

GRYPHON GLOBAL EQUITY FUND - 31 JULY 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.

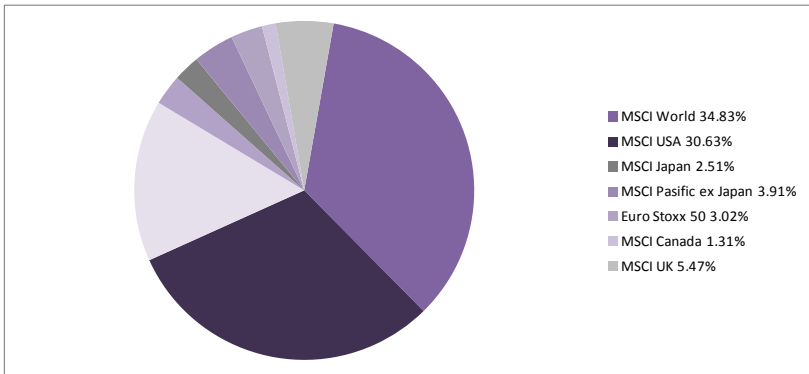
WHO SHOULD INVEST?

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



ASSET ALLOCATION

Global Equities	81.68%
International cash	15.40%
Local cash	2.92%
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:

R32 150 464

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:
3-Apr-17	1.832517
3-Oct-16	2.380000

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%	-1.36%	0.26%	3.05%	3.30%	1.15%	1.15%	-0.11%	0.02%	-0.46%	0.34%	2.72%	3.30%													
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%	0.06%	-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%							
2014																											

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%	-4.39%	1.11%	0.24%	5.64%	4.21%	8.41%	-6.28%	-2.46%	1.75%	5.62%	5.84%	11.14%											
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 – 31 JULY 2017

THE PAST													
INTERNATIONAL						LOCAL							
<p>Global equity markets continued to rally. Cyclical sectors and cyclical regions led the performance, with Emerging Markets continuing to set the pace. Software, Insurance and Resources were amongst the leaders while the laggards included Health Care and Consumer Staples. Central Bankers continued to provide an environment conducive to risk assets. The dollar weakened and commodities rallied. Internal squabbles and struggles within the Trump administration have not concerned markets. Strong earnings have soothed markets concerns about the lack of delivery of proposed healthcare legislative changes and tax reform.</p>						<p>The local market ended the last day of the month of July at an all-time high, returning +7.65% for the month. This month therefore makes equities the best asset class year-to-date in the local market. As with international markets Resources lead the rally, on the back of rising commodity prices and good results and a resumption of dividends from Anglos. A surprise rate cut from the Reserve Bank also buoyed the market. Were it not for regulatory and political uncertainty our currency would have reflected the strength of commodities as do the Canadian and Australian currencies. South Africans would have benefitted!</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%	12%	14%	ZAR vs USD	13.17	-1%	4%	5%	USA BOND 10 YEAR	2.30%	-16	82	
MSCI EMERGING MARKETS (USD)	5%	24%	22%	ZAR vs GBP	17.38	-2%	-4%	5%	USA BOND 2 YEAR	1.35%	19	68	
DOW JONES INDUSTRIAL	3%	12%	22%	ZAR vs EUR	15.57	-4%	-8%	0%	GERMAN BOND 10 YEAR	0.55%	44	73	
S&P 500	2%	12%	16%	ZAR vs AUD	10.54	-5%	-7%	0%	GERMAN BOND 2 YEAR	-0.66%	14	1	
UK FTSE 100	1%	3%	10%	EUR vs USD	1.18	3%	12%	6%	UK BOND 10 YEAR	1.29%	5	49	
JAPANESE NIKKEI 225	-1%	2%	20%	GBP vs USD	1.32	1%	7%	0%	UK BOND 2 YEAR	0.27%	16	16	
GERMAN DAX	-1%	8%	18%	YEN vs USD	110.36	2%	6%	-8%	RSA 10 YEAR	8.75%	-18	13	
FRENCH CAC 40	-1%	5%	15%	GOLD	1270	2%	10%	-6%	RSA 3 YEAR	7.42%	-69	-43	
AUSTRALIAN ASX	0%	1%	2%	PLATINUM	940	1%	4%	-18%	RSA REPO RATE	6.75%	-25	-25	
JSE ALL SHARE	7%	11%	8%	IRON ORE	74	13%	-7%	24%	RSA PRIME LENDING RATE	10.25%	-25	-25	
JSE TOP 40	8%	13%	9%	COPPER	6347	7%	15%	31%	RSA LONG TERM GILT	8.75%	-18	13	
JSE ALL SHARE SWIX	6%	10%	5%	NICKEL	10235	10%	2%	-2%					
				BRENT OIL	52.72	8%	-7%	22%					
THE FUTURE													
INTERNATIONAL						LOCAL							
<p>Global central bankers continue to adopt a measured approach to raising interest rates and scaling back their balance sheets. Inflation globally remains muted. However, the impact of central bank action on bond yield curves requires investors to consider yield gaps, i.e. the difference between long bonds and shorter term bonds rather than the absolute levels of these instruments. Commodity prices and exports from export-oriented economies indicate a sustained pick-up in world growth and trade. Commodities as well as commodity stocks and currencies are likely to benefit.</p>						<p>Car sales for July reflected some signs of “life”; however we remain concerned that this is more a function of a very low base rather than a resurrection of the South African consumer. The impending earnings release season will give us an indication of the true state of the consumer. The recent decision by Pick ‘n Pay, to reduce staff, causes us to question what the true growth prospects for the sector are. Globally retailers are under intense pressure, a function of the aggressive expansion of the past few years and the relentless move to online purchases by consumers. While South African consumers are a few years behind in this trend, the direction is nevertheless clear!</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. 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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