

**INVESTMENT OBJECTIVE**

The Lynx Sanlam Collective Investments Global Diversified Fund of Funds is a flexible fund of funds. The primary objective of the Lynx Sanlam Collective Investments Global Diversified Fund of Funds is to seek above average returns with below average risk for investors, with specific focus on asset allocation. The fund will be managed with assets shifted between the various investment markets to reflect changing global economic and market conditions. The portfolio will invest in a range of portfolios and collective investments, using an asset mix of equities, bonds, money and property market instruments in a variety of currencies in order to maximise returns for investors while minimizing risk. The fund can invest in offshore investments as far as legislation permits.

**RISK PROFILE**

The portfolio has a hard currency capital preservation orientation. Currency exposure is also diversified between GBP, Euro, Yen and USD. Volatility/risk in USD is therefore both a function of exchange rate movements against GBP, Euros and Yen as well as the underlying funds' performances. Volatility in Rands could be high due to fluctuations in the exchange rate between the rand and USD, GBP, Euros and Yen.

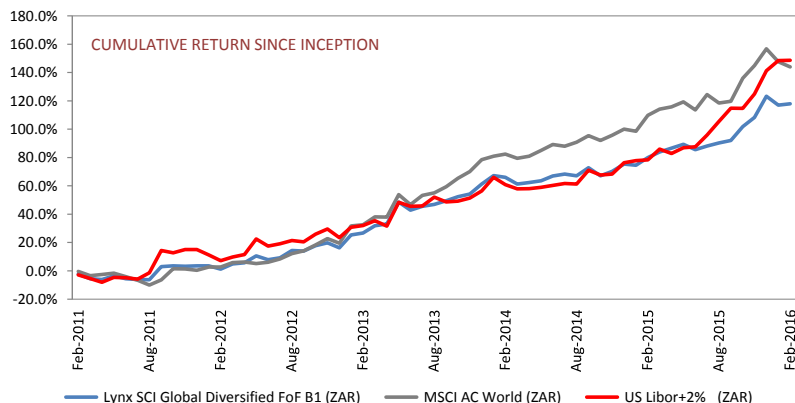
The MSCI All Country World equity index is disclosed in this fact sheet to illustrate general global equity market conditions which to a certain extent explain the returns of this fund.

FUND INFORMATION	
ASISA Fund Classification	Global - Multi Asset - Flexible
Issue Date:	17-Aug-16
Benchmark:	LIBOR USD plus 2%
Risk Profile:	Low
Portfolio Size:	R347 million
Portfolio Launch Date:	28-Feb-02
Class Launch Date:	03-Jan-11
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:	257.64 cents per unit
Currency	ZAR, underlying exposure to multiple currencies (e.g.: USD, GBP, EUR & Yen)
Fees (Max)	
Initial Fees:	0.00% (incl. VAT)
Annual Management Fee:	0.79% (incl. VAT)
Income Declaration Dates:	31-Dec
Income Payment Dates:	1st Working day in January – distributed on the following working day
<b>Recent Distributions</b>	
31-Dec-15	0 cpu
Portfolio Valuation Time	17h00
Transaction Cut Off Time	15h00
Repurchase Period	3 Working Days
<b>Daily Price Information</b>	
The local newspaper & www.sanlamunitrusts.co.za	
Minimum Investment:	Lump sum: R10 000
Minimum Lump sum:	R 1 000 000
Monthly Minimum:	R 10 000
Trustee	Standard Bank of SA

PERFORMANCE STATISTICS	Lynx SCI Global Diversified FoF B1 (ZAR)	US Libor+2%_ (ZAR)	MSCI AC World (ZAR)
Cumulative Return (Since Inception)	125.2%	122.4%	140.6%
Cumulative Return (Year to Date)	-6.4%	-7.8%	-6.3%
Compound RoR	15.9%	15.6%	17.3%
Cumulative Return (Last 1 Year)	11.1%	13.6%	7.2%
Percent Profitable Months	65.2%	62.1%	65.2%
Average Returns (Since Inception)	1.2%	1.3%	1.4%
Average Gain (Since Inception)	2.9%	3.7%	3.2%
Average Loss (Since Inception)	-2.1%	-2.6%	-2.1%
Maximum Monthly Return	11.7%	16.0%	11.4%
Standard Deviation (Since Inception)	11.9%	14.9%	12.1%
Downside Deviation (10%)	6.8%	8.2%	6.7%
Sharpe Ratio (5%)	0.78	0.72	0.98
Sortino Ratio (10%)	0.58	0.62	0.97

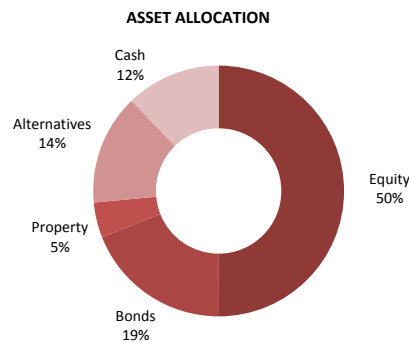
ROLLING MONTHLY PERFORMANCE	Lynx SCI Global Diversified FoF B1 (ZAR)	US Libor+2%_ (ZAR)	MSCI AC World (ZAR)
1 Year (annualised)	11.1%	13.6%	7.2%
Rolling 3 Years (annualised)	12.8%	15.1%	16.2%
Rolling 5 Years (annualised)	17.4%	18.7%	20.8%
Since inception (annualised)	15.9%	15.6%	17.3%

Annual Returns for Rolling 10 Year Period	
Highest Annual % (2012/2013)	33.2%
Lowest Annual % (2015/2016)	11.1%



Period (annualised)	2013/04/01	to	2016/03/31
	<b>Total Expense Ratio (TER)</b>	<b>Transaction Costs (TC)</b>	<b>Total Investment Charges (TER + TC)</b>
	2.39%	0.01%	2.40%
	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 2.39%, a performance fee of 0.31% of the net asset value of the class of Financial Product was recovered.



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**Sanlam**

MONTHLY PERFORMANCE (ZAR)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	MSCI (ZAR)
2016	-2.80%	0.40%	-2.71%	-2.79%	10.88%	-7.45%	-1.15%						-6.38%	-6.27%
2015	-0.40%	3.06%	2.17%	1.48%	1.50%	-2.03%	1.42%	1.12%	0.91%	5.13%	3.18%	7.19%	27.35%	28.36%
2014	3.70%	-0.75%	-2.80%	0.68%	0.73%	2.03%	0.84%	-0.72%	3.38%	-3.25%	1.82%	3.01%	8.72%	12.10%
2013	7.79%	1.12%	3.99%	0.95%	11.65%	-3.90%	1.93%	0.95%	1.77%	1.84%	1.26%	4.58%	38.65%	49.23%
2012	0.10%	-2.26%	3.57%	0.74%	4.61%	-2.37%	1.25%	4.65%	-0.35%	3.32%	1.74%	-2.88%	12.38%	19.09%
2011	-2.24%	-3.38%	-0.55%	2.75%	-2.18%	-0.53%	-0.18%	9.84%	0.51%	-0.18%	0.17%		3.48%	0.39%

## **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.

The Lynx SCI Global Diversified fund ended the quarter up 0.1% in US\$ and slightly down in rands. The main contributor during the quarter was our exposure to global fixed income assets that benefitted from the flight to safety. The looser monetary stance towards the end of the quarter drove listed property higher as investors sought yield in risk assets which benefitted the fund greatly. Although our direct exposure to the Euro area including the UK is rather limited, the weakness experienced in the euro and pound relative to the US dollar, was the main detractor from the performance in June

Nevertheless, the fund remains cautiously positioned and well diversified across regions and asset classes in an effort to provide stable and consistent returns.

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

Standard Bank of South Africa Ltd

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Email: Compliance-SANLAM@standardbank.co.za

### **Manager Information:**

Sanlam Collective Investments (RF) (Pty) Ltd

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Facsimile: +27 (21) 947-8224

Email: service@sanlaminvestments.com

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

### **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

### **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

### **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

### **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.