

GRYPHON MONEY MARKET FUND - 30 SEPTEMBER 2017

FUND PROFILE

The Gryphon Money Market Fund generates a high level of monthly interest income, while preserving capital. It invests in money market instruments such as government and public sector securities, treasury bills, debentures and bank deposits. These instruments have a maturity of not more than 12 months. In order to ensure that liquidity is available and the capital is preserved, the average maturity may not exceed 90 days.

KEY FEATURES

The fund is designed for investors who seek a low risk investment which generates optimal interest income while simultaneously preserving the capital investment. The Fund invests only in vanilla instruments with a short term credit rating of A1/F1 or better. The portfolio manager may borrow up to 10% of the market value of the portfolio in order to bridge insufficient liquidity.

WHO SHOULD INVEST?

Investors seeking to maximize interest income while at the same time not putting their capital at risk. The Gryphon Money Market Fund is ideal for investors with an appetite for bank deposits or equivalents.

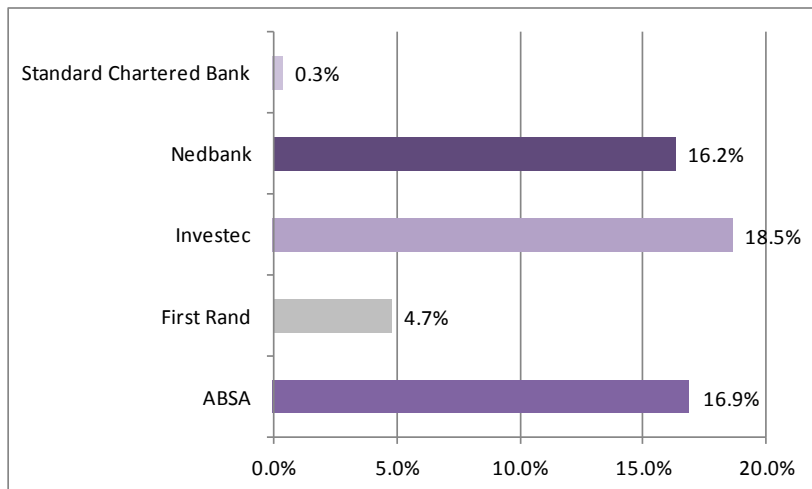
PERFORMANCE OBJECTIVE

The primary performance objective of the portfolio is to obtain as high a level of current income as is consistent with capital preservation and liquidity. Capital gains will be of an incidental nature. The aim is top quartile performance in its category.

DECLARATION INFORMATION FOR THE PREVIOUS YEAR'S DECLARATIONS

Declaration date	Cents per unit (rounded to 2 decimals)	Declaration date	Cents per unit (rounded to 2 decimals)
Sep 2017	0.61	Mar 2017	0.63
Aug 2017	0.63	Feb 2017	0.57
Jul 2017	0.64	Jan 2017	0.64
Jun 2017	0.62	Dec 2016	0.64
May 2017	0.64	Nov 2016	0.63
Apr 2017	0.61	Oct 2016	0.65

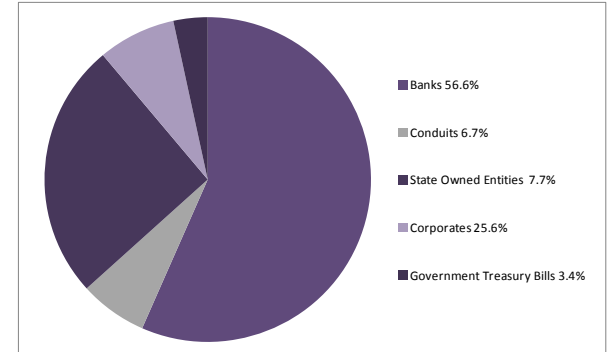
BANK EXPOSURES



Further information regarding the Gryphon Money Market Fund is available on our website www.gryphon.com or by contacting us on 021 915 5100 or at invest@gryphon.com.



ASSET ALLOCATION



Call	15.76%
1 – 30 days	18.99%
31 – 60 days	29.41%
61 – 90 days	22.49%
91 – 180 days	6.60%
180 + days	6.75%
Total	100.00%

FUND DETAILS

Sector Classification:
South African – Interest Bearing – Money Market

Portfolio Managers:
Abri Du Plessis
M.Comm (Econometrics)
Sunette Swart
B Compt (Hons), CTA, CA(SA)

Benchmark:
Short term Fixed Interest Index (STEFI)

Inception Date:
01 October 1999

Portfolio Size:
R299 278 133

Charges:
Initial fee: 0.00%
Annual Management Fee: 0.29% (Incl. VAT)
Total Expense Ratio (TER): 0.31% (30 June 2017)
Transactional Cost (TC): 0.00% (30 June 2017)
Total Investment Charges (TER + TC): 0.31% (30 June 2017)
Lowest Actual Annual Figure: 5.14% (31 December 2014)
Highest Actual Annual Figure: 13.24% (31 July 2003)

Income Declarations:
Income is paid on a monthly basis.

JSE Code:
GIMM

ADMINISTRATION

Gryphon Contact Details:
Tel: +27 21 915 5100
Fax: +27 86 206 2635
Email: invest@gryphon.com
Website: www.gryphon.com

Physical Address:
2nd 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 11:30 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

Annualized Total Return Figures as at 30 September 2017

	1 Year	3 years	5 years	10 years	15 years
Money Market Fund	7.83%	7.20%	6.47%	7.35%	7.89%
Benchmark (STEFI)	7.62%	7.04%	6.38%	7.20%	7.79%

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.					
↓	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.					

Email: invest@gryphon.com

Tel: +27 21 915 5100

Fax: 086 206 2635

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