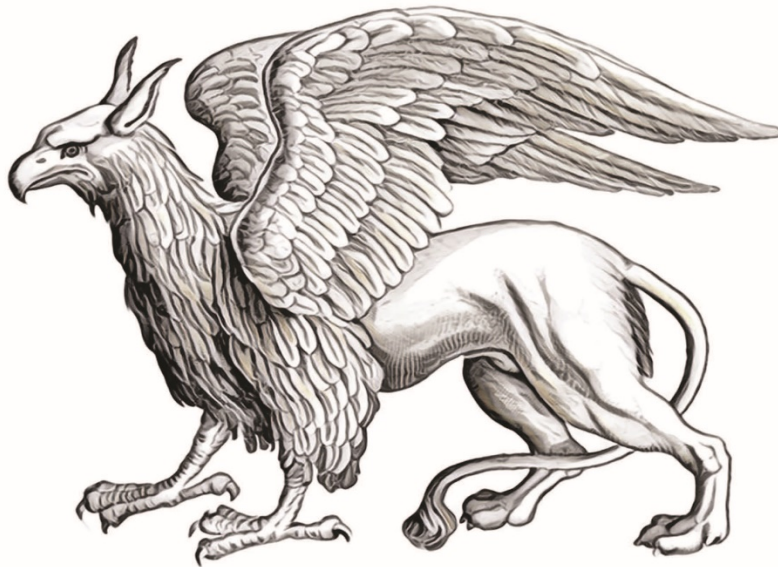


GRYPHON COLLECTIVE INVESTMENTS

Abridged Annual Report

2020



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 from Gryphon Miscellany

CEO REPORT

In last year's annual report, we raised concerns of a slowdown in both the global and the local economies. With the havoc wreaked by the unexpected COVID-19 pandemic added to the mix, an economic recession was the inevitable outcome. It is worth noting that South Africa was not alone in experiencing a disastrous recession; most of the world was severely impacted alongside us.

When and how economies will recover remains uncertain. There is, however, one certainty and that is that investment returns have been even lower this year, generally speaking, than in the previous 5 years.

Internationally, the main events (combined with COVID-19) that affected markets were: the outcome of the presidential election in the USA, the UK and Boris Johnson's fight to achieve Brexit, and the continued low interest rates that augurs muted returns for investors. Further, we see a few technology stocks driving the US stock markets to new highs and/or keeping them at high levels. The rest of the world markets did not necessarily follow this trend. The top 10 stocks driving the performance on the JSE were predominantly Naspers and Prosus N.V., driven by Tencent, gold, platinum, and general mining companies. Excluding dividends, three out of four companies included in the All Share Index delivered negative value to the market's index performance over the past 12 months.

We expect global GDP growth prospects to pick up but remain circumspect regarding GDP levels for 2020, particularly given the anticipated second wave of COVID-19 which may cause further restrictions to recovering economies. Further, rising social unrest is being experienced across the globe and this could escalate should a second wave of COVID-19 negatively influence lives further, especially economically.

Local economic overview

Globalisation has evolved to the extent that the local economy is integrally dependent on international and global events.

One downside is that, not only has state and parastatal funding become more expensive, but it has also become increasingly difficult to raise funding because of further expected downgrades to sub-investment grades, among other reasons. This has been the cause of major capital outflows during this reporting period and raised the cost of funding for National Treasury.

Local interest rates were cut in line with global markets. This was to the detriment of cash saving returns, but positive for borrowers. A sluggish recovery in the economy is anticipated over the next 12 months.

There have, however, been some positive developments that should be celebrated. There has been progress, albeit slow, with various corruption charges, a measured turnaround strategy for Eskom has been implemented, and the drought has been broken in much of South Africa which is critical to buoying the agricultural contribution to our GDP.

The JSE All Share's 12 month total return ending 30th September 2020 was a muted 2.01% (2019: 1.87%); once again beaten by both cash (2020: 6.21%; 2019: 7.34%) and bonds (2020: 3.58%; 2019:11.42%). The last 12 months followed a similar pattern to that of the previous year in that the JSE All Share return for the past five years (1st Oct 2015 to 30th Sep 2020) was 4.75% p.a. (previous five years ending 30th Sept 2019 - 5.32%) barely beating inflation's 4.5% p.a. over that 5 year period. Company earnings' forecasts remain under pressure as a result of the devastating effect of COVID-19 over the past six months, as well the continuing uncertainty of the recovery outlook.

Gryphon' prudent investment philosophy has resulted in the multi asset funds and the All Share Tracker delivering consistent, dependable returns. The dynamic asset allocation of the multi asset funds contributed significantly to returns for investors in a low yielding investment market. These are noteworthy products that have proven their mettle over the last five years.

In closing

We continue to see recognition of the value of index-tracking this year; we believe the broader market is becoming more aware of the benefits of this style of investing. Yields after costs remains the focus of investors going forward, and rightly so.

I state again that we are particularly proud of the performance of our funds – they have delivered in accordance with their design 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

Gryphon Collective Investment (RF) (PTY) Limited
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Carl Cronje Drive
Tyger Valley
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7530

Attention: MJ Kellerman

08 December 2020

Gryphon Collective Investment Scheme (the scheme) Year end 30 September 2020

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



Charl Steyn
Manager, Trustee Services

Standard Chartered Bank

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**SUMMARISED INFORMATION
FOR THE YEAR ENDING
30 SEPTEMBER 2020**

	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
	2020	2020	2020	2020	2020	2020
CONDENSED STATEMENT OF COMPREHENSIVE INCOME						
Income	7 844 601	1 334 454 647	6 786 278	136 347	27 062 473	13 461 922
Expenditure	(785 829)	(18 364 083)	(180 455)	(97 806)	(830 645)	(275 902)
Net income/(loss) for the year before finance costs	7 058 772	1 115 090 564	6 605 823	38 541	26 231 828	13 186 020
Retained income, beginning of the year	-1 783	-5 595	49	-207	-3	-2 234
Distribution of income	(7 064 347)	(1 115 096 148)	(6 615 700)	(38 540)	(26 231 826)	(13 240 200)
Change in net assets attributable to unit holders	-7 358	-11 179	-9 828	-206	-1	-56 414
DISTRIBUTION PER UNIT (cents)	18.46 (A) 3.18 (Z)	5.23 (A) 5.67 (B) 5.39 (C) 5.47 (F)	93.88 (B)	5.20 (B)	6.30 (A) 6.40 (C) 6.59 (Z)	93.08 (B)

CONDENSED STATEMENT OF FINANCIAL POSITION

	R	R	R	R	R	R
Net assets attributable to unit holders	268 602 590	2 176 797 118	156 289 255	14 907 190	271 372 543	309 315 341
Accrued expenses	184 006	1 631 095	24 695	7 066	85 557	71 079
Trade and other payables	666 469	-	-	-	-	5 722 055
Distributions payable	4 486 611	6 538 784	5 829 573	17 157	1 003 423	12 275 662
Liabilities other than net assets attributable to unit holders	5 337 086	8 169 879	5 854 268	24 223	1 088 980	18 068 796
Investments	260 143 644	1 765 000 000	109 381 629	13 631 876	160 000 000	216 197 958
Accrued income	284 976	1 278 612	1 614 777	5 543	2 756 078	3 141 870
Trade and other receivables	-	-	-	-	-	-
Cash and cash equivalents	13 511 056	418 688 385	51 147 117	1 293 994	109 705 445	108 044 309
Total Assets	273 939 676	2 184 966 997	162 143 523	14 931 413	272 461 523	327 384 137

PORTFOLIO COMPOSITION

	(%)	(%)	(%)	(%)	(%)	(%)
Non-Equity Securities						
Debentures	-	80.78%	-	-	-	-
Money Market Instruments	-	-	-	-	58.72%	-
Off shore cash	-	-	0.07%	0.13%	-	0.10%
Liquid Assets	5.03%	19.22%	32.47%	8.57%	41.28%	33.86%
Unit Trusts	-	-	0.08%	-	-	0.05%
Bonds	-	-	67.38%	-	-	65.99%
Equity Securities						
Basic Materials	34.02%	-	-	-	-	-
Consumer Goods	12.19%	-	-	-	-	-
Consumer Services	5.80%	-	-	-	-	-
Financials	13.74%	-	-	-	-	-
Health Care	1.65%	-	-	-	-	-
Industrials	1.86%	-	-	-	-	-
Oil and Gas	0.03%	-	-	-	-	-
Technology	21.85%	-	-	-	-	-
Telecommunications	2.63%	-	-	-	-	-
Local Commodities	1.20%	-	-	-	-	-
Off shore equities	-	-	-	91.30%	-	-
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

INVESTMENT PERFORMANCE

	(%)	(%)	(%)	(%)	(%)	(%)
Year to 30 September 2020	3.30% (A)	5.34% (A)	19.79% (B)	16.54% (B)	6.51% (A)	19.29% (B)
Year to 30 September 2019	0.13% (A)	6.63% (A)	7.73% (B)	8.61% (B)	7.49% (A)	7.24% (B)

All-share Index

Sep 2020: 2.01% Sep 2019: 1.86%

STEFI

Sep 2020: 6.20% Sep 2019: 7.34%

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)	0.575 (B)	0.2875 (A) 0.1725 (C) - (Z)	0.345 (B)
Total Investment Charges (TER + TC)% - 3 years annualised	0.47 (A) 0.24 (Z)	1.05 (A) 0.60 (B) 0.87 (C) 0.83 (F)	0.53 (B)	1.26 (B)	0.30 (A) 0.19 (C) 0.01 (Z)	0.56 (B)