

Nov 2019

Lynx Investment Philosophy & Investment Strategy

The Lynx Prime Collective Investments are managed on a multi-manager, multi-asset class basis. Using this approach allows us to select the best of breed managers and achieve better diversification across investment styles and asset classes. The additional diversification allows the funds to achieve their return objectives at lower risk than their peers. With the funds exhibiting lower volatility and drawdowns than their peers over time.

Our manager selection process aims to find high quality managers that use different approaches and investment styles, that when combined are able to consistently rank amongst the top performers within that assets class. i.e. this approach should ensure that our equity "box" should rank amongst the top equity funds. Managers are accessed on an ongoing basis with any which fail to meet our expectation being replaced.

The asset allocation is undertaken with both the mandate and the peers in mind. With significant deviation from the average being avoided in order to reduce the volatility of our peer group ranking and enhancing our long-term returns. We are peer group aware and strive to produce returns which place the funds in the top 2 quartiles vs their peer group on a consistent basis. This is monitored on an ongoing basis, with proactive steps taken the funds start to lag their peers. Ultimately if we can produce better than average returns at lower risk on a continent basis, investors will improve the likelihood of achieving their investment goals.

Fund Objective

The objective of the Lynx Prime Cautious 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 3% measured over a rolling 3 year period.

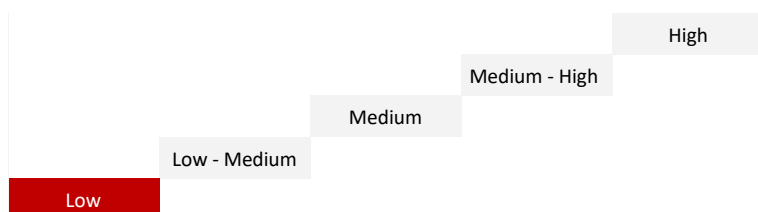
Fund Universe

The Lynx Prime Cautious 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.

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.

Investor Risk Profile



Income Distribution

| Date | Dividend | Interest | Other | Total |
|-------------|----------|----------|--------|---------|
| August 2019 | 12.3701 | 39.0677 | 4.4619 | 55.8997 |
| Feb 2019 | 9.2060 | 24.7615 | 6.2198 | 40.1873 |

Fund Net Asset Value

| | Sep 19 | Oct 19 | Nov 19 |
|------------|---------------|---------------|---------------|
| Fund Units | 12 663 235 | 12 409 152 | 12 345 962 |
| Fund NAV | R 234 952 688 | R 232 694 581 | R 231 295 171 |
| Class NAV | R 141 050 574 | R 137 621 307 | R 136 361 346 |

Fund Information

| | | |
|-------------------------|---------------------------------|---------------|
| Classification | SA Multi-Asset _ Low Equity | |
| Benchmark | CPI + 3% | |
| Inception Date of Fund | 03 May 2005 | |
| Inception Date of Class | 01 July 2005 | |
| Total Portfolio Size | R 231 295 171 | |
| NAV Price | Launch | 1000.00 (cpu) |
| | Month End | 1862.76 (cpu) |
| JSE Code | LPCA1 | |
| ISIN Number | ZAE000221198 | |
| Income Declaration | February, August | |
| Valuation | Valuation Time : 17h00 (daily) | |
| | Dealing cut-off : 14h00 (daily) | |
| Payment | 3rd working day of Mar / Sept | |
| Min. Initial Investment | R 10 000 lump sum | |
| | R 1000 debit order | |
| Regulation 28 Compliant | Yes | |
| Issue Date | 10 December 2019 | |

Total Investment Charges

Period (Annualised): March 2018 to February 2019

Total Expense Ratio (TER) 1.47 %

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 necessarily be an accurate indication of future TER's.

Transaction Costs (TC) 0.1 %

Costs relating to the buying and selling of the assets underlying the financial

Total Investment Charges (TIC) 1.57 %

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.

Portfolio Fees (Incl. in TIC)

| | |
|---------------------------|----------------------------|
| Management Fee | 0.15% p.a. (Excluding VAT) |
| Performance Fee | Not Applicable |
| Advisory Fee | Not Applicable |
| Investment Management Fee | 0.55% p.a. (Excluding VAT) |

Mandate Compliance

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

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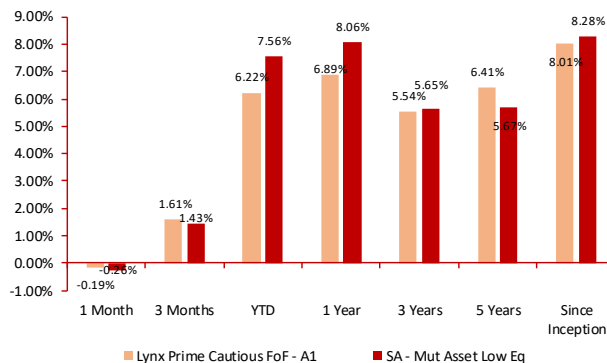
Top Holdings

ABSA Bank Ltd Pref
ABSA Group Ltd
BHP Group Plc
British American Tob Plc
Firststrand Ltd Pref
Impala Platinum Hdgs Ltd
Investec Ltd Pref
Naspers Ltd
New Gold ETF
Std Bank Group Ltd pref

Top 5 Manager Holdings

| | |
|-----------------------------------|--------|
| Lynx Prime Global Diversified FoF | 17.51% |
| Prescient Income Provider Fund | 17.03% |
| Matrix Novare Stable Inc. Fund | 11.84% |
| Sanlam Select Bond Plus Fund | 10.05% |
| Laurium Flexible Prescient Fund | 9.85% |

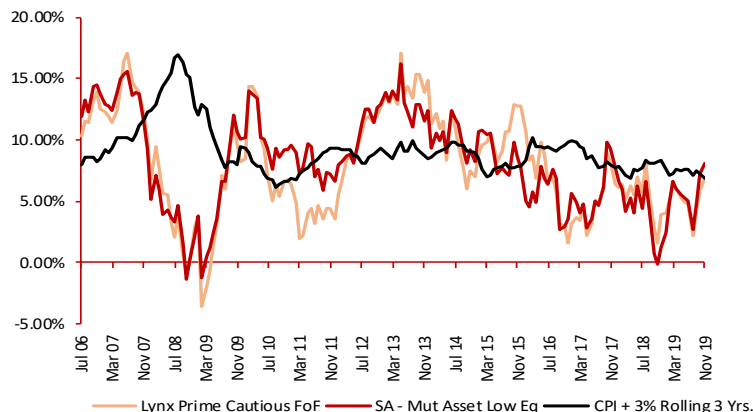
Trailing Returns



Source : Morningstar

Fund vs the ASISA South African Multi Asset Low Equity Average

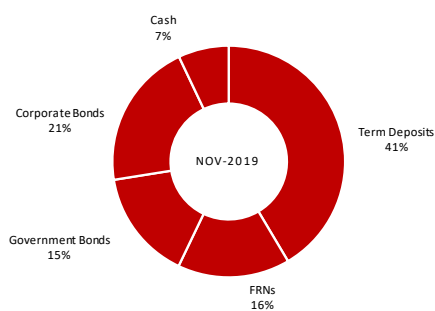
12 Months Rolling Returns



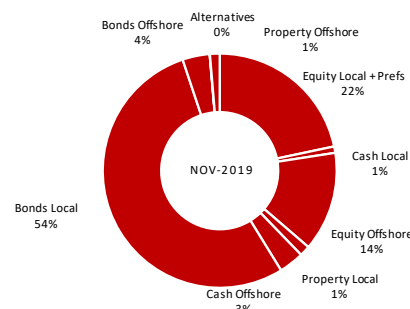
Periodic Returns & Risk Measures

| | Fund | Benchmark | Category Avg. |
|-----------------------|--------|-----------|---------------|
| 1 Month | -0.19% | 0.32% | -0.26% |
| 3 Months | 1.61% | 1.28% | 1.43% |
| YTD | 6.22% | 6.34% | 7.56% |
| 1 Year | 6.89% | 6.80% | 8.06% |
| 3 Years | 5.54% | 7.67% | 5.65% |
| 5 Years | 6.41% | 8.07% | 5.67% |
| Since Inception | 8.01% | 8.91% | 8.28% |
| Max (Rolling 12 Mths) | 17.10% | 17.00% | 16.19% |
| Min (Rolling 12 Mths) | -3.64% | 6.13% | -1.37% |
| Volatility | 3.96% | 1.48% | 3.67% |
| Sharpe Ratio | 0.18 | n/a | 0.26 |

Fixed Interest Sector Allocation



Asset Allocation as at 30 November 2019



Monthly Performance

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Fund YTD | Bmk YTD | Sector Avg. |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|---------|-------------|
| 2019 | 0.60% | 1.32% | 0.74% | 1.78% | -0.95% | 0.91% | 0.04% | 0.04% | 0.73% | 1.06% | -0.19% | | 6.22% | 6.34% | 7.56% |
| 2018 | 0.47% | 0.40% | -0.34% | 1.95% | -0.32% | 1.26% | 0.15% | 2.60% | -1.16% | -0.58% | -1.15% | 0.63% | 3.91% | 8.34% | 1.18% |
| 2017 | 0.68% | 0.10% | 0.81% | 0.91% | 0.39% | -0.08% | 1.33% | 0.29% | 1.22% | 2.15% | -0.04% | -1.58% | 6.31% | 8.60% | 7.75% |
| 2016 | -0.84% | -0.34% | 0.97% | -0.21% | 2.78% | -1.05% | -0.44% | 0.66% | -0.34% | -0.37% | 0.66% | 0.19% | 1.62% | 8.86% | 3.54% |
| 2015 | 1.14% | 1.70% | 0.66% | 1.48% | 0.10% | -0.16% | 1.56% | 0.41% | 0.72% | 2.17% | 0.96% | 1.41% | 12.82% | 8.66% | 7.72% |
| 2014 | -0.62% | 1.01% | 0.38% | 0.83% | 1.14% | 1.02% | 0.76% | -1.11% | 0.74% | 0.13% | 1.06% | 1.40% | 6.92% | 9.07% | 8.26% |
| 2013 | 2.55% | 0.25% | 1.57% | 0.28% | 4.03% | -2.47% | 1.71% | 0.42% | 2.42% | 1.74% | -0.27% | 1.89% | 14.90% | 8.71% | 12.43% |
| 2012 | 1.66% | 0.76% | 0.92% | 1.04% | 0.37% | 0.38% | 1.18% | 1.28% | 0.65% | 1.74% | 0.97% | 1.01% | 12.63% | 8.14% | 12.94% |
| 2011 | -0.19% | -0.28% | -0.84% | 0.95% | 0.76% | -0.53% | -0.23% | 0.32% | 0.52% | 2.17% | 0.45% | 0.46% | 3.58% | 8.63% | 6.64% |
| 2010 | 0.13% | 1.14% | 2.02% | 0.67% | -0.92% | -0.98% | 1.03% | -1.11% | 1.64% | 1.26% | 0.42% | 1.29% | 6.73% | 10.38% | 9.19% |
| 2009 | -0.03% | -4.12% | 2.07% | 1.23% | 2.27% | -0.22% | 3.09% | 0.91% | 0.35% | 2.14% | -0.70% | 1.16% | 8.25% | 11.42% | 10.03% |
| 2008 | -0.93% | 3.28% | 0.32% | -0.07% | 0.16% | -1.84% | -0.73% | 1.88% | -2.11% | -0.19% | 0.74% | 2.46% | 2.86% | 10.51% | 2.12% |
| 2007 | 2.04% | 0.77% | 2.05% | 1.79% | 0.29% | 0.21% | 0.44% | 0.20% | 1.09% | 1.27% | -0.16% | -0.42% | 9.96% | 8.20% | 9.14% |
| 2006 | 2.31% | 1.09% | 2.45% | 0.89% | -1.24% | -1.77% | -0.09% | 2.30% | 1.49% | 1.58% | 1.49% | 1.47% | 12.54% | 6.26% | 13.69% |

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Fund Commentary

In the third quarter, local investors were not rewarded by risk assets, especially domestic facing stocks that continue to feel the lethargy of the South African economy. While there was a bifurcation in the performance between “Sa Inc” and “Rand hedge” stocks during the quarter (the former lagging significantly), both baskets on average ended the quarter in negative territory with the JSE All Share Index down 4.6%. In the absence of resources, Naspers and some of the other dual listed’s, the ALSI would certainly be in a bear market, and would more accurately reflect the sorry state of affairs in the country.

In the 3rd quarter, the Rand took direction from a gloomier global environment, weakening by close to 8% against the US\$ and 4% against Pound Sterling. After an initial rally early in the quarter, SA bonds moderated as the global risk-off sentiment came to the fore, generating a return of 0.7% for Q3.

On a more positive note, Stats SA released the 2nd quarter GDP figures which came in at 3.1% QoQ which was a welcome surprise following the significant contraction of 3.2% in the first quarter. Mining showed the largest growth of 14% followed by the financial sector (+4.1%), trade (+3.9%) and government (+3.4%). The main sectors that showed a decline were construction (-1.6%) and agriculture (-4.2%). While the stronger numbers have offered some relief to investor sentiment, the reserve bank have highlighted that the SA economy remains in its longest downward cycle since 1945.

Going into the 4th quarter, all eyes will be on ratings agency Moody’s, who is expected to review SA’s credit rating in November and could potentially downgrade SA sovereign debt by one notch to junk status. Their concerns rest with the increasing debt to GDP ratio which has been hampered by the ill effects of keeping Eskom (and other SOE’s) on life-support, the low economic growth rate, and the structurally high level of unemployment. Time is running out for the government to show ratings agencies that they have a clear plan to ignite growth and to improve the budget deficit that is currently showing no signs of narrowing. It is expected that we’ll get more clarity on governments plan of action for Eskom in, or at around the same time as the Medium-Term Budget Policy Statement (MTBPS), which is expected to be delivered on the 30th of October 2019.

From an investment perspective, it appears that a downgrade to junk status is mostly priced into local bond yields, but the potential increase in short term volatility remains a risk in the event of a downgrade due to the subsequent exclusion from World Government Bond Index (WGBI) and the implications of forced foreign selling. That said, relative to other emerging markets (with similar credit ratings), SA bonds look fairly attractive and should be supported by the weakening global economy and widening impact between DM and EM yields generally. Locally, inflation does not pose a serious risk, but the SARB remains caught between a rock and a hard place. On the one hand encouraging foreign portfolio flows by running high real yields in a world devoid of yield, while on the other hand keeping rates low enough to foster economic activity. On the SARB’s current trajectory and a continuation of quantitative easing/ further rate cuts in developed countries will make a SA bonds an attractive proposition for the “carry trade”.

There is no doubt that there are opportunities in the local market, and although South Africa has its own unique set of problems, it’s important to remember that SA is a small cog in a much larger machine and will take direction from the global economy. There has been a marginal economic slowdown in global growth recently but some finality on the US China trade deal has the potential to reignite global trade which stands to benefit emerging markets. An improvement in local consumer and business confidence could encourage a turnaround for many SA assets that are attractively priced relative to history and their global peers. Furthermore, policy certainty has the potential to secure much needed foreign fixed capital investments, which along with the successful implementation of a broad-based, investor friendly growth plan, has the potential to turn the economy around.

SA Indices & Indicators

| EQUITY INDICES | 30 Nov 19 | YTD | 1M | 3 M |
|-------------------|-----------|--------|--------|-------|
| All Share J203T | 8 384 | 8.46% | -1.80% | 1.49% |
| Resources J258T | 3 306 | 20.16% | -0.89% | 5.25% |
| Industrials J520T | 7 898 | -9.66% | -3.70% | 4.31% |
| Financials J580T | 9 735 | -0.11% | -1.47% | 5.68% |

| SECTOR INDICES | 30 Nov 19 | YTD | 1M | 3 M |
|-------------------------|-----------|--------|--------|---------|
| Basic Materials J510T | 4 266 | 20.35% | -0.89% | 5.25% |
| Industrial 25 J211T | 13 452 | 8.35% | -2.74% | -3.33% |
| Health Care J540T | 7 508 | -6.99% | 8.21% | 23.17% |
| Consumer Services J550T | 40 699 | 2.58% | -3.08% | 4.72% |
| Telecom J560T | 12 546 | 2.90% | -4.45% | -7.68% |
| Financials J580T | 9 735 | -0.11% | -1.47% | 5.68% |
| Technology J590T | 4 166 | -5.23% | -2.80% | -10.57% |

| SIZE & STYLE INDICES | 30 Nov 19 | YTD | 1M | 3 M |
|----------------------|-----------|--------|--------|-------|
| Top 40 J200T | 7 408 | 8.47% | -2.03% | 0.88% |
| Mid Cap J201T | 16 917 | 10.40% | 0.61% | 7.66% |
| Small Cap J202T | 17 183 | -4.30% | -1.20% | 2.74% |

| SA LISTED PROPERTY & SA BOND INDEX | 30 Nov 19 | YTD | 1M | 3 M |
|------------------------------------|-----------|-------|-------|-------|
| SA List Prop (SAPY) J253T | 1 917 | 4.08% | 0.81% | 3.02% |
| ALBI Total Return - Beassa (ALBI) | 686 | 8.30% | 0.22% | 0.38% |

| CASH | 30 Nov 19 | YTD | 1M | 3 M |
|--------------------------------|-----------|-------|-------|-------|
| STEFI Composite Index (STFIND) | 438 | 6.67% | 0.56% | 1.74% |

| EXCHANGE RATES | 30 Nov 19 | YTD | 1 M | 3 M |
|----------------------------------|-----------|--------|--------|--------|
| ZAR/USD | 14.67 | | 15.11 | 15.18 |
| Rand (Appreciation)/Depreciation | | 1.95% | -2.91% | -3.36% |
| ZAR/GBP | 18.95 | | 19.49 | 18.49 |
| Rand (Appreciation)/Depreciation | | 3.44% | -2.77% | 2.49% |
| ZAR/EUR | 16.16 | | 16.81 | 16.72 |
| Rand (Appreciation)/Depreciation | | -1.70% | -3.87% | -3.35% |

| BORROWING RATES | 30 Nov 19 | 1 m Ago | 3m Ago |
|-------------------------|-----------|---------|--------|
| SA Repo Rate | 6.50% | 6.50% | 6.75% |
| SA Prime Overdraft Rate | 10.00% | 10.00% | 10.25% |

| ECONOMICS | Last Avail. | 2018 | 2017 | 2016 |
|-----------------------------------|-------------|--------|--------|--------|
| SA Real GDP YoY | 0.10% | 1.10% | 1.30% | 0.30% |
| CPI YoY | 3.70% | 5.20% | 5.30% | 6.30% |
| Current A/C Balance as a % of GDP | -3.50% | -2.50% | -2.80% | -4.60% |
| Unemployment Rate | 29.10% | 27.50% | 27.50% | 26.70% |

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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.

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.

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).

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.