

FEBRUARY 2021

**GRYPHON GREETINGS!**

*“For last year’s words belong to last year’s language  
And next year’s words await another voice.”*

*TS Eliot*

And who among us could possibly have imagined the strain that would be placed on the words that we use to communicate and connect with each other? We will all have been impacted by the need to shift into a world of virtual communication—whether it’s engaging with clients or companies, teaching or learning, buying or selling...

Regardless of the platform, we are delighted to be able to communicate some good news from the Gryphon frontline.

Firstly, we won a Raging Bull certificate—Best South African Multi-Asset High Equity Fund on a Risk-

Adjusted performance basis over 5 years was awarded to the Gryphon Prudential Fund. A well-deserved win; hearty congratulations to the team!!

On the 4th February 2020, the Gryphon Prudential Fund was just over R24 million in size. One year on, it has breached the R500 million mark!! That is the result of fantastic support and we are grateful for it!

We also have a new look website: [Gryphon’s new website](#). We’ve aimed at a fresh look with intuitive navigation; we’ve also tried to demystify the investment language we too readily revert to in this industry. Let us have your comments and suggestions.

In Beyond Boundaries, we reflect on the challenge of accessing the wisdom that brings with it the peace and tranquillity we all seek.

Take care, be light.



**GRYPHON PRUDENTIAL FUND**

**Raging Bull Certificate: Best South African Multi-Asset High Equity Fund on a Risk-Adjusted performance basis over 5 years**

**GRYPHON 99ER CYCLE TOUR CANCELLED**

The Gryphon 99 Cycle Tour was scheduled to take place on Saturday, 13 February 2021. After careful consideration of all factors compounded by constantly changing circumstances, the organisers and sponsors of the Gryphon 99 Cycle Tour have confirmed the cancellation of the 2021 event.

While we’re obviously disappointed at the turn of events, we admire and appreciate the manner in which the Gryphon 99er team has managed the situation with the health of all beings being prioritised. We look forward to being a part of this superb event next year.



**GRYPHON MISCELLANY — GRAVITAS**

A demeanour that is thoughtful and exploratory, kindly and calm, but firm when needed.

*A rooster came to believe his hens were not as productive as they should be. He borrowed an ostrich egg and rolled it into the hen-house saying: “I am not complaining or criticizing, I’m just showing you what’s being done elsewhere.”*

**GRAVITAS WITH PURPOSE**



## BEYOND BOUNDARIES

*This segment serves as a reminder that our investors live in a world beyond the confines and rules of the investment regime; a reminder for us to lift our heads and look towards the horizon of humanity.*

### 2020 HINDSIGHT - THERE IS NO FINISHING LINE

Toward the end of last year, I spent 10 days in silence at the Dhamma Patākā retreat just outside Worcester. It is the only sanctuary of its kind in Africa and many (aspirational) meditators travel from far and wide to voluntarily reach new levels of discomfort and pain in this beautiful setting – Jack Dorsey has even been spotted pretzeled and ‘zenned out’, albeit ‘incognito’ in his ninja kit.

Driving home after the retreat, I reflected on how I had ‘done’. This is probably standard behaviour for western minds – to compete and compare constantly and this alone feeds our self-inflicted [dukkha](#). I realised that the way the course had been run mirrored the reality of life; there was no cheer-leading committee, no evaluation, no ‘well done, you’re nearly there’, no 75% pass rate, no Top 5 get through...there was no relative assessment that could inspire or bore you. In truth, we live with our own choices; each breath has its own consequence on a timeline we are not always aware of.

This reflection helped me to understand my attachment to order – I think this is a ‘condition’ many people can relate to; the need to control/understand/determine the future. This attachment is what keeps the mind in a permanent ‘shot cat’ state – moving repeatedly between past and future, constantly in an effort to evaluate and secure outcomes. What this disengagement allowed me to see was that the antidote is space; giving the mind space enables everything that is creative and intelligent within to find its way to the surface and create/design, the solutions and perspectives we couldn’t find in the chaos of the imbrogio that is the mind.

What the mind seeks is sanctuary – we can shift so much of our

enjoyment of life by allowing this. Sanctuary is a word that hadn’t really landed for me. As is so often the case, this curiosity was met by [Aeon](#), one of my favourite websites, in the way they describe their offering: ‘Sanctuary means a space that is sacred, set aside from politics and commerce for contemplation, the pursuit of knowledge and spiritual practice. Yet sanctuaries, even in their original religious sense, were never aloof from the outside world. In the ancient world, these sacred precincts offered refuge to those who were politically persecuted, as sanctuary cities and churches still do today. A sanctuary is, then, a refuge from the hurly-burly – a place to reflect upon the cosmos, human history and our own nature. But it is also a viewpoint from which to observe and engage the world beyond, to stimulate and open up new perspectives.’

Don’t you just love that – doesn’t it inspire you to find sanctuary, or better still, create your own!...and we can do that. We have the capacity within ourselves – as Eckhardt Tolle said, if you truly want peace, you will choose peace.

In his book, The Wisdom Pattern, Richard Rohr says that a universal pattern can be found in all societies – in fact, in all of creation, namely the patterns of Order, Disorder and Reorder; that knowing the *full* pattern allows us to let go of our first order, trust the disorder, and, sometimes even hardest of all, to trust the new reorder. He maintains that it is culpable blindness that most people still consider it somewhat of a surprise, or something that can be avoided by an easy jump from stage one to stage three. This is human hubris and illusion. Progress is never a straight and uninterrupted line, but we have all been formed by the Western Philosophy of Progress that tells us it is, leaving us despairing and cynical.

If nothing else, COVID-19 has introduced to us our need to accept disorder, trust reorder and thus the need for sanctuary.

Allow grace to fill the gaps.



## REGARDING MARKETS

REUBEN BEELDERS

CHIEF INVESTMENT OFFICER

**Local markets:** Current levels of South African equities reflect expectations of a strong global and local recovery; we are more sure of the former than the latter. That said, we would caution against a number of risks associated with global recovery. US politics remain fragmented and we believe that the stimulus package proposed by President Biden may take longer to deliver than markets anticipate. South Africa’s fiscal position has improved somewhat, but underlying growth remains weak. The release of vehicle sales for the month of January reflects a loss of momentum in the economy’s recovery. Despite very low interest rates, the South African consumer remains in a strained financial position. The increase in the oil price and the rise in

food-related commodities will also impact negatively on purchasing power.

**Global markets:** Global markets have been volatile as we enter the month of February. Some retail investors enjoyed the euphoria of paper profits on short positions which we fear have now turned, and have become realized losses. The focus has shifted to the roll-out of vaccines and most countries appear to be passing through the second wave of COVID19 infections. Company earnings have generally been good; however, we question whether they are sufficient to justify the currently elevated levels of global equity markets. US bond yields have trended steadily higher. While we are not sure whether this is a function of stronger than anticipated economic growth, or concerns around inflation as result of prospective stimulus, what is clear, is that the single justification for equities at current levels, i.e. bond yields at historic lows, is slowly being eroded.

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