

# Update on External Ratings

NOVEMBER 2021

## Update on GCI's external research ratings

In September we were pleased to announce the upgrade of GCI by Lonsec to 'Recommended' and we thought it worthwhile to re-cap where we stand with all the External Research groups that cover GCI.

The table below outlines the current rating for each group whilst acknowledging the original rating secured by GCI pre-IPO. The team at Gryphon are proud to be rated highly across all groups but, are particularly proud of the fact we have secured upgrades across the board. Since listing in 2018, despite being challenged by a number of different market conditions, we have remained true to label, delivering predictable and consistent monthly cash distributions whilst protecting investor's capital.

Research Provider	Upgraded to	Upgraded on	Original Rating	Rating Definitions
Lonsec <sup>1</sup>	Recommended	September 2021	Investment Grade	<a href="#">Lonsec</a>
Zenith* <sup>1</sup>	Recommended	June 2020	Approved	<a href="#">Zenith</a>
BondAdviser <sup>2</sup>	Recommended	August 2020	Subscribe	<a href="#">BondAdviser</a>
IIR <sup>2</sup>	Recommended Plus	March 2021	Recommended	<a href="#">IIR</a>

\* Zenith originated coverage in May 2019, all others at IPO in 2018.

<sup>1</sup> Not authorised under its AFSL to provide financial advice to retail clients.

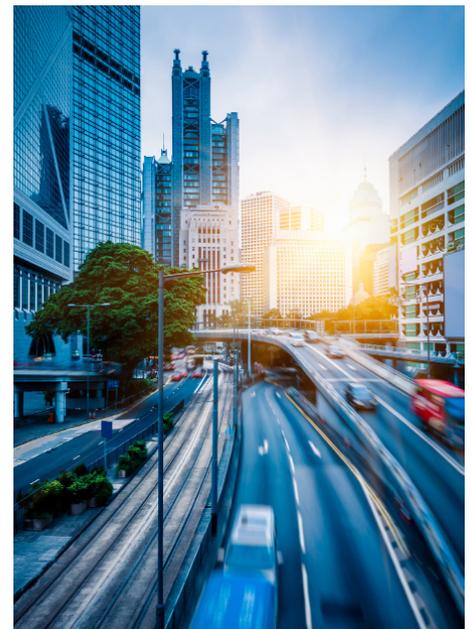
<sup>2</sup> Authorised under its AFSL to provide financial advice to retail clients.

### Selected quotes from the research:

	<p>The two Portfolio Managers hold deep and extensive experience in securitised markets. The strategy utilises a thorough and repeatable investment process tailored to the specific needs of the asset class. Strong risk management is embedded at the security level.</p> <p>[Full report available to AFSL holders only at <a href="#">Lonsec Report</a>]</p>
	<p>...believes Gryphon maintain a robust process when investing in RMBS and ABS opportunities. The team displays a comprehensive approach to understanding risks inherent in securitised deals, extending to loan-level modelling, originator and servicer due diligence and scenario testing. This provides Gryphon with the requisite level of conviction to seek opportunities throughout deal structures, including non-investment grade and unrated tranches.</p> <p>[Full report available to AFSL holders only at <a href="#">Zenith Report</a>]</p>
	<p>Our recommendation is a function of our confidence in the investment manager to meet its obligations and while we expect further market volatility the tactical changes implemented by the manager to offset any asset deterioration in the broader market gives us conviction in a period of economic uncertainty.</p> <p>[Full report available to investors at <a href="#">BondAdviser Report</a>]</p>
	<p>The Manager offers a fixed income investment with a difference when compared to other listed fixed income managed investments, providing exposure primarily to the Australian RMBS market. The Trust has been "true to name" since listing in May 2018, with the Manager delivering on target returns and portfolio exposures.</p> <p>[Full report available to investors at <a href="#">IIR Report</a>]</p>

All four external research groups have lifted their rating on GCI and as an investment team we continue to focus on staying true to our objectives. We continue to look for new investment opportunities, as our target investment sector evolves, to further diversify GCI's holdings into assets that support our capital preservation and risk-adjusted return goals. We would like to thank our clients for their support and look forward to delivering for them in the future.

Each upgrade is the subject of a full report by each agency and together they make detailed, encouraging reading. We are pleased to see increased confidence in the Gryphon team and the investment process as we steadily deliver on our objectives. Historically, a concern of external research companies is that GCI is only three years old, but they all take comfort from the fact that GCI has been true to label from the outset. We look forward to further upgrades as the Trust matures, and below have provided some excerpts from each of the reports relating to their reasons for the upgraded recommendations.



### Gryphon Insights videos

To view Gryphon Insights videos, please go to:  
<https://gcapinvest.com/news-insights/>

### Disclaimer

This document has been prepared without taking account of the reader's investment objectives, financial situation or needs. Any person reading this document should, before deciding to invest in or continue to hold the investment in GCI, seek professional advice. The ratings are only one factor to be taken into account when deciding whether to invest in GCI.

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## Lonsec

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