



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

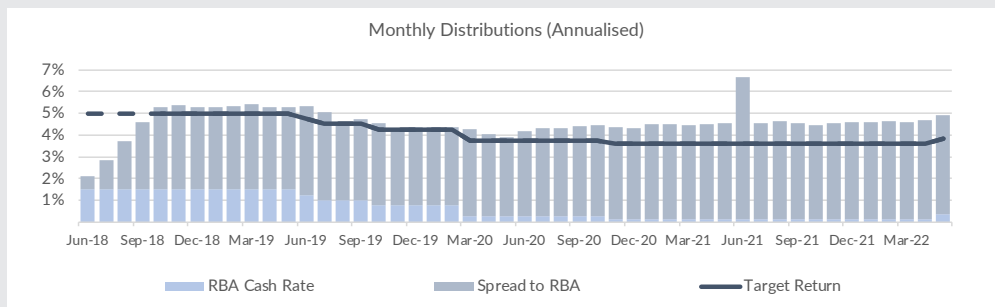
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr (Ann)	Incep (Ann) ¹
Net Return (%)	0.38	0.88	1.95	4.16	4.84	4.83
RBA Cash Rate (%)	0.03	0.04	0.07	0.12	0.35	0.63
Net Excess Return (%)	0.35	0.84	1.88	4.04	4.48	4.17
Distribution ¹ (%)	0.41	1.17	2.30	4.78	4.56	4.57
Distribution (¢/unit)	0.82	2.35	4.59	9.45	8.99	8.99

¹ Inception date – 21 May 2018

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

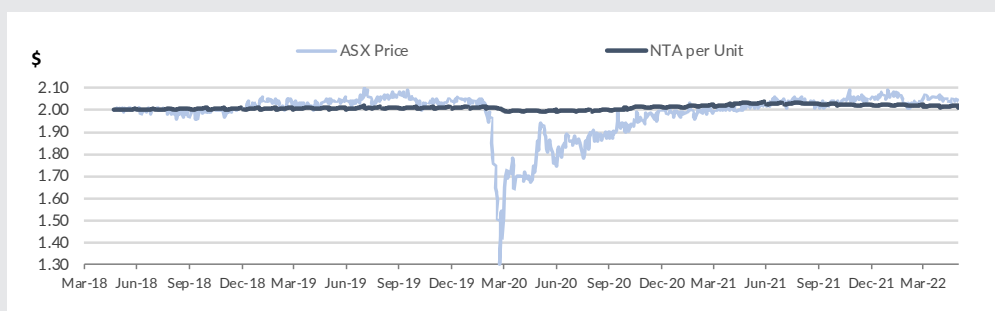
Distribution

GCI announced a 0.82 cents per unit distribution for the month, generating a trailing 12-month distribution return of 4.78% (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 \$3.0 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$496.1m/\$2.04
NTA/Unit	\$489.4m/\$2.01
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	4.84%
Distributions (12m) ⁵	4.78%
RBA Cash Rate	0.35% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.46 years
Number of Bond Holdings	109
Number of Underlying Mortgage Loans	99,094

⁴ May 2022 distribution as % of unit price, annualised.

⁵ Actual distribution for the 12 months to 31 May, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith
RECOMMENDED

Lonsec

WEBSITE

www.gcapinvest.com/our-lit



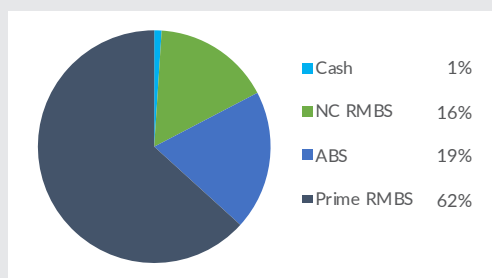
Commentary

The market dislocations continued in May with a continuation of the key themes of 1H 2022 – rising and perhaps non-transitory inflation, the global central bank's hawkish rhetoric and rapid tightening, the Russian invasion of Ukraine and the resulting energy and food supply and price shocks and then the draconian Chinese COVID lockdowns exacerbating already stretched supply chains. All these factors have meant an increasing concern over the growth outlook and the growth-inflation trade-offs facing central banks, with the market pricing a higher probability of a hard landing.

In Australia, because of the RBA's aggressive tightening cycle, the market consensus is a 15%–25% peak to trough house price decline – effectively reversing some of the unsustainable house price gains experienced since the RBA cut the cash rate to 0.10% in 2020. Remembering that the weighted average LVR of the home loans underlying GCI's RMBS is 65% and that the borrowers' equity is only one (of four) bond holder protections. A previously published RBA research paper concluded that for a home loan borrower in Australia to default, it requires both an inability to repay the loan, and (importantly) for the home loan to be in negative equity. The fundamentals of the mortgage market in Australia continue to be robust with a high level of savings and substantial build up in borrowers' equity with Gryphon's base case being that some of the borrowers' equity being given back, with average HPI falls expected in the coming years. RMBS are well placed to continue to provide the stable and predictable income characteristic of GCI's performance to date while remaining truly loss-remote.

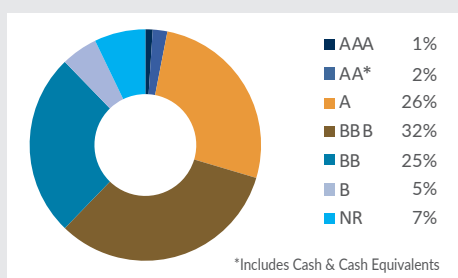
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	99,094	86,618	12,476
Weighted Average Underlying Loan Balance	\$371,816	\$321,204	\$570,874
Weighted Average LVR	65%	65%	68%
Weighted Average Seasoning	28 months	31 months	18 months
Weighted Average Interest Rate	3.25%	3.09%	3.90%
Owner Occupied	62%	61%	68%
Interest Only	22%	23%	18%
90+ Days in Arrears as % of Loans	0.31%	0.24%	0.57%
% Loans > \$1.5m Balance	2.84%	1.61%	7.64%

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.

continued overleaf...

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.gcapinvest.com/our-lit

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au



SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	10.5%	2.0%	4.0%	4.5%	-

SME Portfolio Underlying Mortgage Loan Statistics¹

No. of Underlying Loans	3,687	Borrower Type	
Weighted Average Underlying Loan Balance	\$371,152	SMSF	63.1%
Weighted Average LVR	59.2%	Company	18.3%
% > 80% LVR	0.36%	Individual	18.6%
Weighted Average Borrowers' Equity	\$354,077	Property Type	
90+ Days in Arrears as % of Loans	0.10%	Residential	33.9%
% > \$1.5m Current Balance	1.21%	Commercial	64.8%
		Mixed	1.3%

¹ 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.

Distributions (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ³
2022	0.38	0.38	0.37	0.37	0.37	0.38	0.38	0.35	0.38	0.38	0.41	-	4.22
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)² (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ³
2022	0.37	0.44	0.32	0.29	0.25	0.37	0.40	0.28	0.27	0.23	0.38	-	3.67
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 Returns⁴ (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ³
2022	1.36	0.87	(1.60)	0.87	1.84	0.37	0.37	(1.12)	1.86	(0.12)	(0.09)	-	4.68
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

² Fund Return reflects compounded movements in the NTA.

³ Assuming monthly compounding.

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

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ASX release date: 15 June 2022

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

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