

## GRYPHON GLOBAL EQUITY FUND - 30 JUNE 2017

### FUND PROFILE

The fund aims to provide investors with exposure to a diversified mix of global equity securities at lowest possible cost, with the objective of providing a return similar to that of the MSCI World Index translated into South African currency.

### KEY FEATURES

The portfolio is a hybrid fund that can invest up to 80% of its net asset value in other collective investment schemes or other similar schemes operated in territories outside South Africa. The portfolio's exposure to assets of geographical regions and industry groups is subject to prevailing legislation and industry guidelines and will be determined by the portfolio manager based on economic factors and investment value. The fund may invest up to 20% of its net asset value directly in listed equities, subject to a maximum of 20 stocks and a maximum exposure of 3% per stock. The fund must maintain a minimum exposure of 80% to equity.

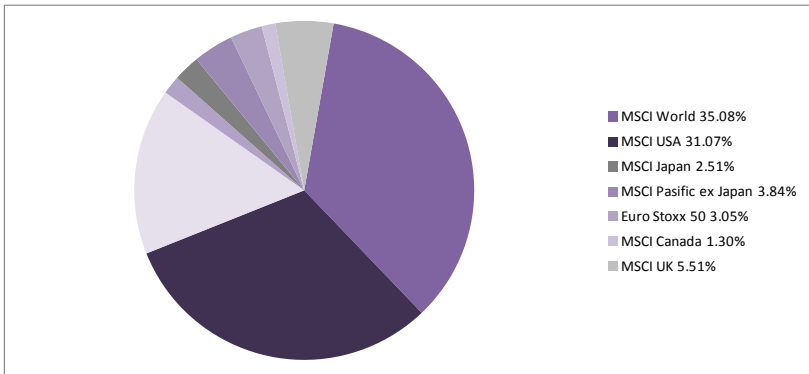
### WHO SHOULD INVEST?

Investors seeking a hedge against depreciation of the South African currency and diversification away from equities listed in South Africa. The fund achieves this by investing in foreign equities, denominated in foreign currencies.

### PERFORMANCE OBJECTIVE

The long term objective of the fund is to provide South African investors with exposure to international equities translated into South African currency.

### GLOBAL EQUITY EXPOSURE



Further information regarding the Gryphon Global Equity fund is available on our website [www.gryphon.com](http://www.gryphon.com) or by contacting us on 021 915 5100 or [invest@gryphon.com](mailto:invest@gryphon.com).

### Risk Profile



### ASSET ALLOCATION

|                    |                |
|--------------------|----------------|
| Global Equities    | 82.36%         |
| International cash | 15.87%         |
| Local cash         | 1.77%          |
| <b>INVESTED</b>    | <b>100.00%</b> |

### FUND DETAILS

#### Sector Classification:

Global – Equity - General

#### Portfolio Manager:

Reuben Beelders  
B.Comm (Hons), CA(SA), CFA

#### Benchmark:

MSCI World Index

#### Inception Date:

01 November 2014

#### Portfolio Size:

R30 978 004.69

#### Charges:

Initial Fee:

0.00%

#### Annual Management Fee:

0.57% (Incl. VAT)

#### Performance Fee:

Although the fund is entitled to performance fees according to its Supplemental Trust deed, Gryphon does not charge any performance fees.

#### Total Expense Ratio (TER):

1.05% (31 March 2017)

#### Transactional Cost (TC):

0.14% (31 March 2017)

#### Total Investment Charges (TER+TC):

1.19% (31 March 2017)

#### Income Declarations:

Twice per year on the 1<sup>st</sup> of October and the 1<sup>st</sup> of April or subsequent business day.

| Payment date: | Cents per unit: |
|---------------|-----------------|
| 3-Apr-17      | 1.832517        |
| 3-Oct-16      | 2.380000        |

### ADMINISTRATION

#### Gryphon Contact Details:

Tel: +27 21 915 5100

Fax: +27 86 206 2635

Email: [invest@gryphon.com](mailto:invest@gryphon.com)

Website: [www.gryphonam.com](http://www.gryphonam.com)

#### Physical Address:

2<sup>nd</sup> Floor  
Pro Sano Park East  
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  
5<sup>th</sup> Floor  
4 Sandown Valley Crescent  
Sandton  
2196

Tel: +27 11 217 6600

Fax: +27 11 217 6601

#### Administration Manager:

Prescient Fund Services

| GRYPHON GLOBAL EQUITY FUND NETT MONTHLY TOTAL RETURNS |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |       |       |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|--------|--------|
|   | Jan    |        | Feb    |        | Mar    |        | Apr    |        | May    |        | Jun    |        | Jul    |        | Aug    |        | Sep    |        | Oct    |        | Nov   |       | Dec    |        | YTD    |        |
|   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund  | MSCI  | Fund   | MSCI   | Fund   | MSCI   |
| 2017  | -0.60% | 0.77%  | -1.36% | 0.28%  | 3.05%  | 3.30%  | 1.15%  | 1.15%  | -0.11% | 0.02%  | -0.46% | 0.34%  |        |        |        |        |        |        |        |        |       |       |        |        |        |        |
| 2016  | -3.95% | -3.50% | 0.79%  | -0.85% | -1.71% | -1.13% | -2.70% | -1.43% | 11.07% | 11.16% | -8.32% | -7.34% | -1.25% | -1.83% | 5.90%  | 6.27%  | -5.83% | -6.10% | -2.54% | -3.71% | 4.77% | 6.22% | -0.42% | -0.49% | -5.59% | -4.24% |
| 2015  | 0.31%  | -0.25% | 4.30%  | 6.15%  | 3.17%  | 2.55%  | 0.05%  | -0.49% | 1.90%  | 3.49%  | -2.23% | -2.15% | 4.87%  | 5.85%  | -1.02% | -2.03% | 0.38%  | 0.41%  | 6.83%  | 7.77%  | 3.62% | 4.08% | 5.76%  | 5.32%  | 31.24% | 34.59% |
| 2014  |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        | 0.25% | 2.21% | 0.30%  | 2.11%  | 0.55%  | 4.37%  |

| GRYPHON GLOBAL EQUITY FUND PAST 12 MONTHS TOTAL RETURNS |        |        |        |        |        |        |        |        |        |        |        |        |       |       |        |        |       |        |        |        |        |        |        |        |      |      |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|------|------|
|   | Jan    |        | Feb    |        | Mar    |        | Apr    |        | May    |        | Jun    |        | Jul   |       | Aug    |        | Sep   |        | Oct    |        | Nov    |        | Dec    |        |      |      |
|   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund  | MSCI  | Fund   | MSCI   | Fund  | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund   | MSCI   | Fund | MSCI |
| 2017  | -2.30% | 0.00%  | -4.39% | 1.11%  | 0.24%  | 5.64%  | 4.21%  | 8.41%  | -6.28% | -2.46% | 1.75%  | 5.62%  |       |       |        |        |       |        |        |        |        |        |        |        |      |      |
| 2016  | 25.67% | 30.21% | 21.45% | 21.63% | 15.70% | 17.26% | 12.52% | 16.15% | 22.65% | 24.76% | 15.01% | 18.13% | 8.30% | 9.56% | 15.86% | 18.84% | 8.68% | 11.15% | -0.84% | -0.70% | 0.26%  | 1.35%  | -5.59% | -4.24% |      |      |
| 2015  |        |        |        |        |        |        |        |        |        |        |        |        |       |       |        |        |       |        | 20.41% | 28.15% | 24.47% | 30.49% | 31.24% | 34.59% |      |      |

GRYPHON MARKET COMMENTARY – 30 JUNE 2017

| THE PAST   |                          |     |     |                          |        |  |  |     |                        |        |           |           |  |
|--|--------------------------|-----|-----|--------------------------|--------|--|--|-----|------------------------|--------|-----------|-----------|--|
| INTERNATIONAL  |                          |     |     |                          |        | LOCAL  |  |     |                        |        |           |           |  |
| <p>Global equity markets continued the trend of positive US Dollar returns in June. For the year-to-date MSCI Emerging Markets achieved +18.6% against Developed Markets +11.0%. Not only has more positive earnings momentum assisted the performance of Emerging Markets, currency appreciation against the dollar has also helped. The UK election early in June, was not favourable for Theresa May and her gamble on a snap election failed. In the U.S. markets appear to be growing weary of President Trump's inability to enact domestic stimulus, however, economic growth has matched or exceeded expectations. The FOMC hiked 25bps as expected. The oil price continues to be weak.</p> |                          |     |     |                          |        | <p>The local market returned -3.5% for the month, continuing the weak trend of May. For the year-to-date, equities have returned +3.4%, Bonds +4.0% and Cash +3.7%. Moody's cut our foreign-and-local currency ratings and kept the outlook at negative. Proposed mining legislation caused havoc on resource counters; however, the prospect of a judicial review resulted in the restoration of some value towards month end. Barclays PLC sold its stake in ABSA down to below 15%. Telkom and Gold shares bore the brunt of selling on the JSE.</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)   | 0%                       | 9%  | 16% | ZAR vs USD               | 13.06  | 0%   | 5%   | 11% | USA BOND 10 YEAR       | 2.28%  | -18       | 82        |  |
| MSCI EMERGING MARKETS (USD)  | 1%                       | 17% | 21% | ZAR vs GBP               | 16.97  | -1%  | -2%  | 13% | USA BOND 2 YEAR        | 1.38%  | 22        | 78        |  |
| DOW JONES INDUSTRIAL   | 2%                       | 9%  | 22% | ZAR vs EUR               | 14.92  | -1%  | -3%  | 9%  | GERMAN BOND 10 YEAR    | 0.47%  | 36        | 60        |  |
| S&P 500  | 1%                       | 9%  | 18% | ZAR vs AUD               | 10.04  | -3%  | -2%  | 8%  | GERMAN BOND 2 YEAR     | -0.57% | 23        | 9         |  |
| UK FTSE 100  | -3%                      | 2%  | 12% | EUR vs USD               | 1.14   | 2%   | 9%   | 3%  | UK BOND 10 YEAR        | 1.33%  | 9         | 33        |  |
| JAPANESE NIKKEI 225  | 2%                       | 2%  | 29% | GBP vs USD               | 1.30   | 1%   | 6%   | -2% | UK BOND 2 YEAR         | 0.37%  | 26        | 26        |  |
| GERMAN DAX   | -2%                      | 9%  | 27% | YEN vs USD               | 112.38 | -1%  | 4%   | -9% | RSA 10 YEAR            | 8.89%  | -3        | 11        |  |
| FRENCH CAC 40  | -3%                      | 5%  | 21% | GOLD                     | 1242   | -2%  | 8%   | -6% | RSA 3 YEAR             | 7.67%  | -44       | -32       |  |
| AUSTRALIAN ASX   | 0%                       | 1%  | 9%  | PLATINUM                 | 927    | -2%  | 3%   | -9% | RSA REPO RATE          | 7.00%  | 0         | 0         |  |
| JSE ALL SHARE  | -3%                      | 3%  | 2%  | IRON ORE                 | 65     | 14%  | -18%   | 17% | RSA PRIME LENDING RATE | 10.50% | 0         | 0         |  |
| JSE TOP 40   | -4%                      | 5%  | 2%  | COPPER                   | 5908   | 5%   | 7%   | 22% | RSA LONG TERM GILT     | 8.89%  | -3        | 11        |  |
| JSE ALL SHARE SWIX   | -4%                      | 3%  | 0%  | NICKEL                   | 9280   | 5%   | -7%  | -1% |                        |        |           |           |  |
|  |                          |     |     | BRENT OIL                | 48.77  | -4%  | -14%   | -3% |                        |        |           |           |  |
| THE FUTURE   |                          |     |     |                          |        |  |  |     |                        |        |           |           |  |
| INTERNATIONAL  |                          |     |     |                          |        | LOCAL  |  |     |                        |        |           |           |  |
| <p>The recently released FOMC Minutes continue to reflect a measured approach to hiking interest rates in the U.S. However, the stage has been set for the winding down of the Balance Sheet. Recent strength in the Eurozone and the ECB's assessment that economic risks are balanced, rather than tilted to the downside has seen the dollar weaken against the euro. Impending elections in Japan have not attracted much attention yet, however, we remain concerned that political risk globally is being underestimated.</p>  |                          |     |     |                          |        | <p>The ANC Policy Conference suggests that the succession strategy followed by Deputy President Ramaphosa may be gaining some ground. However, it also confirmed the deep divisions within the ANC. Vehicle sales for June reflected muted growth. However, this was against fairly negative expectations and this and increased electricity usage has given some economists hope that the economy may be holding up despite the political turmoil. Government intervention in healthcare and proposed debt-forgiveness is a reminder to investors not to overpay! Debt-forgiveness is likely to be negative for our credit clothing and furniture retailers. The SAA bailout won't fly!</p> |  |     |                        |        |           |           |  |
| OUR FUNDS  |                          |     |     |                          |        |  |  |     |                        |        |           |           |  |
| RISK   | GRYPHON FUND             |     |     |                          |        |  | POSITIONING  |     |                        |        |           |           |  |
| LOW  | Money Market Fund        |     |     |                          |        |  | Conservatively managed, superb yield.  |     |                        |        |           |           |  |
| ↑  | Dividend Income Fund     |     |     |                          |        |  | Enhanced before tax yield of over 10.00%. A stable interest rate cycle increases the attraction. |     |                        |        |           |           |  |
|  | Prudential Fund of Funds |     |     |                          |        |  | Aggressively exposed to SA equities and SA properties. Regulation 28 compliant.                  |     |                        |        |           |           |  |
|  | Flexible Fund of Funds   |     |     |                          |        |  | Aggressively exposed to SA equities and SA properties.   |     |                        |        |           |           |  |
|  | All Share Tracker Fund   |     |     |                          |        |  | Lowest cost, superbly diversified exposure to equities.  |     |                        |        |           |           |  |
| ↓  | All Share Tracker Fund   |     |     |                          |        |  | Lowest cost, superbly diversified exposure to equities.  |     |                        |        |           |           |  |
| HIGH   | Global Equity Fund       |     |     |                          |        |  | Low cost exposure to the internationally diversified with associated currency benefit.           |     |                        |        |           |           |  |

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