



Gryphon greetings!

With all that's been unfolding around us, it's been impossible to know whether to step forward, step backwards, or simply turn up the music and cha-cha-cha. While the latter may feel a bit like fiddling while Rome is burning, it may be the best thing to do; maybe not literally, but certainly to be able to lift our eyes and recognise the impermanence of any situation, whether good or bad. The good news is that nothing lasts for ever; the bad news is that nothing lasts forever. The Pali word for impermanence is 'Anicca' and it embodies the passing of all things. And so it is that the Gryphon team has embraced the 'not-knowing' in the best way we know how; to maintain our commitment to the teachings of history and the sanity of data-based indicators. Our investment team has not skipped a beat – they've been in the office (with the occasional comfort break) continuously while our support team has cha-cha-cha-ed between 'office-office' and home-

office' all the while remaining committed to the highest standard of client care possible.

The implementation of POPIA and other regulatory updates has kept us busy and your inboxes groaning. While these developments may have caused frustration and exasperation at times, it should be of comfort to know that the protection of investors' privacy and safety of capital is paramount. Markets are challenging enough in keeping capital safe without also having to worry about the grubby little paws of hackers and bandits. Our banking and financial sector is a sophisticated one and, while this can result in gnashing of teeth sometimes, we will gladly walk with you and help you to understand and familiarise yourself with new procedures. Please always feel free to contact us on invest@gryphon.com.

This latest edition of Gryphiti is somewhat philosophical (even more so than usual) and we hope that it provides some respite from the grim and the bleak.



FROM THE BEE HIVE

Apparently there is a bumblebee poster hanging in NASA's Space Science Centre that says: "The aerodynamic body of bumblebees is not fit to fly, but it's good that the bumblebee doesn't know about it."

In the law of physics, the aerodynamic rule says the width of wings is too small to keep her massive body in flight, but the bee doesn't know that, she knows nothing about physics or its logic and still flies.

Bumblebees, regardless of the size of wings, fly and enjoy life.

Do you know the name Theodor Giesel? You probably should. This is the name of an author who struggled to write a novel that was rejected by publishing companies 27 times; but this man persisted. He had the good fortune to bump into an old friend who had recently taken over as a children's literature editor and who agreed to publish Giesel's work. Better known today as Dr Seuss, Giesel went on to enjoy extraordinary success.

The producer of the Netflix series, *The Queen's Gambit*, Allan Scott, tells how it took 30 years to complete, with 9 rewrites, and every studio he showed it to saying that no one would be interested in a series about chess. *The Queen's Gambit* has been viewed by 62 million people.

Gryphon's investment asset allocation methodology defies convention – apparently the way we do what we do doesn't work. But I'm not going to be the one to tell the investment team that – they've been implementing this philosophy for 20-odd years and they seem to be flying remarkably well and enjoying life.

One of the most enduring and comforting characteristics of the Gryphon team is the constant pressing of the 'refresh' button. Our CIO and the rest of the investment team know the danger of complacency, the risk of sitting comfortably drinking the Kool Aid and thinking 'we've got this covered'. Being constantly cognisant of what you're doing, trusting your philosophy and process, and having utmost faith in your team speaks to complete integrity.

While the current ranking of the multi asset funds may be cause for concern for some investors, the funds have delivered consistently on their objectives; protecting capital in order to make inflation-beating returns more likely. Furthermore, over 5 years, both funds are snugly positioned where any investor would like them to be – well-up near the top of the rankings.

In conclusion, "The individual has always had to struggle to keep from being overwhelmed by the tribe. If you try it, you will be lonely often, and sometimes frightened. But no price is too high to pay for the privilege of owning yourself." – Friedrich Nietzsche

GRYPHON MISCELLANY

RULES

A principle that operates within a particular sphere of knowledge, describing or prescribing what is possible or allowable. Remember how we were taught how to cross a road?

"Kyk links, kyk regs, kyk weer links voor jy versigtig oorstep."



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.

“You may know that every Friday I teach stillness at a school for little humans. The headmistress of the school is one of the most progressive, open-minded, gentle souls I know and asked that we have similar practice sessions with the teachers; we use the opportunity to reflect on coping and kindness, primarily to self, and then also to practice stillness.

Recently, one of the staff at the school contracted COVID. She was quite badly affected and was off for about three weeks. On her return, I went to check-in with her and she shared some heart-warming insights. It seems that one of the most devastating aspects of this illness is the fear that it instills, the powerlessness that overwhelms you, if for no other reason, the battle to breathe. All too often this results in us throwing up our hands, moving in a way that fear makes us move, and abdicating the responsibility and power that we have in curating how we engage with what is happening. This was exactly her experience—the disease brought an overwhelming fear, a state of constant borderline panic. She said two things helped to find her centre: the phrase that we had discussed in our last session, “Physician, heal thyself”, and conscious, healing breath. While there was the temptation to throw herself at the mercy of outside care and surrender to pharmaceuticals, she found that by accepting what was, by relinquishing resistance to what she could not control, she found a level of peace and equanimity which removed at least some of the stress the illness brought. I believe that to come through a trauma with greater confidence and appreciation of the magic that is within us, is part of the curriculum.

Kindness towards ourselves allows kindness towards others. Below is a beautiful poem on kindness that takes on even greater meaning when you know the [context in which it was written](#).

KINDNESS—by Naomi Shihab Nye

*Before you know what kindness really is
you must lose things,
feel the future dissolve in a moment
like salt in a weakened broth.
What you held in your hand,
what you counted and carefully saved,
all this must go so you know
how desolate the landscape can be*



between the regions of kindness.

*How you ride and ride
thinking the bus will never stop,
the passengers eating maize and chicken
will stare out the window forever.*

*Before you learn the tender gravity of kindness,
you must travel where the Indian in a white poncho
lies dead by the side of the road.
You must see how this could be you,
how he too was someone
who journeyed through the night with plans
and the simple breath that kept him alive.*

*Before you know kindness as the deepest thing inside,
you must know sorrow as the other deepest thing.
You must wake up with sorrow.
You must speak to it till your voice
catches the thread of all sorrows
and you see the size of the cloth.*

*Then it is only kindness that makes sense anymore,
only kindness that ties your shoes
and sends you out into the day to mail letters and purchase bread,
only kindness that raises its head
from the crowd of the world to say
It is I you have been looking for,
and then goes with you everywhere
like a shadow or a friend.*

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And so it is that we've all signed up for the curriculum, may our practice of kindness and compassion receive the endeavour it deserves. *“Let us temper our criticism with kindness. None of us comes fully equipped,” Carl Sagan*

If you'd like to see the little humans rocking the bumble bee, please [click here...](#)



REGARDING MARKETS

REUBEN BEELDERS

Chief Investment Officer

INTERNATIONAL MARKETS

The listing of Robinhood was patently a reflection of the euphoria currently prevailing in equity markets. Not only did it list with a rich valuation, it then proceeded to almost double in the first week of trading! New listings in the U.S. continue apace, although recent regulatory pronouncements out of China have spooked global markets. A number of Chinese companies have listed in the U.S. providing investment banks with generous, but unlikely to be sustainable, revenue streams. We are uncertain at this stage as to whether the regulatory action in China is practical or political. Either way, we are reasonably sure that they will place downward pressure on profits. US payroll

for July proved stronger than expected and the increase in those employed was just shy of 1m; the unemployment rate fell from 5.9% to 5.4%. In the recent economic cycle, peak employment, was around February 2020, with an unemployment rate of 3.5%. How long will we take to get back there?

LOCAL MARKETS

The new month was certainly not dull. We had to cope with a significant petrol price increase as well as a cabinet reshuffle which resulted in a new Finance Minister. The recent volatility in Naspers and Prosus has caused elevated volatility levels in our equity market. Regardless of these events and the volatility, equity investors have enjoyed buoyant markets and it is worth reflecting on what could cause markets to rise further. Equity markets generally reflect the underlying economic conditions 9 to 12 months hence. For those old enough to remember, there were times in the past when reference was made to a “Goldilocks economy”; it was “neither too hot nor too cold, but just right”. That story entails *three* bears – can we hope to avoid one? Central Bankers of other emerging markets like Turkey and Russia have already begun hiking interest rates. We need to be aware that this generally indicates higher local rates.

CONTACT DETAILS

B S H: Megan Fraser
Email: invest@gryphon.com | Tel: 021 915 5100
www.gryphon.com

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