

Apr 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.

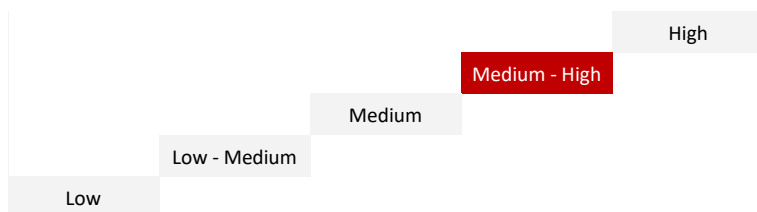
Fund Universe

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
Feb 2020	0.00	0.00	0.00	0.0000
August 2019	0.00	0.00	0.00	0.0000

Fund Net Asset Value

	Feb-20	Mar-20	Apr-20
Fund Units	158 107 429	155 741 714	140 793 064
Fund NAV	R 505 876 233	R 497 877 039	R 490 365 190
Class NAV	R 3 877 834	R 3 870 137	R 4 205 387

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 490 365 190	
NAV Price	Launch	100.00 (cpu)
	Month End	344.65 (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	24 May 2020	

Total Investment Charges

Period (Annualised): January 2019 to December 2019

Total Expense Ratio (TER) 2.01 %

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) 0.03 %

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

Total Investment Charges (TIC) 2.04 %

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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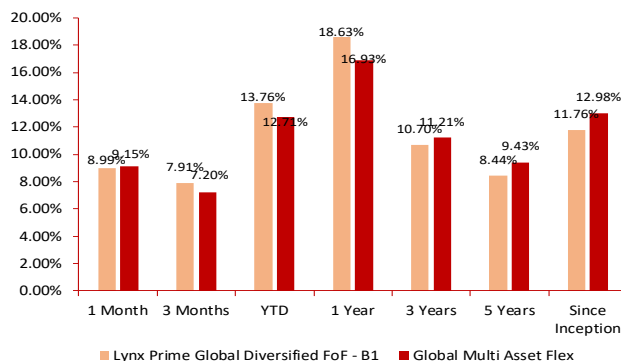
Top Equities Holdings

- Alphabet Inc.
- BAE Systems Plc
- Baxter International Inc.
- Charter Comms Inc.
- Cigna Corp
- Facebook Inc.
- New Gold Issuer ETF
- Philip Morris International Inc
- Unilever NV
- UnitedHealth Group Inc.

Top 5 Manager Holdings

Nedgroup Inv Global Equity Fund	23.46%
Ranmore Global Equity Fund Plc	15.43%
Rubrics Global FI UCITS Fund	11.35%
Prescient China Balanced Fund	10.03%
Schroders Global Recovery Fund	7.70%

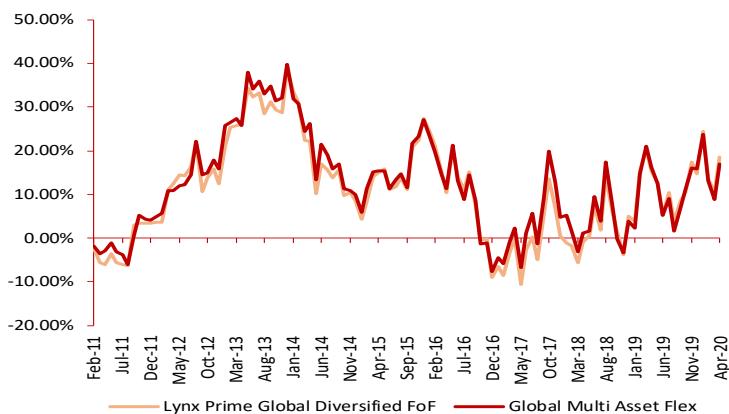
Trailing Returns



Source : Morningstar

Fund vs the ASISA Global Multi Asset Flexible Average

12 Months Rolling Returns

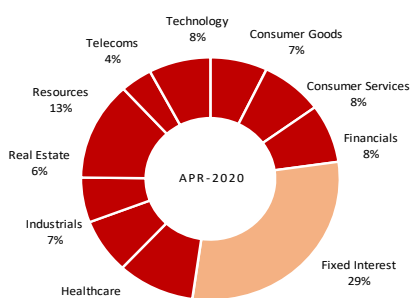


Periodic Returns & Risk Measures

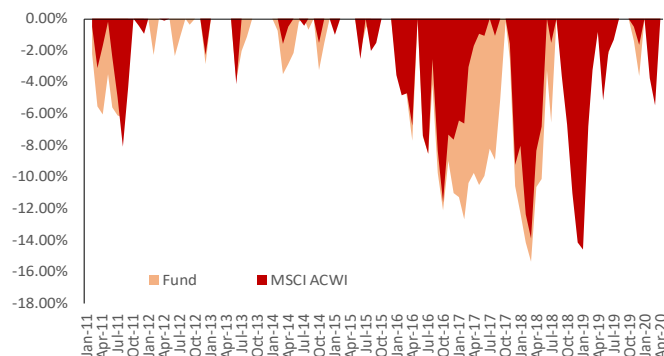
	Fund	Benchmark	Category Avg.
1 Month	8.99%	3.49%	9.15%
3 Months	7.91%	23.54%	7.20%
YTD	13.76%	32.96%	12.71%
1 Year	18.63%	33.43%	16.93%
3 Years	10.70%	15.01%	11.21%
5 Years	8.44%	12.73%	9.43%
Since Inception	11.76%	13.89%	12.98%
Max (Rolling 12 Mths)	38.65%	39.68%	39.70%
Min (Rolling 12 Mths)	-10.52%	-14.28%	-7.69%
Volatility	12.78%	15.70%	12.67%
Sharpe Ratio	0.44	n/a	0.53

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

Asset Allocation as at 30 April 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	5.43%	-0.86%	-0.13%	8.99%									13.76%	32.96%	12.71%
2019	-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%
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

The first quarter of 2020 has been an unprecedented period in financial market history across numerous dimensions:

The U.S. stock market fell into a 20% bear market in the shortest time ever—just 22 days—and continued further, dropping 30% in a record 30 days. The typical historical bear market peak-to-trough decline has taken around 12 to 18 months.

Short-term expectations of stock market volatility, as measured by the VIX index—often referred to as the market’s “fear index”—closed at an all-time high in its 30-year history on March 16. And the market’s actual realized volatility has only been higher in October 1987 (Black Monday) and the late 1920s.

The 10-year and 30-year Treasury bond yields fell to all-time lows of 0.54% and 0.99%, respectively, on March 9. This before shooting back out to over 1% during the same month, adding to overall market volatility.

Oil prices had their biggest one-day drop since the 1991 Gulf War, plunging 25% on March 9, triggered by a price war between Saudi Arabia and Russia.

This quarter has not been an easy one for most investors. While it was already clear that we were in the later stages of the economic cycle, nobody could have predicted at the start of this year that large parts of the global economy would be brought to an abrupt halt by the COVID-19 pandemic.

Unfortunately, the debate has now moved on from whether or not there will be a recession this year, to how deep and long it will be. As markets have moved to reflect this new reality, equities have fallen sharply, with the worst returns coming in March. The S&P500 fell 20% over the quarter and the FTSE All Share Index declined by 25%.

Concerns about the effect of the shutdowns on profits have led to corporate bond prices declining, which will have detracted from the returns of some fixed income portfolios. As should be expected, riskier, junk-rated corporate bonds have fallen by more than investment grade rated companies, with high yield energy bonds the worst hit.

Commodity prices, other than gold, fell sharply over the quarter. As countries around the world halted activity to try to bring the spread of the virus under control, demand for most commodities declined, hitting prices. Oil was caught in a perfect storm with an agreement between OPEC and Russia to constrain supply breaking down just as the outlook for demand fell. This led the oil price to fall by more than 60%.

An unprecedented shock requires an unprecedented policy response. And that is what we have seen. Most encouraging has been the policy response from the likes of the UK and Germany where governments have committed to pay a significant proportion of workers’ wages during the shutdown to enable companies not to lay off staff despite the dramatic hit to sales. Overall, fiscal policy has already delivered a significant stimulus globally but further measures are still likely to be needed to deal with the size of this shock.

Central bankers have thrown the kitchen sink at the problem, cutting rates to their lower bound and restarting and expanding asset purchase programmes. The Fed’s commitment to purchase as many government bonds as necessary is a substantial step, which should enable it to keep government borrowing costs low, despite the massive fiscal stimulus that is required to deal with the economic consequences of the virus. The Fed’s corporate credit programme should also prove a significant support for investment grade corporate bonds.

Given the significant uncertainties surrounding the outlook, we continue to believe that a neutral allocation to risk assets, such as equities and credit, makes sense. With central bank and government support, highly rated large investment grade companies seem most likely to survive this shock whereas some junk-rated companies will likely not make it through this crisis. This suggests to us that a selective, up-in-quality approach continues to make sense within both credit and equities until there is greater clarity around the outlook.

Government bond yields are likely to remain low, despite significant government spending, supported by central bank purchases. However, with less room for government bond prices to rise now interest rates are at such low levels, investors may wish to consider alternative forms of portfolio diversification.

Apr 2020

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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).

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