

### GCIT Investment Highlights

- Specialist Investment Manager with a proven track record of investment outperformance
- Target income return of RBA Cash + 3.50% (net of fees)
- Monthly distributions
- Key objective of the Fund being capital preservation
- Portfolio diversification – Australian ABS market is a large but specialist component of Australian Fixed Income and is dominated by institutional investors.

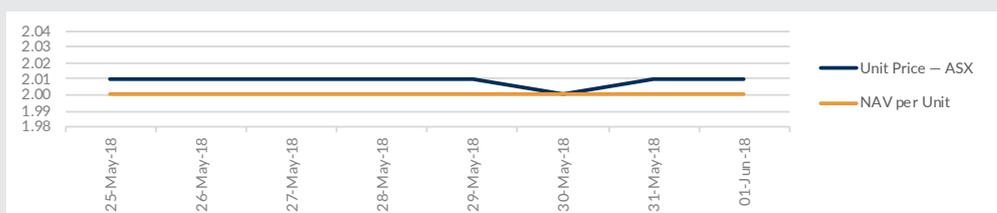
### Investment Objective

GCIT is an ASX Listed Trust providing Unitholders with exposure to the Australian securitised fixed income market, a large market (> A\$100 billion) which is dominated by institutional investors. The investment objective of GCIT is to generate attractive risk adjusted returns principally through monthly income distributions with a low risk of capital loss at a portfolio level. Investor's capital is not guaranteed.

### GCIT Distribution

It is intended the first GCIT distribution will be paid following the period ending 30 June 2018 and then monthly thereafter.

### NAV Unit and Unit Price Performance



### Fund Performance<sup>1</sup>

	1 June 18	IPO	1 Mth	3 Mth	6 Mth	1 Yr	Incep
Net Return (%)	0.03	-	-	-	-	-	-
RBA Cash Rate %	0.04	-	-	-	-	-	-
Distribution (%)	-	-	-	-	-	-	-
Distribution (C/unit)	-	-	-	-	-	-	-

<sup>1</sup> IPO Date to 1 June 2018.

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

### Market and GCIT Investment Activity

The Gryphon Capital Income Trust (GCIT) listed on ASX on 25 May 2018 at a small premium to its listing price of \$2.00 and has since continued to trade at or at a small premium to the NAV.

We are delighted with the progress of the investments thus far with approximately 47% of the GCIT NAV invested in the core portfolio as of 1 June 2018. The credit quality of this core portfolio is approx. 70% investment grade, 25% BB rated and 5% Non-Rated resulting in the weighted average running yield exceeding our target returns.

The balance of the GCIT NAV has been invested in a Liquidity Portfolio (36%) and cash (17%). The "Liquidity Portfolio" has been invested in RBA Repo-Eligible Bonds AAA rated RMBS principally issued by major banks. The weighted average running yield on the Liquidity Portfolio is approximately 2.79% with 100% of the Liquidity Portfolio rated AAA. The Liquidity Portfolio will be recycled into higher yielding RMBS and ABS as opportunities arise. Gryphon Capital continues to focus on identifying those assets which are able to meet the return and risk characteristics outlined in the PDS.

Currently, Gryphon is busy conducting due diligence on a number of potential investment opportunities and is confident the portfolio will be fully invested with all holdings constituting the core portfolio, within the timeframe outlined in the PDS.

### ABOUT THE MANAGER

Gryphon Capital Investments Pty Ltd ("Gryphon") is a specialist fixed income manager with significant experience in the Australian and Institutional fixed income markets. Gryphon manages individual segregated accounts on behalf of institutional investors and GCIT 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 \$1.9 billion.

### GCIT SNAPSHOT

ASX Code	GCIT
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.01
NAV (Unit)	\$2.00
Market Cap	\$176.1m
Distributions	Monthly
Unit Pricing	Weekly

### GCIT PORTFOLIO STATISTICS\*

No. of Underlying Loans	54,815
Weighted Average Underlying Loan Balance	\$380,274
Weighted Average LVR	63%
Weighted Average Seasoning	37 months
Weighted Average Interest Rate	4.71%
Owner Occupied	67%
Interest Only	19%
30+ Days in Arrears as % of Loans	0.60%

\* 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.

### RESEARCH

**BondAdviser**

**INDEPENDENT**  
INVESTMENT RESEARCH

**Lonsec**

# Gryphon Capital Income Trust (GCIT)

ARSN 623 308 850

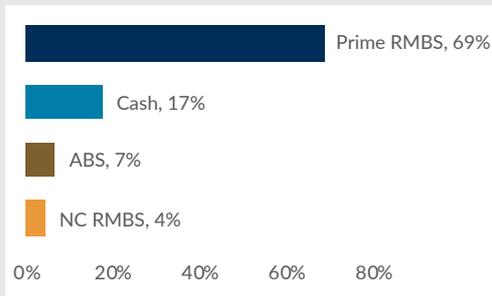
Investment Update as at 31 May 2018



## GCIT Portfolio Constructions<sup>1</sup>

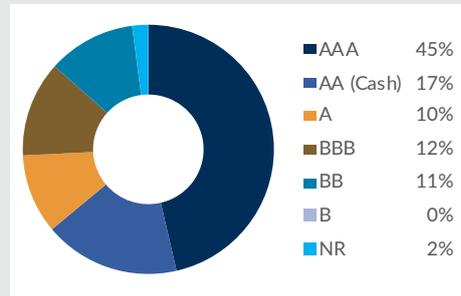
<sup>1</sup> Note as at 1 June 2018.

### GCIT Sector Allocations<sup>2</sup>



<sup>2</sup> Excludes Manager Loan.

### GCIT Rating Breakdowns<sup>2</sup>



<sup>2</sup> Excludes Manager Loan.

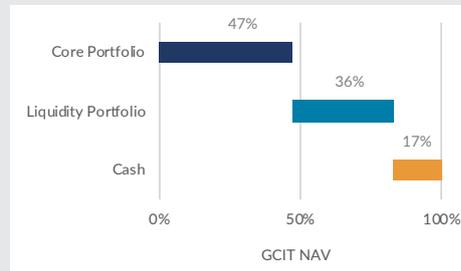
### GCIT Characteristics<sup>3</sup>

Net Running Yield <sup>4</sup>	3.29%
RBA Cash Rate	1.50%
Distribution	-
Interest Rate Duration (yrs)	0.04 years
Credit Spread Duration (yrs)	2.28 years
Number of Bond Holdings	19
Number of Underlying Loans	54,815

<sup>3</sup> Annualised.

<sup>4</sup> The net cash income GCIT would earn over the next year based on existing core and liquidity portfolios and current market conditions if there were no changes to interest rates or GCIT portfolios. It is not an actual return.

### Portfolio Investment Information



The AAA rated liquidity RMBS will be recycled into higher yielding RMBS and ABS as the Manager continues to invest in "core securities" for the GCIT portfolio. As described in the PDS, Investors should also note it may take some time following listing of the Units until the Manager is able to construct the Portfolio (which may be up to six months) and before the target return can be expected to be achieved. Distributions to Unitholders in the initial six months are therefore expected to be lower than the target return.

### Net Returns

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	-	-

### Distributions

(cents/Unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	-	-

## GCIT 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 Wrap	First Wrap
HUB24	Macquarie Wrap
Mason Stevens	MLC
Navigator	Netwealth
North	

### FURTHER INFORMATION AND ENQUIRIES

#### Gryphon Capital Income Trust

[www.gcapinvest.com/gci](http://www.gcapinvest.com/gci)

#### General

Email [sales@gcapinvest.com](mailto:sales@gcapinvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

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