

**FUND PROFILE**

The Lynx Prime Global Diversified Fund of Funds is a multi-managed fund that will consist of a range of portfolios or other collective investment schemes with a variety of investment policies, provided legislation permits it. The fund will be managed with assets shifted between the various investment markets to reflect changing global economic and market conditions, in order to provide attractive risk adjusted returns. The portfolio has a hard currency capital preservation orientation, predominantly in US dollars. The rand price of this fund will vary directly with movements in the Rand/ US Dollar cross currency rate which is volatile. The fund's asset allocation is suited to investor with a moderate risk profile.

**INVESTMENT OBJECTIVE**

The primary objective of the fund is to seek above average returns with below average risk for investors, with specific focus on asset allocation.

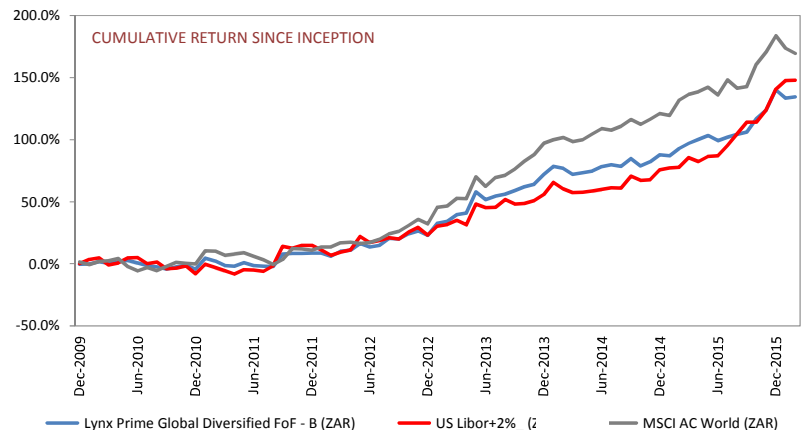
The MSCI All Country World equity index is disclosed in this fact sheet to illustrate general global equity market conditions which to a certain extent explain the returns of this fund

FUND INFORMATION	
ASISA Fund Classification	Global - Multi Asset - Flexible
Issue Date:	19-Oct-16
Benchmark:	LIBOR USD plus 2%
Risk Profile:	Low
Portfolio Size:	R 355 million
Portfolio Launch Date:	28-Feb-02
Class Launch Date:	02-Nov-09
Portfolio Manager:	James Gilfillan, CFA Jacques Du Plessis, CAIA
<b>Contact Details</b>	
Telephone:	+27 (0)11 707 9940
Fax:	+27 (0)86 504 0215
Website:	www.lfm.co.za
Month End Price:	252.27 cents per unit
Currency	ZAR, underlying exposure to multiple currencies (e.g.: USD, GBP, EUR & Yen)
<b>Fees (Max)</b>	
Initial Fees:	0.00% (incl. VAT)
Annual Management Fee:	0.80% (incl. VAT)
<b>Income Declaration Dates:</b>	
	28-Feb
<b>Income Payment Dates:</b>	
	3rd Working day in March and September - distributed on the following working day
<b>Recent Distributions</b>	
	31-Dec-15 0 cpu
<b>Portfolio Valuation Time</b>	
	17h00
<b>Transaction Cut Off Time</b>	
	14h00
<b>Repurchase Period</b>	
	3 Working Days
<b>Daily Price Information</b>	
	www.primeinvestments.co.za
<b>Minimum Investment:</b>	
	Lump sum: R10 000
<b>Minimum Lump sum:</b>	
	R 1,000,000
<b>Monthly Minimum:</b>	
	R 10,000
<b>Trustee</b>	
	Societe Generale

PERFORMANCE STATISTICS	Lynx Prime Global Diversified FoF - B (ZAR)	US Libor+2%_ (ZAR)	MSCI AC World (ZAR)
Cumulative Return (Since Inception)	122.3%	121.0%	183.1%
Cumulative Return (Year to Date)	-7.4%	-8.1%	-0.2%
Compound RoR	12.4%	12.3%	16.5%
Cumulative Return (Last 1 Year)	7.8%	3.2%	16.6%
Percent Profitable Months	62.2%	63.4%	64.6%
Average Returns (Since Inception)	1.0%	1.1%	1.3%
Average Gain (Since Inception)	3.0%	3.5%	3.3%
Average Loss (Since Inception)	-2.1%	-3.1%	-2.2%
Maximum Monthly Return	11.9%	16.0%	11.4%
Standard Deviation (Since Inception)	12.06%	15.06%	12.37%
Downside Deviation (10%)	7.13%	9.19%	7.05%
Sharpe Ratio (5%)	0.63	0.52	0.90
Sortino Ratio (10%)	0.31	0.23	0.82

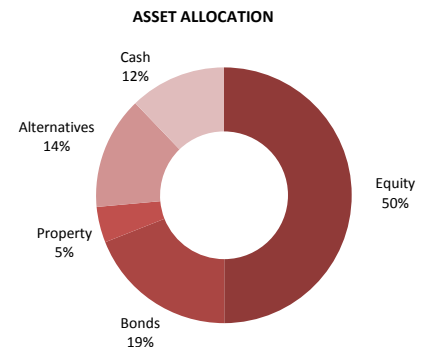
ROLLING MONTHLY PERFORMANCE	Lynx Prime Global Diversified FoF - B (ZAR)	US Libor+2%_ (ZAR)	MSCI AC World (ZAR)
1 Year (annualised)	7.8%	3.2%	16.6%
Rolling 3 Years (annualised)	11.8%	14.3%	17.2%
Rolling 5 Years (annualised)	15.6%	14.1%	22.3%
Since inception (annualised)	12.4%	12.3%	16.5%

ANNUAL RETURNS FOR ROLLING 10 YEAR PERIOD	
Highest Annual % (2012/2013)	34.5%
Lowest Annual % (2010/2011)	-0.4%



Period (annualised)	01/07/2013	to	30/06/2016
	<b>Total Expense Ratio (TER)</b>	<b>Transaction Costs (TC)</b>	<b>Total Investment Charges (TER + TC)</b>
	2.02%	0.05%	2.07%
	of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product	of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product	of the value of the Financial Product was incurred as costs relating to the investment 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 necessarily be an accurate indication of future TER's. 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 in the TER of 2.02%, a performance fee of 0.26% of the net asset value of the class of Financial Product was recovered.



MONTHLY PERFORMANCE (ZAR)													Year	MSCI (ZAR)
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
2016	-2.77%	0.43%	-2.68%	-2.77%	10.91%	-7.42%	-1.12%	4.86%	-5.87%				-7.40%	-0.22%
2015	-0.38%	3.13%	2.23%	1.48%	1.53%	-2.00%	1.45%	1.14%	0.94%	5.16%	3.21%	7.23%	27.83%	28.36%
2014	3.80%	-0.74%	-2.82%	0.72%	0.77%	2.10%	0.88%	-0.71%	3.46%	-3.26%	1.87%	3.09%	9.24%	12.10%
2013	8.02%	1.18%	4.07%	1.00%	11.94%	-3.94%	2.00%	1.00%	1.84%	1.90%	1.31%	4.69%	40.07%	49.23%
2012	0.13%	-2.30%	3.70%	0.80%	4.76%	-2.40%	1.30%	4.81%	-0.34%	3.43%	1.80%	-2.92%	13.08%	19.09%
2011	9.20%	-2.28%	-3.46%	-0.55%	2.87%	-2.21%	-0.52%	-0.15%	10.16%	0.56%	-0.15%	0.20%	13.46%	11.05%
2010											1.35%	-3.34%	-3.86%	-1.45%

## **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. 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 registered as a Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a member of ASISA.

## **Fund/Market Commentary**

The third quarter of 2016 proved to be highly volatile for most major asset classes, both locally and abroad. All eyes have been on Janet Yellen and the expected path of future U.S. rates. Although we've only seen one rate hike in the last year, many leading indicators suggest that the U.S. is well on track to sustain further rate hikes. While this may be a worry for some investors, but the normalisation of interest rates should be seen as a positive.

The follow on from the UK referendum has led to significant pound weakness against most of its major trading partners. In local currency terms however, this has benefited UK equities, in particular those with earnings that are generated abroad. While the outcome of exit date is yet to be finalised, the uncertainty is likely to remain for some time.

The Lynx Prime Global Diversified Fund has performed well given the circumstances, over the last quarter it is up 7% in US\$. Key drivers of this performance have been our exposure to listed property global equity, and global credit. The overriding theme of "lower for longer" compressed yields and propped up asset prices once again, something that cannot continue forever. We are conservatively positioned and conscious of the lofty valuations in overly popular sectors of the market, but most importantly we remain well diversified across asset class and geographic region.

### **Contact details for the Trustees:**

Societe Generale Security Services  
Tel: 011 448 8800

### **Manager Information:**

Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd  
Telephone: +27 (10) 594-2100  
Facsimile: +27 (86) 642-1880  
Email: [save@primeinvestments.co.za](mailto:save@primeinvestments.co.za)

A fund of fund unit trust only invests in other unit trust, which levy their own charges, which could result in higher fee structures for these funds.

The manager shall reserve the right to close the portfolio to new investors on a date determined by the manager.

## **Glossary of Terms**

### **Fund of funds**

A "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.

### **Risk Profile: Low**

Your primary aim is to achieve the required capital growth necessary to realise your long-term goals and objectives. You are 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.

### **Liquidity**

This is the ability to easily turn assets or investments into cash.

### **Equities**

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.

### **Total Expense Ratio (TER)**

This 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.

### **Standard deviation**

Standard deviation (also called monthly volatility) is a measure of how much the 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.

### **Sharpe ratio**

The Sharpe ratio measures risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. 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).

### **Annualised total returns**

Annualised return is the weighted average compound growth rate over the period measured.

### **Compound rate of return (RoR)**

The compounded rate of return is the average yearly (annualised) percentage that the fund has returned since the inception of the fund.

### **Sortino Ratio**

The Sortino Ratio is similar to the Sharpe ratio in that it indicates the risk/reward profile of a fund based on past data. The difference is that the Sortino Ratio takes into account harmful volatility by taking into account the standard deviation of negative returns (downside deviation). A large ratio indicates a low probability of a large loss.

### **Downside deviation**

A measure of downside risk that calculates the volatility on fund returns below a defined minimum. In this case, negative returns i.e. any monthly return below 0%.

### **Annual Returns (Highest/Lowest)**

The highest and lowest annualised performance numbers are based on 10 non overlapping one year periods or the number of non overlapping one year periods from inception where performance history does not yet exist for 10 years.