

Gryphon Collective Investments
Abridged Annual Report
2019



CEO REPORT

The past 12 months have been marked by three main international events; namely Donald Trump's trade tariff war with China, Boris Johnson's fight to achieve Brexit for the UK and the further lowering of developed countries interest rates. This has resulted in volatility in equity markets across the world.

What has become clear is that investment returns remain in single digits and, despite decent global economic growth, not a single economy is firing on all cylinders; Emerging Market recovery being the slowest of all. Protracted lack of economic growth is creating even greater uncertainty and investors are waiting to see which asset class will generate some investment value for them. Currently, there is no clear winner.

The continued lack of synchronized global growth is increasingly evident in the populist uprisings and fractious electorates across the globe and will make for a far less forgiving economic and investment environment than we have enjoyed for the past few years.

Local economic overview

Global uncertainty influences local uncertainty. Add to that the corruption inquiries, lack of state funding, the questionable solvency levels of parastatal companies (in particular the lifeline power supplier, Eskom), the lack of accountability of politicians – these and many more factors are contributing to the South African economy's sluggish growth rate. A lack of emphasis on private business, entrepreneurs and a free labor market has led to the lowest business sentiment in years. This is effectively the fifth year in which the South African equity market has not delivered decent returns and, generally speaking, investors holding cash have had less volatile and higher returns than those offered by equities or property.

The JSE total return for 12 months ending 30th September 2019 at 1.86% (2018: 3.3%) was once again muted and beaten by cash (2019: 7.34%) and bonds (2019:11.42%). It is interesting to note that the JSE All Share return for the past five years (1st Oct 2014 to 30th Sep 2019) was 5.32% p.a. barely beating inflation at 4.91% p.a. - not much of a real return. We saw a continued decline in the earnings of companies operating locally; this is to be expected in a very low economic growth scenario.

As we said last year, we currently hold a conservative asset allocation position in our multi-asset funds; these are currently fully exposed to cash. This strategy extended through the 12 months ending 30th September 2019. We believe cash to be the best asset class in the near-term until either value is restored to other asset classes or prospects for global growth improve.

In closing:

The slow shift into index funds continued this year. We believe intermediaries and clients are gradually becoming more aware of the benefits of this style of investing and expect the pace of transition to pick up.

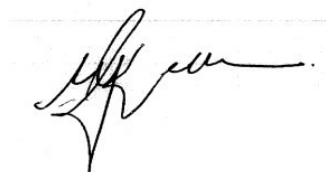
In a low return environment clients become more aware of the cost of investing and, as such, pressure is being felt in the industry to cut fees as well as to justify any layers of costs involved in an investment product.

We are particularly proud of the performance of our funds – they have behaved in accordance with their design and have delivered satisfying returns without any unexpected surprises; all this while maintaining a commitment to low costs.

We thank you for your continued support.

We would like to thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MJ Kellerman', is written over a horizontal dashed line.

MJ Kellerman
CHIEF EXECUTIVE OFFICER
GRYPHON COLLECTIVE INVESTMENT (RF) (PTY) LTD

Gryphon Collective Investment (RF) (PTY) Limited
Bonitas Office Park East
1st Floor, Southgate
Tyger Waterfront
Carl Cronje Drive
Tyger Valley
Bellville
7530

Attention: MJ Kellerman

05 December 2019

Gryphon Collective Investment Scheme (the scheme) Year end 30 September 2019

We, Standard Chartered Bank, Johannesburg Branch, in our capacity as trustee of the Scheme, are required in terms of Section 70(3) of the Collective Investments Scheme Control Act, 45 of 2002, as amended (the "Act"), to satisfy ourselves that every Statement of Financial Position, Statement of Comprehensive Income and other return prepared by the manager of the Scheme in terms of Section 90 of the Act (the "Accounts") fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the manager of the Scheme.

We note that responsibility for the Accounts rests with the manager of the scheme in terms of the Act and that they have the obligation to ensure that the Accounts have been properly drawn up in accordance with both generally accepted accounting principles and the Act and that they fairly represent the financial position of each portfolio of the Scheme. Nothing in this report can be construed as us giving an accounting opinion in relation to the Accounts.

Based on our records, and the Accounts, we hereby report that nothing has come to our attention that would lead us to believe anything other than:

- (a) the fact that the Accounts fairly represent the assets and liabilities of every portfolio of the Scheme;
- (b) the fact that the Accounts fairly represent the income and distribution of income of every portfolio of the Scheme; and
- (c) the fact that the Manager has administered the scheme in accordance the provisions of the Act and the relevant deed.

Yours sincerely,



Chantell Kruger
Senior Manager, Trustee Services, SA



Mark Hearne
Head of Cash and TB Lead

Standard Chartered Bank
Johannesburg Branch
5th Floor, 4 Sandown Valley Crescent,
Sandton 2196, Gauteng, South Africa
P.O. Box 782080, Sandton 2146, Gauteng, South Africa
Tel +27 (0)11 217 6600 Fax +27 (0)11 217 6601
www.standardchartered.com/za

SUMMARISED INFORMATION
FOR THE YEAR ENDING
30 SEPTEMBER 2019

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Gryphon All-Share Tracker Fund	Gryphon Dividend Income Fund	Gryphon Flexible Fund of Funds	Gryphon Global Equity Fund	Gryphon Money Market Fund	Gryphon Prudential Fund of Funds
	R	R	R	R	R	R
	2019	2019	2019	2019	2019	2019
Income	10 664 765	155 993 904	1 305 917	162 594	46 771 326	1 121 066
Expenditure	(681 460)	(17 898 128)	(82 736)	(99 285)	(1 390 776)	(78 977)
Net income/(loss) for the year before finance costs	9 983 305	138 095 776	1 223 181	63 309	45 380 550	1 042 089
Retained income, beginning of the year	5 028	-17 674	2 700	-43	-3	3 475
Distribution of income	(9 990 116)	(138 083 697)	(1 225 832)	(63 473)	(45 380 550)	(1 047 798)
Change in net assets attributable to unit holders	-1 783	-5 595	49	-207	-3	-2 234
DISTRIBUTION PER UNIT (cents)	28.38 (A) 4.78 (Z)	6.44 (A) 6.91 (B) 6.63 (C) 2.09 (E) 5.58 (F)	22.70 (A) 62.71 (B)	8.86 (B)	7.21 (A) 7.33 (C) 7.52 (Z)	22.03 (A) 61.74 (B)

CONDENSED STATEMENT OF FINANCIAL POSITION

	R	R	R	R	R	R
Net assets attributable to unit holders	244 582 643	1 991 877 105	21 583 349	11 723 681	741 736 043	20 912 626
Accrued expenses	134 271	1 421 928	6 050	5 427	172 863	5 699
Trade and other payables	-	-	-	-	-	-
Distributions payable	6 595 010	10 717 418	596 238	44 140	4 314 855	574 553
Liabilities other than net assets attributable to unit holders	6 729 281	12 139 346	602 288	49 567	4 487 718	580 252
Investments	234 405 325	1 925 000 000	22 007 496	11 765 774	736 000 000	21 401 937
Accrued income	183 673	878 541	91 533	5 787	9 951 773	83 945
Trade and other receivables	10 380	-	-	-	-	-
Cash and bank balances	16 712 546	78 137 910	86 608	1 687	271 988	6 996
Total Assets	251 311 924	2 004 016 451	22 185 637	11 773 248	746 223 761	21 492 878

PORTFOLIO COMPOSITION

	(%)	(%)	(%)	(%)	(%)	(%)
Non-Equity Securities						
Debentures	-	86.08%	-	-	-	-
Money Market Instruments	-	-	-	-	65.53%	-
Off shore cash	-	-	1.67%	1.17%	-	1.63%
Liquid Assets	6.73%	13.92%	70.25%	8.56%	34.47%	69.75%
Unit Trusts	-	-	28.08%	-	-	28.62%
Equity Securities						
Basic Materials	21.17%	-	-	-	-	-
Consumer Goods	11.87%	-	-	-	-	-
Consumer Services	6.50%	-	-	-	-	-
Financials	27.59%	-	-	-	-	-
Health Care	1.61%	-	-	-	-	-
Industrials	3.55%	-	-	-	-	-
Oil and Gas	0.02%	-	-	-	-	-
Technology	14.53%	-	-	-	-	-
Telecommunications	3.55%	-	-	-	-	-
Local Commodities	2.88%	-	-	-	-	-
Off shore equities	-	-	-	90.27%	-	-
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

INVESTMENT PERFORMANCE

	(%)	(%)	(%)	(%)	(%)	(%)
Year to 30 September 2019	0.13%	6.63% (A)	7.73% (B)	8.61% (B)	7.49% (A)	7.24% (B)
Year to 30 September 2018	3.95%	6.59% (A)	7.80% (B)	14.32% (B)	7.52% (A)	8.67% (B)

All-share Index

Sep 2019: 1.86% Sep 2018: 3.32%

STEFI

Sep 2019: 7.34% Sep 2018: 7.27%

FEES:

	(%)	(%)	(%)	(%)	(%)	(%)
Maximum Initial fee	-	-	-	-	-	-
Service fee (including VAT)	0.23 (A) - (Z)	1.035 (A) 0.575 (B) 0.8625 (C) 1.265 (E) 0.805 (F)	0.345 (B)	0.575 (B)	0.2875 (A) 0.1725 (C) - (Z)	0.345 (B)
Total Investment Charges (TER + TC)% - 3 years annualised	0.47 (A) 0.22 (Z)	1.00 (A) 0.57 (B) 0.82 (C) 0.83 (F)	1.85 (A) 0.71 (B)	1.51 (B)	0.31 (A) 0.19 (C) 0.02 (Z)	0.72 (B)