please refer to glossary section for further information.

### Fund Facts

Classification	South Africa - Multi Asset - Low Equity	
Benchmark	Infl.(CPI) + 3% over a rolling 3 year period	
Inception Date of Fund	03 May 2005	
Inception Date of Class	01 July 2005	
Total Portfolio Size	199.3 M	
NAV price	Launch	1000.00 (cpu)
	31-May-17	1836.39 (cpu)
JSE code	LPCA1	
ISIN number	ZAE000221198	
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	18 June 2017	

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

Distribution	Dividend	Interest	Other	Total
Feb-17	6.1863	39.2914	1.7699	47.2476
Aug-16	0.0118	0.9742	0.0000	0.9860

NAV Values	Mar-17	Apr-17	May-17
Fund Units	11 640 927	11 304 903	10 853 774
Fund NAV	R 211 015 040	R 206 793 814	R 199 310 701
Class NAV	145 498 388	146 597 178	145 877 841

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

### Fund Universe

The Lynx Prime Cautious 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 has a maximum effective equity exposure of 40% and a maximum effective property exposure of 25%.

### Who should be investing ?

The fund's asset allocation is suited to investor with a cautious 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) 1.49 %**

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) 0.08 %**

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

**Total Investment Charges (TIC) 1.57 %**

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 **1.49 %**, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

### Portfolio Fees

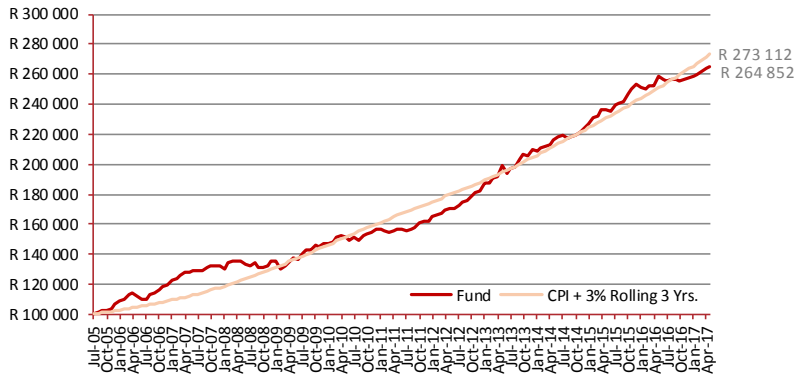
Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.55% (excl. VAT)

### 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



Fund Composition

TOP FIVE HOLDINGS	Exposure
Prescient Income Provider Fund	20.70%
Investec Diversified Income	20.10%
Prime Income Plus	13.30%
Lynx Prime Global Diversified	9.90%
Visio Actinio	8.90%

Performance History: Based on an initial investment of R100 000

Period	May-2017		April-2017		March-2017	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	0.39%	0.70%	0.91%	0.70%	0.81%	0.70%
3 Months	2.12%	2.12%	1.83%	2.13%	1.60%	2.14%
6 Months	3.12%	4.32%	3.39%	4.34%	2.08%	4.35%
YTD	2.92%	3.58%	2.52%	2.86%	1.60%	2.14%
1 Year	2.20%	8.87%	4.63%	8.89%	3.47%	8.89%
2 Years	5.92%	8.81%	5.77%	8.81%	6.07%	8.81%
3 Years	7.08%	8.81%	7.35%	8.82%	7.32%	8.83%
5 Years	9.26%	8.73%	9.26%	8.72%	9.29%	8.71%
Since Inception	8.58%	8.86%	8.54%	8.80%	8.46%	8.73%

Risk Statistics

Risk Metrics	Fund (A1)	Benchmark
Volatility	4.04%	0.39%
Tracking Error	4.14%	
Information Ratio	-0.07	
Correlation	-0.16	
Beta	1.10	
Sharpe Ratio	0.31	
Max (Rolling 12 Mths)	17.10%	11.42%
Min (Rolling 12 Mths)	-3.64%	5.80%
Alpha	-0.32%	

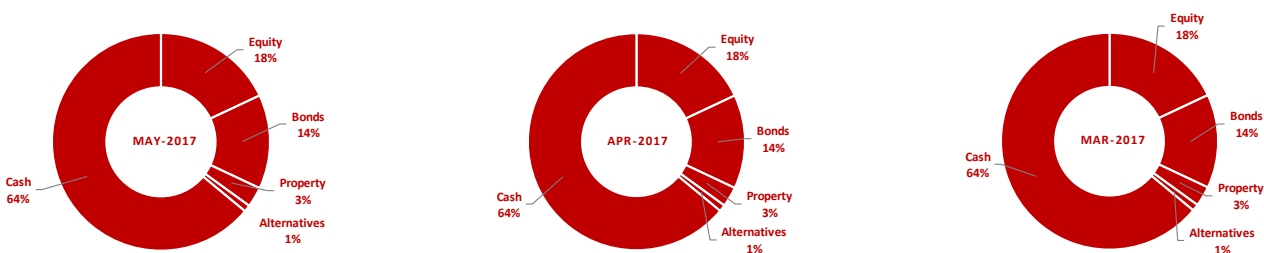
\* Returns above one year are annualised; \*\* Fund Returns are net of fees

\* Annualised

Monthly Performance	2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2017	0.68%	0.10%	0.81%	0.91%	0.39%								2.92%
Benchmark	2017	0.71%	0.72%	0.70%	0.70%	0.70%								3.58%
Fund	2016	-0.84%	-0.34%	0.97%	-0.21%	2.78%	-1.05%	-0.44%	0.66%	-0.34%	-0.37%	0.66%	0.19%	1.62%
Benchmark	2016	0.70%	0.71%	0.69%	0.71%	0.72%	0.73%	0.72%	0.71%	0.70%	0.71%	0.71%	0.72%	8.86%
Fund	2015	1.14%	1.70%	0.66%	1.48%	0.10%	-0.16%	1.56%	0.41%	0.72%	2.17%	0.96%	1.41%	12.82%
Benchmark	2015	0.67%	0.68%	0.68%	0.70%	0.70%	0.71%	0.73%	0.72%	0.70%	0.69%	0.68%	0.68%	8.66%
Fund	2014	-0.62%	1.01%	0.38%	0.83%	1.14%	1.02%	0.76%	-1.11%	0.74%	0.13%	1.06%	1.40%	6.92%
Benchmark	2014	0.72%	0.74%	0.74%	0.75%	0.74%	0.73%	0.73%	0.74%	0.72%	0.71%	0.71%	0.69%	9.07%
Fund	2013	2.55%	0.25%	1.57%	0.28%	4.03%	-2.47%	1.71%	0.42%	2.42%	1.74%	-0.27%	1.89%	14.90%
Benchmark	2013	0.67%	0.68%	0.69%	0.70%	0.68%	0.69%	0.70%	0.71%	0.72%	0.72%	0.72%	0.72%	8.71%

Asset Class Returns	May-17
ALSI (TR)	-0.47%
ALBI (TR)	1.03%
SAPY (TR)	0.11%
CASH	0.63%
ZAR/USD	13.19

Asset Allocation





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## 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 Cautious 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 Cautious fund ended the quarter up 1.6%. 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 to 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 (Low):** You are cautious about taking on risk (i.e. will have less exposure to equities in your portfolio). You want your capital to be safe and prefer fairly stable income and/or income growth. Even knowing that equities are a riskier asset class, you are comfortable to have some, albeit limited, exposure to them because you know they will add that little extra to your portfolio.

**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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