



GRYPHON
INVESTMENT COUNSEL INC.

Form ADV Part 2A - The Brochure
April 1, 2021

Gryphon Investment Counsel Inc.

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This Brochure provides information about the qualifications and business practices of Gryphon Investment Counsel Inc. ("Gryphon"). If you have any questions about the contents of this Brochure, please contact us at (416) 364-2299 or kjohnson@gryphon.ca

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Gryphon is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Gryphon is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

The Form ADV Part 2A has been updated at April 1, 2021. Since the last brochure items 4, 5, 6, 8 and 10 have been updated.

Please note that the Form ADV Part 2A will be available via the SEC website at all times. All new and prospective clients will be provided a copy of the Brochure (including Part 2A, and Part 2B also known as the “Brochure Supplement”) prior to opening an account. Additionally, on an annual basis within 120 days of Gryphon’s fiscal year end, clients will be provided either: a) a copy of the full Brochure, including the new Part 2B which provides summary information regarding Gryphon’s investment professionals, as well as a summary of any material changes; or b) a summary of material changes to the previous Brochure, with an opportunity to request a copy of the full current Brochure free of charge.

We ask that clients (and prospective clients) carefully review this Brochure and all subsequent material changes as they contain important information regarding Gryphon’s advisory services, any disciplinary history, business practices, conflicts of interest and fees.

Item 3 -Table of Contents

Item 1 – Cover Page	
Item 2 - Material Changes	
Item 3 -Table of Contents	
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 – Disciplinary Information.....	11
Item 10 – Other Financial Industry Activities and Affiliations	12
Item 11 – Code of Ethics , Participation in Client Transactions and Personal Trading	12
Item 12 – Brokerage Practices	14
Item 13 – Review of Accounts.....	16
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody	17
Item 16 – Investment Discretion	17
Item 17 – Voting Client Securities.....	17
Item 18 – Financial Information.....	18

Item 4 – Advisory Business

Gryphon Investment Counsel Inc. (“Gryphon”) was incorporated in Canada under Federal Charter in 1981 by a team of portfolio managers and began offering investment management services that year.

In Canada, Gryphon’s advisory services are provided as a Portfolio Manager and Investment Fund Manager. Gryphon is registered in 10 provinces in Canada as Portfolio Manager and is also registered in Ontario and Quebec as Investment Fund Manager.

Principal Shareholders of Gryphon are Robert Terrence Walsh and Ronald Edwin Fraser Kaulbach.

Gryphon is in the business of providing fully discretionary investment management advice on an advisory and sub-advisory basis. Gryphon provides investment advice to institutional clients and high net worth individuals. Gryphon also provides investment advice to pooled investment funds sponsored by Gryphon as well as pooled and mutual funds not sponsored by it. Gryphon offers individually managed separate/segregated accounts in all asset classes as well as pooled investment funds for Balanced and International (EAFE) Equities mandates. Depending on the circumstances and subject to Gryphon’s sole discretion, reasonable advisory restrictions and constraints may be accepted. In its role of advisor, Gryphon makes the determination to invest a client in a pooled investment fund. Gryphon will only make such investment if the client’s individual investment policy and asset mix requirements are aligned with that of the respective pooled investment fund.

As of October 31, 2020, Gryphon Investment Counsel Inc. managed \$134,445,396 USD on a discretionary basis.

Item 5 – Fees and Compensation

The fee schedule for Gryphon's investment management services is a percentage of assets under management as follows:

FEES

Annual Rate:

Base: 0.10%

Performance fees on a per client basis:

Performance Fee 1:

0.01% for each 0.10% of excess return over the Portfolio Benchmark annualized return (Relative Benchmark).

Performance Fee 2:

Based on expected long term returns of the client designated composite benchmark as agreed to by client.

Underperformance:

On a per client basis: For each performance fee above, once portfolio performance falls below a Benchmark, no performance fees will be charged with respect to that respective Benchmark until such time as the cumulative annualized portfolio performance once again rises above that Benchmark as measured from that point of underperformance (Reference Point). Performance fees will then be charged from that Reference Point.

Billing:

Quarterly in arrears on average of monthly valuations.

MINIMUM ACCOUNT SIZES ACCEPTED

Specialty Segregated \$5 million

Balanced Segregated \$10 million

Fees are not normally subject to negotiation at this time; however, Gryphon in its discretion may negotiate fees or enter into different fee arrangements to the schedule above.

It is Gryphon's practice to aggregate assets under management for clients that are related for the purpose of calculating the applicable advisory fee.

The specific manner in which fees are charged by Gryphon is established in a client's written investment management agreement with Gryphon. Gryphon will generally invoice its fees on a quarterly basis in arrears. In certain cases, clients have requested to be invoiced on a monthly basis.

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Gryphon's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client; pooled funds also bear the cost of applicable custody, audit, legal, recordkeeping and other expenses. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as transfer taxes, wire transfer fees, and other fees and taxes on brokerage accounts and securities transactions. These expenses, including charges, fees and commissions, are exclusive of and in addition to Gryphon's fee, and Gryphon shall not receive any portion of these commissions, fees and costs. Gryphon does receive certain indirect compensation in the form of investment research services further to brokerage activity in client accounts as described in Item 12.

Please see Item 12 for information describing the factors Gryphon generally considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

Gryphon offers performance-based fees that combine a low base fee with fees based on exceeding two performance targets. One performance target is based on outperforming the variable rate of return of a composite benchmark designed by the client, consisting of a weighted average of the returns of public stock and bond market indices over time. The other performance target is based on a fixed nominal target that is based on the expected long-term rates of returns of that composite benchmark, irrespective of the variable rates of return actually achieved by the composite benchmark. Due to model approach and use of pro-rata bundled trades, potential conflicts of interest are minimized.

Item 7 – Types of Clients

Gryphon provides portfolio management services to:

- Pension Funds;
- Health and Welfare Benefit Plans;
- Charitable entities,
- Foundations and Endowments;
- Pooled Investment Funds and Mutual Funds domiciled in Canada;
- Government entities
- Corporations
- High net worth individuals

Gryphon reserves the right to review each prospective client as to investment profile, value of assets and investment experience prior to admittance as a client in any type of account.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Mandates: Gryphon offers individually managed separate/segregated accounts in all asset classes as well as investment funds for Balanced and International (EAFE) Equities mandates. A Description of each mandate is provided below:

Balanced

Gryphon firmly believes that equities outperform other asset classes over long periods of time; however, there is no portfolio for all seasons. Although we have an orientation toward equity ownership in the portfolio, we maintain the flexibility to shift the asset mix when economic and financial conditions warrant.

Gryphon's balanced management is a process in which we identify, in advance, the potential rewards and risks of the complete portfolio structure and balance the diversification trade-offs in a risk-aware portfolio management style. The management of each sector is interrelated and the asset mix decision is but one step, an important one, in an interconnected string of risk/reward tradeoffs.

Starting from the top-down, we gain an insight into the world's major economies, narrowing this down to North American, and finally, Canada. Economic data is a key element to our forecasts of the future environment while current market valuations relative to those forecasts define the risk/reward tradeoffs of various asset mix strategies.

An important part of our investment decision-making process is the setting of asset mix, which is the responsibility of the three portfolio managers forming the team. This team

is responsible for setting the weights for Canadian, U.S. and EAFE equities, bonds and cash. Asset mix is under constant review and all investment decisions (e.g. stock selection, term structure of the bond portfolio, etc.) emanate from this, encompassing a risk-aware approach to total portfolio returns.

Canadian Equities

Investments in Canadian equities will be solely in broad-based index ETFs and reflective of the Canadian equity component in each client's specific benchmark.

Fixed Income

Investments in fixed income will be solely in broad-based index ETFs and reflective of the fixed income component in each client's specific benchmark.

Foreign Equities

Investments in U.S. equities will be solely in broad-based index ETFs and reflective of the U.S. equity component in each client's specific benchmark.

For investment in International equities (EAFE), Gryphon International Investment Corporation's investment style is GARP. GIIC's investment process is focused on stock selection and primarily employs a company specific (bottom up) process; approximately 80% of the portfolio is company specific. The remaining 20% is derived from a macro-overlay (top down) process that takes into account broader sector, regional, economic and political considerations. GIIC's universe of stocks is screened based on specific criteria including: corporate governance; balance sheet analysis; liquidity; and global exposure. By limiting the investment choices to companies that have demonstrated consistent performance, a "watch list" of potential investments is created. Qualitative judgment based on management meetings and specific valuation criteria (PEG ratio) produces the final companies that are selected for the portfolio.

Investments in emerging market equities may also involve investment in broad-based emerging market index ETFs depending on each client's specific investment guidelines.

Investing in securities is inherently risky and involves the risk of loss that clients should be prepared to bear.

Risk Management: All securities present a risk of capital. Gryphon seeks to minimize potential adverse effects of these risks on performance by employing professional experienced portfolio advisors, by daily monitoring of the investment portfolio positions and

market events, and by diversifying the investment portfolio within the constraints of the client's and Funds' investment objectives and policies. To assist in managing risk for the Funds, Gryphon also maintains a governance structure that oversees the Funds' investment activities and monitors compliance with the Funds' stated investment strategy and securities regulations. The principal risks of holding investments directly in an individually managed separate/segregated account or through a Fund are identified below. Each client account or Fund may be subject to additional risks other than those described.

Assurance of Achieving Investment Objectives: There is no assurance that a client account or a Fund will be able to achieve its investment objectives.

General Market Risk: Market price risk, is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Client accounts and Funds are exposed to market price risk arising from its investments in securities. Gryphon manages market price risk on a daily basis in accordance with the investment objectives and policies of each respective client and each Fund.

Equity Securities Risk: A client account or Fund may invest in equity securities. Investment in equity securities offers the potential for substantial capital appreciation. However, such investment also involves certain risks, including issuer, industry, market and general economic risks. Adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a client account directly or through a Fund. In particular, the client account or Fund will be sensitive to stock market volatility. Changes in stock market values can be sudden and unpredictable. Also, although stock values can rebound, there is no assurance that values will return to previous levels.

Foreign Securities Risk: A client account or Fund may invest in foreign securities. The value of foreign securities is affected by changes in currency rates, foreign tax laws (including withholding tax), government policies (in this country or abroad), relations between nations and trading, settlement, custodial and other operational risks. In addition, the costs of investing abroad are generally higher than in Canada and the United States, and foreign securities markets may be less liquid, more volatile and less subject to governmental supervision than markets in Canada and the United States. Foreign investments also could be affected by other factors not present in Canada or the United States, including expropriation, armed conflict, confiscatory taxation, lack of uniform accounting and auditing standards, less publicly available financial and other information and potential difficulties in enforcing contractual obligations. As an alternative to holding foreign-traded securities, a client account or Fund may invest in dollar-

denominated securities of foreign companies that trade on U.S. exchanges or in the U.S. over-the-counter market (including depositary receipts, which evidence ownership in underlying foreign securities).

Because foreign companies are not subject to uniform accounting, auditing and financial reporting standards, practices and requirement comparable to those applicable in Canadian and U.S. companies, there may be less publicly available information about a foreign company than about a domestic company. Volume and liquidity in most foreign debt markets are less than in Canada and U.S. and securities of some foreign companies are less liquid and more volatile than securities of Canadian and U.S. companies. There is generally less government supervision and regulation of securities exchanges, broker-dealers and listed companies than in Canada and the U.S. Mail service between Canada and foreign countries may be slower or less reliable than within Canada, thus increasing the risk of delayed settlements of portfolio transactions or loss of certificates for portfolio securities. Payment for securities before delivery may be required. In addition, with respect to foreign countries, there is the possibility of expropriation or confiscatory taxation, political or social instability, or diplomatic developments, which could affect investments in those countries. Moreover, individual foreign economies may differ favorably or unfavorably from the Canadian and U.S. economies in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Foreign securities markets, while growing in volume and sophistication, are generally not as developed as those in Canada and the United States, and securities of some foreign issuers (particularly those located in developing countries) may be less liquid and more volatile than securities of comparable Canadian and U.S. companies.

Emerging Markets Risk: The risks of foreign investments described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of Canada, the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in Canada, the U.S. and developed foreign markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations has been extremely limited. Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economics and securities markets of certain emerging countries. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries in which they trade. The economics of countries with emerging markets may

also be predominantly based on only a few industries or dependent on revenues from particular commodities.

In many cases, governments of emerging countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the client's account or the Fund's investments in those countries. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interested payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause a client account or a Fund to suffer a loss of any or all of its investments in emerging markets foreign securities.

Limited Capitalization Companies: Clients may be advised to invest in securities of companies with small-to-medium sized market capitalizations. While these companies may provide significant potential for appreciation, such securities involve higher risks in some respects than do investments in securities of large companies. For example, prices of small-capitalization and even medium-capitalization companies may be more volatile than prices of securities of large-capitalization companies. The risk of bankruptcy or insolvency of many smaller capitalized companies (with attendant losses to investors) may be higher than for larger, "blue-chip" companies. In addition, due to thin trading in some securities of small-capitalization companies, an investment in those securities may be relatively illiquid.

Depository Receipts: Clients may be advised to invest in American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs) or other similar securities representing ownership of foreign securities (collectively, "Depository Receipts") if issues of these Depository Receipts are available that are consistent with clients' investment objectives. Depository Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Transactions in Depository Receipts usually do not settle in the same currency in which the underlying securities are denominated or traded. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets and EDRs, in bearer form, are designed for use in European securities markets. GDRs may be traded in any public or private securities markets and may represent securities held by institutions located anywhere in the world.

Investments in issuers through depository receipts and similar instruments may involve certain risks not applicable to investing in U.S. issuers, including changes in currency rates, application of local tax laws, changes in governmental administration or economic or monetary policy, changed circumstances in dealings between nations, or expropriation or nationalization of assets. These risks may be augmented when investing in securities of issuers in emerging markets countries. Costs may be incurred in connection with conversions between various currencies.

High Quality Cash Items: Clients may hold a portion of their assets in cash or cash items pending other investments or in connection with the maintenance of an account, or for temporary defensive purposes when Gryphon believes market conditions warrant. Gryphon favors high quality cash items and may include a number of money market instruments such as securities issued by the United States government and agencies thereof, bankers' acceptances, commercial paper, and bank certificates of deposit, consistent with clients' investment objectives. By investing in high quality money market securities Gryphon seeks to minimize clients' credit risks with respect to such investments. At client's risk, and further to client requests, Gryphon will utilize client custodian's Short-Term Investment Fund (STIF) vehicle(s) for management of cash in client portfolios.

Limited Liquidity of Investments: Securities in which clients invest may be thinly traded and relatively illiquid or may cease to be traded after clients invest. In such cases and in the event of extreme market activity, clients may not be able to liquidate investments promptly if the need should arise. In addition, clients' sales of any thinly traded securities could depress the market value of such securities and thereby reduce profitability or increase losses. Such circumstances or events could affect materially and adversely the amount of gain or loss realized.

Tax Matters and Portfolio Turnover. Gryphon does not place any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of Gryphon, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate, may act to reduce investment gains, or create a loss for investors and may result in taxable costs for investors depending on the tax provisions applicable to such investors. With respect to tax matters generally: when Gryphon is responsible for tax matters, e.g. for its pooled funds, professional tax advisers and/or tax counsel are utilized to review and/or prepare tax returns, and otherwise consult on relevant tax matters. Pooled fund trustees may prepare tax documentation subject to Gryphon's oversight. Clients are reminded and advised that Gryphon does not manage clients' separate account or pooled fund investments in relation to any particular tax strategy, e.g. Gryphon does not typically undertake tax loss harvesting transactions.

Clients must contact their tax advisers or tax counsel to determine any tax-related effects from Gryphon's management.

Counterparty Risk: Certain markets in which brokers selected by Gryphon may effect transactions are "upstairs" markets, where a block broker manages the trading process by locating counterparties to the trade. The upstairs market matches trades through negotiation by way of a search-brokerage procedure. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange based" markets. This indirectly exposes an investor to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a loss. Gryphon is generally not

restricted from dealing with any particular counterparty or from concentrating any or all transactions with one counterparty. The ability to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses.

Investment Selection: Gryphon may select investments for client portfolios in part on the basis of information and data filed by the issuers of such securities with various government regulators or made directly available to Gryphon by the issuers of securities or through sources other than the issuers. Although Gryphon will evaluate all such information and data and seeks independent corroboration when Gryphon considers it appropriate and when it is reasonably available, Gryphon will not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information will not be readily available.

Concentration of Investments: Although Gryphon's standard guidelines and constraints include parameters intended to ensure diversification, such as industry/sector and single position limits, at times clients' investment portfolios may by necessity be confined to the securities of relatively few issuers (e.g. due to client-directed activity, investment strategy, and other considerations). Concentration of clients' investments in a particular industry or sector may increase the level of risk.

Currency Risk: A client account or Fund may invest in financial instruments denominated in currencies other than its measurement currency. Consequently, a client account and the Funds are exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of the portion of the portfolio denominated in currencies other than Canadian dollars, absent any changes in market price or investment specific events.

Interest Rate Risk: A client account or Fund may invest in fixed and floating rate securities. The income of the client account or Fund may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed income securities may be affected by interest rate movements or the expectation of such movement in the future.

Liquidity Risk - Investment Fund Clients: Liquidity risk is the risk that a Fund will encounter difficulty in meeting obligations associated with financial liabilities. Unitholder redemption requests are the main liquidity risk for a Fund.

Cash Flow Risk: Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. In the case of a floating rate debt

instrument, for example, such fluctuations could result from a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

Credit Risk: A client account or Fund is exposed to credit risk arising from its transactions with its counterparties and brokers, related to securities purchases and sales. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets which potentially expose a client account or Fund to credit risk consist principally of investments in bonds and amounts due from brokers. Gryphon seeks to mitigate exposure to credit risks by placing cash, and transacting securities activity with large financial institutions. The risk of default is considered minimal, as delivery of securities sold is made against payment and payment is made on a purchase against the delivery of securities. Gryphon may also invest in bonds on behalf of its client accounts and Funds. Until the bonds are sold or mature, the client or Fund is exposed to credit risk relating to whether the bond issuer will meet its obligations when they come due.

Forward Currency Contracts: Gryphon utilizes forward currency contracts or 'spot' trades solely to match trade date accounting and reduce currency exposure. Currency and forward currency contracts are not used for speculative or leverage purposes.

Changes in Laws: There can be no assurance that laws, including Canadian and foreign laws, and including securities, investment and tax laws, and the administrative policies and practices of governments or regulators will not be changed in a manner that may adversely affect a client's account or a Fund.

Distribution Policy and Income Taxes: Each Gryphon Fund qualifies as a unit trust under the Income Tax Act (Canada) and, accordingly, is not taxed on that portion of its taxable income that is paid or allocated to unitholders. The Funds allocate to its unitholders sufficient net income and net realized capital gains so that it will not be subject to income taxes. Foreign income received is subject to foreign withholding taxes. The Gryphon Funds intend to distribute all income for purposes of the Income Tax Act, including sufficient net realized capital gains (less applicable losses), on an annual basis, so that the Funds will not be liable for income tax. Distributions over the life of a Fund will be derived primarily from net realized capital gains and income from the portfolio.

Item 9 – Disciplinary Information

Gryphon and its management staff have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its management staff.

Item 10 – Other Financial Industry Activities and Affiliations

Gryphon is in the business of offering advisory services. When its clients require international advice, Gryphon accesses such advice by retaining Gryphon International Investment Corporation (“GIIC”), which is related to Gryphon. Gryphon does not search for or select advisers which are not related to Gryphon and does not intend to replace GIIC with third parties. Gryphon will oversee the compliance by GIIC with applicable securities laws. Gryphon owns 30% of GIIC’s voting shares and has two members on GIIC’s Board of Directors. Gryphon provides trading and certain administration services to GIIC. Trading services will cease effective June 30, 2021. GIIC provides investment advisory services, and is registered with the U.S. SEC as an Investment Adviser and in Canada as Portfolio Manager and Investment Fund Manager. Gryphon shares office space with GIIC.

Gryphon owns 100% of Gryphon Capital Corporation (“GCC”) which is registered in Canada as Exempt Market Dealer. GCC’s only function is to satisfy the requirement in Canada to have a registered dealer execute all applicable trades on a private placement basis of pooled funds to clients of Gryphon or GIIC where Gryphon or GIIC, as the case may be, chooses to use pooled funds as a tool in the discretionary management of its client’s accounts. GCC does not solicit trades, charge any fees, or deal in any products other than the Canadian domiciled pooled funds of GIC and GIIC.

Certain of the individuals who are directors and officers of Gryphon are also directors and officers of GCC. In addition, two of the directors of Gryphon are also directors of GIIC.

Potential conflicts between Gryphon, GIIC and GCC are addressed through review mechanisms, the application of policies and procedures generally, separation of duties and limited activities of GCC.

Gryphon has an ownership interest in Integra Capital Management Corporation (“ICMC”). Two of the directors of Gryphon are also directors of ICMC. There is no potential for conflict between Gryphon and ICMC as ICMC is not a registrant.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Gryphon has internal control and compliance procedures that specifically address the concern that clients are dealt with fairly and that clients’ needs are put ahead of all Gryphon employees. Gryphon has adopted a General Code of Ethics. Under this Code, every employee must provide written acknowledgement relating to the General Code of Ethics, which

includes a Code of Ethics for Personal Trading. Gryphon has procedures in place to protect material non-public information.

The Code of Ethics includes provisions relating to the confidentiality of client information, upholding fiduciary standards, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. Any political contributions creating a conflict are prohibited further to the Code of Ethics. All employees of Gryphon must acknowledge the terms of the Code of Ethics annually, or as amended.

Gryphon has developed a Code of Ethics for Personal Trading that sets out the policies and procedures for personal trading by any Gryphon employee. These policies and procedures include prohibited activities, the requirement to obtain pre-approval of trades as well as the compliance review procedures to ensure compliance by all employees. The Chief Compliance Officer of Gryphon is responsible for the supervision of employee trading to ensure that the code is adhered to by all Gryphon employees.

A copy of Gryphon's General Code of Ethics and Code of Ethics for Personal Trading are available to clients and prospective clients upon request.

Gryphon anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has discretionary authority to effect the purchase or sale of securities in which Gryphon, its staff, or affiliates and/or clients, directly or indirectly, have a position of interest. Gryphon's employees are required to follow Gryphon's General Code of Ethics and Code of Ethics for Personal Trading [Note: employees of Gryphon International Investment Corporation are subject to GIIC's Code of Ethics which is substantially equivalent to Gryphon's Code of Ethics and also includes requirement for pre-approval of personal trades]. Subject to satisfying this policy and applicable laws, officers, directors and employees of Gryphon and its related entities may trade for their own accounts in securities which are recommended to and/or purchased for Gryphon's clients. The General Code of Ethics and Code of Ethics for Personal Trading are designed to assure that the personal securities transactions, activities and interests of the employees of Gryphon will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt from reporting, based upon a determination that these would not materially interfere with the best interest of Gryphon's clients. In addition, the Code requires pre-clearance of many transactions, and restricts any trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee

trading is monitored under the Code of Ethics for Personal Trading to reasonably prevent conflicts of interest between Gryphon and its clients.

Item 12 – Brokerage Practices

Gryphon has the authority to determine, without obtaining specific client consent, subject to applicable guidelines and constraints, the securities to be bought or sold, amount of securities to be bought or sold, broker or dealer to be used, and commission rates paid; except for accounts where clients specifically elect to direct brokerage, in such case Gryphon Directed Brokerage Policy will apply. Gryphon seeks to conduct bundled or aggregate trades where possible and advantageous to clients.

Gryphon will, at its discretion, accept clients' requests to direct some or all brokerage activity. In such event, the directed brokerage arrangement is to be referenced in the investment management agreement or contractual documentation with the client, and the client made aware that directed trades are required to be placed after any bundled or aggregate trade orders for other clients. For separately managed accounts, at a client's request, subject to Gryphon's discretion and consistent with prevailing legislation, Gryphon may provide instructions to direct a portion of commissions to be credited or 'stepped-out' to brokers participating in clients' commission recapture networks; however, such activities will only be conducted on an incidental basis further to regular trading practices and any requirement to participate in such arrangements other than on an incidental basis will require the application of directed brokerage requirements.

Clients grant Gryphon full discretionary authority over securities purchases and sales, subject to investment objectives and guidelines established by agreement with Gryphon at the time an account is established. In selecting a broker or dealer, while seeking to achieve best execution for its clients, Gryphon will consider the full range and quality of services, including, among other things, execution capability, commission rate, financial responsibility, market making capabilities, efficiency, confidentiality, responsiveness, settlement quality and efficiency, research capabilities and other factors it deems appropriate.

It is Gryphon's policy to seek to achieve best execution with respect to each transaction, in light of the overall quality of brokerage and research services provided. Best execution does not mean obtaining the lowest commissions but involves seeking the most favorable terms for a transaction reasonably available under the circumstances.

Gryphon does not have any formal business agreement or prime-broker relationship with any broker/dealer. On at least an annual basis, Gryphon evaluates the services obtained from brokers.

Brokers selected are also expected to provide applicable ancillary services as necessary in relation to securities traded, e.g. with respect to corporate actions.

Soft Dollars

Gryphon uses “*soft dollars*” due to the fact it may receive investment research services from full service brokers further to trading conducted on behalf of clients. Gryphon may receive or be provided access to analyses and reports concerning securities, portfolio strategy or performance, issuers, industries or economic or political factors and trends or other related research materials to assist in decision-making. Additionally, Gryphon staff may receive research materials and information at meetings with issuer representatives arranged by brokers and/or by attending conferences sponsored by brokers; any travel, accommodation and entertainment at such meetings or conferences is paid for by Gryphon.

Gryphon finds that its receipt of investment research is consistent with the safe harbor under Section 28(e) of the Securities Exchange Act of 1934. Gryphon believes it is important to its investment decision-making processes to have access to research. Research received may be used to service any or all of Gryphon’s clients and may be used in connection with accounts other than those making the payment to the broker providing the research. Commissions generated by certain clients may result in services of benefit only to other clients. Gryphon may cause a client to pay a broker-dealer commissions for effecting transactions in excess of commissions other broker-dealers may have charged.

Subject to applicable law and regulation, Gryphon will utilize research and brokerage services provided by brokers, or by third parties in relation to brokerage commissions paid. At least annually, the amount and nature of research and brokerage services provided by brokers, as well as the extent such services are relied upon is considered. The actual allocation of brokerage business may vary from year to year, depending on the evaluation of all applicable considerations. In no case will Gryphon make binding commitments as to the level of brokerage commissions allocated to a broker.

It is important to note that soft dollars are ordinarily used on an incidental basis only with research materials generally received on an unsolicited basis through ‘bundled research’ provided by full service brokers. It is Gryphon’s experience that the provision of research is ubiquitous among brokers that can provide consistent best execution and competitive pricing for trades in securities. Given this situation, Gryphon does not explicitly track research received on a soft dollar basis, and does not place a dollar value on the research received. There is no other use of soft dollars, e.g. for hardware or operational expenses.

Gryphon seeks to conduct bundled or aggregate trading for clients where practicable and any pro rata 'indirect compensation' received is considered to be essentially immaterial.

Currency

Gryphon uses forward currency contracts or 'spot' trades for its clients further to foreign securities transactions as necessary, solely to match trade date accounting, to reduce currency exposure. Forward contracts are used for no other purpose. Counterparties with sufficient experience, reputation, and size are utilized. When considered appropriate foreign exchange services offered by client's appointed custodians are used; otherwise third party foreign exchange services are utilized. Foreign exchange for client equity trades is negotiated. Foreign exchange for dividends and income is routinely undertaken per automatic conversion programs provided by client custodians.

Item 13 – Review of Accounts

Clients' accounts and portfolios are reviewed daily with respect to various matters, such as alignment with applicable constraints. Client meetings and their frequency are subject to Gryphon's discretion unless otherwise agreed. At every client meeting the portfolio is reviewed with the client to ensure that it continues to meet the objectives of the client.

Clients and/or their appointed representatives receive performance reviews, a copy of their statements and a quarterly report at the end of each quarter. Some clients may receive performance and portfolio data more frequently. Investors in Gryphon's pooled investment funds also receive annual audited financial statements and semi-annual unaudited financial statements.

Item 14 – Client Referrals and Other Compensation

Gryphon does not have any referral arrangements in place.

Gryphon International entered into an agreement with a third-party firm, ARK Global LLC ("ARK"), for client solicitation/marketing services in the United States effective September 12, 2018. Any/all clients obtained per services provided further to this agreement will receive relevant disclosure information regarding the relationship; no such client will pay fees to Gryphon International exceeding fees otherwise applicable in the absence of Gryphon International's relationship with ARK. Gryphon International previously retained a third-party firm for client solicitation/marketing services in the United States from February 26, 2004 to December 31, 2015; notwithstanding the cessation of this relationship, relevant

residual payments in accordance with the agreement in effect to December 31, 2015 are still applicable.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains a client's investment assets. Gryphon urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities or portfolio holdings.

Item 16 – Investment Discretion

Gryphon ordinarily receives discretionary authority from its clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for a particular account.

When selecting securities and determining amounts, Gryphon observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Gryphon in writing.

Item 17 – Voting Client Securities

Gryphon usually has discretion in voting the portfolio securities purchased on behalf of clients. Gryphon has discretion in voting the portfolio securities purchased on behalf of the pooled Funds sponsored by Gryphon. A perceived conflict arises given the opportunity to vote such securities in its own interest or agree to certain corporate actions, including for the purpose of getting or maintaining certain issuers as clients. To minimize such conflicts, Gryphon refers to publicly available corporate governance voting guidelines and also conducts its own research as necessary prior to making a voting decision. In addition, Gryphon also has a policy not to invest in securities of issuers for the purposes of exercising control over issuers, or participate in management of issuers.

Segregated client accounts are permitted to place reasonable restrictions on Gryphon's voting authority in the same manner that they may place such restrictions on the selection of account securities.

Clients may obtain a copy of Gryphon's complete proxy voting policies and procedures upon request. Clients may also obtain information from Gryphon about how Gryphon voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Please note that Gryphon has never filed for or been the subject of a bankruptcy proceeding and is not aware of any financial condition that would impair its ability to meet contractual and fiduciary commitments to clients.