

LYNX SANLAM COLLECTIVE INVESTMENTS OPPORTUNITIES FUND OF FUNDS C1  
MINIMUM DISCLOSURE DOCUMENT  
July 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>	17-Aug-16
<b>Benchmark:</b>	FTSE/JSE All Share Index (Gross of fees)
<b>Risk Profile:</b>	High
<b>Portfolio Size:</b>	R65 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 9940
<b>Fax:</b>	+27 (0)86 504 0215
<b>Website:</b>	www.lfm.co.za
<b>Opening Price:</b>	999.92 cents per unit
<b>Month End Price:</b>	2631.68 cents per unit
<b>Fees</b>	
<b>Initial Fees:</b>	0.00%
<b>Annual Management Fee:</b>	2.16% (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>	2009-02-02
	31-Dec-15 0.00 cpu
	30-Jun-16 19.35 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>	www.sanlamunittrusts.co.za
<b>Minimum Investment:</b>	Lump sum: R10 000

**Additional Information**

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

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>
	3.71%	0.00%	3.71%
	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 3.71%, a performance fee of 0.11% of the net asset value of the class of Financial Product was recovered.

RISK/RETURN STATISTICS	Lynx SCI Opportunities FoF - C1	ALSI
Cumulative Return	110.0%	98.0%
Compound RoR	13.9%	13.9%
Highest Monthly Return	8.5%	9.0%
Lowest Monthly Return	-5.3%	-5.8%
Percentage Positive Months	60.5%	60.5%
Maximum Drawdown	-8.0%	-10.7%
Months In Maximum Drawdown	10	9
Months To Recover	0	0
Standard Deviation	10.1%	12.0%
Sharpe Ratio (5%)	0.7	0.5
Sortino Ratio (5%)	1.1	0.7
Downside-Deviation (below 10%)	6.5%	7.9%

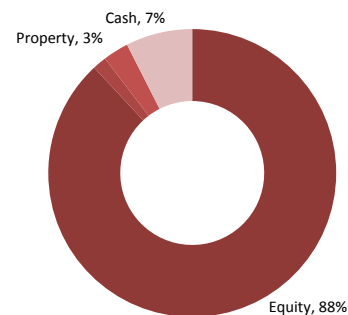
ROLLING MONTHLY PERFORMANCE	Lynx SCI Opportunities FoF - C1	ALSI
1 Year (annualised)	-0.1%	1.4%
Rolling 3 Years (annualised)	9.7%	8.5%
Rolling 5 Years (annualised)	12.2%	11.1%
Since inception (annualised)	13.9%	13.9%

**Annual Returns for Rolling 10 Year Period**

Highest Annual % (2013/2014)	21.4%
Lowest Annual % (2015/2016)	-0.1%

TOP FIVE HOLDINGS	% of Portfolio
Laurium Flexible Prescient	23.7%
Gryphon All Share Tracker	23.7%
Visio Actinio	23.7%
PSG Equity	13.5%
Investec World-Wide Equity	8.0%

**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	-4.52%	-0.06%	4.78%	0.73%	2.73%	-3.66%	1.24%						0.91%	3.04%
2015	1.30%	4.82%	-0.35%	3.67%	-2.01%	-1.44%	0.88%	-1.97%	-1.64%	5.97%	-1.50%	-1.63%	5.81%	1.83%
2014	-3.20%	3.53%	1.72%	1.64%	1.72%	1.51%	1.08%	-0.27%	-1.26%	0.75%	1.76%	0.97%	10.24%	7.59%
2013	3.21%	-0.97%	1.32%	-2.08%	7.28%	-5.26%	4.30%	2.20%	4.54%	3.36%	-1.31%	2.96%	20.62%	17.86%
2012	4.33%	2.18%	-0.48%	1.51%	-2.39%	0.29%	1.56%	2.05%	1.32%	3.76%	0.96%	3.02%	19.48%	22.71%
2011	-2.69%	2.42%	0.14%	1.93%	-1.14%	-1.41%	-1.61%	-0.84%	-2.66%	8.54%	0.23%	-0.30%	2.13%	-0.42%
2010		1.44%	4.80%	-0.09%	-4.32%	-2.48%	6.76%	-3.63%	7.63%	3.04%	0.07%	5.96%	18.58%	34.50%

## 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 local equity market provided a mixed bag of returns recently. Gold stocks were undoubtedly the best performers but financials and rand hedge stocks struggled in the volatile environment. In June, some of SA's dual listed shares like SAB, Richemont, and Steinhoff declined 13.5%,7.8% and 8.6% respectively. MTN on the other hand surged 16.7% after the Nigerian fine was reduced to less than half the original amount.

The Lynx SCI Opportunities fund ended the quarter marginally up. Our offshore exposure was the main detractor during the quarter but we are happy with the diversification benefit it provides given an uncertain local economic backdrop. Our direct exposure to the Euro area including the UK is rather limited and as a result the fund NAV was rather stable during the Brexit volatility that ensued.

### **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.