

### 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 Global Diversified Fund of Funds is to provide investors access to a diversified portfolio of collective investments invested predominantly in the equities asset class. The fund aims to provide investors with above average capital growth over the long term.

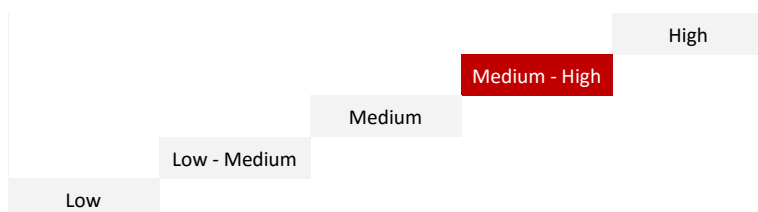
### Fund Universe

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

### Who should be investing?

The fund's asset allocation is suited to investor with a moderately aggressive approach to risk. The fund **does not** conform to Regulation 28 of the Pension Fund Act.

### Investor Risk Profile



### Income Distribution

| Date        | Dividend | Interest | Other | Total  |
|-------------|----------|----------|-------|--------|
| August 2019 | 0.00     | 0.00     | 0.00  | 0.0000 |
| Feb 2019    | 0.00     | 0.00     | 0.00  | 0.0000 |

### Fund Net Asset Value

|            | Dec-19        | Jan-20        | Feb-20        |
|------------|---------------|---------------|---------------|
| Fund Units | 178 363 591   | 171 020 852   | 158 107 429   |
| Fund NAV   | R 545 805 695 | R 551 507 404 | R 505 876 233 |
| Class NAV  | R 165 168 781 | R 173 165 636 | R 167 192 219 |

### Fund Information

|                         |                                 |              |
|-------------------------|---------------------------------|--------------|
| Classification          | Global - Multi Asset - Flexible |              |
| Benchmark               | US Libor + 2% (ZAR)             |              |
| Inception Date of Fund  | 28 February 2002                |              |
| Inception Date of Class | 02 November 2009                |              |
| Total Portfolio Size    | R 505 876 233                   |              |
| NAV Price               | Launch                          | 100.00 (cpu) |
|                         | Month End                       | 317.99 (cpu) |
| JSE Code                | LPGCB                           |              |
| ISIN Number             | ZAE000221289                    |              |
| 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 | No                              |              |
| Issue Date              | 18 March 2020                   |              |

### Total Investment Charges

Period (Annualised): July 2018 to June 2019

**Total Expense Ratio (TER)** 1.62 %

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)** 0.02 %

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

**Total Investment Charges (TIC)** 1.64 %

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.

Feb 2020

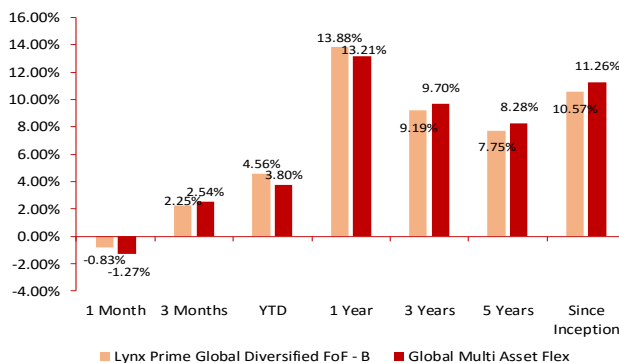
**Top Equities Holdings**

- Airbus SE
- Alphabet Inc.
- BAE Systems Plc
- Charter Comms Inc.
- Facebook Inc.
- New Gold Issuer ETF
- Sanofi SA
- Svenska Handelbanken AB
- Unilever NV
- UnitedHealth Group Inc.

**Top 5 Manager Holdings**

|                                 |        |
|---------------------------------|--------|
| Nedgroup Inv Global Equity Fund | 20.23% |
| Ranmore Global Equity Fund Plc  | 16.44% |
| Schroders Global Recovery Fund  | 14.74% |
| Rubrics Global FI UCITS Fund    | 9.71%  |
| Prescient China Balanced Fund   | 8.45%  |

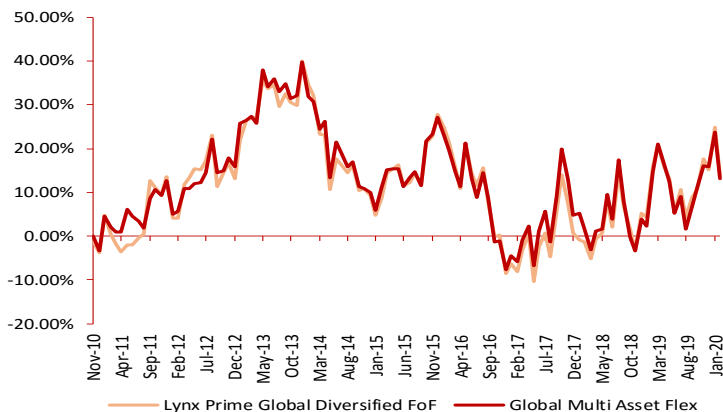
**Trailing Returns**



Source : Morningstar

Fund vs the ASISA Global Multi Asset Flexible Average

**12 Months Rolling Returns**

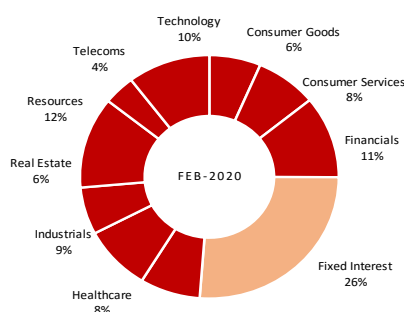


**Periodic Returns & Risk Measures**

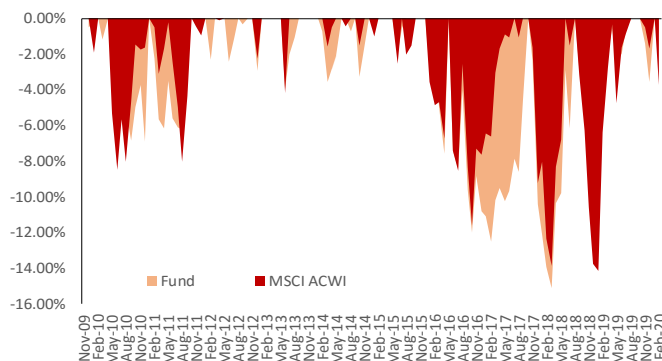
|                       | Fund    | Benchmark | Category Avg. |
|-----------------------|---------|-----------|---------------|
| 1 Month               | -0.83%  | 4.98%     | -1.27%        |
| 3 Months              | 2.25%   | 8.18%     | 2.54%         |
| YTD                   | 4.56%   | 12.99%    | 3.80%         |
| 1 Year                | 13.88%  | 16.52%    | 13.21%        |
| 3 Years               | 9.19%   | 9.91%     | 9.70%         |
| 5 Years               | 7.75%   | 9.67%     | 8.28%         |
| Since Inception       | 10.57%  | 10.65%    | 11.26%        |
| Max (Rolling 12 Mths) | 40.07%  | 39.68%    | 39.70%        |
| Min (Rolling 12 Mths) | -10.25% | -14.28%   | -7.69%        |
| Volatility            | 12.48%  | 15.18%    | 12.17%        |
| Sharpe Ratio          | 0.36    | n/a       | 0.42          |

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

**Asset Allocation as at 29 February 2020**



**Drawdown Analysis over time**



**Monthly Performance**

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | Fund YTD | Bmk YTD | Sector Avg. |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|---------|-------------|
| 2020 | 5.44%  | -0.83% |        |        |        |        |        |        |        |        |        |        | 4.56%    | 12.99%  | 3.80%       |
| 2019 | -2.77% | 8.70%  | 2.80%  | 1.39%  | -1.86% | 0.47%  | 1.38%  | 4.94%  | 1.32%  | 1.94%  | -1.38% | -2.21% | 15.11%   | 18.05%  | 23.66%      |
| 2018 | -1.88% | -2.09% | -1.35% | 5.61%  | 0.61%  | 7.68%  | -3.40% | 11.39% | -2.82% | 0.15%  | -7.29% | 0.03%  | 5.31%    | 21.87%  | 3.95%       |
| 2017 | -0.30% | -1.56% | 2.66%  | 0.76%  | -0.83% | 0.64%  | 2.01%  | -0.79% | 4.37%  | 5.14%  | -2.37% | -8.25% | 0.79%    | -9.24%  | 4.75%       |
| 2016 | -2.77% | 0.43%  | -2.68% | -2.77% | 10.91% | -7.42% | -1.12% | 4.86%  | -5.87% | -2.64% | 3.64%  | -2.22% | -8.64%   | -7.63%  | -7.69%      |
| 2015 | -0.38% | 3.13%  | 2.23%  | 1.48%  | 1.53%  | -2.00% | 1.45%  | 1.14%  | 0.94%  | 5.16%  | 3.21%  | 7.23%  | 27.83%   | 36.84%  | 27.23%      |
| 2014 | 3.80%  | -0.74% | -2.82% | 0.72%  | 0.77%  | 2.10%  | 0.88%  | -0.71% | 3.46%  | -3.26% | 1.87%  | 3.09%  | 9.24%    | 12.76%  | 9.97%       |
| 2013 | 8.02%  | 1.18%  | 4.07%  | 1.00%  | 11.94% | -3.94% | 2.00%  | 1.00%  | 1.84%  | 1.90%  | 1.31%  | 4.69%  | 40.07%   | 26.66%  | 39.70%      |
| 2012 | 0.13%  | -2.30% | 3.70%  | 0.80%  | 4.76%  | -2.40% | 1.30%  | 4.81%  | -0.34% | 3.43%  | 1.80%  | -2.92% | 13.08%   | 7.30%   | 15.72%      |
| 2011 | 9.20%  | -2.28% | -3.46% | -0.55% | 2.87%  | -2.21% | -0.52% | -0.15% | 10.16% | 0.56%  | -0.15% | 0.20%  | 13.46%   | 24.94%  | 12.70%      |
| 2010 | 0.29%  | 1.83%  | -1.17% | 1.14%  | 1.18%  | -2.17% | -2.05% | -0.94% | -1.89% | 2.02%  | 1.35%  | -3.34% | -3.86%   | 16.09%  | 18.27%      |
| 2009 |        |        |        |        |        |        |        |        |        |        |        | -0.51% | -0.51%   | 0.10%   | 0.35%       |

### **Fund Commentary**

The year was a reversal of 2018 losses, where pretty much every asset class was negative last year, 2019 saw these same asset classes all end positive. Global equities rose 9% in the last three months of the year, while developed market government bonds gave up some of their gains but still ended positive.

Several factors helped drive equities and bond yields higher in the final quarter. First of all, the US and eurozone manufacturing business surveys picked up slightly from September, although they remain weak. Second, the service sector business surveys in the US and Europe also picked up. Most importantly, despite headlines involving large job cuts at some companies in Europe, overall employment has held up well, and in the US over 200,000 jobs were added in November. The pick-up in the service sectors, and the resilience of overall employment to the weakness in manufacturing, has helped restore market confidence that a recession is not imminent.

The fourth quarter also saw two significant political risks avoided, at least for now. US tariffs on China were scheduled to increase on 15 December but a phase one trade deal avoided that outcome and provided a significant relief for equity markets. The fact that the US also didn't impose tariffs on European Union auto exports also helped support equities. How long the trade peace will last is anyone's guess but the market ended the quarter cheered by the fact the worst case scenario for trade had, at least for now, been avoided.

The S&P GSCI Spot Index delivered a strong return in Q4, led by energy. Crude oil prices rallied as OPEC+ announced further production cuts to ease oversupply concerns. (OPEC is the 14-strong Organisation of the Petroleum Exporting Countries; OPEC+ includes a further 10 oil producing nations). News of the US-China trade deal also supported the demand outlook for oil. In precious metals, both gold (3.3%) and silver (5.0%) advanced. Industrial metals posted a more modest gain. Copper gained 7.9% but nickel (-17.8%) was firmly down. Spot nickel prices fell as the world's largest producer, Indonesia, lifted export restrictions for some companies.

So it's been a great year to be invested, almost irrespective of what you were invested in. Next year is unlikely to be so indiscriminate and such high returns are likely to be harder to come by. If the global economy reaccelerates, equities should rise, although higher starting valuations might limit the extent of the upside. In this scenario, government bond yields should also move higher, rather than fall as they did in 2019.

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

28 Peter Place, Lyme Park,  
Sandton  
2060

PostNet Suite 208,  
Private Bag X9,  
Benmore, 2010

### Fund Contact Details

#### Fund Manager

Lynx Fund Managers (Pty) Ltd  
FSP No: 23987

#### Trustees

FirstRand Bank Limited  
☎ +27 (0)87 577 8730

#### Administrator

Global Independent Administrators  
☎ +27 (0)10 594 2100

#### Auditors

Deloitte  
☎ +27 (0)11 806 5000

### 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.