

GRYPHON DIVIDEND INCOME FUND - 31 JULY 2017

FUND PROFILE

The primary objective of the portfolio is to obtain a high level of primarily dividend income while also achieving capital preservation and liquidity. Capital gains will be of an incidental nature. The portfolio will be permitted to make investments in any equity securities and non-equity securities that generate a dividend return and which may be included in a portfolio in terms of the Collective Investment Schemes Control Act, 2002 and relevant legislation. The manager may from time to time invest in participatory interests and similar investment schemes. The portfolio may be capped from time to time in order to manage the portfolio in accordance with its mandate. Income tax legislation is subject to amendment and any such changes could affect the tax status of distributions by the Gryphon Dividend Income Fund.

KEY FEATURES

The Fund offers regular income in the form of dividends. The fund will to a large extent track the local interest rate cycle. The risk profile of the fund is low. The minimum credit rating for investments to be considered, for inclusion in the portfolio, is A1/F1. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity.

WHO SHOULD INVEST?

Investors seeking an alternative to interest income such as dividends but at the same time with minimum risk to their capital.

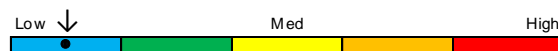
Yields as at 31 July 2017	Individual	Company
After tax money market rate	Yields	
Gryphon Money Market rate	7.97%	7.97%
Marginal tax rate	45%	28%
After tax return	4.38%	5.74%
Gryphon Dividend Fund Return (C Class)	7.08%	7.08%
Dividend Tax, at 20%	-1.42%	0.00%
After tax return	5.66%	7.08%
Net gain above	1.28%	1.34%
Interest rate equivalent yield	Yields	
Gryphon Dividend Fund Return (C Class)	7.08%	7.08%
Dividend Tax	20%	0%
After tax return	5.66%	7.08%
Marginal tax rate	45%	28%
Pre Tax equivalent yield	10.30%	9.83%
Net gain	2.33%	1.86%
% Yield enhancement above MM	29%	23%

DECLARATION INFORMATION FOR THE PREVIOUS 5 DECLARATIONS

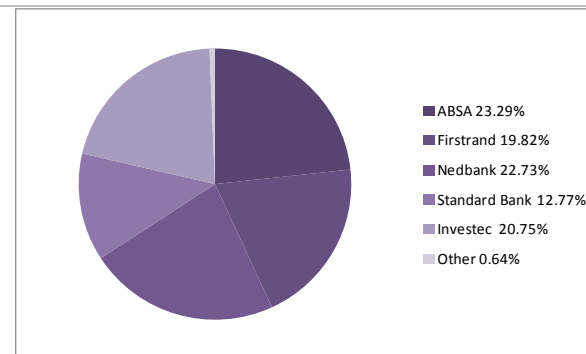
Dividend Declaration Date	Dividend Payment Date	A-CLASS cents per unit	C-CLASS cents per unit
31-Jul-17	2-Aug-17	0.569150	0.585915
30-Jun-17	3-Jul-17	0.545317	0.562686
31-May-17	1-Jun-17	0.560974	0.578949
30-Apr-17	3-May-17	0.543383	0.561306
31-Mar-17	3-Apr-17	0.555695	0.574474

Further information regarding the Gryphon Dividend Income 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



*Other comprises exposures of the fund via the STANLIB Corporate Money Market Fund, Nedgroup Investment Corporate Money Market Fund and direct holdings in the trustee, Standard Chartered Bank Limited.

FUND DETAILS

Sector Classification:
South African - Interest bearing - Short term

Portfolio Manager:
Reuben Beelders
B.Comm (Hons), CA(SA), CFA
Sunette Swart
B.Compt (Hons), CTA, CA(SA)

Benchmark:
70% of STEFI Composite Index

Inception Date:
28 January 2009

Portfolio Size:
R 1 565 105 447

Charges:

Initial Fee:
0.00%

Annual Management Fee:
0.91% (Incl. VAT) Class A
0.72% (Incl. VAT) Class C

Total Expense Ratio:
0.94% Class A (30 June 2017)
0.74% Class C (30 June 2017)

Transactional Cost (TC):
0.00% Class A (30 June 2017)
0.00% Class C (30 June 2017)

Total Investment Charges (TER + TC):
0.94% Class A (30 June 2017)
0.74% Class C (30 June 2017)

Lowest Actual Annual Figure:
3.96% A Class (31 December 2012)
4.32% C Class (31 December 2012)

Highest Actual Annual Figure:
6.74% A Class (30 June 2017)
6.96% C Class (30 June 2017)

Income Declarations:
Income is declared and paid on a monthly basis.

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

Minimum Lump Sum:
R10 000 (A-Class)
R10 000 000 (C-Class)

Minimum Monthly Premium:
R2 000

Valuation:
The Fund is valued daily at 15:00.
Instructions must reach us before 11h00 to ensure same day processing.

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:
A Class : GDICA
C Class : GDICC

ANNUALISED TOTAL RETURN FIGURES AS AT 31 JULY 2017

	1 Year	3 Years	5 Years
A-Class	6.76%	5.93%	5.25%
C-Class	6.98%	6.16%	5.59%
Benchmark (70% of STEFI Composite Index)	5.35%	4.97%	4.58%

GRYPHON MARKET COMMENTARY – 31 JULY 2017

THE PAST					
INTERNATIONAL			LOCAL		
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.			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!		

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		
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.			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!		

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.

Email: invest@gryphon.com

Tel: +27 21 915 5100

Fax: 086 206 2635

FAIS NOTICE and DISCLAIMER: This document is a minimum disclosure document. Collective Investment Schemes (“CIS”) or Unit Trusts are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of the underlying international investments to go up or down. CIS unit prices are calculated on a net asset value (“NAV”) basis, which is the total value of all assets in the portfolio including income accruals and less any permissible deductions from the portfolio. Forward pricing is used. A schedule of fees, charges and maximum commissions is available on request from Gryphon Collective Investments. A Fund-of-Funds is a portfolio that invests in other portfolios of CIS (Unit Trusts), which levy their own charges, which could result in a higher fee structure for the Fund-of-Funds. A money market portfolio is not a bank deposit account. The value of the price is on an accrual basis. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will merely have the effect of increases or decreases in the daily yield, but in the case of abnormal losses it can have an effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure; and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Gryphon Collective Investments reserves the right to close and reopen certain funds from time to time in order to manage them more efficiently and in accordance with mandates. The fund manager may borrow up to 10% of the market value of a portfolio to bridge insufficient liquidity. The CIS are traded at ruling prices and may engage in securities borrowing and scrip lending. Portfolio performance is based on a lump sum investment, calculated on a NAV to NAV basis and does not take any initial fees into account. Income is reinvested on ex-distribution date. Total return performances are published. Performance figures used are on an annualised basis and are the figures as at month-end quoted against relevant benchmarks for a minimum period of one rolling year and in multiples of full years for periods longer than one year. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. The Total Expense Ratio (“TER”) is a measure that can be used by investors and advisors to determine how much of a Financial Product’s underlying assets are relinquished as payment for services rendered in the administration of the Financial Product (e.g. manager fees & charges, administration fees and charges and VAT thereon, etc.). Transaction Costs (“TC”) is a measure that can be used to determine the costs incurred in buying and selling the underlying assets of a Financial Product (e.g. brokerage, VAT on brokerage, securities transfer tax, etc.). TER’s & TC’s are expressed as a percentage of the daily NAV of the Financial Product calculated over a period of three years on an annualised basis. TC’s are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. A higher TER & TC does not necessarily imply a poor return, nor does a low TER & TC imply a good return. The current TER & TC may not necessarily be an accurate indication of future TER’s & TC’s. Gryphon Collective Investments and the portfolio manager(s) cannot guarantee the capital or return of the portfolio. Gryphon Asset Management (Pty) Ltd, (FSP 581) is a licensed financial services provider in terms of the Financial Advisory and Intermediaries Services Act 37 of 2002.