

GRYPHON MONEY MARKET FUND - 30 APRIL 2017

FUND PROFILE

The Gryphon Money Market Fund generates a high level of monthly interest income, while preserving capital. It invests in money market instruments such as government and public sector securities, treasury bills, debentures and bank deposits. These instruments have a maturity of not more than 12 months. In order to ensure that liquidity is available and the capital is preserved, the average maturity may not exceed 90 days.

KEY FEATURES

The fund is designed for investors who seek a low risk investment which generates optimal interest income while simultaneously preserving the capital investment. The Fund invests only in vanilla instruments with a short term credit rating of A1/F1 or better. The portfolio manager may borrow up to 10% of the market value of the portfolio in order to bridge insufficient liquidity.

WHO SHOULD INVEST?

Investors seeking to maximize interest income while at the same time not putting their capital at risk. The Gryphon Money Market Fund is ideal for investors with an appetite for bank deposits or equivalents.

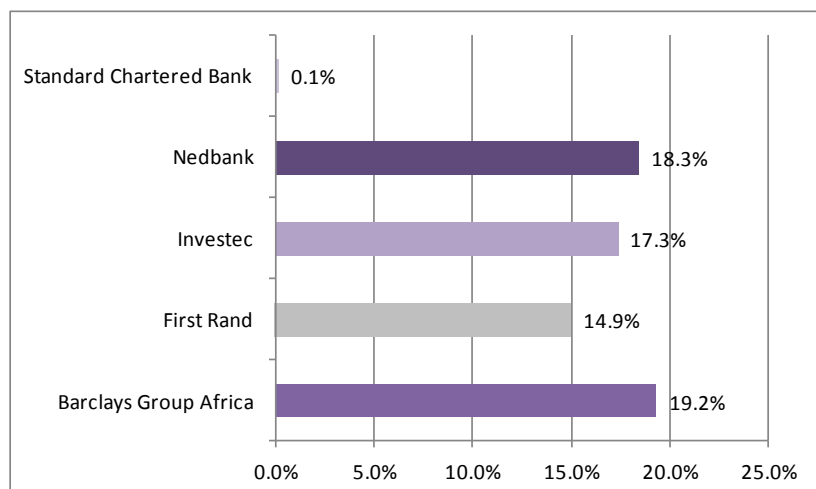
PERFORMANCE OBJECTIVE

The primary performance objective of the portfolio is to obtain as high a level of current income as is consistent with capital preservation and liquidity. Capital gains will be of an incidental nature. The aim is top quartile performance in its category.

DECLARATION INFORMATION FOR THE PREVIOUS YEAR'S DECLARATIONS

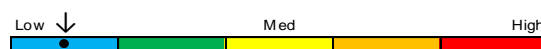
Declaration date	Cents per unit (rounded to 2 decimals)	Declaration date	Cents per unit (rounded to 2 decimals)
Apr 2017	0.61	Oct 2016	0.65
Mar 2017	0.63	Sep 2016	0.63
Feb 2017	0.57	Aug 2016	0.64
Jan 2017	0.64	Jul 2016	0.64
Dec 2016	0.64	Jun 2016	0.62
Nov 2016	0.63	May 2016	0.63

BANK EXPOSURES

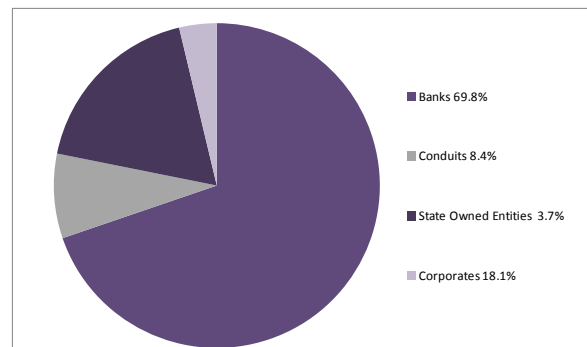


Further information regarding the Gryphon Money Market Fund is available on our website www.gryphon.com or by contacting us on 021 915 5100 or at invest@gryphon.com.

Risk Profile



ASSET ALLOCATION



Call	20.70%
1 – 30 days	23.82%
31 – 60 days	21.87%
61 – 90 days	24.99%
91 – 180 days	4.80%
180 + days	3.82%
Total	100.00%

FUND DETAILS

Sector Classification:
South African – Interest Bearing – Money Market

Portfolio Managers:
Abri Du Plessis
M.Comm (Econometrics)
Sunette Swart
B Compt (Hons), CTA, CA(SA)

Benchmark:
Short term Fixed Interest Index (STEFI)

Inception Date:
01 October 1999

Portfolio Size:
R263 690 766

Charges:
Initial fee:
0.00%

Annual Management Fee:
0.29% (Incl. VAT)

Total Expense Ratio (TER):
0.31% (31 March 2017)

Transactional Cost (TC):
0.00% (31 March 2017)

Total Investment Charges (TER + TC):
0.31% (31 March 2017)

Lowest Actual Annual Figure:
5.14% (31 December 2014)

Highest Actual Annual Figure:
13.24% (31 July 2003)

Income Declarations:
Income is paid on a monthly basis.

ADMINISTRATION

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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 11:30 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	15 years
Money Market Fund	7.82%	6.94%	6.28%	7.42%	7.99%
Benchmark (STEFI)	7.59%	6.82%	6.22%	7.28%	7.90%

GRYPHON MARKET COMMENTARY – 30 APRIL 2017

THE PAST													
INTERNATIONAL						LOCAL							
<p>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.</p>						<p>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.</p>							
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						LOCAL							
<p>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.</p>						<p>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.</p>							
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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