

GRYPHON MONEY MARKET FUND - 28 FEBRUARY 2018

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.

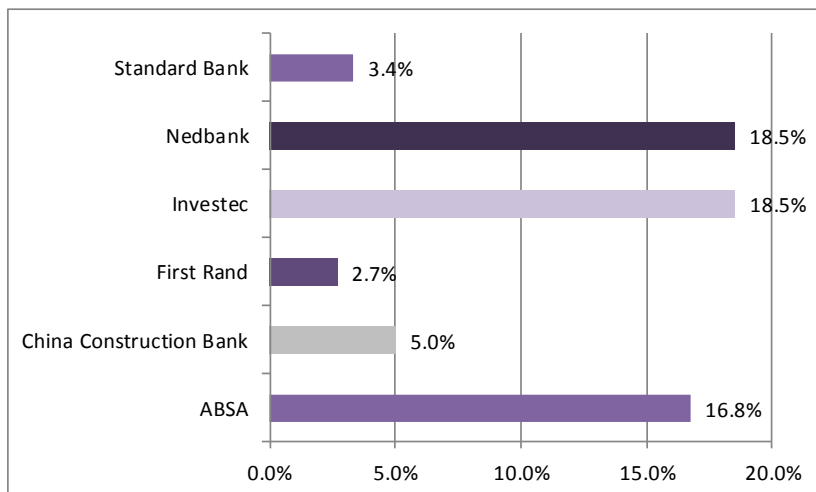
PERFORMANCE OBJECTIVE

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

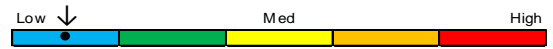
Declaration date	Cents per unit (rounded to 2 decimals)	Declaration date	Cents per unit (rounded to 2 decimals)
Feb 2018	0.56	Aug 2017	0.63
Jan 2018	0.62	Jul 2017	0.64
Dec 2017	0.66	Jun 2017	0.62
Nov 2017	0.61	May 2017	0.64
Oct 2017	0.63	Apr 2017	0.61
Sep 2017	0.61	Mar 2017	0.63

BANK EXPOSURES

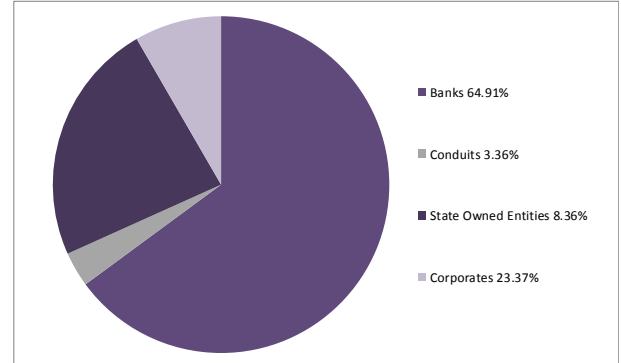


Further information regarding the Gryphon Money Market Fund is available on our website www.gryphon.com or by contacting us on 021 915 5100 or at invest@gryphon.com.

Risk Profile



ASSET ALLOCATION



Call	15.78%
1 – 30 days	28.77%
31 – 60 days	8.42%
61 – 90 days	26.81%
91 – 180 days	3.48%
180 + days	16.74%
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:
R309m

Charges:
Initial fee:
0.00%

Annual Management Fee:
0.29% (Incl. VAT)

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

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

Total Investment Charges (TER + TC):
0.31% (31 December 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.

JSE Code:
GIMM

ADMINISTRATION

Gryphon Contact Details:
Tel: +27 21 915 5100
Fax: +27 86 206 2635
Email: invest@gryphon.com
Website: www.gryphon.com

Physical Address:
1st 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:
Prescient Fund Services

Annualized Total Return Figures as at 28 February 2018

	1 Year	3 years	5 years	10 years	15 years
Money Market Fund	7.75%	7.39%	6.68%	7.23%	7.72%
Benchmark (STEFI)	7.44%	7.17%	6.55%	7.07%	7.62%

GRYPHON MARKET COMMENTARY – 28 FEBRUARY 2018

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

Tel: +27 21 915 5100

Fax: 086 206 2635

FAIS NOTICE and DISCLAIMER: This document is a minimum disclosure document. Collective Investment Schemes (“CIS”) or Unit Trusts are generally medium to long term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of the underlying international investments to go up or down. CIS unit prices are calculated on a net asset value (“NAV”) basis, which is the total value of all assets in the portfolio including income accruals and less any permissible deductions from the portfolio. Forward pricing is used. A schedule of fees, charges and maximum commissions is available on request from Gryphon Collective Investments. A Fund-of-Funds is a portfolio that invests in other portfolios of CIS (Unit Trusts), which levy their own charges, which could result in a higher fee structure for the Fund-of-Funds. A money market portfolio is not a bank deposit account. The value of the price is on an accrual basis. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will merely have the effect of increases or decreases in the daily yield, but in the case of abnormal losses it can have an effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressure; and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Gryphon Collective Investments reserves the right to close and reopen certain funds from time to time in order to manage them more efficiently and in accordance with mandates. The fund manager may borrow up to 10% of the market value of a portfolio to bridge insufficient liquidity. The CIS are traded at ruling prices and may engage in securities borrowing and scrip lending. Portfolio performance is based on a lump sum investment, calculated on a NAV to NAV basis and does not take any initial fees into account. Income is reinvested on ex-distribution date. Total return performances are published. Performance figures used are on an annualised basis and are the figures as at month-end quoted against relevant benchmarks for a minimum period of one rolling year and in multiples of full years for periods longer than one year. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. The Total Expense Ratio (“TER”) is a measure that can be used by investors and advisors to determine how much of a Financial Product’s underlying assets are relinquished as payment for services rendered in the administration of the Financial Product (e.g. manager fees & charges, administration fees and charges and VAT thereon, etc.). Transaction Costs (“TC”) is a measure that can be used to determine the costs incurred in buying and selling the underlying assets of a Financial Product (e.g. brokerage, VAT on brokerage, securities transfer tax, etc.). TER’s & TC’s are expressed as a percentage of the daily NAV of the Financial Product calculated over a period of three years on an annualised basis. TC’s are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. A higher TER & TC does not necessarily imply a poor return, nor does a low TER & TC imply a good return. The current TER & TC may not necessarily be an accurate indication of future TER’s & TC’s. Gryphon Collective Investments and the portfolio manager(s) cannot guarantee the capital or return of the portfolio. Gryphon Asset Management (Pty) Ltd, (FSP 581) is a licensed financial services provider in terms of the Financial Advisory and Intermediaries Services Act 37 of 2002.