



Investment Objective

Gryphon Capital Income Trust (GCI) set itself 3 strategic objectives at IPO:

1. Sustainable monthly cash income



2. Highest risk adjusted return

3. Capital Preservation

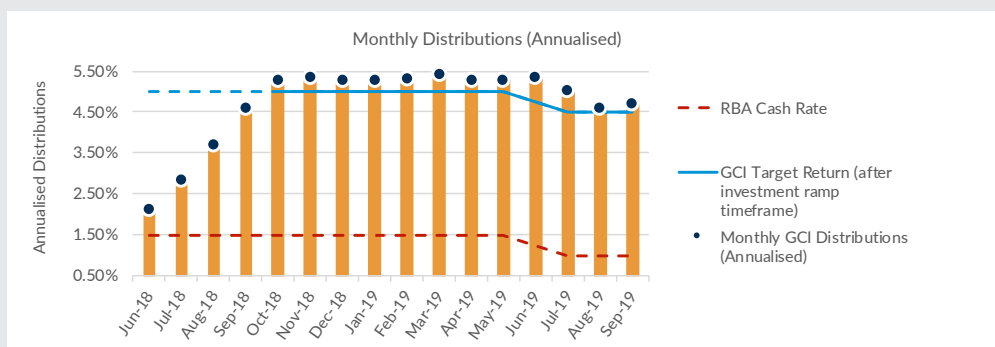
GCI continues to generate attractive and sustainable monthly income with highest risk adjusted returns through investments in a defensive asset class with a track record of low capital price volatility ensuring Capital Preservation.

GCI Investment Highlights

Income¹	Sustainable monthly cash income. Current 12-month distribution yield at 5.19% (net).
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 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

GCI Distribution

GCI announced a 0.76 cents per unit distribution for September, bringing the distribution rate for the 12-months to September to 5.19% (net)¹.



Fund Performance as at 30 September 2019

	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ²
Net Return (%)	0.35%	1.53%	2.85%	5.72%	5.10%
RBA Cash Rate (%)	0.08%	0.25%	0.61%	1.37%	1.41%
Net Excess Return (%)	0.27%	1.28%	2.23%	4.29%	3.64%
Distribution ¹ (%)	0.38%	1.18%	2.50%	5.19%	4.67%
Distribution (¢/unit)	0.76	2.37	4.96	10.16	9.16

¹ Actual distribution as % of NTA, assuming distribution reinvestment.

² Inception date – 21 May 2018

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

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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 \$2.0 billion.

GCI SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.08
NAV (Unit)	\$2.01
Market Cap	\$321.6m
Investment Management Fee³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

GCI CHARACTERISTICS

Distributions⁴	5.19%
RBA Cash Rate	1.00% pa.
Interest Rate Duration	0.05 years
Credit Spread Duration	2.0 years
Number of Bond Holdings	66
Number of Underlying Mortgage Loans	96,007

⁴ The annualised distributions (net of fees) post initial ramp-up period after listing – calculations from October 2018. Actual distribution as % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH



Lonsec

WEBSITE

www.gcainvest.com/gcit/overview



Market and GCI Investment Activity

During September there were three new RMBS issues including a \$2.8 billion funding-only RMBS by Macquarie (funding-only means Macquarie issues only the AAA tranches and retains on its balance sheet the balance of the RMBS capital structure) and two ABS transactions including another ABS issue by Latitude Financial backed by credit cards. All of these transactions were met with strong investor demand across the capital structure by both domestic and international investors. Many factors contribute to the increase in demand for Australian securitised bonds including, among others, relative value considerations, continued strong performance in the underlying transactions (arrears), benign economic data including employment and most importantly stability in house prices.

Due to a combination of credit and GCI portfolio optimisation considerations, the Gryphon Capital investment committee elected not to participate in any of these public transactions however we did participate in an ABS transaction which priced in early October.

Gryphon Capital indicated in the recent capital raising that it may take up to three months to fully invest the additional capital raised. However, principally due to our forward planning and ability to source eligible investments, we have now effectively fully invested the proceeds in investments which satisfy the return and risk characteristics outlined in the PDS. Gryphon Capital is continuing to deliver on all of our IPO targets.

Prospective New Offer of Units

Gryphon Capital continue to work on a significant pipeline of opportunities which are able to meet the return and risk characteristics of the Trust's Investment Strategy. As a result of these investment opportunities, the consistent performance of GCI since listing, additional benefits to existing unitholders of larger scale and the ongoing demand for stable and predictable income, the Responsible Entity and Gryphon Capital are in discussions with proposed Joint Lead Managers regarding a further issue of new units.

New funding for GCI will not impact the Trust's target return which remains unchanged or the Trust's ability to pay monthly distributions to Unitholders.

It is anticipated any capital raising will take the form of a pro rata entitlement offer to existing unitholders and a public offer to new investors for any units not taken up in the entitlement offer. The Responsible Entity and the Investment Manager expects further details to be released to the market in due course.

GCI 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/gcit/overview

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

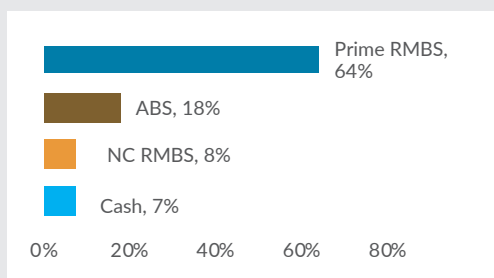
Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

GCI Portfolio Construction¹

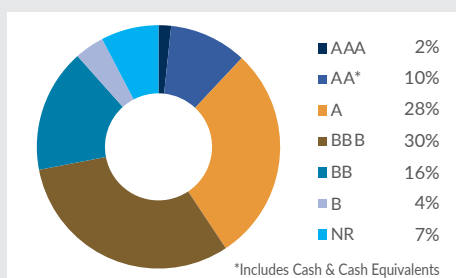
¹ Note as at 30 September 2019.

GCI Sector Allocations²



² Excludes Manager Loan.

GCI Rating Breakdown²



² Excludes Manager Loan.

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GCI Portfolio Underlying Residential Mortgage Loan Statistics¹

	Total	Prime	Non-conforming ²
No. of Underlying Loans	96,007	91,764	4,243
Weighted Average Underlying Loan Balance	\$453,320	\$433,479	\$620,511
Weighted Average LVR	64%	64%	68%
Weighted Average Seasoning	31 months	32 months	26 months
Weighted Average Interest Rate	4.24%	4.08%	5.61%
Owner Occupied	66%	65%	68%
Interest Only	26%	27%	23%
90+ Days in Arrears as % of Loans	0.30%	0.18%	1.24%
% Loans > \$1.5m Balance	0.75%	0.45%	3.23%

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.

² 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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WEBSITE

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