

LYNX SANLAM COLLECTIVE INVESTMENTS CAUTIOUS FUND OF FUNDS A1
MINIMUM DISCLOSURE DOCUMENT
 July 2016



FUND PROFILE

The objective of the fund is to provide investors access to diversified portfolio of collective investments managed by a number of leading South African investment managers. The fund is diversified across all major asset classes, and aims to provide investors with capital growth over the long term at acceptable level of volatility. 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.

INVESTMENT OBJECTIVE

The objective of the portfolio is to generate a consistent annual growth rate of inflation plus 3%. The portfolio aims to not lose capital over any 3 year rolling period. This is a multi asset, low equity fund that will have a maximum equity exposure of 40%. The fund may also invest up to 25% offshore.

ASISA Fund Classification:	South African - Multi Asset - Low Equity
Issue Date:	17-Aug-16
Benchmark:	Inflation (CPI) + 3% over a rolling 3 year period
Risk Profile:	Low
Portfolio Size:	R216 million
Portfolio Launch Date:	03-May-05
Class Launch Date	01-Jul-05
Portfolio Manager:	James Gilfillan, CFA Jacques Du Plessis, CAIA
Contact Details	
Telephone:	+27 (0)11 707 9940
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Website:	www.lfm.co.za
Opening Price:	1036.01 cents per unit
Month End Price:	1829 cents per unit
Fees	
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	2005-08-01
	31-Dec-15 33.32 cpu
	30-Jun-16 43.00 cpu
Valuation Time of Portfolio	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.	

RISK/RETURN STATISTICS	Lynx SCI Cautious FoF - A1	CPI+3% (MoM)
Cumulative Return	75.0%	73.7%
Compound RoR	9.1%	9.0%
Highest Monthly Return	4.0%	9.0%
Lowest Monthly Return	-2.5%	0.0%
Percentage Positive Months	76.5%	98.8%
Maximum Drawdown	-2.5%	0.0%
Months In Maximum Drawdown	1	1
Months To Recover	3	1
Standard Deviation	3.6%	1.3%
Sharpe Ratio (5%)	0.97	2.47
Sortino Ratio (5%)	1.66	10.52
Downside-Deviation (below 10%)	2.8%	1.1%
Correlation to Benchmark	0.07	0.09

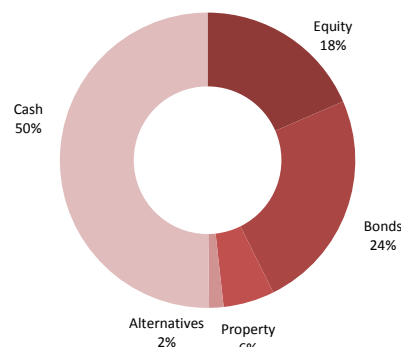
ROLLING MONTHLY PERFORMANCE	Lynx SCI Cautious FoF - A1	CPI+3% (MoM)
1 Year (annualised)	6.7%	9.5%
Rolling 3 Years (annualised)	9.0%	9.1%
Rolling 5 Years (annualised)	10.4%	8.9%
Since inception (annualised)	9.1%	9.0%

*Monthly CPI data supplied by Bloomberg

Annual Returns for Rolling 10 Year Period	
Highest Annual % (2006/2007)	17.1%
Lowest Annual % (2007/2008)	2.1%

TOP FIVE HOLDINGS	% of Portfolio
Prescient Income Provider Fund	23.6%
Investec Diversified Income	23.4%
Atlantic Enhanced Income	19.5%
Lynx Global Diversified	10.1%
Visio Actinio	8.6%

ASSET ALLOCATION



Period (annualised)	2013/04/01	to	2016/03/31
	Total Expense Ratio (TER)	Transaction Costs (TC)	Total Investment Charges (TER + TC)
	2.33%	0.00%	2.33%
	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 2.33%, a performance fee of 0.43% of the net asset value of the class of Financial Product was recovered.

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	-0.80%	-0.34%	0.97%	-0.21%	2.78%	-1.05%	-0.44%						0.86%	6.65%
2015	1.15%	1.70%	0.66%	1.48%	0.10%	-0.16%	1.56%	0.41%	0.72%	2.17%	0.96%	1.41%	12.83%	7.94%
2014	-0.61%	1.01%	0.38%	0.83%	1.14%	1.02%	0.76%	-1.11%	0.74%	0.13%	1.06%	1.40%	6.93%	9.01%
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%	8.50%
2012	1.68%	0.76%	0.92%	1.04%	0.37%	0.38%	1.18%	1.28%	0.65%	1.74%	0.97%	1.01%	12.65%	8.81%
2011	-0.19%	-0.28%	-0.84%	0.95%	0.76%	-0.53%	-0.23%	0.32%	0.52%	2.17%	0.45%	0.46%	3.58%	9.39%
2010	0.17%	1.14%	2.02%	0.67%	-0.92%	-0.98%	1.03%	-1.11%	1.64%	1.26%	0.42%	1.29%	6.77%	6.63%

Disclaimer

All reasonable steps have been taken to ensure the information on this minimum disclosure document is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted (Money Mate). All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The portfolio management of all the portfolios is outsourced to financial services providers authorised in terms of the Financial Advisory and Intermediary Services Act, 2002. A fund of funds is a portfolio 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 fund. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd (Sanlam Collective Investments) ,PO Box 30 Sanlam 7532/ Sanlam Head Office, 2 Strand Rd, Bellville 7530. Sanlam Collective Investments is responsible for the administration of investments in the portfolio and retains full legal responsibility for this portfolio. The management of investments is outsourced to Lynx Fund Managers (FSP23987), an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act.

Fund/Market Commentary

The second quarter of 2016 proved to be as volatile as the first, with macroeconomic events such as Brexit dominating headlines and investor sentiment around the world.

The British referendum took the world by surprise as Britons voted to leave the European Union in June. The impact on global equity markets was severe in the days following the outcome as global stock indices such as the MSCI AC World Index and the FTSE 100 Index fell 7%. The British pound weakened to the lowest level in 30 years against the US\$ as the UK's credit rating was downgraded by S&P and Fitch.

However, it wasn't long before economic forecasters and investors alike, started pricing in a looser monetary policy stance amid the uncertain political environment. In fact, Mark Carney who is the governor of the Bank of England suggested the impact of the referendum will likely force them to cut rates in the coming months. The more dovish sentiment led to a sharp rally in risk assets towards the end of the quarter, especially emerging markets where yields are highly attractive in a world devoid of yield.

Closer to home there has recently been an improvement in the South African inflation outlook, partly on the back of a stabilising rand and partly as the drought has shown signs of subsiding. Bonds repriced on the back of this and closed up 4.4% for the quarter. Equities ended the quarter marginally up. Gold stocks were undoubtedly the best performers but financials and rand hedge stocks struggled in the volatile environment.

The Lynx SCI Cautious fund ended the quarter up 1.5%. The main positive contributors were our income managers who continue to offer attractive yields at relatively low risk. Even though the fund has minimal exposure to the Euro area, our offshore exposure was the main detractor during the quarter, on the back of a strengthening rand. We are however, happy with the diversification benefit it provides given an uncertain local economic backdrop.

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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: 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.

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.