
GRYPHON

with purpose

GRYPHON COLLECTIVE INVESTMENTS

ABRIDGED ANNUAL REPORT

2022



GRYPHON

The Gryphon: a mythological creature found in many cultures, with a legendary passion for discovering and guarding vast fortunes. Half lion, half eagle, the gryphon was renowned for its noble conduct, foresight, clarity of vision, swiftness and skill in carrying out tasks.

passionate protection with purpose

Image: Gryphon Miscellany

CEO REPORT

The complexity of markets increased post the COVID-19 pandemic and high levels of volatility were evident in the equity, bond and currency markets during the year under review. Generally speaking, the recovery of global economies was slow, with headwinds such as high inflation, geopolitical uncertainties (Ukraine, Taiwan), high energy prices, and sanctions against Russia having profound effects on energy in Europe. Locally, we faced energy uncertainty as a result Eskom's challenges as well as turmoil in politics. Despite the higher-than-expected resource prices that favour South Africa, broad-based economic recovery was not experienced by all industries. International inflation hampered global economic growth due to rapidly rising interest rates and we saw a shift from a supply shortage of goods at the beginning of the reporting period to a lack of demand closer to the end of the period. Despite the curtailment of further excessive financial assistance by governments (quantitative easing becoming quantitative tightening), global government debt levels are at new highs.

Our local stock exchange was extremely volatile during the reporting period and the JSE All Share Index (Total Return) fluctuated between 10301.13 and 12670.98 - a difference of 23.01%! A further note that the tourism sector has not yet fully recovered and remains relatively subdued.

Although Covid globally is reasonably under control, Covid restrictions have not yet been totally removed and in China in particular full economic capacity has not yet resumed as a result of sustained lock downs.

Equity markets in the rest of the world are down from previous highs and reports of companies starting to lay-off workers are starting to emerge - particularly in the technology-orientated sectors which is the sector that is supposedly experiencing growth. This is a trend that suggests that an economic recession may be ahead.

Due to energy cost issues worldwide, global economies have not recovered to the extent hoped for and, as a result, growth expectations are being scaled down by the IMF from initial estimates.

LOCAL ECONOMIC OVERVIEW

South African economic recovery and growth has been hampered by increasingly frequent and lengthy periods of loadshedding which in turn has led to escalating production costs and rising inflation. Moreover, we have reached the stage of wage negotiations that inevitably result in strikes which only hinders economic recovery and job creation.

Local interest rates have begun a cycle of rate hikes. Interest rates have increased 350 basis points thus far and indications are that this cycle has not yet peaked. Stubborn inflation may have the effect of higher rates for longer, possibly resulting in a recession in the local economy. The South African Rand weakened considerably against other major currencies and at one stage had deteriorated by 20.02% against the US Dollar within the reporting period.

The 12-month total return ending 30th September 2022 for the JSE All Share was 3.55% (2021: 23.2%). The JSE therefore underperformed cash which returned 4.6% in 2022 (2021: 3.796%) while bonds earned a mere 1.5% (2021: 12.46%).

The dynamic asset allocation of the multi asset funds contributed significantly to returns for investors. These noteworthy products have proven their mettle, consistently delivering inflation-beating returns.

IN CLOSING

I would like to thank our loyal and valued customers - without you we do not have a business.

I would also like to state once more that we are particularly proud of the performance of our funds – they have delivered in accordance with their design, mandates and benchmarks and this has resulted in excellent returns with no unexpected surprises regardless of risk levels; all this while maintaining a commitment to low costs.

We thank you for your continued and valued support and look forward to being of further service to you in the next 12 months.



MJ Kellerman

CHIEF EXECUTIVE OFFICER

GRYPHON COLLECTIVE INVESTMENT (RF) PROPRIETARY LIMITED



31 October 2022

Abridged Report of the Trustee Standard Chartered Bank, Johannesburg Branch

We, Standard Chartered Bank, Johannesburg Branch, in our capacity as trustee of the

GRYPHON COLLECTIVE INVESTMENT SCHEME (THE “SCHEME”)

have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended (“the Act”), for the period 01 October 2021 up to and including 30 September 2022 (“the Report”). The Report is available from us and/or

GRYPHON COLLECTIVE INVESTMENTS (RF) (PTY) LTD (THE “MANAGER”)

This letter is an abridged version of the Report.

Having fulfilled our duties as required by the Act, we confirm that the Manager of the Scheme has in general administered the Scheme:

- (i) within the limitations on the investment and borrowing powers of the Manager imposed by the Act, and
- (ii) in accordance with the provisions of the Act and the deed.

We do however wish to bring to your attention the following instances of where the Manager has not administered the Scheme in accordance with the said limitations and provisions:

Some errors and timing differences may have resulted in contraventions of some of the limitations referred to in (i) and some of the provisions referred to in (ii) above. Any contraventions were in our view not material and where appropriate the portfolios were compensated by the Manager for loss (if any) that may have been suffered by the portfolios as a result of these contraventions.

Should any investor require a copy of the Report, kindly contact the Manager.

Yours sincerely,

Charl Steyn
Manager, Trustee Services & Compliance

Chantell Kruger
Senior Manager, Trustee Services

Standard Chartered Bank

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**SUMMARISED INFORMATION
FOR THE YEAR ENDING
30 SEPTEMBER 2022**

	Gryphon All-Share Tracker Fund	Gryphon Dividend Income Fund	Gryphon Flexible Fund	Gryphon Global Equity Fund	Gryphon Money Market Fund	Gryphon Prudential Fund
	R	R	R	R	R	R
	2022	2022	2022	2022	2022	2022
CONDENSED STATEMENT OF COMPREHENSIVE INCOME						
Income	19 014 541	64 305 579	9 876 581	138 011	14 995 593	15 944 224
Expenditure	(1 019 770)	(11 968 492)	(2 436 984)	(123 595)	(522 284)	(4 024 955)
Net income/(loss) for the year before finance costs	17 994 771	52 337 087	7 439 597	14 416	14 473 309	11 919 269
Retained income, beginning of the year	(60 564)	8 907	6 089	(6 593)	(2)	7 999
Distribution of income	(17 954 813)	(52 347 967)	(7 435 975)	(13 922)	(14 473 308)	(11 901 970)
Change in net assets attributable to unit holders	(20 606)	(1 973)	9 711	(6 099)	(1)	25 298
DISTRIBUTION PER UNIT (cents)	40.34 (A) 6.74 (Z)	3.59 (A) 4.03 (B) 3.76 (C)	27.91 (B) 24.43 (Z)	- (B) 2.86 (Z)	4.46 (A) 4.58 (C) 4.75 (Z)	27.92 (B) 24.49 (Z)

CONDENSED STATEMENT OF FINANCIAL POSITION

	R	R	R	R	R	R
Net assets attributable to unit holders	326 091 766	1 545 818 698	370 671 958	21 025 301	329 684 018	631 689 722
Accrued expenses	201 580	1 119 508	213 677	9 152	86 146	376 900
Trade and other payables	10 375 588	-	-	-	-	-
Distributions payable	480 279	5 845 376	3 913 320	8 264	1 554 213	6 486 450
Liabilities other than net assets attributable to unit holders	11 057 447	6 964 884	4 126 997	17 416	1 640 359	6 863 350
Investments	325 143 196	1 290 000 000	152 355	18 015 545	200 000 000	169 292
Accrued income	758 804	18 537 808	927 011	2 477	4 151 378	1 589 333
Trade and other receivables	11 600	-	-	-	-	-
Cash and cash equivalents	11 235 613	244 245 774	373 719 589	3 024 695	127 172 999	636 794 446
Total Assets	337 149 213	1 552 783 582	374 798 955	21 042 717	331 324 377	638 553 071

PORTFOLIO COMPOSITION

	(%)	(%)	(%)	(%)	(%)	(%)
Non-Equity Securities						
Debtentures	-	83.08%	-	-	-	-
Money Market Instruments	-	-	-	-	60.36%	-
Off shore cash	-	-	48.18%	11.47%	-	48.26%
Liquid Assets	3.56%	16.92%	51.78%	2.92%	39.64%	51.71%
Unit Trusts	-	-	0.04%	-	-	0.03%
Bonds	-	-	0.00%	-	-	0.00%
Equity Securities						
Basic Materials	26.14%	-	-	-	-	-
Consumer Discretionary	23.96%	-	-	-	-	-
Consumer Staples	0.84%	-	-	-	-	-
Energy	1.39%	-	-	-	-	-
Financials	20.16%	-	-	-	-	-
Health Care	1.95%	-	-	-	-	-
Industrials	3.77%	-	-	-	-	-
Real Estate	2.83%	-	-	-	-	-
Technology	10.33%	-	-	-	-	-
Telecommunications	5.07%	-	-	-	-	-
Local Commodities	-	-	-	-	-	-
Off shore equities	-	-	-	85.61%	-	-
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

INVESTMENT PERFORMANCE

	(%)	(%)	(%)	(%)	(%)	(%)
Year to 30 September 2022	2.91% (A)	3.64% (A)	10.08% (B)	-0.08% (B)	4.56% (A)	10.27%
Year to 30 September 2021	19.87% (A)	3.00% (A)	7.63% (B)	15.70% (B)	4.11% (A)	7.50% (B)

All-share Index

Sep 2022: 3.55% Sep 2021: 23.19%

STFI

Sep 2022: 4.59% Sep 2021: 3.80%

FEES:

	(%)	(%)	(%)	(%)	(%)	(%)
Maximum Initial fee	-	-	-	-	-	-
Service fee (including VAT)	0.23 (A) - (Z)	1.035 (A) 0.575 (B) 0.8625 (C) 0.805 (F)	0.345 (B) - (Z)	0.575 (B) - (Z)	0.2875 (A) 0.1725 (C) - (Z)	0.345 (B) - (Z)
Total Investment Charges (TER + TC)% - 3 years annualised	0.53 (A) 0.30 (Z)	1.07 (A) 0.61 (B) 0.90 (C) 0.84 (F)	0.49 (B) 0.15 (Z)	1.05 (B) 0.46 (Z)	0.30 (A) 0.19 (C) 0.02 (Z)	0.49 (B) 0.15 (Z)