



Links

Fund Objectives and Key Facts

Fund Performance

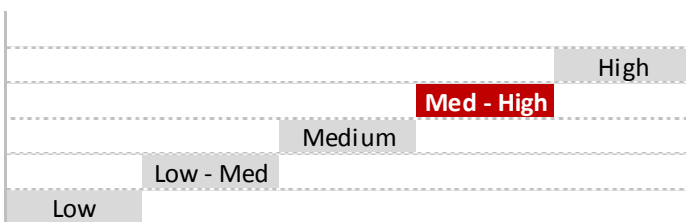
Portfolio Commentary

Contact Details and Disclaimer

### Fund Objective

The objective of the Lynx Prime Balanced Fund of Funds is to provide investors access to a diversified portfolio of collective investments across all major asset classes. The fund aims to provide investors with capital growth over the long term at a rate of inflation plus 6% measured over a rolling 3 year period.

### Investor Risk Profile\*



\*Please refer to glossary section for further information.

### Fund Facts

Classification	South African - Multi Asset - High Equity	
Benchmark	Infl.(CPI) + 6% over a rolling 3 year period	
Inception Date of Fund	03 May 2005	
Inception Date of Class	01 July 2005	
Total Portfolio Size	404.3 M	
NAV price	Launch	1000.00 (cpu)
	31-Mar-18	2811.23 (cpu)
JSE code	LYPA1	
ISIN number	ZAE000221156	
Income Declaration	February, August	
Valuation	Valuation time	17h00 (daily)
	Dealing cut-off	14h00 (daily)
Payment	3rd working day of Mar/Sep	
Minimum Initial Investment	R10 000 lump sum	
	R1000 debit order	
Reg. 28 Compliant	Yes	
Issue date	20 April 2018	

### Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Feb-18	9.0395	15.4885	4.1800	28.7081
Aug-17	10.8185	32.8463	0.5444	44.2091

NAV Values	Jan-18	Feb-18	Mar-18
Fund Units	14 828 308	14 206 422	14 369 620
Fund NAV	R 428 844 667	R 411 285 295	R 404 255 878
Class NAV	R 338 245 576	R 324 266 428	R 319 961 519

\*All figures have been rounded to the nearest Unit and Rand

### Fund Universe

The Lynx Prime Balanced Fund of Funds is a multi-managed fund that will consist of a mix of collective investment portfolios investing in a range of asset classes locally and abroad.

### Investment Strategy

The fund is actively managed and assets will be adjusted to reflect changing economic and market conditions. The fund has a maximum effective equity exposure of 75% and a maximum effective property exposure of 25%.

### Who should be investing ?

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.

### Total Investment Charges

Period (annualised): Mar 17 to Feb 18

**Total Expense Ratio (TER) 1.69 %**

Expenses related to the administration 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 be necessarily be an accurate indication of future TER's.

**Transaction Costs (TC) 0.23 %**

Costs relating to the buying and selling of the assets underlying the Financial Product

**Total Investment Charges (TIC) 1.92 %**

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 of the TER of **1.69 %**, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

### Portfolio Fees

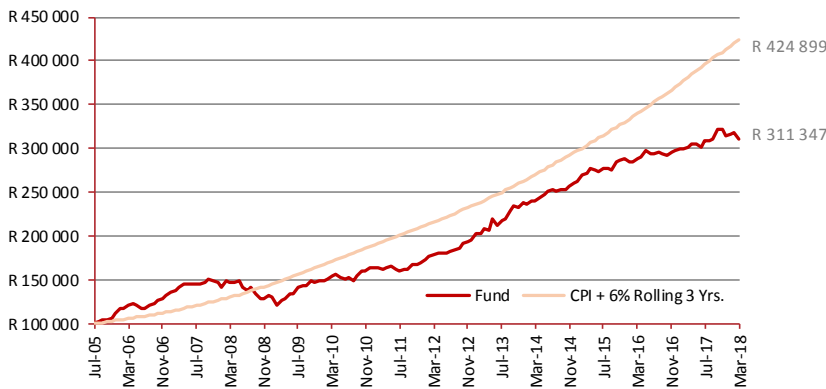
Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.55% (excl. VAT)

### Mandate Compliance

The Fund remains within the reporting regime as at the date of this report.

Fund Performance

Growth of a R 100 000 Investment



Performance History: Based on an initial investment of R100000

Fund Composition

TOP FIVE HOLDINGS	Exposure
Laurium Flexible Precient Fund	21.19%
Visio BCI Actinio Fund	16.37%
ABAX Absolute Return Pres Fund	12.02%
Lynx Prime Global Diversified FoF	10.33%
PSG Equity Fund	10.03%

Period	March-2018		February-2018		January-2018	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	-1.88%	0.89%	0.09%	0.89%	0.63%	0.89%
3 Months	-1.17%	2.69%	-1.16%	2.69%	-1.36%	2.69%
6 Months	-0.07%	5.47%	2.59%	5.49%	2.93%	5.52%
YTD	-1.17%	2.69%	0.72%	1.79%	0.63%	0.89%
1 Year	3.00%	11.50%	5.79%	11.56%	5.78%	11.65%
2 Years	3.75%	11.84%	5.72%	11.87%	5.62%	11.90%
3 Years	4.74%	11.90%	5.62%	11.91%	6.57%	11.93%
5 Years	8.44%	12.01%	9.31%	12.02%	9.27%	12.03%
Since Inception	9.38%	12.10%	9.54%	12.02%	9.54%	11.94%

\* Returns above one year are annualised; \*\* Fund Returns are net of fees

Risk Statistics

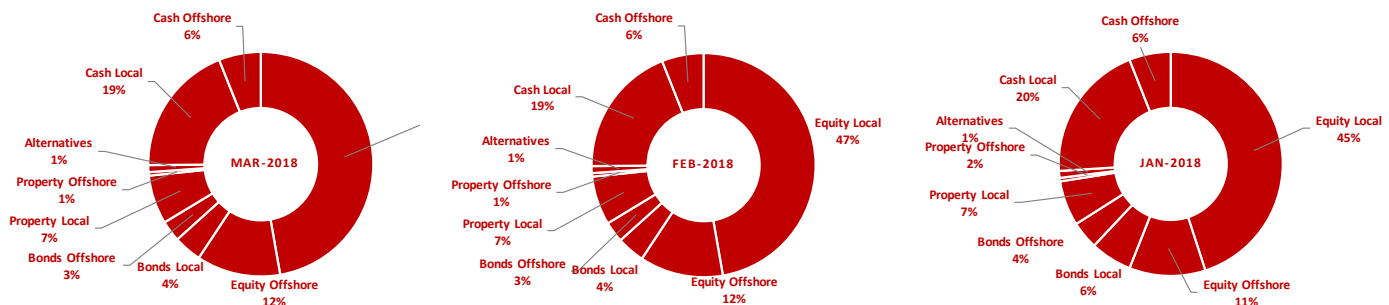
Risk Metrics	Fund (A1)	Benchmark
Volatility	7.28%	0.38%
Tracking Error	7.37%	
Information Ratio	-0.37	
Correlation	-0.17	
Beta	1.10	
Sharpe Ratio	0.30	
Max (Rolling 12 Mths)	24.25%	14.78%
Min (Rolling 12 Mths)	-18.39%	9.00%
Alpha	-2.62%	

\* Annualised

Monthly Performance		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2018	0.63%	0.09%	-1.88%										-1.17%
Benchmark	2018	0.89%	0.89%	0.89%										2.69%
Fund	2017	0.98%	0.08%	0.78%	0.94%	-0.24%	-0.80%	2.00%	0.42%	0.73%	3.16%	-0.11%	-1.87%	6.15%
Benchmark	2017	0.96%	0.97%	0.95%	0.95%	0.94%	0.93%	0.93%	0.92%	0.91%	0.90%	0.89%	0.89%	11.73%
Fund	2016	-1.61%	-0.10%	1.88%	0.16%	2.75%	-1.49%	-0.02%	0.90%	-0.38%	-0.62%	0.88%	0.42%	2.76%
Benchmark	2016	0.95%	0.96%	0.94%	0.96%	0.97%	0.98%	0.97%	0.96%	0.95%	0.96%	0.96%	0.97%	12.14%
Fund	2015	0.86%	2.83%	0.60%	2.10%	-0.17%	-0.86%	1.18%	-0.15%	-0.16%	3.20%	0.45%	0.89%	11.22%
Benchmark	2015	0.92%	0.93%	0.93%	0.95%	0.95%	0.96%	0.98%	0.97%	0.95%	0.94%	0.93%	0.93%	11.94%
Fund	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%
Benchmark	2014	0.97%	0.99%	0.99%	1.00%	0.99%	0.98%	0.98%	0.99%	0.97%	0.96%	0.96%	0.94%	12.36%
Fund	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%
Benchmark	2013	0.92%	0.93%	0.94%	0.95%	0.93%	0.94%	0.95%	0.96%	0.97%	0.97%	0.97%	0.97%	11.99%

Asset Class Returns	Mar-18
ALSI (TR)	-4.18%
ALBI (TR)	2.05%
SAPY (TR)	-0.96%
CASH	0.60%
ZAR/USD	11.84

Asset Allocation



Data Source: Collective Endeavours Consulting (Pty)



Links

Fund Objectives and Key Facts

Fund Performance

Portfolio Commentary

Contact Details and Disclaimer

### Fund Commentary

For South African investors the year kicked off on a very positive note. With a competent president at the helm and some early initiatives to improve government accountability and a deteriorating budget, investor confidence was restored to levels not seen in many years. The overriding message of the state of the nation address which was delivered by Cyril Ramaphosa was that of a “new dawn” and focused on youth employment and the redistribution of land without compensation. The announcement of the 2018/2019 budget was rather balanced and “election friendly” but was enough for Moody’s to amend their outlook on SA sovereign debt from negative to stable, this was enough to avert a downgrade to junk status.

The strong rand, falling inflation and the 25bps rate cut by the MPC in March provided a significant tailwind for local bonds which have been one of the best performing asset classes year-to-date, producing a stellar return of 8%. The only other local asset classes that produced a positive return in Q1 were cash and local preference shares which were up 1.8% and 2.0% respectively.

The listed property sector cannot be ignored following a diabolical start to the year, falling 19.6% in the first quarter. The biggest detractors were counters from the Resilient group (Resilient -67%, Nepi Rockcastle -46%, Fortress (A) -14% and (B) -72% and Greenbay -61%) who have been caught up in an accounting scandal and have received a lot of attention for questionable corporate governance. The impact of the sell-off in this space is evident in many multi-asset portfolios but we are happy to report that we had little to no exposure and were thus unaffected. In fact, the domestic orientated property exposure in your portfolio produced a steady return of approximately 3% over the same period. Contrary to the index heavyweights, domestic counters benefitted from the recent rate cut by the MPC, the improvement in local sentiment and the rebalancing effects following the change in the index weights due to the Resilient debacle.

Global equities sold off heavily in March as President Trump’s decision to impose steep tariffs on steel and aluminium imports as well as on consumer goods from China ignited concerns of a potential trade war. The JSE didn’t escape the increase in volatility and closed the month of March down 4.2%. During the quarter the local bourse was held back by the strong rand (which strengthened approximately 4% against the US\$) and a significant sell-off in Naspers (which fell 16%). After a strong run in 2017, it isn’t surprising to see investors taking profits. The market isn’t cheap, and although corporate and households are more upbeat about the local economy, investors are likely to wait for further evidence of the improving backdrop in corporate earnings in the coming months.

The global economy continues to grow in a synchronise fashion, but it appears that the “Goldilocks” phase of the cycle is coming to an end. Leading indicators in Europe such as the activity surprise index reversed sharply in recent months and suggests that growth might have peaked. Although the Federal Reserve is expected to raise rates at least two more times in 2018, GDP growth is expected to remain above trend in the US for the foreseeable future. The year-to-date returns of global equities reflect the increase in volatility and tighter monetary conditions, with all major indices ending the quarter in negative territory and the MSCI World Index was down 1.3. The potential for an ongoing trade war hurt European equity stocks worse than most while a weaker dollar helped support emerging markets which were stand out performers in a difficult quarter.

It hasn’t been an easy quarter, but we remain comfortable with the fund’s positioning and the diversification benefits provided by the portfolio are valuable in times like this. Global growth is still intact and we expect returns to normalise over the medium to long term, especially as global monetary policy returns to normality after a prolonged period of QE.

### Glossary of Terms

**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.

**Total Expense Ratio** 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.

**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.

**Risk Profile (Medium to High):** The investors’ primary aim is to achieve the required capital growth necessary to realise his/her long-term goals and objectives. The investor is 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.

**Volatility** is a statistical measure of the dispersion of returns for a given security or market index.

**Tracking error** is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

**Information ratio**, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager’s portfolio divided by the amount of risk that the manager takes relative to the benchmark.

**Sharpe Ratio** is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk. 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).

**Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

**Alpha** is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.



Links

Fund Objectives and Key Facts

Fund Performance

Portfolio Commentary

Contact Details and Disclaimer

Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd

[www.primeinvestments.co.za](http://www.primeinvestments.co.za)

+27 (0)10 594 2100  
+27 (0)86 642 1880  
[save@primeinvestments.co.za](mailto:save@primeinvestments.co.za)

1st Floor, Building B,  
Hurlingham Office Park,  
59 Woodlands Ave, Hurlingham Manor,  
Sandton

PostNet Suite 208,  
Private Bag X9,  
Benmore, 2010

**Fund Contact Details****Fund Manager**

Lynx Fund Managers (Pty) Ltd.  
(FSP No: 23987)

+27 (0)11 707 9940

**Trustee**

Societe Generale Security Services

+27 (0)11 448 8800

**Administrator**

Global Independent Administrators

+27 (0)10 594 2100

[save@primeinvestments.co.za](mailto:save@primeinvestments.co.za)

**Disclaimer**

This is a minimum disclosure document and a general investor report. Collective Investment Schemes are generally medium to long term investments. The value of participatory interests may go down as well as up. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Past performance is not necessarily an indication of future performance. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close portfolios to new investors in order to manage them more efficiently in accordance with their mandates. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Lump sum investment performances are quoted. Income distributions are in the calculations. Performance numbers and graphs are sourced from Collective Endeavours Consulting (Pty) Ltd. NAV to NAV figures have been used. The investment performance is for illustrative purposes only. The investment performance is calculated after taking the actual initial fees and all ongoing fees into account. The reinvestment of income is calculated on the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. Foreign securities may be included in the portfolio from time to time and as such may result in the following: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information. One can also obtain additional information on Prime products on the Prime CIS website and all price related queries or information is readily available on request. Fund of funds are portfolios 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 funds. The daily cut off time is 14:00 for trades and the valuation point is 17:00. Prices are published on Finswitch by 10:00 daily. Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd is a registered Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a wholly owned subsidiary of Prime Financial Services (Pty) Ltd, a member of ASISA.