

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

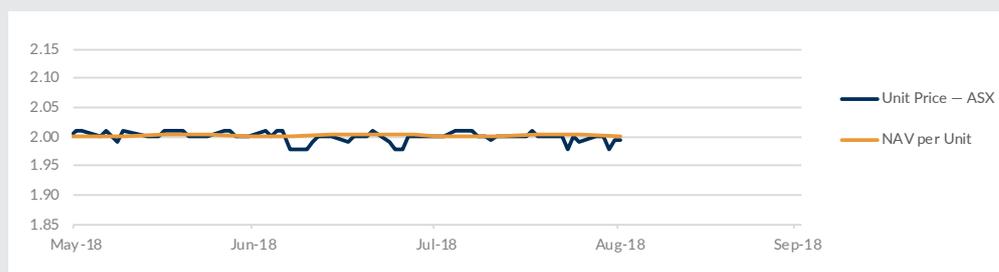
GCIT is an ASX Listed Trust providing Unitholders with exposure to the Australian securitised fixed income market, a large market (> A\$100 billion) which is dominated by institutional investors. The investment objective of GCIT is to generate attractive risk adjusted returns principally through monthly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

GCIT Distribution

GCIT announced a 0.62 cents per unit distribution for the month of August 2018.

As at 31 August 2018, the Core portfolio represented approximately 72% of the GCIT NAV and has a net running yield of approximately 5.54%p.a. As the portfolio moves to being fully invested and we recycle out of the Liquidity portfolio into core holdings, we expect the distribution yield to exceed the target distribution.

NAV Unit and Unit Price Performance



Fund Performance

31 August 18	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.31	0.80	-	-	2.90
RBA Cash Rate (%)	0.13	0.38	-	-	1.50
Distribution (%)	0.31	0.78	-	-	2.83
Distribution (¢/unit)	0.62	1.56	-	-	5.59

¹ Inception date – 21 May 2018

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

Market and GCIT Investment Activity

Gryphon Capital continues to focus on identifying those investments which satisfy the return and risk characteristics outlined in the SPDS. We are confident the portfolio will be fully invested with all holdings constituting the Core portfolio, within the timeline outlined in the SPDS.

During August there were three Residential Mortgage Backed Security and two Asset Backed Security new issue transactions priced totaling A\$3.45 billion. Gryphon Capital participated in two of the RMBS new issues and was also active sourcing suitable investments in secondary markets. In total, we invested approximately 17% of the GCIT NAV during August.

The balance of the GCIT NAV continues to be invested in a Liquidity portfolio which will be recycled into higher yielding RMBS and ABS (Core portfolio) as opportunities arise. The blend of the Core holdings (72%) and Liquidity portfolio (28%) is generating a net running yield of approximately 4.48%p.a.

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	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.00
NAV (Unit)	\$2.00
Market Cap	\$174.86m
Distributions	Monthly
Unit Pricing	Weekly

GCIT PORTFOLIO STATISTICS*

No. of Underlying Loans	65,274
Weighted Average Underlying Loan Balance	\$433,373
Weighted Average LVR	64%
Weighted Average Seasoning	33 months
Weighted Average Interest Rate	4.97%
Owner Occupied	67%
Interest Only	19%
30+ Days in Arrears as % of Loans	0.48%

* 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

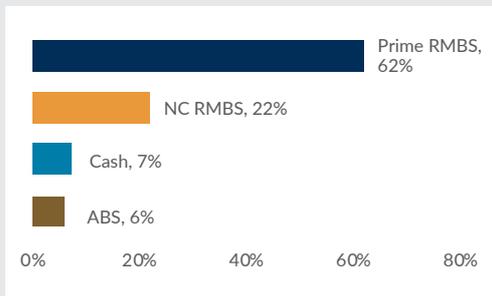
Investment Update as at 31 August 2018



GCIT Portfolio Construction¹

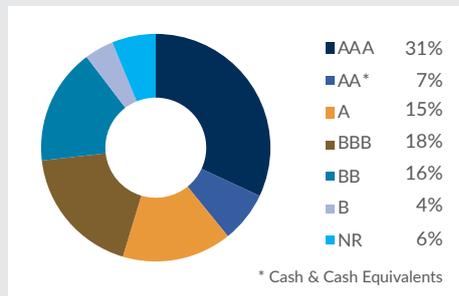
¹ Note as at 31 August 2018.

GCIT Sector Allocations²



² Excludes Manager Loan.

GCIT Rating Breakdown²



² Excludes Manager Loan.

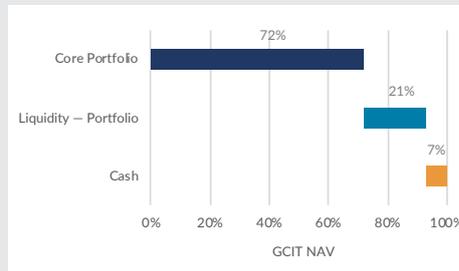
GCIT Characteristics³

Net Running Yield ⁴	4.48%
RBA Cash Rate	1.50%
Interest Rate Duration (yrs)	0.05 years
Credit Spread Duration (yrs)	2.6 years
Number of Bond Holdings	29
Number of Underlying Loans	65,274

³ Annualised.

⁴ 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 SPDS, 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.

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.gcainvest.com/gcit/overview

General

Email info@gcainvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

Net Returns

(%)	Jan	Feb	Mar	Apr	May ⁵	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	0.01	0.23	0.25	0.31	-	-	-	-	0.80

⁵ Net return calculated from the Allotment date 21 May 2018 to 31 May 2018.

Distributions

(cents/Unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	0.46	0.48	0.62	-	-	-	-	1.56

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