



### 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% p.a) 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) | 5 Yr (Ann) | Incep (Ann) <sup>2</sup> |
|-------------------------------|-------|-------|-------|-------|------------|------------|--------------------------|
| NTA Net Return (%)            | 0.83  | 2.35  | 4.55  | 8.81  | 6.24       | 5.71       | 5.55                     |
| Distribution (¢/unit)         | 1.46  | 4.37  | 8.71  | 16.27 | 12.09      | 10.95      | 10.63                    |
| Distribution <sup>1</sup> (%) | 0.73  | 2.20  | 4.43  | 8.44  | 6.19       | 5.59       | 5.43                     |
| Target Return (%)*            | 0.64  | 1.92  | 3.85  | 7.34  | 5.08       | 4.81       | 4.83                     |
| Excess Return (%)**           | 0.09  | 0.27  | 0.56  | 1.02  | 1.05       | 0.75       | 0.58                     |

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

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

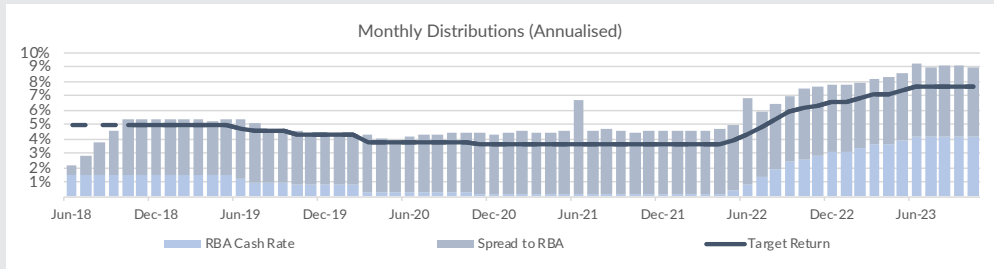
\* Target Return = RBA Cash Rate + 3.50% p.a.

\*\* 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 [gcapinvest.com/our-lit](http://gcapinvest.com/our-lit).

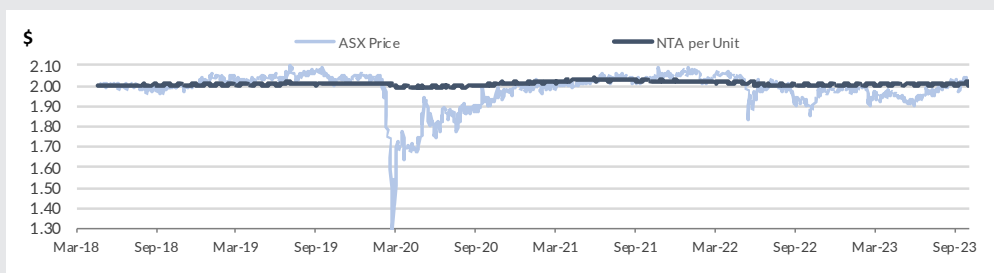
### Distribution

GCI announced a 1.46 cents per unit distribution for the month, representing an annualised yield of 8.92% (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<sup>†</sup>

Gryphon Capital Investments Pty Ltd ("Gryphon") is a wholly owned subsidiary of Barings, one of the world's leading asset managers managing over USD\$347 Billion AUM, with more than 1,200 external clients and 1,800 professionals globally.

The Gryphon team has joined the Global Structured Finance team at Barings, which consists of over thirty investment professionals based in Charlotte, North Carolina, London and Brisbane. Ashley Burtenshaw and Steven Fleming continue to be the portfolio managers for GCI.

<sup>†</sup> as at 30 September 2023

### SNAPSHOT

|  |                             |
|--|-----------------------------|
| ASX Code                               | GCI                         |
| IPO Date                               | 25 May 2018                 |
| Asset                                  | Fixed Income, floating rate |
| Market Cap/Unit                        | \$491.2m/\$2.02             |
| NTA/Unit                               | \$487.4m/\$2.00             |
| Investment Management Fee <sup>4</sup> | 0.72% p.a.                  |
| 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>          | 8.85%      |
| Distributions (12m) <sup>6</sup>    | 8.44%      |
| RBA Cash Rate                       | 4.10% p.a. |
| Interest Rate Duration              | 0.04 years |
| Credit Spread Duration              | 0.94 years |
| Number of Bond Holdings             | 104        |
| Number of Underlying Mortgage Loans | 74,247     |

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

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

### 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)



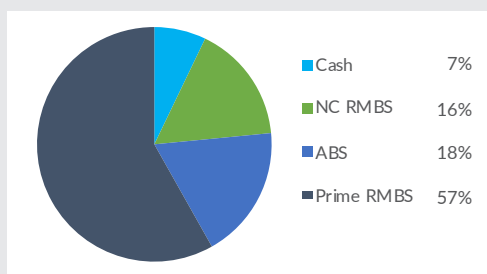
### Commentary

In October, we witnessed a reasonably robust calendar of primary new-issue which was led by a major bank sponsored RMBS funding-only transaction. This transaction contributed A\$2.0 billion, which was in addition to the total issuance amount of A\$8.7 billion for the month. There was a total of seven RMBS transactions issued in the month, including five Prime RMBS and two NC RMBS. The expansion of the ABS market in Australia was discussed last month, and this was confirmed in October with the issuance of four ABS transactions worth a combined amount of A\$2.6 billion.

In terms of portfolio positioning, the Gryphon Investment Committee has remained patient, engaging in a single new-issue transaction. The Investment Committee process is influenced by various factors including credit, relative value, and portfolio optimisation considerations. We have identified and are pursuing a number of compelling investment opportunities outside of the new-issue market, and given the irregular liquidity in the market, it necessitates the running of higher cash balances in the short term.

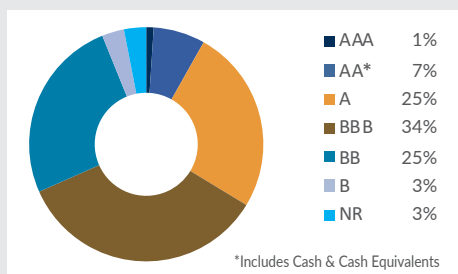
### Portfolio Construction

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



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

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



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

|  | Total     | Prime     | Non-conforming <sup>3</sup> |
|--|-----------|-----------|-----------------------------|
| No. of Underlying Loans                  | 74,247    | 67,549    | 6,698                       |
| Weighted Average Underlying Loan Balance | \$373,816 | \$316,539 | \$573,908                   |
| Weighted Average LVR                     | 64%       | 63%       | 67%                         |
| Weighted Average Seasoning               | 30 months | 34 months | 16 months                   |
| Weighted Average Interest Rate           | 6.92%     | 6.72%     | 7.63%                       |
| Owner Occupied                           | 61%       | 60%       | 65%                         |
| Interest Only                            | 20%       | 20%       | 19%                         |
| 90+ Days in Arrears as % of Loans        | 0.92%     | 0.66%     | 1.84%                       |
| % Loans > \$1.5m Balance                 | 4.17%     | 1.81%     | 12.41%                      |

<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    | 7.90% | 1.7% | 4.5% | 1.8% | - |

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### INVESTMENT HIGHLIGHTS

|  |   |
|--|---|
| <b>Income</b>                              | Monthly cash income with a Target Return of RBA Cash Rate plus 3.50% per annum, net of fees through the economic cycle. Investors should note the Target Return is not a forecast and is not guaranteed.  |
| <b>Diversification, low NTA volatility</b> | Fixed income is an important component of a balanced investment portfolio typically providing stable income with capital preservation. The Trust enables investors to diversify their income investments to a defensive asset class. The Trust's NTA since listing is evidence of the defensive characteristics and has displayed little correlation to equity markets. |
| <b>Capital preservation</b>                | The Trust's investments comprise an actively managed portfolio predominately comprised of securities that have the benefit of multiple layers of investor protections as set out in the PDS. The Manager's stress testing of each investment is consistent with the Trust's key objective of capital preservation.  |
| <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>Experienced Manager</b>                 | Exposure to wholly owned subsidiary of Barings, one of the world's leading asset managers, with a proven track record of investment outperformance.   |
| <b>Attractive structure</b>                | The Trust structure allows the Manager to invest a permanent and stable pool of capital, while also offering investors ASX liquidity. This allows the Manager to make long term investment decisions without the need to source liquidity for potential investor redemptions, which may impact return.  |

### FURTHER INFORMATION AND ENQUIRIES

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General  
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Boardroom (Unit Registry)  
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 Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)



### SME Portfolio Underlying Mortgage Loan Statistics<sup>1</sup>

|  |           |                      |       |
|--|-----------|----------------------|-------|
| No. of Underlying Loans                  | 3,353     | <b>Borrower Type</b> |       |
| Weighted Average Underlying Loan Balance | \$367,338 | SMSF                 | 39.0% |
| Weighted Average LVR                     | 58.9%     | Company              | 27.9% |
| % > 80% LVR                              | 5.92%     | Individual           | 33.1% |
| Weighted Average Borrowers' Equity       | \$358,334 | <b>Property Type</b> |       |
| 90+ Days in Arrears as % of Loans        | 0.37%     | Residential          | 38.8% |
| % > \$1.5m Current Balance               | 1.10%     | Commercial           | 60.9% |
|  |           | Mixed                | 0.3%  |

<sup>1</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.

### Distributions (%)

| Fin. Year | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar  | Apr  | May  | Jun  | YTD <sup>3</sup> |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2024      | 0.73 | 0.74 | 0.71 | 0.73 |      |      |      |      |      |      |      |      | 2.95             |
| 2023      | 0.49 | 0.53 | 0.55 | 0.61 | 0.60 | 0.64 | 0.64 | 0.58 | 0.66 | 0.65 | 0.70 | 0.73 | 7.64             |
| 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>2</sup> (%)

| Fin. Year | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar    | Apr  | May  | Jun  | YTD <sup>3</sup> |
|-----------|------|------|------|------|------|------|------|------|--------|------|------|------|------------------|
| 2024      | 0.69 | 0.77 | 0.74 | 0.83 |      |      |      |      |        |      |      |      | 3.06             |
| 2023      | 0.12 | 0.60 | 0.52 | 0.56 | 0.64 | 0.65 | 0.66 | 0.71 | 0.69   | 0.66 | 0.73 | 0.71 | 7.50             |
| 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>4</sup> (%)

| Fin. Year | Jul  | Aug    | Sep    | Oct    | Nov    | Dec  | Jan    | Feb    | Mar     | Apr    | May    | Jun    | YTD <sup>2</sup> |
|-----------|------|--------|--------|--------|--------|------|--------|--------|---------|--------|--------|--------|------------------|
| 2024      | 3.11 | 1.52   | 1.73   | 1.73   |        |      |        |        |         |        |        |        | 8.33             |
| 2023      | 1.77 | 0.53   | (2.50) | (0.66) | 4.30   | 0.39 | 1.66   | 0.59   | (0.34)  | (0.60) | 0.98   | (0.79) | 5.34             |
| 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>2</sup> Fund Return reflects compounded movements in the NTA.

<sup>3</sup> Assuming monthly compounding.

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

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### 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:

AMP North            Asgard eWrap  
BT Panorama        HUB24  
Macquarie – Manager / Consolidator  
Netwealth Wrap

#### FURTHER INFORMATION AND ENQUIRIES

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#### 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: 20 November 2023**

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

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