

**LYNX SANLAM COLLECTIVE INVESTMENTS OPPORTUNITIES FUND OF FUNDS A1**  
**MINIMUM DISCLOSURE DOCUMENT**  
 March 2016



**FUND PROFILE**

The Lynx Sanlam Collective Investments Opportunities Fund of Funds (legal registered name of the fund) is a multi-managed fund that invests in a diversified portfolio of collective investments managed by a number of leading South African investment managers. The fund is suitable for investors seeking exposure to the domestic equity market with maximum capital appreciation as their primary goal over the long term, and who have a higher risk appetite.

**INVESTMENT OBJECTIVE**

The objective of the Lynx Sanlam Collective Investments Opportunities Fund of Funds is to generate above average growth in capital over the medium to long term. Income generation will be a secondary objective of the portfolio. A minimum of 80% of the fund's asset will be invested in domestic equities at all times. The fund may also invest up to 25% offshore.

<b>ASISA Fund Classification:</b>	South African - Equity - General
<b>Issue Date:</b>	18-Apr-16
<b>Benchmark:</b>	FTSE/JSE All Share Index (Gross of fees)
<b>Risk Profile:</b>	High
<b>Portfolio Size:</b>	R67 million
<b>Portfolio Launch Date:</b>	02-Feb-09
<b>Class Launch Date:</b>	02-Feb-09
<b>Portfolio Manager:</b>	James Gillfillan, CFA Jacques Du Plessis, CAIA
<b>Contact Details</b>	
<b>Telephone:</b>	+27 (0)11 707 1341
<b>Fax:</b>	+27 (0)86 504 0215
<b>Website:</b>	www.lfm.co.za
<b>Opening Price:</b>	999.96 cents per unit
<b>Month End Price:</b>	2723.92 cents per unit
<b>Fees</b>	
<b>Initial Fees:</b>	0.00%
<b>Annual Management Fee:</b>	0.79% (incl. VAT)
<b>Annual Advice Fee:</b>	1.14% (incl. VAT)
<b>Income Declaration Dates:</b>	30 June and 31 December
<b>Income Payment Dates:</b>	1st Working day in July and January - distributed on the following working day
<b>Bi-Annually Distributions</b>	2009-03-01
	30-Jun-15 14.66 cpu
	31-Dec-15 18.41 cpu
<b>Valuation Time of Portfolio</b>	17h00
<b>Transaction Cut Off Time</b>	15h00
<b>Repurchase Period</b>	3 Working Days
<b>Daily Price Information</b>	The local newspaper & www.sanlamunitrusts.co.za
<b>Trustee</b>	Standard Bank of SA
<b>Additional Information</b>	
The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.	

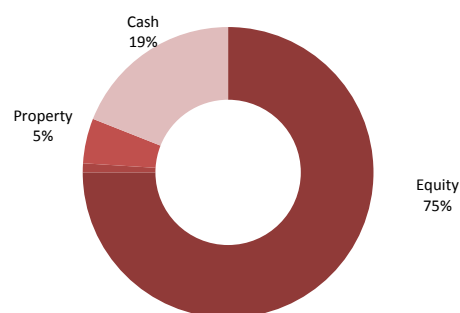
RISK/RETURN STATISTICS	Lynx SCI Opportunities FoF - A1	ALSI
Cumulative Return	122.4%	95.9%
Compound RoR	13.3%	11.0%
Highest Monthly Return	8.5%	9.0%
Lowest Monthly Return	-5.0%	-5.8%
Percentage Positive Months	62.3%	59.7%
Maximum Drawdown	-7.2%	-10.7%
Months In Maximum Drawdown	3	9
Months To Recover	0	0
Standard Deviation	10.0%	12.2%
Sharpe Ratio (5%)	0.81	0.52
Sortino Ratio (5%)	1.43	0.79
Downside-Deviation (below 10%)	6.1%	7.9%
Correlation to Benchmark	0.01	-0.01

ROLLING MONTHLY PERFORMANCE	Lynx SCI Opportunities FoF - A1	ALSI
1 Year (annualised)	1.3%	0.1%
Rolling 3 Years (annualised)	11.8%	9.4%
Rolling 5 Years (annualised)	12.5%	10.2%
Since inception (annualised)	15.7%	14.4%

Annual Returns for Rolling 10 Year Period	
Highest Annual % (2009/2010)	41.2%
Lowest Annual % (2015/2016)	1.3%

TOP FIVE HOLDINGS	% of Portfolio
Laurium Flexible Prescient	23.0%
Visio Actinio	23.0%
Gryphon All Share Tracker	22.8%
PSG Equity	14.2%
Cash	11.4%

**ASSET ALLOCATION**



Period (annualised)	2013/01/02	to	2015/12/31
	<b>Total Expense Ratio (TER)</b>	<b>Transaction Costs (TC)</b>	<b>Total Investment Charges (TER + TC)</b>
	2.65%	0.00%	2.65%
	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 2.65%, a performance fee of 0.17% 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	-4.42%	0.05%	4.90%										0.31%	11.30%
2015	1.36%	4.76%	-0.22%	3.75%	-1.96%	-1.32%	0.99%	-1.86%	-1.53%	6.08%	-1.38%	-1.51%	6.94%	10.24%
2014	-2.98%	3.51%	1.77%	1.69%	1.77%	1.57%	1.15%	-0.16%	-1.10%	0.84%	1.80%	1.05%	11.30%	7.59%
2013	3.22%	-0.84%	1.38%	-1.90%	7.15%	-4.99%	4.28%	2.24%	4.51%	3.36%	-1.16%	2.97%	21.47%	0.00%
2012	4.35%	2.24%	-0.37%	1.59%	-2.22%	0.39%	1.64%	2.10%	1.38%	3.78%	1.04%	3.04%	20.49%	0.00%
2011	-2.55%	2.49%	0.25%	2.02%	-0.99%	-1.28%	-1.48%	-0.71%	-2.50%	8.47%	0.34%	-0.18%	3.46%	0.00%
2010			4.92%	0.02%	-4.19%	-2.36%	6.84%	-3.49%	7.69%	3.12%	0.19%	6.02%	20.02%	49.83%

## 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 bifurcation 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 in rate hikes since January 2014 and 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 Opportunities Fund continues to outperform over the medium to long term verses its peers and the market. The fund remains defensively positioned relative to most of its peers who either have more aggressive mandates, or have chased shares that have recently rallied hard in the rotation that I mentioned earlier. Neither our economic advisors, nor most of our underlying managers are convinced that we've seen the worst in the resource space and as a result we own very few of these counters. This generated massive outperformance in 2015 and should the trend continue, we'll reap the rewards.

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

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### **Manager Information:**

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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.

### **Risk Profile: High**

You can afford to take on a higher level of risk (i.e. will have a greater exposure to equities in your portfolio) because of your investment time horizon or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

### **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.