

Feb 2020

### 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.

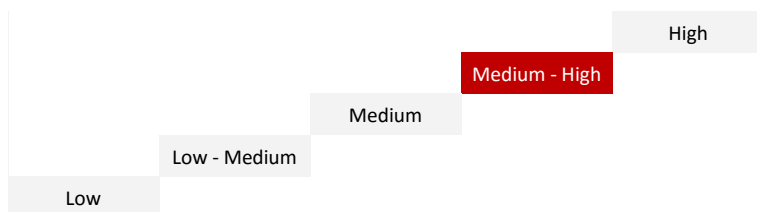
### Fund Universe

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 3 714 772	R 3 913 879	R 3 877 834

### Fund Information

Classification	Global - Multi Asset - Flexible	
Benchmark	US Libor + 2% (ZAR)	
Inception Date of Fund	28 February 2002	
Inception Date of Class	03 January 2011	
Total Portfolio Size	R 505 876 233	
NAV Price	Launch	100.00 (cpu)
	Month End	316.64 (cpu)
JSE Code	LPGB1	
ISIN Number	ZAE000221297	
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)** 1.99 %

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)** 2.01 %

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	0.30% p.a. (Excluding VAT)
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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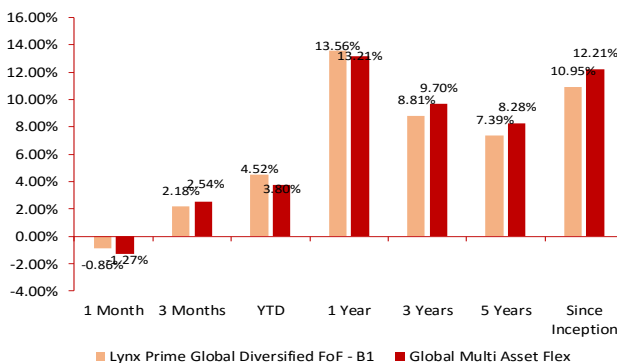
**Top Equities Holdings**

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%

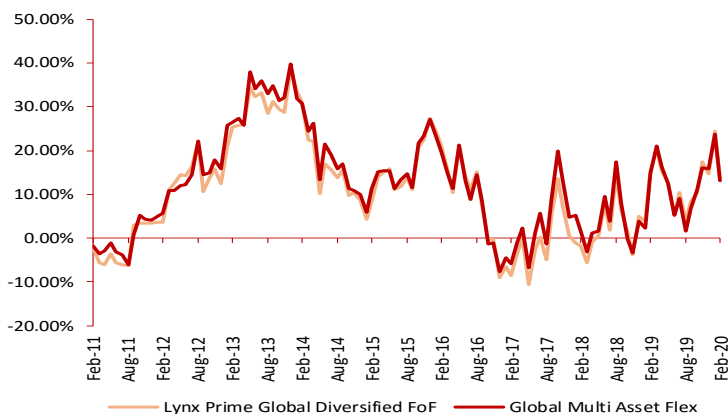
**Trailing Returns**



Source : Morningstar

Fund vs the ASISA Global Multi Asset Flexible Average

**12 Months Rolling Returns**

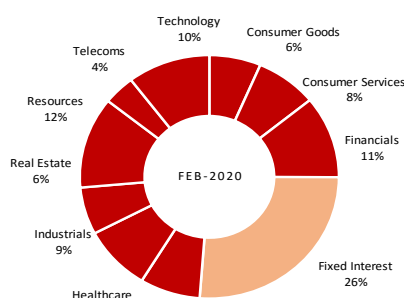


**Periodic Returns & Risk Measures**

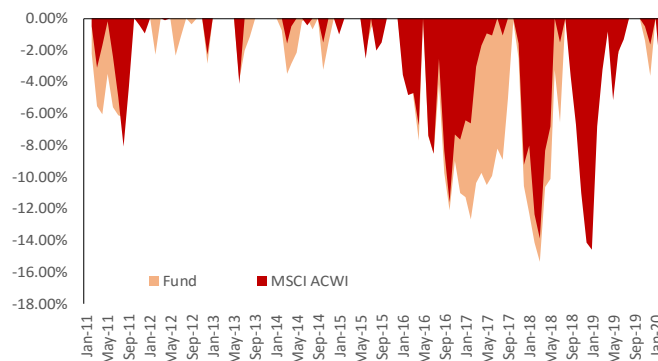
	Fund	Benchmark	Category Avg.
1 Month	-0.86%	4.98%	-1.27%
3 Months	2.18%	8.18%	2.54%
YTD	4.52%	12.99%	3.80%
1 Year	13.56%	16.52%	13.21%
3 Years	8.81%	9.91%	9.70%
5 Years	7.39%	9.67%	8.28%
Since Inception	10.95%	12.13%	12.21%
Max (Rolling 12 Mths)	38.65%	39.68%	39.70%
Min (Rolling 12 Mths)	-10.52%	-14.28%	-7.69%
Volatility	12.61%	15.27%	12.49%
Sharpe Ratio	0.39	n/a	0.48

\* 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.
<b>2020</b>	5.43%	-0.86%											4.52%	12.99%	3.80%
<b>2019</b>	-2.80%	8.67%	2.79%	1.36%	-1.89%	0.45%	1.35%	4.92%	1.30%	1.92%	-1.41%	-2.24%	14.77%	18.05%	23.66%
<b>2018</b>	-1.91%	-2.11%	-1.38%	5.57%	0.58%	7.63%	-3.43%	11.36%	-2.84%	0.12%	-7.33%	0.00%	4.91%	21.87%	3.95%
<b>2017</b>	-0.33%	-1.57%	2.61%	0.73%	-0.85%	0.61%	1.97%	-0.81%	4.32%	5.09%	-2.39%	-8.26%	0.44%	-9.24%	4.75%
<b>2016</b>	-2.80%	0.40%	-2.71%	-2.79%	10.88%	-7.45%	-1.15%	4.80%	-5.85%	-2.64%	3.58%	-2.23%	-8.92%	-7.63%	-7.69%
<b>2015</b>	-0.40%	3.06%	2.17%	1.48%	1.50%	-2.03%	1.42%	1.12%	0.91%	5.13%	3.18%	7.19%	27.35%	36.84%	27.23%
<b>2014</b>	3.70%	-0.75%	-2.80%	0.68%	0.73%	2.03%	0.84%	-0.72%	3.38%	-3.25%	1.82%	3.01%	8.72%	12.76%	9.97%
<b>2013</b>	7.79%	1.12%	3.99%	0.95%	11.65%	-3.90%	1.93%	0.95%	1.77%	1.84%	1.26%	4.58%	38.65%	26.66%	39.70%
<b>2012</b>	0.10%	-2.26%	3.57%	0.74%	4.61%	-2.37%	1.25%	4.65%	-0.35%	3.32%	1.74%	-2.88%	12.38%	7.30%	15.72%
<b>2011</b>		-2.24%	-3.38%	-0.55%	2.75%	-2.18%	-0.53%	-0.18%	9.84%	0.51%	-0.18%	0.17%	3.48%	15.04%	4.19%

**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.

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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

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