

GRYPHON ALL SHARE TRACKER FUND - 30 SEPTEMBER 2017

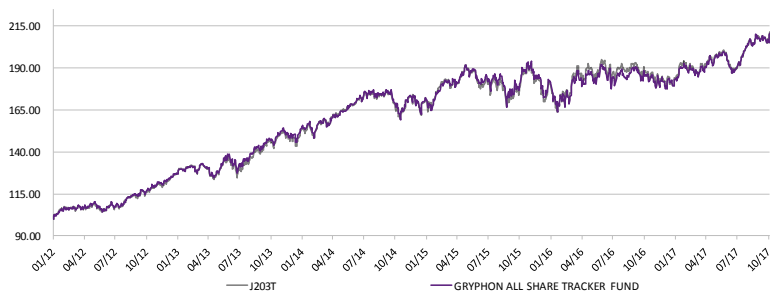
FUND PROFILE

The Gryphon All Share Tracker Fund provides low cost exposure to the equity market and applies the concept of indexation in order to track the performance of the South African All Share Index after accounting for all costs and fees related to the management of the fund. The fund is always fully invested to ensure that unit holders will get long term capital appreciation in line with the market.

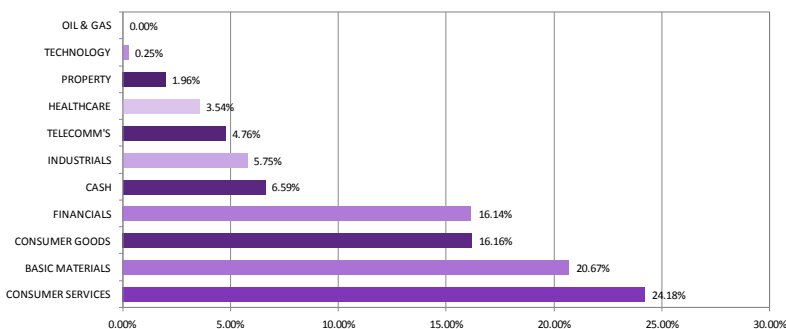
KEY FEATURES

It is a well documented fact that the average active fund underperforms the market by a substantial margin due to higher fees, problematic stock selection and liquidity constraints. Passive fund management makes use of indexation to ensure that individual positions will always be held in the same proportion as the index, which in itself is also the benchmark to which returns will be compared. The Tracker fund makes use of sampling to keep trading costs down and eliminates potential disaster scenarios. Sector exposure is neutral as prescribed by the index and risky stock selection is not pursued.

CUMULATIVE PERFORMANCE OVER 5 YEARS (BASE OF 100)



SECTOR EXPOSURE



Further information regarding the Gryphon All Share Tracker fund is available on our website www.gryphon.com or by contacting us on 021 915 5100 or at invest@gryphon.com.

Risk Profile



TOP 10 HOLDINGS

NASPERS	17.59%
COMPAGNIE FIN. RICHEMONT	7.56%
BHP BILLITON	6.98%
ANGLO AMERICAN	3.67%
BRITISH AMERICAN TOBACCO	3.54%
MTN GROUP	3.37%
SASOL	2.94%
STANDARD BANK	2.72%
STEINHOFF	2.49%
OLD MUTUAL	2.48%
TOTAL	53.34%

FUND DETAILS

Sector Classification:
South African-Equity-General

Portfolio Managers:
Abri Du Plessis
M.Comm (Econometrics)
Casparus Treurnicht
B.Comm (Hons),CFA

Benchmark:
South African All Share Index Total Return

Inception Date:
30 June 2002

Portfolio size:
R170 034 280

Charges:
Initial Fee:
0.00%

Annual Management Fee:
0.23% (Incl. VAT)

Tracking Error:

Monthly Annualized:
1.03%

Total Expense Ratio (TER):
0.35% (30 June 2017)

Transactional Cost (TC):
0.18% (30 June 2017)

Total Investment Charges (TER + TC):
0.53% (30 June 2017)

Lowest Actual Annual Figure:
-37.82%

Highest Actual Annual Figure:
66.41%

Income Declarations:
Twice per year on the 1st of October and the 1st of April or subsequent business day.

Payment date:	Cents per unit:
2-Oct-17	9.55
3-Apr-17	7.68

ADMINISTRATION

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Website: www.gryphon.com

Physical Address:
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Southgate
Tyger Valley
7536

Postal Address:
Private Bag X20
Tyger Valley
7536

Valuation:
The Fund is valued daily at 15:00. Instructions must reach us before 14:00 to ensure same day value processing.

Minimum Lump Sum:
R2,000

Minimum Monthly Premium:
R200

Trustee:
Standard Chartered Bank
5th Floor
4 Sandown Valley Crescent
Sandton
2196
Tel: +27 11 217 6600
Fax: +27 11 217 6601

Administration Manager:
Prescient Fund Services

JSE Code:
PTST

Annualized Total Return Figures as at 30 September 2017

	1 Year	3 Years	5 Years	10 Years	Inception (2002/06/30)
Gryphon All Share Tracker Fund	11.59%	6.96%	12.41%	9.22%	14.28%
Benchmark	10.22%	7.18%	12.53%	9.54%	14.79%

GRYPHON MARKET COMMENTARY – 30 SEPTEMBER 2017

THE PAST												
INTERNATIONAL						LOCAL						
<p>Global equity markets continued to rally, however, for the first time this year Emerging Markets posted a negative return and were outperformed by Developed Markets. Negative performances from Emerging Markets in Europe and Africa weighed on performance. Allied with this was a slight pullback in commodity prices. Our core thesis, however, remains that commodity prices have bottomed and are likely to head higher. This view continues to be reflected in the copper price. The FOMC continue to indicate that a hike in December is likely and balance sheet unwinding is about to commence. Clarity and good communication from the FOMC has allowed other central bankers to operate with enhanced certainty.</p>						<p>After two powerful months, local equities eased, ending the month at -0.87%. A weaker ZAR, resulted in dollar returns which were more negative. Gold and platinum stocks continued to take pain. Also significant is the diverse performance between the Top 40 (-0.3%), which benefited from weaker currency and the Mid Cap index (-5.1%), where locally-focused industrials came under pressure after the failure by our central bank to live up to expectations and cut interest rates. With a year-to-date performance of +12.6%, equities have been the asset class of choice, followed by bonds at +7.8% and cash at 5.6%.</p>						

THE PRESENT												
EQUITY INDICES	MTD	YTD	12m	CURRENCIES / COMMODITIES	Value	MTD	YTD	12m	BONDS	Value	YTD BPS Δ	12M BPS Δ
MSCI WORLD (USD)	2%	14%	16%	ZAR vs USD	13.55	-4%	1%	1%	USA BOND 10 YEAR	2.32%	-14	73
MSCI EMERGING MARKETS (USD)	-1%	25%	20%	ZAR vs GBP	18.03	-7%	-8%	-2%	USA BOND 2 YEAR	1.46%	30	70
DOW JONES INDUSTRIAL	2%	15%	25%	ZAR vs EUR	16.01	-3%	-11%	-4%	GERMAN BOND 10 YEAR	0.47%	36	66
S&P 500	2%	14%	19%	ZAR vs AUD	10.70	-4%	-8%	-2%	GERMAN BOND 2 YEAR	-0.70%	10	0
UK FTSE 100	-1%	3%	7%	EUR vs USD	1.17	-1%	12%	4%	UK BOND 10 YEAR	1.41%	17	66
JAPANESE NIKKEI 225	4%	4%	24%	GBP vs USD	1.34	4%	9%	3%	UK BOND 2 YEAR	0.54%	43	42
GERMAN DAX	6%	14%	23%	YEN vs USD	112.94	-3%	3%	-11%	RSA 10 YEAR	8.72%	-20	6
FRENCH CAC 40	5%	10%	20%	GOLD	1279	-3%	11%	-3%	RSA 3 YEAR	7.38%	-73	-43
AUSTRALIAN ASX	-1%	0%	4%	PLATINUM	912	-9%	1%	-11%	RSA REPO RATE	6.75%	-25	-25
JSE ALL SHARE	-1%	13%	10%	IRON ORE	62	-21%	-21%	11%	RSA PRIME LENDING RATE	10.25%	-25	-25
JSE TOP 40	0%	15%	12%	COPPER	6485	-5%	18%	34%	RSA LONG TERM GILT	8.72%	-20	6
JSE ALL SHARE SWIX	-2%	11%	7%	NICKEL	10585	-9%	6%	1%				
				BRENT OIL	56.79	7%	0%	14%				

THE FUTURE												
INTERNATIONAL						LOCAL						
<p>Markets continue to power ahead, on the back of global growth and well-flagged action from global central bankers. We suspect fund managers globally have been caught off-guard by the strength in equities and are playing catch-up. Trump's tax-reform is back on the table and while it will be subject to much negotiation, the intention appears positive for economic growth. Global bond yields had started to trend higher. Japanese stocks seem to be breaking up and European economic indicators reflect increasing strength. We eagerly await U.S. earnings releases for the September quarter-end as these will give us the real story on the health of the global economy. (Large capitalization U.S. enterprises are increasingly global in their reach and their results are a great bellwether of the global economy.)</p>						<p>While the recent weakness in our currency bodes well for our local manufacturers and internationally focused listed large capitalization stocks, it's bad news for the likelihood of further interest rate cuts. While higher oil prices likely prevented the central bank from cutting rates in September, we believe it's the currency that will determine future policy action. While the dollar strengthened against most emerging market currencies in September, South Africans also had to contend with a slew of political and "state-capture"-related headlines. Our bond market which has been attractive to global investors hunting for yield, will increasingly have to contend with a declining fiscal position and steadily rising U.S. interest rates as the Federal Reserve embarks on its policy of balance sheet normalization. The uncertainty makes stock-picking virtually impossible, simply buy the index.</p>						

OUR FUNDS		
RISK	GRYPHON FUND	POSITIONING
LOW	Money Market Fund	Conservatively managed, superb yield.
↑	Dividend Income Fund	Enhanced before tax yield of + / - 10.00%. Attractive relative to other interest rate products.
	Prudential Fund of Funds	Aggressively exposed to SA equities. Regulation 28 compliant.
	Flexible Fund of Funds	Aggressively exposed to SA equities.
	All Share Tracker Fund	Lowest cost, superbly diversified exposure to equities.
↓	Global Equity Fund	Low cost exposure to the internationally diversified with associated currency benefit.
HIGH		

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