



Investment Objective and Strategy

The Gryphon Capital Income Trust (ASX Code: GCI) is designed for investors seeking sustainable, monthly income through exposure to an actively managed portfolio of securitised, floating rate bonds held in a Listed Investment Trust structure. The Target Return is equal to RBA Cash Rate + 3.50% pa. The Australian securitised market comprises floating rate, Residential Mortgage-Backed Securities (RMBS) and Asset Backed Securities (ABS) and 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

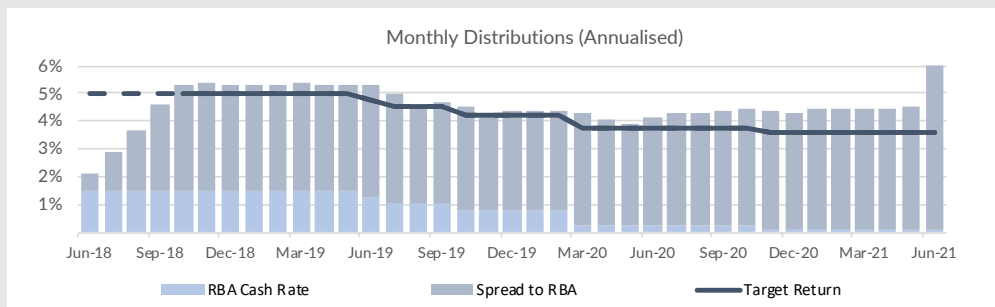
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr (Ann)	Incep (Ann) ¹
Net Return (%)	0.48	1.78	3.16	6.29	5.17	5.07
RBA Cash Rate (%)	0.01	0.02	0.05	0.15	0.77	0.79
Net Excess Return (%)	0.47	1.75	3.11	6.13	4.37	4.25
Distribution ¹ (%)	0.53	1.28	2.38	4.61	4.64	4.55
Distribution (¢/unit)	1.08	2.58	4.76	9.08	9.12	8.94

¹ Inception date – 21 May 2018

Note: Past performance is not a reliable indicator of future performance.

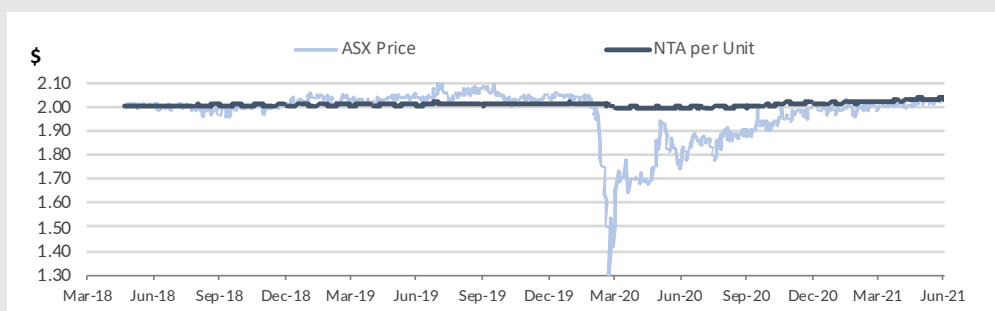
Distribution

GCI announced a 1.08 cents per unit distribution for the month, generating a trailing 12-month distribution return of 4.61% (net)².



² Actual distribution as % of NTA, assuming distribution reinvestment.

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. Gryphon currently manages funds in excess of \$2.4 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$418.4m/\$2.03
NTA/Unit	\$417.7m/\$2.03
Investment Management Fee ³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Current Yield ⁴	4.53%
Distributions (12m) ⁵	4.61%
RBA Cash Rate	0.10% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.38 years
Number of Bond Holdings	92
Number of Underlying Mortgage Loans	99,336

⁴ June 2021 distribution (funded by net interest income) as % of unit price, annualised.

⁵ Actual distribution for the 12 months to 30 June, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith RECOMMENDED

Lonsec

WEBSITE

www.gcapinvest.com/our-lit



Commentary

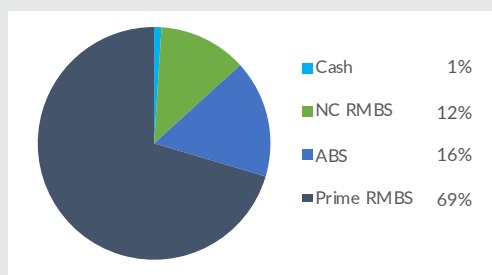
June was a steady month for new issues with three primary RMBS transactions totalling \$2.25 billion and two consumer ABS transactions. One of these RMBS transactions, a \$750 million issuance by leading Non-Bank Firstmac, was a green mortgage-backed securitisation where all the underlying mortgages are backed by environmentally friendly housing. None of the Bonds were offered publicly as the RMBS was supported by a large Japanese investor with the Mezzanine Notes fully subscribed by the Clean Energy Finance Corporation ("CEFC"), investing on behalf of the Australian Government. Gryphon has a number of workflows incorporating more fully ESG (Environment, Social, Governance) considerations into our investment process with an increased focus on the sustainability of RMBS and ABS issuers in Australia. Whilst Australia is clearly lagging the rest of the world in ESG investing, the cornerstone of Gryphon's ESG approach is Issuer engagement, which fits neatly into our investment process where Issuer engagement (along with data) has always been one of the foundations of our investment process.

All of the other four public new issue transactions were met with strong investor demand across all rating tranches. Due to a combination of credit, relative value and portfolio optimisation considerations, the Gryphon Capital investment committee elected not to participate in any of these transactions.

A key objective of GCI is sustainable, monthly income and what we mean by "sustainable" is that the distributions are being funded out of ongoing net interest income earned on the investment portfolio, less any expenses incurred. Expenses include fees payable to the Trustee, Administrator, Gryphon as investment manager, ASX and auditors, among others. Importantly since listing over 3 years ago, Gryphon has not had to rely on "capital" to sustain our distributions. In June, being the end of the financial year, in addition to the net interest income, we have also distributed to Unitholders the "realised" capital gain made from bond sales. The larger June distribution was comprised of two components being net interest income (circ 69%) and trading gains realised over the year (circ 31%).

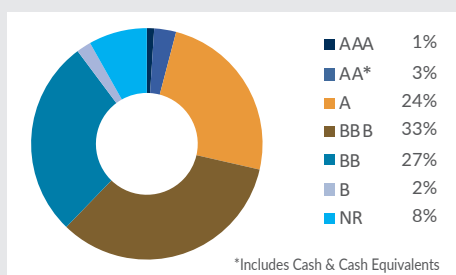
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	99,336	92,308	7,028
Weighted Average Underlying Loan Balance	\$514,696	\$468,103	\$776,998
Weighted Average LVR	66%	66%	70%
Weighted Average Seasoning	27 months	29 months	17 months
Weighted Average Interest Rate	3.38%	3.22%	4.24%
Owner Occupied	66%	66%	67%
Interest Only	23%	23%	21%
90+ Days in Arrears as % of Loans	0.35%	0.35%	0.35%
% Loans > \$1.5m Balance	1.43%	0.69%	5.56%

² 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.

³ 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.

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INVESTMENT HIGHLIGHTS

Income	Sustainable monthly cash income.
Large, institutional fixed income market	Australian ABS market >A\$110 billion is double the size of the corporate bond market
Security, capital preservation	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
Portfolio diversification	Allows retail and SMSF investors to access a fixed income asset class that generally has only been available to institutional investors
Investment Manager	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.gcainvest.com/our-lit

General

Email info@gcainvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au



SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	15.8%	3.1%	7.0%	5.6%	-

SME Portfolio Underlying Mortgage Loan Statistics¹

No. of Underlying Loans	5,534	Borrower Type	
Weighted Average Underlying Loan Balance	\$468,588	SMSF	73.1%
Weighted Average LVR	58.5%	Company	13.7%
% > 80% LVR	0.17%	Individual	13.2%
Weighted Average Borrowers' Equity	\$332,174	Property Type	
90+ Days in Arrears as % of Loans	0.16%	Residential	40.3%
% > \$1.5m Current Balance	1.41%	Commercial	58.7%
		Mixed	1.0%

¹Please 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.

Distributions (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.37	0.34	0.37	0.36	0.38	0.53	-	-	-	-	-	-	2.38
2020	0.36	0.34	0.36	0.33	0.33	0.34	0.36	0.36	0.36	0.37	0.35	0.36	4.29
2019	0.44	0.40	0.45	0.42	0.44	0.43	0.42	0.38	0.38	0.38	0.35	0.36	4.96
2018	-	-	-	-	-	0.23	0.24	0.31	0.37	0.44	0.43	0.44	2.48

Fund Returns (Net)² (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	0.33	0.57	0.45	0.61	0.68	0.48	-	-	-	-	-	-	3.16
2020	0.38	0.34	(0.45)	0.36	0.30	0.41	0.36	0.39	0.49	0.71	0.67	0.37	4.42
2019	0.50	0.42	0.49	0.43	0.42	0.45	0.74	0.43	0.35	0.41	0.38	0.39	5.54
2018	-	-	-	-	0.02	0.24	0.25	0.31	0.39	0.44	0.45	0.45	2.58

Total Unitholder Returns⁴ (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	(0.62)	(0.67)	2.2	1.12	0.88	1.03	-	-	-	-	-	-	3.94
2020	0.85	(2.60)	(16.7)	3.12	7.76	(3.75)	8.15	1.45	(0.94)	3.33	0.63	3.73	2.55
2019	2.43	(0.10)	(1.03)	0.42	2.43	0.91	2.35	(1.54)	1.34	(1.56)	0.34	0.36	6.42
2018	-	-	-	-	0.50	(0.27)	0.24	0.06	(0.88)	1.97	(1.07)	2.48	3.01

²Fund Return reflects compounded movements in the NTA.

³Assuming monthly compounding.

⁴Total Unitholder Returns comprises compounded distributions plus compounded movements in the listed price of ASX:GCI.

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ASX release date: 15 July 2021

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

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