

Target Market Determination

Gryphon Capital Income Trust

Introduction

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (**the Act**). This TMD describes the class of consumers that comprises the target market for the financial product and matters relevant to the product's distribution and review (specifically, distribution conditions, review triggers and periods, and reporting requirements). Distributors must take reasonable steps that will, or are reasonably likely to, result in distribution of the product being consistent with the most recent TMD (unless the distribution is excluded conduct).

This document is **not** a product disclosure statement (**PDS**) and is **not** a complete summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for the product before making a decision whether to buy this product.

Important terms used in this TMD are defined in the TMD Definitions which supplement this document. Capitalised terms have the meaning given to them in the product's PDS, unless otherwise defined. The PDS can be obtained by contacting One Managed Investment Funds Limited on 02 8277 0000 Gryphon Capital Investments on 03 9008 7290.

Target Market Summary

This product is intended for use as an investment for a consumer who is seeking Capital Preservation and Income Distributions and has a medium risk/return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a short, medium or long term investment timeframe and access to their capital via trading on the ASX.

Fund and Issuer identifiers

| | |
|----------------------------|--|
| Issuer | One Managed Investment Funds Limited |
| Issuer ABN | 47 117 400 987 |
| Issuer AFSL | 297042 |
| Fund manager | Gryphon Capital Investments Pty Ltd ABN 25 167 850 535 |
| TMD contact details | 02 8277 0000 |
| Fund name | Gryphon Capital Income Trust |

| | |
|------------------------------------|---|
| ARSN | 623 308 850 |
| Market Identifier Code | XASX |
| Product Exchange code | GCI |
| TMD issue date | 29 January 2024 |
| TMD Version | 2 |
| Distribution status of fund | Available to Australian and New Zealand resident investors who have received an invitation from their broker or financial adviser to participate. |

Description of Target Market

TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red and green rating methodology:



Instructions

In the tables below, Column 1, Consumer Attributes, indicates a description of the likely objectives, financial situation and needs of the class of consumers that are considering this product. Column 2, TMD indicator, indicates whether a consumer meeting the attribute in column 1 is likely to be in the target market for this product.

Appropriateness

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market, as the features of this product in Column 3 of the table below are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (for example, with an intended product use of *minor allocation*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a balanced or moderate diversified portfolio with a minor allocation to growth assets. In this case, a product with a *High* risk/return profile may be consistent with the consumer's objectives for that *minor allocation*



notwithstanding that the risk/return profile of the consumer as a whole is *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).

The FSC has provided more detailed guidance on how to take this *portfolio view* for diversification, available on the [FSC website](#).

| Consumer Attributes | TMD indicator | Product description including key attributes |
|--|----------------------|---|
| Consumer's investment objective | | |
| Capital Growth | Not in target market | The Trust's Investment Objective is to provide monthly cash income and capital preservation at a portfolio level by investing in fixed income securities consisting of Australian based residential mortgage-backed securities (RMBS) and asset backed securities (ABS), with some exposure to short term money market securities or cash equivalents and cash held with a bank or ADI. While an investment in the Trust could experience capital loss and is higher risk and more volatile than cash or government bonds, the Trust is expected to exhibit lower volatility than growth assets in a market downturn. The Trust targets a return of RBA Cash Rate plus 3.50% per annum, net of fees through the economic cycle. |
| Capital Preservation | In target market | |
| Income Distribution | In target market | |
| Capital Guaranteed | Not in target market | |
| Consumer's intended product use (% of Investable Assets) | | |
| Solution/Standalone (up to 100%) | Not in target market | The Trust aims to provide investors with a means of diversifying their income investments to a defensive fixed income asset class that provides diversification for investors by gaining exposure to a portfolio of RMBS and ABS that is normally difficult to access for retail investors. The product is suited to investors intending to use the product as a Satellite allocation to spread this risk across a broad portfolio of investments. |
| Major allocation (up to 75%) | Not in target market | |
| Core component (up to 50%) | Not in target market | |
| Minor allocation (up to 25%) | Not in target market | |
| Satellite allocation (up to 10%) | In target market | |
| Consumer's investment timeframe | | |
| Minimum investment timeframe | 1 year or more | The minimum suggested timeframe for holding investments in the Trust is 1 year or more. The Trust is managed with the intention of generating returns over the medium to long term and is suitable for investors who wish to invest over that timeframe. It might be suitable for investors seeking a shorter time frame depending on the makeup of their portfolio. However, units can be sold on the ASX as required before the suggested investment timeframe. Please see 'Consumer's need to withdraw money' below for more information. |
| Consumer's Risk (ability to bear loss) and Return profile | | |

| Consumer Attributes | TMD indicator | Product description including key attributes |
|-----------------------------------|----------------------|--|
| Low | Not in target market | <p>The Trust seeks to produce a target return of the RBA Cash Rate plus 3.50% per annum, net of fees through the economic cycle.</p> <p>However, the actual total return of the Trust may rise or fall based on, amongst other things, performance in the underlying investments and movements in the RBA Cash Rate, the Trust target return is not a forecast and is not guaranteed and there are risks involved in the Trust as disclosed in Section 8 of the most recent PDS.</p> <p>Over a 20 year period, it is estimated an investment in the Trust will likely have no more than 3 years with a negative return. Therefore the Trust is estimated to have a risk band of 4 (Medium). The Trust is suitable for investors who have a Medium risk/return profile.</p> |
| Medium | In target market | |
| High | Not in target market | |
| Very high | Not in target market | |
| Extremely high | Not in target market | |
| Consumer's need to access capital | | |
| Daily | Not in target market | <p>As the units are quoted on the ASX the Trust is expected to have daily liquidity under ordinary circumstances. This is subject to the Trust having adequate trading volume and liquidity on the ASX, and there are no guarantees that the quote price on the ASX will be representative of the NTA per unit. In circumstances where units are suspended from the ASX investors may not be able to sell their units via the ASX until trading recommences. While investors are expected to be able to sell their units on days the ASX is open for trading, successful sale orders will be settled on a T+2 basis meaning funds will typically be available within two days of the trade.</p> |
| Within one week of sale | In target market | |

Distribution conditions/restrictions

| Distribution conditions | Distribution condition rationale | Distributors this condition applies to |
|--|--|--|
| The Trust is available to wholesale clients. | The DDO Regime and this TMD do not apply to financial products issued to wholesale clients. | All distributors |
| The Trust is available to retail clients to whom personal financial product advice has been provided. | The provision of personal advice is excluded conduct for the purposes of the DDO regime. | All distributors |
| The issue of new units in the Trust is available to clients to whom a PDS was required to be issued and to whom financial product advice | The Issuer has appointed specified distributors for new issues noting that the distributors have their own | Selected distributors |

| Distribution conditions | Distribution condition rationale | Distributors this condition applies to |
|---|--|--|
| was provided via selected distributors who hold an Australian Financial Services licence or investors who are existing investors in the Trust at the time of the issue. | obligations under the DDO Regime, as a distributor, to take reasonable steps that will, or are likely to, result in distribution of the product being consistent with its TMD. | |

Review triggers

| |
|---|
| Material change to key attributes, fund investment objective and/or fees. |
| Material deviation from benchmark / objective over sustained period. |
| Key attributes have not performed as disclosed by a material degree and for a material period. |
| Determination by the issuer of an ASIC reportable Significant Dealing. |
| Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product. |
| The use of Product Intervention Powers, regulator orders or directions that affects the product. |

Mandatory TMD review periods

| Review period | Maximum period for review |
|-------------------|---|
| Initial review | N/A - initial review has already occurred |
| Subsequent review | 3 years from the last review of the TMD (for whatever reason) |

Distributor reporting requirements

| Reporting requirement | Reporting period | Which distributors this requirement applies to |
|---|---|--|
| Complaints (as defined in section 994A(1) of the Act) relating to the product. The distributor should provide all the content of the complaint, having regard to privacy. | As soon as practicable but no later than 10 business days following end of calendar quarter. | All distributors |
| Significant dealing outside of target market, under section 994F(6) of the Act. See Definitions for further detail. | As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing. | All distributors |

If practicable, distributors should adopt the FSC data standards for reports to the issuer. Distributors must report to One Managed Investment Funds Limited using the email address DDO@oneinvestment.com.au or the method specified at <https://www.oneinvestment.com.au/ddo/>.

Disclaimer

This document is issued by One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) as responsible entity of the Gryphon Capital Income Trust (ARSN 623 308 850) (Trust). Gryphon Capital Investments Pty Ltd ACN 167 850 535, Australian financial services licensee (number 454552) (Gryphon) is the investment manager of the Trust. This document sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, it outlines the triggers to review the target market and certain other information. It forms part of OMIFL's design and distribution arrangements for the product.

This document is not a product disclosure statement and is not a summary of the product features or terms of the product. The information provided in this document is general in nature and does not constitute investment advice or personal financial product advice. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice. The content of this document does not constitute an offer or solicitation to subscribe for units in the Trust or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision.

Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

Whilst all care has been taken in preparation of this document, neither OMIFL nor Gryphon give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. Neither OMIFL nor Gryphon accepts liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

You should obtain and carefully consider the Product Disclosure Statement (PDS) for the Trust (when the PDS is on issue) before making any decision about whether to acquire, or continue to hold, an interest in the Trust. Applications for new units in the Trust can only be made pursuant to the application form relevant to the Trust. A copy of the PDS (when on issue) can be obtained by contacting OMIFL on 02 8277 0000 or the investment manager on 03 9008 7290 and continuous disclosure notices may be obtained on OMIFL's website at www.oneinvestment.com.au/investors-public/gryphon-capital-income-trust/ or the investment manager's website <http://www.gcapinvest.com>.

Definitions

In some instances, examples have been provided below. These examples are indicative only and not exhaustive.

| Term | Definition |
|---|---|
| Consumer's investment objective | |
| Capital Guaranteed | The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products. |
| Capital Growth | The consumer seeks to invest in a product designed or expected to generate capital return over the investment timeframe. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate. |
| Capital Preservation | The consumer seeks to invest in a product designed or expected to have low volatility and minimise capital loss. The consumer prefers exposure to defensive assets that are generally lower in risk and less volatile than growth investments (this may include cash or fixed income securities). |
| Income Distribution | The consumer seeks to invest in a product designed or expected to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (this may include high dividend-yielding equities, fixed income securities and money market instruments). |
| Consumer's intended product use (% of Investable Assets) | |
| Solution/Standalone (up to 100%) | The consumer may hold the investment as up to 100% of their total <i>investable assets</i> . The consumer is likely to seek a product with <i>very high</i> portfolio diversification. |

| Term | Definition |
|--|--|
| Major allocation (up to 75%) | The consumer may hold the investment as up to 75% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>high</i> portfolio diversification. |
| Core Component (up to 50%) | The consumer may hold the investment as up to 50% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>medium</i> portfolio diversification. |
| Minor allocation (up to 25%) | The consumer may hold the investment as up to 25% of their total <i>investable assets</i> . The consumer is likely to seek a product with at least <i>low</i> portfolio diversification. |
| Satellite allocation (up to 10%) | The consumer may hold the investment as up to 10% of the total <i>investable assets</i> . The consumer may seek a product with <i>very low</i> portfolio diversification. Products classified as <i>extremely high</i> risk are likely to meet this category only. |
| <i>Investable Assets</i> | Those assets that the investor has available for investment, excluding the residential home. |
| Portfolio diversification (for completing the key product attribute section of consumer's intended product use) | |
| Note: exposures to cash and cash-like instruments may sit outside the diversification framework below. | |
| Very low | The product provides exposure to a single asset (for example, a commercial property) or a niche asset class (for example, minor commodities, crypto-assets or collectibles). |
| Low | The product provides exposure to a small number of holdings (for example, fewer than 25 securities) or a narrow asset class, sector or geographic market (for example, a single major commodity (e.g. gold) or equities from a single emerging market economy). |
| Medium | The product provides exposure to a moderate number of holdings (for example, up to 50 securities) in at least one broad asset class, sector or geographic market (for example, Australian fixed income securities or global natural resources). |
| High | The product provides exposure to a large number of holdings (for example, over 50 securities) in multiple broad asset classes, sectors or geographic markets (for example, global equities). |
| Very high | The product provides exposure to a large number of holdings across a broad range of asset classes, sectors <u>and</u> geographic markets with limited correlation to each other. |
| Consumer's intended investment timeframe | |
| Minimum | The minimum suggested timeframe for holding the product. Typically, this is the rolling period over which the investment objective of the product is likely to be achieved. |
| Consumer's Risk (ability to bear loss) and Return profile | |

| Term | Definition |
|--------|---|
| | <p>This TMD uses the Standard Risk Measure (SRM) to estimate the likely number of negative annual returns for this product over a 20 year period, using the guidance and methodology outlined in the <i>Standard Risk Measure Guidance Paper For Trustees</i> (note the bands in the SRM guidance differ from the bands used in this TMD). However, SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return (including under conditions of market stress) or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. The SRM methodology may be supplemented by other risk factors. For example, some products may use leverage, derivatives or short selling; may have liquidity or withdrawal limitations; may have underlying investments with valuation risks or risks of capital loss; or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating.</p> <p>A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p> |
| Low | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a conservative or low risk appetite, • seeks to minimise volatility and potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)), and • is comfortable with a low target return profile. <p>The consumer typically prefers stable, defensive assets (such as cash).</p> |
| Medium | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a moderate or medium risk appetite, • seeks low volatility and potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)), and • is comfortable with a moderate target return profile. <p>The consumer typically prefers defensive assets (for example, fixed income).</p> |
| High | <p>For the relevant part of the consumer's portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a high risk appetite, • can accept high volatility and potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 5 or 6)), and • seeks high returns (typically over a medium or long timeframe). <p>The consumer typically prefers growth assets (for example, shares and property).</p> |

| Term | Definition |
|---|--|
| Very high | <p>For the relevant part of the consumer’s portfolio, the consumer:</p> <ul style="list-style-type: none"> • has a very high risk appetite, • can accept very high volatility and potential losses (e.g. has the ability to bear 6 to 7 negative returns over a 20 year period (SRM 6 or 7)), and • seeks to maximise returns (typically over a medium or long timeframe). <p>The consumer typically prefers high growth assets (such as high conviction portfolios, hedge funds, and alternative investments).</p> |
| Extremely high | <p>For the relevant part of the consumer’s portfolio, the consumer:</p> <ul style="list-style-type: none"> • has an extremely high risk appetite, • can accept significant volatility and losses, and • seeks to obtain accelerated returns (potentially in a short timeframe). <p>The consumer seeks extremely high risk, speculative or complex products which may have features such as significant use of derivatives, leverage or short positions or may be in emerging or niche asset classes (for example, crypto-assets or collectibles).</p> |
| Consumer’s need to access capital | |
| <p>Investors should not expect OMIFL to offer a redemption under the terms of the constitution. Investors may however buy and sell their units on the ASX. This consumer attribute addresses the likely period of time between the matching of an offer to sell with a buyer on the ASX and the receipt of proceeds from the sale under ordinary circumstances.</p> | |

| Term | Definition |
|------------------------------|---|
| Distributor Reporting | |
| Significant dealings | <p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is ‘significant’ and distributors have discretion to apply its ordinary meaning.</p> <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> • they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or • they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer). <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> • the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes), • the actual or potential harm to a consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and • the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red and/or amber ratings attributed to the consumer). <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> • it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the quarter, • the consumer’s intended product use is <i>solution/ standalone</i>, or • the consumer’s intended product use is <i>core component</i> or higher and the consumer’s risk/return profile is <i>low</i>. |