

LYNX SANLAM COLLECTIVE INVESTMENTS BALANCED FUND OF FUNDS A1 MINIMUM DISCLOSURE DOCUMENT

April 2016



FUND PROFILE

The objective of the fund is to provide investors access to a diversified portfolio of collective investments managed by a number of leading South African investment managers. The fund is actively managed and assets will be adjusted to reflect changing economic and market conditions. The fund is diversified across all major asset classes, and aims to provide investors with capital growth over the long term. 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.

INVESTMENT OBJECTIVE

The objective of the portfolio is to generate a consistent annual growth rate of inflation plus 6%. This is a multi asset, high equity fund that will have a maximum equity exposure of 75%. The fund may also invest up to 25% offshore.

ASISA Fund Classification	South African - Multi Asset - High Equity
Issue Date:	17-May-16
Benchmark:	Inflation (CPI) + 6% over a rolling 3 year period
Risk Profile:	Medium to High
Portfolio Size:	R449 million
Portfolio Launch Date:	03-May-05
Class Launch Date:	01-Jul-05
Portfolio Manager:	James Giffillan, CFA Jacques Du Plessis, CAIA
Contact Details	
Telephone:	+27 (0)11 707 1341
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Website:	www.lfm.co.za
Opening Price:	1058.88 cents per unit
Month End Price:	2797.45 cents per unit
Fees (Max)	
Initial Fees:	0.00% (incl. VAT)
Annual Management Fee:	0.79% (incl. VAT)
Annual Advice Fee:	1.14% (incl. VAT)
Income Declaration Dates:	30 June and 31 December
Income Payment Dates:	1st Working day in July and January - distributed on the following working day
Bi-Annually Distributions	
30-Jun-15	34.48 cpu
31-Dec-15	39.28 cpu
Portfolio Valuation Time	17h00
Transaction Cut Off Time	15h00
Repurchase Period	3 Working Days
Daily Price Information	The local newspaper & www.sanlamunitrusts.co.za
Trustee	Standard Bank of SA

Additional Information

The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

Period (annualised)	2013/01/02	to	2015/12/31
	Total Expense Ratio (TER)	Transaction Costs (TC)	Total Investment Charges (TER + TC)
	3.54%	0.00%	3.54%
	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 3.54%, a performance fee of 1.02% of the net asset value of the class of Financial Product was recovered.

RISK/RETURN STATISTICS	Lynx SCI Balanced FoF A1	CPI+6% (MoM)
Cumulative Return	95.5%	105.7%
Compound RoR (Annualised)	10.9%	11.7%
Highest Monthly Return	6.8%	1.9%
Lowest Monthly Return	-3.9%	0.2%
Percentage Positive Months	71.8%	100.0%
Maximum Drawdown	-4.7%	0.0%
Months In Maximum Drawdown	4	0
Months To Recover	2	0
Standard Deviation	5.9%	1.3%
Sharpe Ratio (Risk free)	0.95	4.81
Sortino Ratio (Risk free)	1.70	68.13
Downside-Deviation (below 10%)	3.9%	0.5%
Correlation to Benchmark	0.05	0.13

ROLLING MONTHLY PERFORMANCE	Lynx SCI Balanced FoF A1	CPI+6% (MoM)
1 Year (annualised)	4.8%	12.7%
Rolling 3 Years (annualised)	12.0%	11.9%
Rolling 5 Years (annualised)	12.1%	12.1%
Since inception (annualised)	11.0%	12.0%

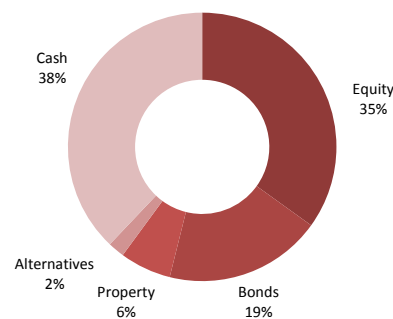
*Monthly CPI data supplied by Bloomberg

Annual Returns for Rolling 10 Year Period

Highest Annual % (2009/2010)	21.4%
Lowest Annual % (2008/2009)	-12.8%

TOP FIVE HOLDINGS	% of Portfolio
Laurium Flexible Prescient	14.6%
Investec Diversified Income	14.5%
Atlantic Enhanced Income	14.2%
Visio Actinio	13.8%
Lynx Global Diversified	13.6%

ASSET ALLOCATION



administered by



MONTHLY PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund Year to Date	Benchmark Year to Date
2016	-1.58%	-0.10%	1.88%	0.16%									0.33%	8.87%
2015	0.87%	2.83%	0.60%	2.10%	-0.17%	-0.86%	1.18%	-0.15%	-0.16%	3.20%	0.45%	0.89%	11.23%	7.96%
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%	12.30%
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%	0.00%
2012	2.77%	1.33%	0.97%	1.33%	-0.26%	0.02%	1.24%	1.71%	0.84%	2.81%	0.91%	1.32%	16.01%	0.00%
2011	-0.58%	0.40%	-1.30%	1.21%	0.46%	-1.42%	-1.06%	0.23%	0.12%	3.68%	0.71%	0.43%	2.81%	0.00%
2010	-0.46%	1.28%	3.27%	0.48%	-1.99%	-1.81%	2.01%	-2.94%	4.24%	2.60%	0.69%	2.62%	10.15%	0.00%

Disclaimer

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Fund/Market Commentary

The opening quarter of 2016 proved to be a volatile period for all major asset classes. In fact, at one point the MSCI World Index was down 11.5% but eventually recovered almost all of these losses to end the quarter flat.

Closer to home we saw a major divergence as investors ditched growth orientated stocks, which had outperformed for many years, in favour of value orientated companies. The slight uptick in commodity prices on the back of a slightly weaker dollar, compounded by an enormous short squeeze, sent resource counters sky rocketing even as the rand strengthened. Although the JSE Resources Index gave away some of its early gains, it was still the best performing sector in the first quarter.

The dovish tone from the U.S. Federal Reserve in the 1st quarter provided a tail wind for emerging markets which have been under major pressure in the last couple of months. Despite a weak local economic growth outlook, combined with a worsening inflationary outlook, and ongoing political instability, the rand strengthened to 14.76 in U.S. Dollar terms from 15.55 at the end of last year. The rather mooted expectations of future rate hikes in the U.S. has once again reignited the search for yield globally, and hence the strong performance of high yield investments such as local listed property.

South African preference shares performed exceptionally well in March as the Reserve Bank hiked rates by a further 25bps. This comes after a 200bps increase in rates since January 2014, with the market pricing in a further 75bps of rate hikes in the coming year. The highly constrained consumer will be under more pressure than ever in the coming months.

The Lynx SCI Balanced Fund has continued to deliver stable performance in a difficult economic environment through a combination of passive income strategies and opportunistic flexible equity management. We remain wary of volatile asset classes that have recently come to the fore, because without any major changes to the status quo, the outlook for investment landscape looks similar to 2015. As a result, we continue to position the portfolio prudently and focus on more predictable asset classes that offer the best risk adjusted returns.

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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.

Regulation 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds.

The maximum permitted exposure to certain asset classes is:

75% to equities

25% to property

25% to offshore assets +5% to African Assets.

Risk Profile: Medium to High

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.