LYNX PRIME GLOBAL DIVERSIFIED FUND OF FUNDS (Class B1)

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 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

				High
			Medium - High	
		Medium		
	Low - Medium			
Low				

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

	Sep 19	Oct 19	Nov 19
Fund Units	143 498 276	147 323 826	161 666 134
Fund NAV	R 445 761 099	R 466 558 786	R 505 172 466
Class NAV	R 3 788 567	R 3 858 754	R 3 802 323

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 505 172 466	
NAV Price	Launch	100.00 (cpu)
	Month End	309.89 (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	10 December 2019	

Total Investment Charges

Period (Annualised): March 2018 to February 2019

Total Expense Ratio (TER) 2.07 %

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) 0.05 %

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

Total Investment Charges (TIC) 2.12 %

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.

PRIME INVESTMENTS

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LYNX FUND MANAGERS

Nov 2019

Top Equities Holdings

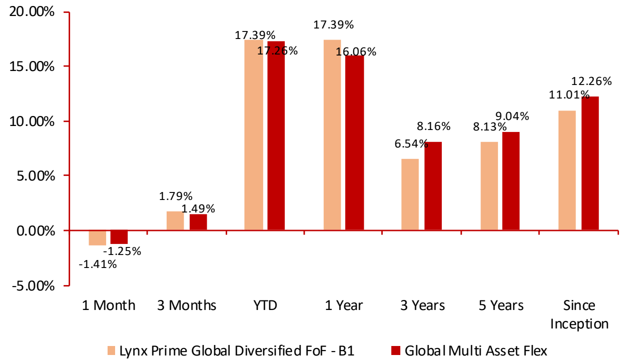
Alphabet Inc.
Apple Inc.
BAE Systems Plc
Charter Comms Inc.
Facebook Inc.
Microsoft Corp.
New Gold Issuer ETF
Thermo Fisher Sci Inc.
Unilever NV
United Health Group Inc.

Source : Morningstar

Top 5 Manager Holdings

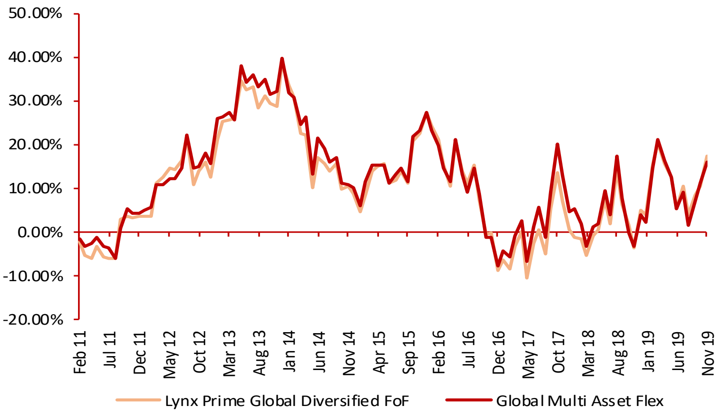
Nedgroup Inv Global Equity Fund	19.48%
Ranmore Global Equity Fund Plc	16.37%
Schroders Global Recovery Fund	14.21%
Sygnia ITRIX MSCI World Index	12.46%
Rubrics Global FI UCITS Fund	9.00%

Trailing Returns



Fund vs the ASISA Global Multi Asset Flexible Average

12 Months Rolling Returns

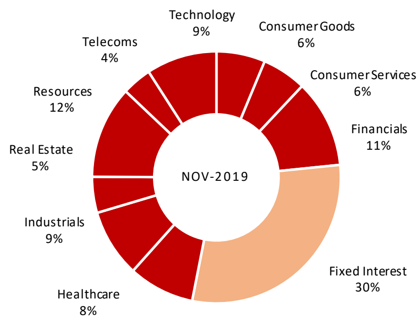


Periodic Returns & Risk Measures

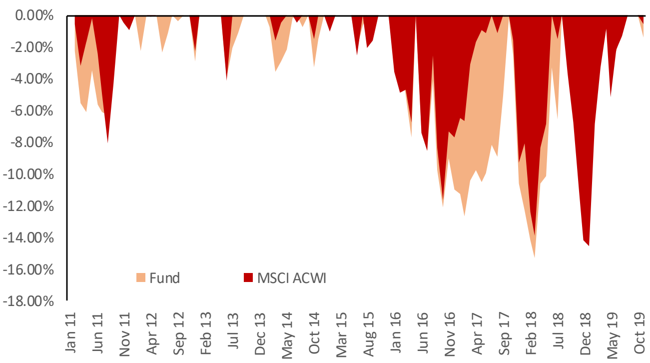
	Fund	Benchmark	Category Avg.
1 Month	-1.41%	-2.60%	-1.25%
3 Months	1.79%	-2.39%	1.49%
YTD	17.39%	6.10%	17.26%
1 Year	17.39%	10.48%	16.06%
3 Years	6.54%	4.73%	8.16%
5 Years	8.13%	9.22%	9.04%
Since Inception	11.01%	11.50%	12.26%
Max (Rolling 12 Mths)	38.65%	39.68%	39.70%
Min (Rolling 12 Mths)	-10.52%	-14.28%	-7.69%
Volatility	12.64%	15.16%	12.54%
Sharpe Ratio	0.39	n/a	0.49

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

Asset Allocation as at 30 November 2019



Drawdown Analysis over time



Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund YTD	Bmk YTD	Sector Avg.
2019	-2.80%	8.67%	2.79%	1.36%	-1.89%	0.45%	1.35%	4.92%	1.30%	1.92%	-1.41%		17.39%	6.10%	17.26%
2018	-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%
2017	-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%
2016	-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%
2015	-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%
2014	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%
2013	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%
2012	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%
2011		-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

After a difficult summer for risk assets, investors returned from their holidays in a bullish mood and drove equities higher in September, leaving global equities broadly flat for the quarter. The quarter was marked by a continued slowdown in the global economic data, offset by further monetary easing from the US and Europe.

In the US, the Federal Reserve (Fed) cut interest rates in July and September in an attempt to prolong the economic expansion in the face of a slowdown in the pace of growth and hiring. While the economy continued to add jobs, the pace of growth of aggregate hours worked in the economy has slowed meaningfully. Consumer confidence also declined from elevated levels. US equities delivered 1.7% over the quarter in USD.

In Europe, the European Central Bank (ECB) responded to the weaker economic outlook by cutting interest rates further into negative territory, restarting quantitative easing and committing to continue with asset purchases until it achieves its inflation target. The ECB's policy easing came against a backdrop of weakening growth, with the business surveys for September painting a picture of an economy that continues to slow, particularly in the manufacturing sector. With growth pushing in one direction and monetary stimulus pushing in the other, European equities delivered 2.5% over the quarter.

Of course, the trade war also continued to play a prominent role in financial headlines throughout the quarter. As things currently stand, further tariffs are due to come into place by the end of the year unless renewed talks between the US and China make sufficient progress. Failure to prevent further tariffs could hurt the global economy, so it's set to be another quarter of carefully monitoring the developments on trade.

China's economy continued to slow, with industrial production growing at 4.4%, down from around 7% at the start of 2018. Retail sales also slowed, to 7.5% from close to 10% in early 2018. However, with growth still comfortably above that in the US, and given that the US economy is also slowing as a result of the trade dispute and there is a US election next year, it's far from clear that China will concede to US demands on trade.

Overall, the global economy faces several binary and highly unpredictable risks. Will the trade war escalate? Will a UK election lead to a no-deal Brexit? Will the recent tension in the Middle East escalate and cause another spike in the oil price? And will companies respond to slowing growth and profits by cutting jobs?

The uncertainties surrounding the China/U.S. trade talks, and to a lesser extent Brexit, dominate the outlook. Manufacturing is contracting globally, trade is weakening and corporate profits are under pressure. The U.S. yield curve is signaling that recession risks are increasing, and Chinese economic indicators are weakening. There is a risk that global uncertainties generate a self-fulfilling cycle where rising pessimism leads to less private-sector spending and higher unemployment. This in turn would cause lower profits and equity markets—and ultimately, deeper pessimism.

President Trump has a clear motivation to avoid a recession before the November 2020 election. China's pain threshold is higher, but job losses and the threat of social instability provide an incentive to de-escalate the trade tensions and pursue domestic policy stimulus. However, it may take further equity market volatility to prod both sides into action.

We view the ongoing trade war as the most significant risk to the outlook. Although de-escalation makes sense for both sides, political uncertainties mean trade tensions have the potential to spiral out of control. Under that scenario, the yield curve will have correctly predicted a recession and equity bear market. On balance, we think it is more likely that the combination of trade-war resolution and policy stimulus will see the global economy recover in 2020 and why maintaining risk exposure will be important as "bull markets don't die of old age they die because the Fed kills them" and this isn't on the cards just yet.

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LYNX FUND MANAGERS

Nov 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