



Fund Objectives and Key Facts

Fund Performance

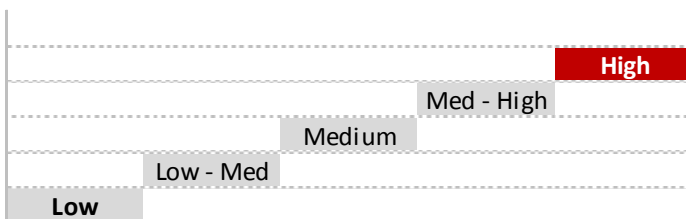
Portfolio Commentary

Contact Details and Disclaimer

### Fund Objective

The objective of the Lynx Prime 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.

### Investor Risk Profile\*



\*Please refer to glossary section for further information.

### Fund Facts

Classification	South African - Equity - General	
Benchmark	FTSE/JSE Africa All Share J203	
Inception Date of Fund	02 February 2009	
Inception Date of Class	02 February 2009	
Total Portfolio Size	68.2 M	
NAV price	Launch	1000.00 (cpu)
	31-Jul-18	2955.64 (cpu)
JSE code	LPOA1	
ISIN number	ZAE000221230	
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	No	
Issue date	26 August 2018	

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

Distribution	Dividend	Interest	Other	Total
Feb-18	14.3399	2.1635	0.3533	16.8566
Aug-17	16.4717	9.3857	0.3148	26.1723

NAV Values	May-18	Jun-18	Jul-18
Fund Units	2 234 507	2 244 977	2 309 856
Fund NAV	R 65 096 271	R 66 309 370	R 68 186 915
Class NAV	R 57 257 353	R 57 802 831	R 57 635 144

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

### Fund Universe

The Lynx Prime Opportunities Fund of Funds is a multi-managed fund that will consist of a mix of collective investment portfolios investing predominantly in equities.

### Investment Strategy

The fund may also invest in property, bond and money market collective investments in line with the portfolio objective.

### Who should be investing ?

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.

### Total Investment Charges

Period (annualised): Mar 17 to Feb 18

**Total Expense Ratio (TER) 1.67 %**

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) 0.29 %**

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

**Total Investment Charges (TIC) 1.96 %**

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 **1.67 %**, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

### Portfolio Fees

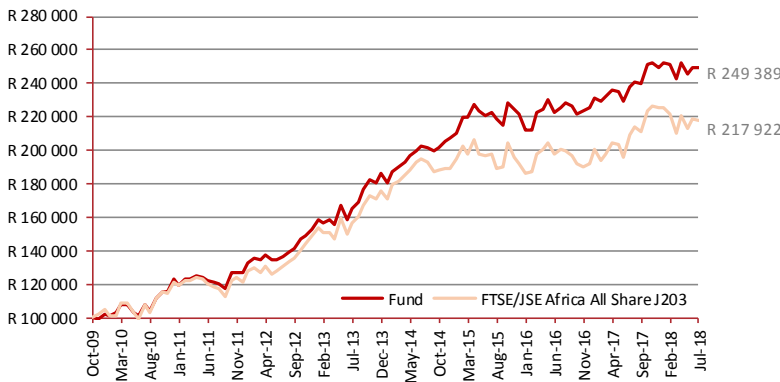
Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	0.55% (excl. VAT)

### 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
Gryphon All Share Tracker Fund	32.91%
Visio BCI Actinio Fund	20.28%
Laurium Flexible Prescient Fund	19.78%
PSG Equity Fund	14.59%
Nedgroup Investments Property Fund	5.00%

Period	July-2018		June-2018		May-2018		Risk Statistics		
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Risk Metrics	Fund (A1)	Benchmark
1 Month	-0.06%	-0.31%	1.39%	2.59%	-2.35%	-3.60%	Volatility	9.31%	11.62%
3 Months	-1.05%	-1.41%	2.68%	3.85%	-2.07%	-3.72%	Tracking Error	4.19%	
6 Months	-1.24%	-3.48%	-0.09%	-3.17%	-2.34%	-6.04%	Information Ratio	0.41	
YTD	-0.15%	-3.47%	-0.09%	-3.17%	-1.46%	-5.62%	Correlation	0.94	
1 Year	4.64%	4.03%	8.64%	11.63%	4.74%	4.85%	Beta	0.76	
2 Years	5.18%	4.30%	5.92%	5.04%	3.31%	2.07%	Sharpe Ratio	0.50	
3 Years	3.86%	3.33%	4.22%	3.61%	3.29%	2.42%	Max (Rolling 12 Mths)	25.92%	28.71%
5 Years	8.52%	6.82%	9.45%	7.80%	8.04%	5.97%	Min (Rolling 12 Mths)	-3.69%	-7.36%
Since Inception	11.01%	9.31%	11.02%	9.35%	10.84%	9.03%	Alpha	2.15%	

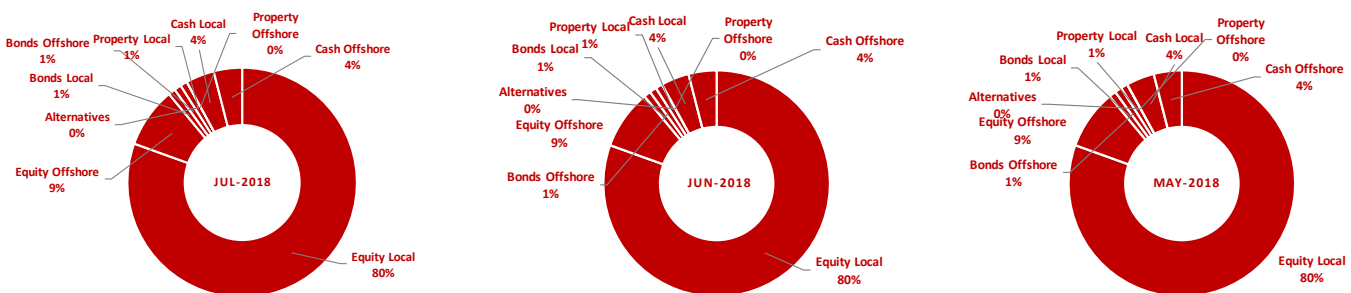
\* Returns above one year are annualised; \*\* Fund Returns are net of fees

\* Annualised

Monthly Performance		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2018	1.11%	-0.48%	-3.30%	3.71%	-2.35%	1.39%	-0.06%						-0.15%
Benchmark	2018	0.01%	-1.98%	-4.89%	5.01%	-3.60%	2.59%	-0.31%						-3.47%
Fund	2017	2.51%	-0.66%	1.01%	1.93%	-0.58%	-2.25%	3.76%	0.89%	-0.14%	4.53%	0.41%	-0.90%	10.79%
Benchmark	2017	4.21%	-3.11%	1.78%	3.38%	-0.47%	-3.64%	6.97%	2.38%	-1.67%	6.12%	1.34%	-0.45%	17.47%
Fund	2016	-4.42%	0.05%	4.90%	0.84%	2.85%	-3.55%	1.35%	1.17%	-0.83%	-2.01%	0.89%	0.82%	1.70%
Benchmark	2016	-3.06%	0.56%	5.74%	1.35%	1.79%	-3.13%	1.11%	-0.12%	-1.49%	-2.62%	-0.75%	0.88%	-0.08%
Fund	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%
Benchmark	2015	3.01%	4.05%	-2.18%	4.33%	-3.99%	-0.89%	0.48%	-4.00%	0.23%	7.40%	-4.06%	-1.77%	1.86%
Fund	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%
Benchmark	2014	-2.43%	4.87%	0.93%	2.30%	1.56%	2.64%	0.88%	-0.85%	-3.18%	0.78%	0.38%	-0.28%	7.59%
Fund	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%
Benchmark	2013	3.14%	-1.91%	0.38%	-2.82%	8.47%	-5.80%	4.33%	2.27%	4.27%	3.37%	-1.19%	2.85%	17.86%

Asset Class Returns	Jul-18
ALSI (TR)	-0.25%
ALBI (TR)	2.42%
SAPY (TR)	-0.50%
CASH	0.59%
ZAR/USD	13.10

Asset Allocation



Data Source: Collective Endeavours Consulting (Pty)



Links

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### Fund Commentary

The backdrop for emerging markets turned sour in the second quarter, driven predominantly by the Fed which has reiterated its plans to continue its monetary tightening program, worries over Trump's protectionist policies and the potential for a full-blown trade war with China. South Africa failed to escape the negative sentiment, which weighed in on the returns of local interest sensitives such as bonds and listed property in the second quarter, falling 3.8% and 2.2% respectively. In fact, the JSE recently reported record outflows from SA bonds in June which dwarves the outflows experienced in the 2013 "Taper Tantrum". The exit by foreigners and subsequent spike in yields has provided a sanguine opportunity for local investment managers to step up to the plate and lock in an attractive yield.

At the start of 2018, local inflation expectations were anchored near 4%, which together with the synchronised global recovery and renewed political optimism with Cyril Ramaphosa at the helm, improved the chances for further interest rate cuts. More recently however, the surge in the oil price that has largely been driven by geopolitical tension, together with a weakening rand has eliminated any chance of rate cuts in 2018. In fact, the local bond market is currently pricing in a 60% chance of 50bps worth of hikes by the SARB by year-end.

Although local consumer sentiment has improved, there has been little evidence of an uptick in business confidence and domestic economic activity continues to disappoint. The Q1 GDP print for example came in far worse than expected, contracting 2.2% in the 1st quarter, stunning market participants, further accelerating the sell-off in local bond and equity markets. The biggest detractors came from manufacturing and mining, contributing a combined 1.6% of the 2.2% contraction. Additionally, SOE's such as heavily indebted Eskom, is already disappointing investors with threatened load shedding and high wage demands while SA Government remains the entities guarantor. It is no surprise then that businesses are not willing to commit to major investments and growth remains lacklustre.

The saving grace for local investors in Q2 has been the weakness of the Rand, which until recently has been unusually strong. It's estimated that 62% of the earnings of local listed companies in the Top 40 are derived offshore which provides a tailwind for local equities in a Rand weakening environment. The resource sector is a prime example of this and has been one of the best performing sectors recently. Not only have they benefited from an improvement in global growth and more stable commodity prices, but the Rand at these levels will help expand profit margins and improve their cash flow positions. Over the last 3 months, the JSE Basic Materials Index is up 19.2% and YTD it has gained 12.6% which makes it the only major index in positive territory.

Despite the recent sell-off in EM equities and divergence in returns across local sectors, Lynx Opportunities had managed to protect capital in a tricky environment and has maintained a consistent ranking near the top of the second quartile over a 3 and 5 year period.

### 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 (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.

**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

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