



### 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>
Net Return (%)	0.66	1.97	3.68	5.20	4.98	4.99
Distribution (¢/unit)	1.28	3.75	7.13	12.25	10.00	9.66
Distribution <sup>1</sup> (%)	0.64	1.89	3.62	6.29	5.10	4.92
RBA Cash Rate (%)	0.26	0.76	1.32	1.55	0.64	0.86
Target over RBA (%)	0.29	0.87	1.75	3.50	3.50	3.50
Target Return (%) <sup>*</sup>	0.56	1.64	3.09	5.10	4.16	4.39
Excess Return (%) <sup>**</sup>	0.08	0.25	0.51	1.13	0.90	0.50

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

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

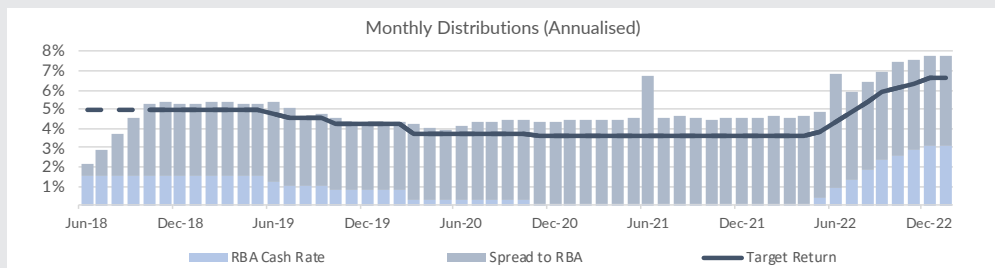
<sup>\*</sup> Target Return = RBA +3.50% p.a.

<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 1.28 cents per unit distribution for the month, representing an annualised yield of 7.80% (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	\$486.1m/\$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>	7.84%
Distributions (12m) <sup>6</sup>	6.29%
RBA Cash Rate	3.10% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	0.87 years
Number of Bond Holdings	102
Number of Underlying Mortgage Loans	78,721

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

<sup>6</sup> Actual distribution for the 12 months to 31 January, as a % of NTA, assuming distribution reinvestment.

### RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith



Lonsec

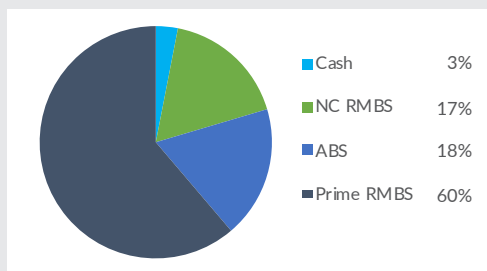
### WEBSITE

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



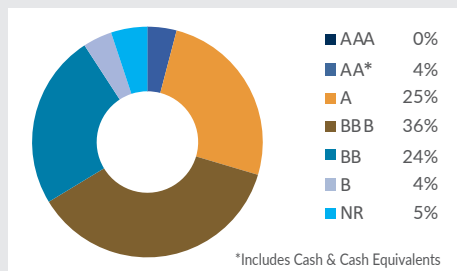
### Portfolio Construction

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



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

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



\*Includes Cash & Cash Equivalents

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

	Total	Prime	Non-conforming <sup>3</sup>
No. of Underlying Loans	78,721	69,329	9,392
Weighted Average Underlying Loan Balance	\$376,454	\$324,818	\$553,044
Weighted Average LVR	64%	64%	66%
Weighted Average Seasoning	26 months	29 months	17 months
Weighted Average Interest Rate	6.17%	5.96%	6.91%
Owner Occupied	59%	58%	63%
Interest Only	26%	27%	23%
90+ Days in Arrears as % of Loans	0.43%	0.39%	0.59%
% Loans > \$1.5m Balance	4.29%	1.74%	12.99%

<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	10.0%	2.7%	4.0%	3.3%	-

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

No. of Underlying Loans	3,275	<b>Borrower Type</b>	
Weighted Average Underlying Loan Balance	\$401,764	SMSF	58.1%
Weighted Average LVR	59.7%	Company	19.9%
% > 80% LVR	3.76%	Individual	22.0%
Weighted Average Borrowers' Equity	\$358,134	<b>Property Type</b>	
90+ Days in Arrears as % of Loans	0.03%	Residential	24.6%
% > \$1.5m Current Balance	0.34%	Commercial	74.8%
		Mixed	0.6%

<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.

### 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	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)

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### 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	-	-	-	-	-	4.12
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	-	-	-	-	-	3.82
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	-	-	-	-	-	5.53
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.

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ASX release date: 21 February 2023

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

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