

## GRYPHON MONEY MARKET FUND - 30 JUNE 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.

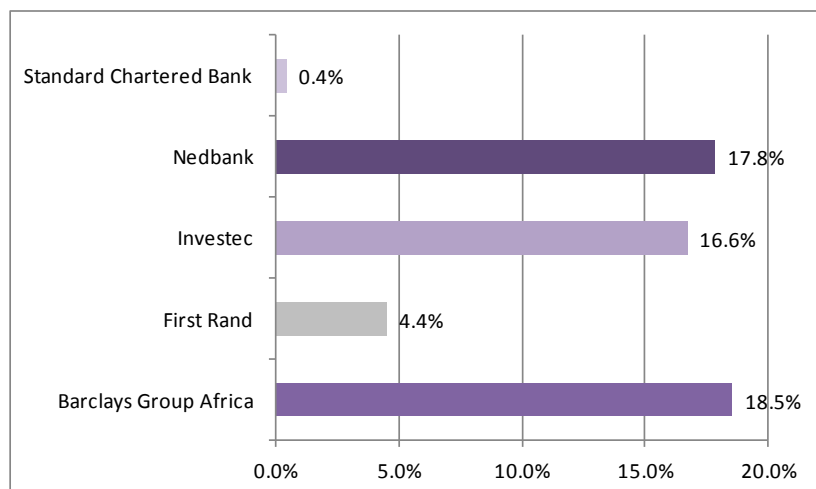
### PERFORMANCE OBJECTIVE

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

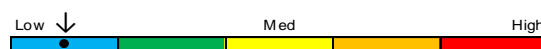
Declaration date	Cents per unit (rounded to 2 decimals)	Declaration date	Cents per unit (rounded to 2 decimals)
Jun 2017	0.62	Dec 2016	0.64
May 2017	0.64	Nov 2016	0.63
Apr 2017	0.61	Oct 2016	0.65
Mar 2017	0.63	Sep 2016	0.63
Feb 2017	0.57	Aug 2016	0.64
Jan 2017	0.64	Jul 2016	0.64

### BANK EXPOSURES

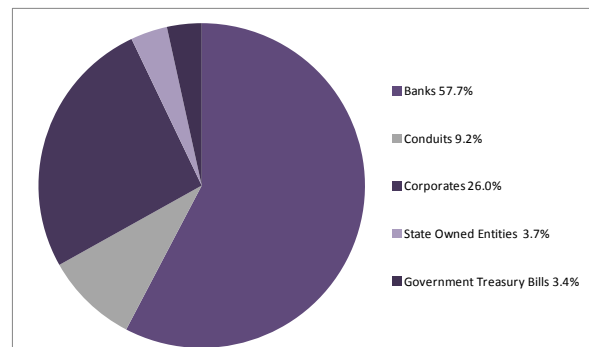


Further information regarding the Gryphon Money Market Fund is available on our website [www.gryphon.com](http://www.gryphon.com) or by contacting us on 021 915 5100 or at [invest@gryphon.com](mailto:invest@gryphon.com).

### Risk Profile



### ASSET ALLOCATION



Call	8.85%
1 – 30 days	24.45%
31 – 60 days	31.36%
61 – 90 days	25.40%
91 – 180 days	6.28%
180 + days	3.66%
<b>Total</b>	<b>100.00%</b>

### 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:**  
R273 151 717

**Charges:**  
**Initial fee:** 0.00%  
**Annual Management Fee:** 0.29% (Incl. VAT)  
**Total Expense Ratio (TER):** 0.31% (31 March 2017)  
**Transactional Cost (TC):** 0.00% (31 March 2017)  
**Total Investment Charges (TER + TC):** 0.31% (31 March 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.

### ADMINISTRATION

**Gryphon Contact Details:**  
Tel: +27 21 915 5100  
Fax: +27 86 206 2635  
Email: [invest@gryphon.com](mailto:invest@gryphon.com)  
Website: [www.gryphon.com](http://www.gryphon.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 11:30 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

### Annualized Total Return Figures as at 30 June 2017

	1 Year	3 years	5 years	10 years	15 years
Money Market Fund	7.85%	7.05%	6.35%	7.39%	7.96%
Benchmark (STEFI)	7.63%	6.92%	6.28%	7.25%	7.87%

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	<b>Money Market Fund</b>	<b>Conservatively managed, superb yield.</b>
↑ ↓	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.
HIGH	Global Equity Fund	Low cost exposure to the internationally diversified with associated currency benefit.

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