INVESTING WITH PURPOSE

GRYPHON

GRYPHON ALL SHARE TRACKER FUND - 28 FEBRUARY 2017

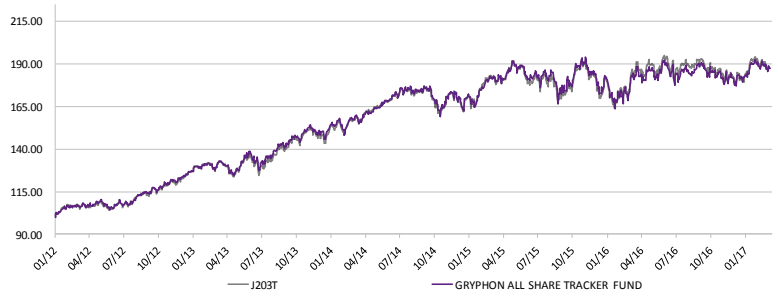
FUND PROFILE

The Gryphon All Share Tracker Fund provides low cost exposure to the equity market and applies the concept of indexation in order to track the performance of the South African All Share Index after accounting for all costs and fees related to the management of the fund. The fund is always fully invested to ensure that unit holders will get long term capital appreciation in line with the market.

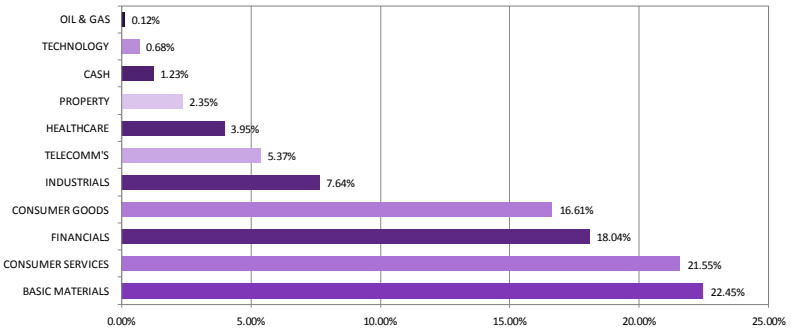
KEY FEATURES

It is a well documented fact that the average active fund underperforms its passive counterpart due to higher fees, problematic stock selection and liquidity constraints. Passive fund management makes use of indexation to ensure that individual positions will always be held in the same proportion as the index, which in itself is also the benchmark to which returns will be compared. The Tracker fund makes use of sampling to keep trading costs down and eliminates potential disaster scenarios. Sector exposure is neutral as prescribed by the index and risky stock selection is not pursued.

CUMULATIVE PERFORMANCE OVER 5 YEARS (BASE OF 100)



SECTOR EXPOSURE



Further information regarding the Gryphon All Share Tracker fund is available on our website www.gryphon.com or by contacting us on 021 915 5100 or at invest@gryphon.com.

Risk Profile

Low — Med — High

TOP 10 HOLDINGS

NASPERS	14.50%
COMPAGNIE FIN. RICHEMONT	7.26%
BHP BILLITON	7.10%
MTN GROUP	4.35%
ANGLO AMERICAN	4.34%
SASOL	3.44%
BRITISH AMERICAN TOBACCO	3.19%
STEINHOFF	3.12%
OLD MUTUAL	2.97%
STANDARD BANK	2.90%
TOTAL	53.17%

FUND DETAILS

Sector Classification:
South African-Equity-General

Portfolio Managers:
Abri Du Plessis
M.Comm (Econometrics)

Casparus Treurnicht
B.Comm (Hons),CFA

Benchmark:
South African All Share Index Total Return

Inception Date:
30 June 2002

Portfolio size:
R130 683 095

Charges:

Initial Fee:
0.00%

Annual Management Fee:
0.23% (Incl. VAT)

Tracking Error:

Monthly Annualized:
2.18%

Total Expense Ratio (TER):
0.34% (31 December 2016)

Transactional Cost (TC):
0.19% (31 December 2016)

Total Investment Charges (TER + TC):
0.53% (31 December 2016)

Lowest Actual Annual Figure:
-37.82%

Highest Actual Annual Figure:
66.41%

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-Oct-16	8.29
1-Apr-16	6.63

ADMINISTRATION

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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 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:
Maitland Fund Services

Annualized Total Return Figures as at 28 February 2017

	1 Year	3 Years	5 Years	10 Years	Inception (2002/06/30)
Gryphon All Share Tracker Fund	6.94%	5.55%	11.59%	9.81%	14.03%
Benchmark	6.28%	5.69%	11.58%	10.21%	14.57%

INVESTING WITH PURPOSE

GRYPHON

GRYPHON MARKET COMMENTARY – 28 FEBRUARY 2017

THE PAST

INTERNATIONAL

Global equity markets continued to deliver positive US $ returns in February. MSCI Emerging Markets at +3.1% outperformed the MSCI World index at +2.8%. However, the "reflation" trade took a breather as Resource stocks gave back some of their recent gains. U.S. markets have adjusted to the increased likelihood of three hikes from the FOMC this year, as U.S. economic data has surprised on the upside and markets continue to anticipate fiscal stimulus. Q1 Earnings releases were generally ahead of expectation and global markets continue to anticipate a recovering world economy.

LOCAL

The "Trump Jump" in the local market of +4.3% in January was followed by "Trump Slump" in February as local equities fell -3.1%, led by General Mining, Gold and Platinum stocks. The strong currency negatively impacted rand-hedge stocks, but prices had started to discount very good news. Our Finance Minister delivered a disciplined, but highly "redistributive" budget. Lower fuel prices and easing of drought conditions have eased the pressure on inflation and are likely to provide some respite to the consumer.

THE PRESENT

EQUITY INDICES	MTD	YTD	12m	CURRENCIES / COMMODITIES	Value	MTD	YTD	12m	BONDS	Value	YTD BPS Δ	12M BPS Δ
MSCI WORLD (USD)	3%	5%	19%	ZAR vs USD	13.13	2%	4%	17%	USA BOND 10 YEAR	2.35%	-11	61
MSCI EMERGING MARKETS (USD)	3%	9%	26%	ZAR vs GBP	16.25	4%	3%	26%	USA BOND 2 YEAR	1.20%	4	40
DOW JONES INDUSTRIAL	5%	6%	29%	ZAR vs EUR	13.88	5%	4%	20%	GERMAN BOND 10 YEAR	0.21%	10	10
S&P 500	4%	6%	25%	ZAR vs AUD	10.03	2%	-1%	11%	GERMAN BOND 2 YEAR	-0.90%	-10	-37
UK FTSE 100	2%	2%	19%	EUR vs USD	1.06	-2%	0%	-3%	UK BOND 10 YEAR	1.08%	-16	-38
JAPANESE NIKKEI 225	0%	-2%	19%	GBP vs USD	1.24	-2%	0%	-11%	UK BOND 2 YEAR	0.10%	-1	-28
GERMAN DAX	3%	3%	24%	YEN vs USD	113.10	0%	3%	-1%	RSA 10 YEAR	8.83%	-9	-49
FRENCH CAC 40	2%	0%	12%	GOLD	1249	3%	9%	1%	RSA 3 YEAR	7.80%	-31	-93
AUSTRALIAN ASX	1%	0%	16%	PLATINUM	1023	3%	13%	9%	RSA REPO RATE	7.00%	0	25
JSE ALL SHARE	-3%	1%	6%	IRON ORE	91	10%	16%	84%	RSA PRIME LENDING RATE	10.50%	0	25
JSE TOP 40	-4%	1%	3%	COPPER	5936	0%	8%	26%	RSA LONG TERM GILT	8.83%	-9	-49
JSE ALL SHARE SWIX	-1%	1%	8%	NICKEL	10870	10%	9%	29%				
				BRENT OIL	55.81	-1%	-2%	53%				

THE FUTURE

INTERNATIONAL

Continued strength in the U.S. economy bodes well for a pick-up in global growth, however, at this point, this is only reflected in confidence and has to at some stage translate into economic reality. Growth expectations in Europe and Japan remain muted. Notwithstanding our caution, China has managed to avoid a hard-landing and is transitioning to a consumer-led economy. However, as we experienced last year, its impact on global commodity demand is still significant and is likely to remain so for some time. Despite the OPEC supply arrangement, oil prices have not risen further and we are cautious about the ability of shale producers to re-enter the market.

LOCAL

South Africa has managed to navigate the SONA, the budget and it would also appear to have avoided a "grants" crisis, as the existing contract is in the process of "re-negotiated". While Q4 2016 GDP disappointed slightly, there is still hope for a stronger local economy into 2017. This would be beneficial, as projected country debt ratios would improve. Inflation is also likely to benefit from improved agricultural prices and the strong Rand. Much work remains to be done; however, the risk of a downgrade appears to have been averted.

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	Conservatively positioned. Opportunities evolving in most asset classes.
	Flexible Fund of Funds	Conservatively positioned. Equities becoming progressively cheaper.
↓	**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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