

GRYPHON ALL SHARE TRACKER FUND - 30 APRIL 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.

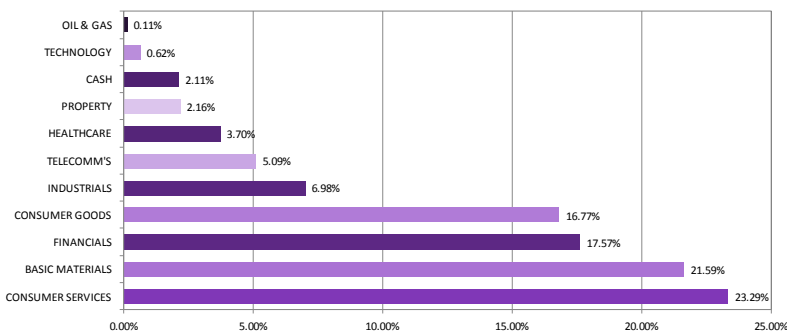
KEY FEATURES

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



TOP 10 HOLDINGS

NASPERS	16.47%
COMPAGNIE FIN. RICHEMONT	7.77%
BHP BILLITON	6.77%
ANGLO AMERICAN	3.83%
MTN GROUP	4.13%
SASOL	3.72%
BRITISH AMERICAN TOBACCO	3.24%
STEINHOFF	3.03%
STANDARD BANK	2.71%
OLD MUTUAL	2.66%
TOTAL	54.33%

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:
R142 812 119

Charges:
Initial Fee:
0.00%

Annual Management Fee:
0.23% (Incl. VAT)

Tracking Error:

Monthly Annualized:
2.05%

Total Expense Ratio (TER):
0.35% (31 March 2017)

Transactional Cost (TC):
0.19% (31 March 2017)

Total Investment Charges (TER + TC):
0.54% (31 March 2017)

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-Apr-16	7.68
3-Oct-16	8.29

ADMINISTRATION

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Website: www.gryphon.com

Physical Address:
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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 30 April 2017

	1 Year	3 Years	5 Years	10 Years	Inception (2002/06/30)
Gryphon All Share Tracker Fund	5.72%	6.27%	12.31%	9.48%	14.31%
Benchmark	4.50%	6.32%	12.67%	9.84%	14.88%

GRYPHON MARKET COMMENTARY – 30 APRIL 2017

THE PAST

INTERNATIONAL

Global equity markets continued the trend of positive US Dollar returns in April. MSCI Emerging Markets, up +2.6% outperformed the MSCI World index which was at +1.6%. European markets recovered as the risk of populist support reduced. U.S. earnings were strong and resulted in more cyclical sectors like IT and Consumer Discretionary outperforming. While some economic releases reflected a slight slowdown in the U.S. in Q1 of 2017, these have generally been interpreted as only temporary. While commodity prices therefore have paused recently, the expectation is for a continued recovery in the medium term.

LOCAL

The local market returned +3.6%, driven by large-cap, rand-hedge industrial stocks. Economic releases were generally weak; however, the large number of public holidays makes analysis of the weakness difficult. Easter was in April this year against March, in 2016, which also impacts comparative analysis. Sentiment indicators too, reflect weakness and economists are scaling down their already muted growth prospects for the year. We have for some time warned that political uncertainty will eventually translate into economic weakness. Sadly, our warnings are becoming reality.

THE PRESENT

EQUITY INDICES	MTD	YTD	12m	CURRENCIES / COMMODITIES	Value	MTD	YTD	12m	BONDS	Value	YTD BPS Δ	12M BPS Δ
MSCI WORLD (USD)	1%	7%	12%	ZAR vs USD	13.36	0%	2%	6%	USA BOND 10 YEAR	2.30%	-16	46
MSCI EMERGING MARKETS (USD)	2%	13%	16%	ZAR vs GBP	17.26	-4%	-3%	16%	USA BOND 2 YEAR	1.26%	10	49
DOW JONES INDUSTRIAL	1%	7%	21%	ZAR vs EUR	14.56	-2%	-1%	11%	GERMAN BOND 10 YEAR	0.34%	23	7
S&P 500	1%	7%	18%	ZAR vs AUD	10.01	2%	-1%	7.5%	GERMAN BOND 2 YEAR	-0.75%	5	-28
UK FTSE 100	-2%	1%	15%	EUR vs USD	1.09	2%	4%	-5%	UK BOND 10 YEAR	1.17%	-7	-56
JAPANESE NIKKEI 225	2%	-2%	15%	GBP vs USD	1.29	3%	5%	-11%	UK BOND 2 YEAR	0.11%	0	-41
GERMAN DAX	2%	9%	24%	YEN vs USD	111.52	0%	5%	-5%	RSA 10 YEAR	8.76%	-16	-14
FRENCH CAC 40	3%	8%	19%	GOLD	1268	2%	10%	-2%	RSA 3 YEAR	7.53%	-58	-71
AUSTRALIAN ASX	1%	4%	12%	PLATINUM	944	-1%	5%	-13%	RSA REPO RATE	7.00%	0	0
JSE ALL SHARE	4%	8%	4%	IRON ORE	69	-14%	-13%	4%	RSA PRIME LENDING RATE	10.50%	0	0
JSE TOP 40	4%	9%	4%	COPPER	5689	-3%	3%	13%	RSA LONG TERM GILT	8.76%	-16	-14
JSE ALL SHARE SWIX	4%	7%	4%	NICKEL	9485	-4%	-5%	0%				
				BRENT OIL	52.05	-3%	-8%	10%				

THE FUTURE

INTERNATIONAL

Political tension in UK and Europe continues to ease. In the former, the Conservatives were confident enough to call for a general election mid-year, while elections in France have allayed fears of populist policies. Currency markets have reacted with the euro strengthening against the dollar. While economies are likely to benefit as result, the European Central Bank is likely to use the opportunity to reduce QE, which will impact financial markets. The oil price has come under pressure as result of increased production by shale producers in the U.S. Whether OPEC production compliance can arrest the downtrend, is not certain.

LOCAL

The near-term investment horizon remains clouded by the new and inexperienced team at key government institutions. With limited investment from both the private and public sector, growth prospects remained muted. Our equity market does, however, offer investors a haven of safety in a number of listed foreign domiciled and focused counters. However, caution is required in this regard, as the market's performance is not reflective of the local economy. Stable and market-oriented policies are urgently required to attract the long-term investment required to enhance our sustainable economic growth rate.

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 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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