

## GRYPHON ALL SHARE TRACKER FUND - 28 FEBRUARY 2018

### 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 fully invested to ensure that unit holders will get long term capital appreciation in line with the market.

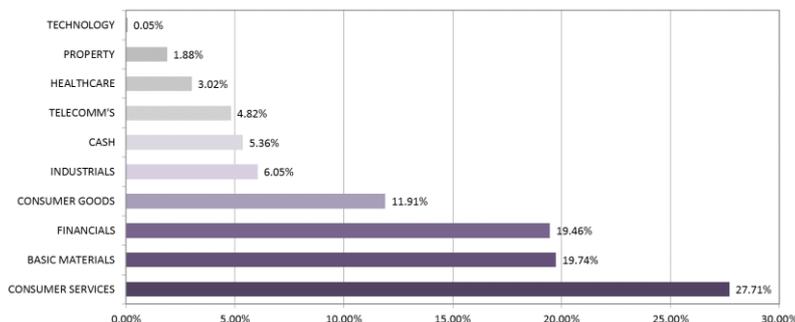
### KEY FEATURES

It is a well documented fact that the average active fund underperforms the market by a substantial margin 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 must be compared. The Tracker fund makes use of sampling to keep trading costs down and to ensure superior liquidity. 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](http://www.gryphon.com) or by contacting us on 021 915 5100 or at [invest@gryphon.com](mailto:invest@gryphon.com).

### Risk Profile



### TOP 10 HOLDINGS

Naspers	20.01%
Richemont	6.76%
BHP Billiton	6.61%
Anglo American	4.14%
Standard Bank	3.65%
MTN Group	3.36%
Sasol	3.15%
FirstRand	2.90%
British American Tobacco	2.70%
Old Mutual	2.65%
<b>Total</b>	<b>55.93%</b>

### 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:**  
R186m

**Charges:**  
**Initial Fee:**  
0.00%

**Annual Management Fee:**  
0.23% (Incl. VAT)

**Tracking Error:**

**Monthly Annualized:**  
1.63%

**Total Expense Ratio (TER):**  
0.34% (31 December 2017)

**Transactional Cost (TC):**  
0.17% (31 December 2017)

**Total Investment Charges (TER + TC):**  
0.51% (31 December 2017)

**Lowest Actual Annual Figure:**  
-37.82%

**Highest Actual Annual Figure:**  
66.41%

**Income Declarations:**  
Twice per year on the 1<sup>st</sup> of October and the 1<sup>st</sup> of April or subsequent business day.

Payment date:	Cents per unit:
2-Oct-17	9.55
3-Apr-17	7.68

### 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:**  
1<sup>st</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 14:00 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  
**JSE Code:**  
PTST

### Annualized Total Return Figures as at 28 February 2018

	1 Year	3 Years	5 Years	10 Years	Inception (2002/06/30)
<b>Gryphon All Share Tracker Fund</b>	17.70%	6.21%	11.20%	9.59%	14.26%
<b>Benchmark</b>	17.44%	6.08%	11.23%	9.80%	14.75%

GRYPHON MARKET COMMENTARY – 28 FEBRUARY 2018

THE PAST												
INTERNATIONAL						LOCAL						
Global markets eased off in February, with Developed Markets down -4.1% and Emerging Markets -4.6%. Energy, -9.1%; Consumer Staples, -6.9% and Real Estate, -6.3% led stocks lower. Earnings and growth expectations had been aggressively priced into markets and while actual results were in line with expectations, as often is the case, markets had gotten ahead of themselves. The return of volatility was a reminder to global investors that markets can come down. We remain constructive on global economic growth. Our risk indicators are not elevated and we continue to see equities as prospectively the best performing asset class.						The transition from Zuma to Ramaphosa proceeded smoothly and was followed by an inspiring SONA, realistic budget and a cabinet reshuffle. The impact of global volatility and a strong Rand made themselves felt on the JSE, which ended the month down -2.0%. While global property stocks were under pressure as the result of interest rates being revised higher, a considerable segment of our local property stocks were under additional pressure due to questionable accounting. Financials outperformed as our bonds rallied and their defensiveness seemed a good option in the slow-growth, local environment.						
THE PRESENT												
EQUITY INDICES	MTD	YTD	12m	CURRENCIES / COMMODITIES	Value	MTD	YTD	12m	BONDS	Value	YTD BPS Δ	12M BPS Δ
MSCI WORLD (USD)	-4%	1%	15%	ZAR vs USD	11.79	1%	5%	10%	USA BOND 10 YEAR	2.93%	51	58
MSCI EMERGING MARKETS (USD)	-5%	3%	28%	ZAR vs GBP	16.23	4%	3%	0%	USA BOND 2 YEAR	2.24%	35	104
DOW JONES INDUSTRIAL	-4%	1%	20%	ZAR vs EUR	14.39	3%	3%	-4%	GERMAN BOND 10 YEAR	0.62%	20	41
S&P 500	-4%	2%	15%	ZAR vs AUD	9.15	5%	5%	9%	GERMAN BOND 2 YEAR	-0.60%	4	30
UK FTSE 100	-4%	-6%	0%	EUR vs USD	1.22	2%	-2%	-15%	UK BOND 10 YEAR	1.59%	35	51
JAPANESE NIKKEI 225	-4%	-3%	15%	GBP vs USD	1.38	3%	-2%	-11%	UK BOND 2 YEAR	0.83%	35	73
GERMAN DAX	-5%	-3%	9%	YEN vs USD	106.68	2%	5%	6%	RSA LONG TERM GILT	8.33%	-49	-51
FRENCH CAC 40	-3%	0%	10%	GOLD	1318	-2%	2%	6%	RSA 10 YEAR	8.33%	-49	-51
AUSTRALIAN ASX	0%	-1%	7%	PLATINUM	980	-2%	5%	-4%	RSA 3 YEAR	7.00%	-49	-79
JSE ALL SHARE	-2%	-2%	17%	IRON ORE	79	8%	8%	-14%	RSA REPO RATE	6.75%	0	-25
JSE TOP 40	-2%	-2%	20%	COPPER	6953	-2%	-3%	17%	RSA PRIME LENDING RATE	10.25%	0	-25
JSE ALL SHARE SWIX	-1%	-2%	18%	NICKEL	13800	2%	13%	27%	USA INFLATION RATE	2.10%	0	-40
JSE TOP 40 SWIX	-1%	-2%	21%	BRENT OIL	65	-6%	-3%	16%	RSA INFLATION RATE	4.40%	-30	-220
THE FUTURE												
INTERNATIONAL						LOCAL						
The chemistry between valuation, economics and politics turned somewhat toxic early in the new month, as in China, a revision of the Constitution holds the prospect of the President serving for more than two terms. In the U.S. President Trump is losing his advisors at a rapid rate, as he embarks on tariff protection for local industries. While he does not seem to fear trade wars, the financial and investment impacts of these policies are many and mostly negative. The impact on global trade and in the medium term global inflation has the bond markets concerned. While global business and consumer confidence are holding strong, rising costs from policies of this nature will adversely impact these indicators.						While the impact of the 1% increase in the VAT rate is yet to be felt on local “pockets”, the Q4 GDP release reflected an economy in slightly better shape than previously anticipated. The stronger GDP numbers also positively impact our country’s fiscal ratios and the new “old” broom in Treasury seems set on averting a downgrade. Corporate earnings releases reflect struggling but still financially strong entities who are coping with an indebted consumer. However, there are signs of a pick-up in capital expenditure which would bode well for the economy as a whole. The strong currency and well-behaved oil price have improved the prospect of a cut in interest rates at the forthcoming meeting of the SARB. While this would be positive, we cannot ignore the fact that global interest rates are heading the other way.						
OUR FUNDS												
RISK	GRYPHON FUND						POSITIONING					
LOW	Money Market Fund						Conservatively managed, superb yield.					
↑	Dividend Income Fund						Enhanced before tax yield of + / - 10.00%. Attractive relative to other interest rate products.					
	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.					
↓	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](mailto:invest@gryphon.com)

Tel: +27 21 915 5100

Fax: 086 206 2635

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