



### Investment Objective and Strategy

The Gryphon Capital Income Trust (ASX Code: GCI) is a listed trust designed to provide investors with sustainable, monthly income (Target Return equal to RBA Cash Rate + 3.50% pa) through exposure to the Australian Securitisation market. This asset-class, primarily consisting of Residential Mortgage-Backed Securities (RMBS) and Asset Backed Securities (ABS), is a key pillar of the Australian fixed income market.

#### GCI's 3 strategic objectives

1. Sustainable monthly cash income



2. High risk-adjusted return

3. Capital Preservation

### Fund Performance

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr (Ann)	Incep (Ann) <sup>2</sup>
NTA Net Return (%)	0.71	2.03	3.79	5.65	5.11	5.07
Distribution (¢/unit)	1.17	3.72	7.24	12.72	10.17	9.75
Distribution <sup>1</sup> (%)	0.58	1.87	3.68	6.54	5.18	4.97
RBA Cash Rate (%)	0.25	0.78	1.42	1.79	0.70	0.90
Target over RBA (%)	0.26	0.85	1.72	3.50	3.50	3.50
Target Return (%) <sup>*</sup>	0.52	1.64	3.17	5.36	4.23	4.43
Excess Return (%) <sup>**</sup>	0.07	0.23	0.49	1.12	0.92	0.51

<sup>1</sup> Actual distribution as % of NTA, assuming distribution reinvestment.

<sup>2</sup> Inception date – 21 May 2018.

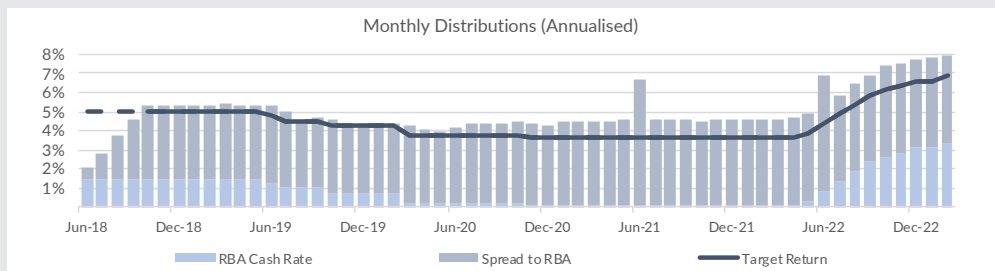
<sup>\*</sup> Target Return = RBA +3.50% p.a.

<sup>\*\*</sup> Geometric excess return

**Note: Past performance is not a reliable indicator of future performance.** All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. The comparison to the RBA Cash Rate is not intended to compare an investment in GCI to a cash holding. The RBA Cash Rate is displayed as a reference to the target return for GCI. The GCI investment portfolio is of higher risk than an investment in cash. To understand the Trust's risks better, please refer to the most recent PDS [here](#) or at [gcinvest.com/our-lit](http://gcinvest.com/our-lit).

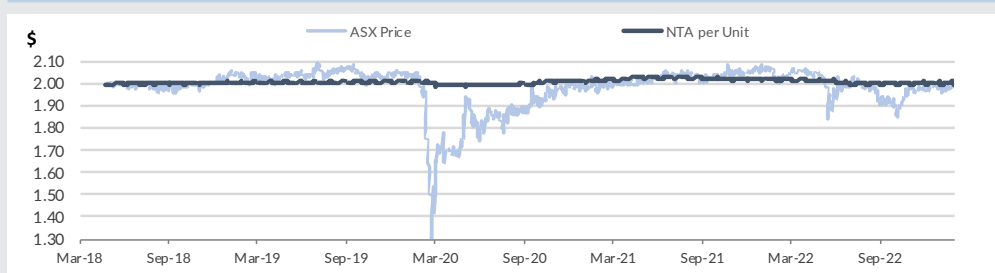
### Distribution

GCI announced a 1.17 cents per unit distribution for the month, representing an annualised yield of 7.89% (net)<sup>3</sup>.



<sup>3</sup> Actual distribution for the month as % of NTA, annualised.

### Net Tangible Asset (NTA) / Unit and ASX Price Performance



continued overleaf...

### ABOUT THE MANAGER

Gryphon Capital Investments Pty Ltd ("Gryphon") is a specialist fixed income manager with significant experience in the Australian and International fixed income markets. Gryphon manages individual segregated accounts on behalf of institutional investors and GCI on behalf of wholesale and retail investors seeking opportunities in fixed income credit markets including RMBS and ABS.

### SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$483.9m/\$1.99
NTA/Unit	\$486.7m/\$2.00
Investment Management Fee <sup>4</sup>	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

<sup>4</sup> Includes GST, net of reduced input tax credits

### CHARACTERISTICS

Current Yield <sup>5</sup>	7.94%
Distributions (12m) <sup>6</sup>	6.54%
RBA Cash Rate	3.35% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	0.80 years
Number of Bond Holdings	103
Number of Underlying Mortgage Loans	77,983

<sup>5</sup> February 2023 distribution (excl. realised gains) as % of unit price, annualised.

<sup>6</sup> Actual distribution for the 12 months to 28 February, as a % of NTA, assuming distribution reinvestment.

### RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith



Lonsec

### WEBSITE

[www.gcinvest.com/our-lit](http://www.gcinvest.com/our-lit)



### Commentary

GCI's investment objective is to produce regular, consistent and sustainable monthly income and high risk adjusted returns while preserving your capital.

Capital preservation is especially valuable in periods of economic turbulence. In May this year, we celebrate 5 years since GCI's IPO and during this period we have encountered significant economic turbulence – such as flooding, inflation, falls in house prices, a global pandemic, Russia's cynical invasion of Ukraine and in 2023 bank failures in the US and incredibly, the bailout of Credit Suisse. Throughout these periods of economic turbulence, GCI has always delivered on its investment objective, and in recent years has consistently produced sustainable monthly distributions in excess of the return objective of RBA cash rate + 3.50%.

One of the core objectives for GCI is to deliver high "risk adjusted" returns. In Gryphon's investor insights, we have laboured the point regarding the strength of bondholder protections embedded in the secured RMBS/ABS in which GCI invests. The biggest bond protection of all is the home owner's equity in their home. For RMBS, GCI is investing in bonds "secured" over a highly diversified pool of home loans which are secured over residential houses. This bondholder protection (there are others) underpins its enviable track record, whereby no Australian RMBS bondholder has incurred a loss when held to maturity.

In contrast, the bail out of Credit Suisse through its forced sale to UBS puts a spotlight on the additional "risks" of investing in hybrid capital notes. For those less au fait with debt capital markets – the closer the funding instrument is to equity the higher its potential "risk". The Swiss Financial Market Supervisory Authority's (FINMA) decision to write down to NIL US\$17 billion of Credit Suisse hybrids rattled the markets, causing further uncertainty for investors in hybrids and in the process will demand a change to their risk taking. On the contrary, GCI invests in secured bonds which are considered low risk, however, unique to this asset class, generate typically higher returns than the more traditional higher risk alternatives. Lastly, GCI's ratio of investment return to its asset volatility ("Risk") makes it hard to ignore for investors who are seeking an income alternative, built on a risk adjusted basis.

### INVESTMENT HIGHLIGHTS

<b>Income</b>	Sustainable monthly cash income.
<b>Large, institutional fixed income market</b>	Australian ABS market >A\$110 billion is double the size of the corporate bond market
<b>Security, capital preservation</b>	Defensive asset class with a track record of low capital price volatility No investor has ever lost a \$ of principal investing in Australian Prime RMBS
<b>Portfolio diversification</b>	Allows retail and SMSF investors to access a fixed income asset class that generally has only been available to institutional investors
<b>Investment Manager</b>	Exposure to a specialist investment manager with a proven track record of investment outperformance

### PARTIES

#### Responsible Entity

One Managed Investment Funds Limited  
ACN 117 400 987 AFSL 297042

#### Manager

Gryphon Capital Investments Pty Ltd  
ACN 167 850 535 AFSL 454552

### AVAILABLE PLATFORMS INCLUDE:

Asgard	BT Panorama
BT Super Wrap	BT Wrap
First Wrap	HUB24
Macquarie Wrap MLC	Mason Stevens Navigator
Netwealth	North

### FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust  
[www.gcapinvest.com/our-lit](http://www.gcapinvest.com/our-lit)

#### General

Email [info@gcapinvest.com](mailto:info@gcapinvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

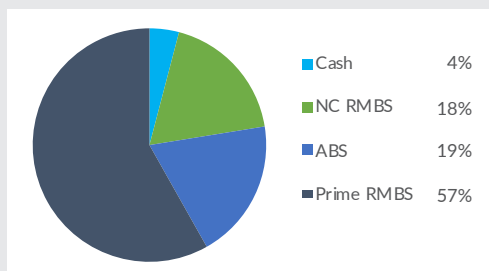
Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

*continued overleaf...*



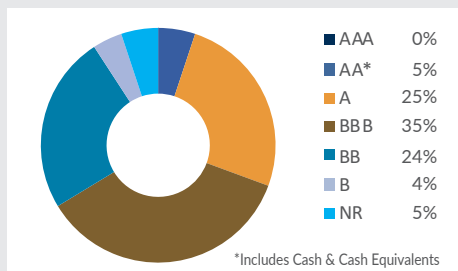
### Portfolio Construction

#### Sector Allocations<sup>1</sup>



<sup>1</sup> Excludes Manager Loan.

#### Rating Breakdown<sup>1</sup>



### PARTIES

#### Responsible Entity

One Managed Investment Funds Limited  
ACN 117 400 987 AFSL 297042

#### Manager

Gryphon Capital Investments Pty Ltd  
ACN 167 850 535 AFSL 454552

#### AVAILABLE PLATFORMS INCLUDE:

Asgard	BT Panorama
BT Super Wrap	BT Wrap
First Wrap	HUB24
Macquarie Wrap	Mason Stevens
MLC	Navigator
Netwealth	North

#### FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust  
[www.gcainvest.com/our-lit](http://www.gcainvest.com/our-lit)

#### General

Email [info@gcainvest.com](mailto:info@gcainvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

### Portfolio Underlying Residential Mortgage Loan Statistics<sup>2</sup>

	Total	Prime	Non-conforming <sup>3</sup>
No. of Underlying Loans	77,983	68,641	9,342
Weighted Average Underlying Loan Balance	\$377,477	\$321,094	\$564,289
Weighted Average LVR	64%	64%	66%
Weighted Average Seasoning	28 months	31 months	17 months
Weighted Average Interest Rate	6.22%	6.02%	6.87%
Owner Occupied	58%	57%	63%
Interest Only	25%	26%	23%
90+ Days in Arrears as % of Loans	0.52%	0.42%	0.82%
% Loans > \$1.5m Balance	3.97%	1.58%	11.91%

<sup>2</sup> Please note that although the values in this Investment Report are accurate portfolio statistics, the return and performance of actual credit instruments invested in are assessed individually.

<sup>3</sup> Non-conforming loans are residential mortgage loans that would not typically qualify for a loan from a traditional prime lender and are generally not eligible to be covered by LMI. Borrowers may not qualify due to past credit events, non-standard income (self employed) or large loan size.

### SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	10.4%	2.8%	4.2%	3.5%	-

### SME Portfolio Underlying Mortgage Loan Statistics<sup>4</sup>

No. of Underlying Loans	3,330	<b>Borrower Type</b>	
Weighted Average Underlying Loan Balance	\$397,336	SMSF	60.2%
Weighted Average LVR	59.4%	Company	18.9%
% > 80% LVR	3.62%	Individual	20.9%
Weighted Average Borrowers' Equity	\$360,665	<b>Property Type</b>	
90+ Days in Arrears as % of Loans	0.25%	Residential	27.0%
% > \$1.5m Current Balance	0.32%	Commercial	72.6%
		Mixed	0.4%

<sup>4</sup> Please note that although the values in this Investment Report are accurate portfolio statistics, the return and performance of actual credit instruments invested in are assessed individually.

continued overleaf...



### Distributions (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2023	0.49	0.53	0.55	0.61	0.60	0.64	0.64	0.58	-	-	-	-	4.73
2022	0.38	0.38	0.37	0.37	0.37	0.38	0.38	0.35	0.38	0.38	0.41	0.55	4.79
2021	0.36	0.36	0.36	0.37	0.35	0.36	0.37	0.34	0.37	0.36	0.38	0.53	4.61
2020	0.42	0.38	0.38	0.38	0.35	0.36	0.36	0.34	0.36	0.33	0.33	0.34	4.40
2019	0.24	0.31	0.37	0.44	0.43	0.44	0.44	0.40	0.45	0.42	0.44	0.43	4.92

### Fund Returns (Net)<sup>1</sup> (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2023	0.12	0.60	0.52	0.56	0.64	0.65	0.66	0.71	-	-	-	-	4.55
2022	0.37	0.44	0.32	0.29	0.25	0.37	0.40	0.28	0.27	0.23	0.38	0.16	3.83
2021	0.36	0.39	0.49	0.71	0.67	0.37	0.33	0.57	0.45	0.61	0.68	0.48	6.29
2020	0.74	0.43	0.35	0.41	0.38	0.39	0.38	0.34	(0.45)	0.36	0.30	0.41	4.12
2019	0.25	0.31	0.39	0.44	0.45	0.45	0.50	0.42	0.49	0.43	0.42	0.45	5.12

### Total Unitholder Returns<sup>3</sup> (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2023	1.77	0.53	(2.50)	(0.66)	4.30	0.39	1.66	0.59	-	-	-	-	6.15
2022	1.36	0.87	(1.60)	0.87	1.84	0.37	0.37	(1.12)	1.86	(0.12)	(0.09)	(3.14)	1.39
2021	8.15	1.45	(0.90)	3.33	0.63	3.73	(0.62)	(0.67)	2.17	1.12	0.88	1.03	21.83
2020	2.35	(1.54)	1.34	(1.56)	0.34	0.36	0.85	(2.60)	(16.73)	3.12	7.76	(3.75)	(11.43)
2019	0.24	0.06	(0.90)	1.97	(1.07)	2.48	2.43	(0.10)	(1.03)	0.42	2.43	0.91	8.03

<sup>1</sup> Fund Return reflects compounded movements in the NTA.

<sup>2</sup> Assuming monthly compounding.

<sup>3</sup> Total Unitholder Returns comprises compounded distributions plus compounded movements in the listed price of ASX:GCI.

**Disclaimer: Past performance is not a reliable indicator of future performance.** All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. The comparison to the RBA Cash Rate is not intended to compare an investment in GCI to a cash holding. The RBA Cash Rate is displayed as a reference to the target return for GCI. The GCI investment portfolio is of higher risk than an investment in cash. To understand the Trust's risks better, please refer to the most recent PDS [here](#) or at [gcapinvest.com/our-lit](http://gcapinvest.com/our-lit).

### PARTIES

#### Responsible Entity

One Managed Investment Funds Limited  
ACN 117 400 987 AFSL 297042

#### Manager

Gryphon Capital Investments Pty Ltd  
ACN 167 850 535 AFSL 454552

### AVAILABLE PLATFORMS INCLUDE:

Asgard	BT Panorama
BT Super Wrap	BT Wrap
First Wrap	HUB24
Macquarie Wrap	Mason Stevens
MLC	Navigator
Netwealth	North

### FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust  
[www.gcapinvest.com/our-lit](http://www.gcapinvest.com/our-lit)

#### General

Email [info@gcapinvest.com](mailto:info@gcapinvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

ASX release date: 27 March 2023

Authorised for release by One Managed Investment Funds Limited, the responsible entity of Gryphon Capital Income Trust.

One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) is the responsible entity of the Gryphon Capital Income Trust (ARSN 623 308 850 ("Fund"). Information contained in this document was prepared by Gryphon Capital Investments Pty Ltd (ACN 167 850 535) (Gryphon). While neither OMIFL nor Gryphon has any reason to believe the information is inaccurate, the truth or accuracy of the information cannot be warranted or guaranteed. Before making any decision regarding the Fund, investors and potential investors should consider the Product Disclosure Statement (PDS), the Target Market Determination (TMD) and other continuous disclosures available on the Australian Securities Exchange ("ASX") website (Disclosure Material). The Disclosure Material contains important information about investing in the Fund and it is important investors obtain and read the Disclosure Material before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. This document contains general information only and is not intended to be financial product advice. It does not take into account any person's (or class of persons') investment objectives, financial situation or particular needs, and should not be used as the basis for making investment, financial or other decisions. Investors should also consult a licensed financial adviser before making an investment decision in relation to the Fund. This document may contain forward-looking statements based on current expectations, estimates, and projections about the Fund's business and the industry in which the Fund invests. Readers are cautioned not to place undue reliance on these forward-looking statements. Neither OMIFL nor Gryphon undertakes any obligation to revise any such forward-looking statements to reflect events and circumstances after the date of this publication. Past performance is not indicative of future performance. Neither OMIFL or Gryphon nor any other person associated with the Fund guarantees or warrants the future performance of the Fund, the return on an investment in the Fund, the repayment of capital or the payment of distributions from the Fund. To the extent permitted by law, no liability is accepted by OMIFL, Gryphon or their respective directors for any loss or damage as a result of any reliance on this information. Information in this document is current as at 28 February 2023.