

GRYPHON DIVIDEND INCOME FUND - 30 APRIL 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.

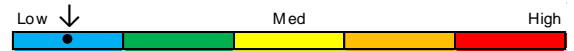
Yields as at 30 April 2017	Individual	Company
After tax money market rate	Yields	
Gryphon Money Market rate	7.91%	7.91%
Marginal tax rate	45%	28%
After tax return	4.35%	5.70%
Gryphon Dividend Fund Return (C Class)	6.98%	6.98%
Dividend Tax, at 20%	-1.40%	0.00%
After tax return	5.58%	6.98%
Net gain above	1.23%	1.28%
Interest rate equivalent yield	Yields	
Gryphon Dividend Fund Return (C Class)	6.98%	6.98%
Dividend Tax	20%	0%
After tax return	5.58%	6.98%
Marginal tax rate	45%	28%
Pre Tax equivalent yield	10.15%	9.69%
Net gain	2.24%	1.78%
% Yield enhancement above MM	28%	23%

DECLARATION INFORMATION FOR THE PREVIOUS 5 DECLARATIONS

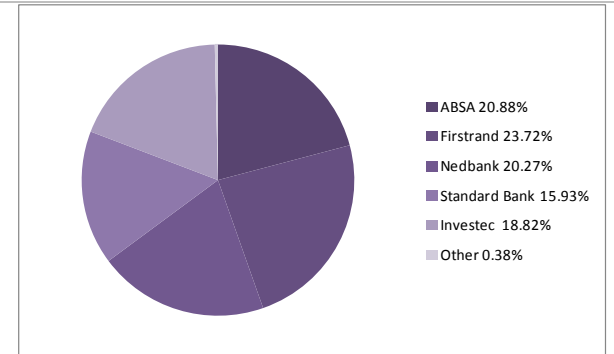
Dividend Declaration Date	Dividend Payment Date	A-CLASS cents per unit	C-CLASS cents per unit
30-Apr-17	3-May-17	0.543383	0.561306
31-Mar-17	3-Apr-17	0.555695	0.574474
28-Feb-17	1-Mar-17	0.502173	0.518911
31-Jan-17	1-Feb-17	0.557623	0.574737
31-Dec-16	3-Jan-17	0.548776	0.568697

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 1 726 069 712

Charges:
Initial Fee:
0.00%

Annual Management Fee:
0.91% (Incl. VAT)

Total Expense Ratio:
0.94% Class A (31 December 2016)
0.74% Class C (31 December 2016)

Transactional Cost (TC):
0.00% Class A (31 December 2016)
0.00% Class C (31 December 2016)

Total Investment Charges (TER + TC):
0.94% Class A (31 December 2016)
0.74% Class C (31 December 2016)

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

Highest Actual Annual Figure:
6.68% A Class (30 April 2017)
6.91% C Class (30 April 2017)

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

ADMINISTRATION

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Website: www.gryphon.com

Physical Address:
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Pro Sano Park East
Southgate
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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:
Maitland Fund Services

ANNUALISED TOTAL RETURN FIGURES AS AT 30 APRIL 2017

	1 Year	3 Years	5 Years
A-Class	6.68%	5.76%	5.11%
C-Class	6.91%	5.98%	5.35%
Benchmark (70% of STEFI Composite Index)	5.32%	4.87%	4.51%

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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