INVESTING WITH PURPOSE

GRYPHON

GRYPHON GLOBAL EQUITY FUND - 30 SEPTEMBER 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.

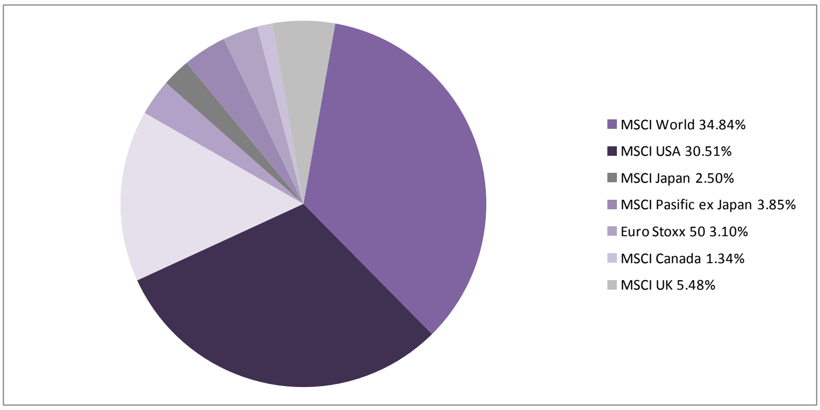
WHO SHOULD INVEST?

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 or by contacting us on 021 915 5100 or invest@gryphon.com.

Risk Profile

Low — Med — High

ASSET ALLOCATION

Global Equities	81.62%
International cash	15.17%
Local cash	3.21%
INVESTED	100.00%

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:
R33 559 353

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):
0.93% (30 June 2017)

Transactional Cost (TC):
0.12% (30 June 2017)

Total Investment Charges (TER+TC):
1.05% (30 June 2017)

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	2.240495
3-Apr-17	1.832517

ADMINISTRATION

Gryphon Contact Details:

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Fax: +27 86 206 2635

Email: invest@gryphon.com

Website: www.gryphonam.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 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:
GGECB

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%	0.05%	0.26%	3.04%	3.30%	1.14%	1.15%	-0.11%	0.02%	-0.37%	0.34%	2.71%	3.30%	-1.51%	-1.08%	5.38%	6.54%							9.97%	15.32%
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		
2017	-2.30%	0.00%	-3.02%	1.11%	1.68%	5.64%	5.69%	8.41%	-4.94%	-2.46%	3.30%	5.62%	7.43%	11.14%	-0.08%	3.46%	11.82%	17.37%								
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%		

INVESTING WITH PURPOSE

GRYPHON

GRYPHON MARKET COMMENTARY – 30 SEPTEMBER 2017

THE PAST

INTERNATIONAL

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.

LOCAL

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%.

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

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.)

LOCAL

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.

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.
HIGH	**Global Equity Fund**	**Low cost exposure to the internationally diversified with associated currency benefit.**

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