

GCIT Investment Highlights

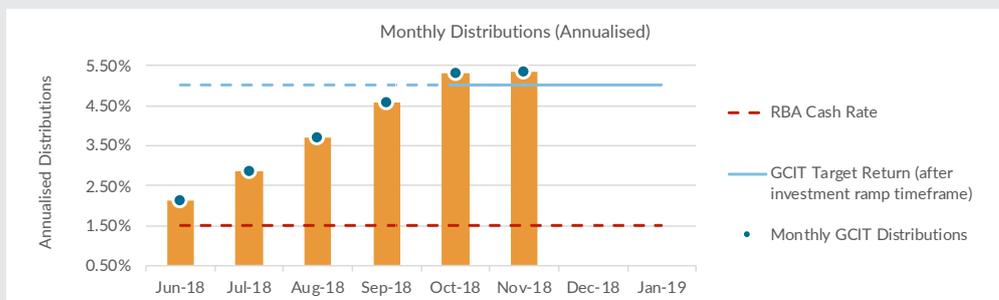
- Specialist Investment Manager with a proven track record of investment outperformance
- Target income return of RBA Cash +3.50% (net of fees), currently 5.00% p.a.
- Monthly distributions
- Key objective of the Fund being capital preservation
- Portfolio diversification – Australian ABS market is a 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. Investors capital is not guaranteed.

GCIT Distribution

GCIT announced a 0.86 cents per unit distribution for the month of November 2018, representing an annualised distribution yield of 5.36%, delivering in excess of the Target return of RBA Cash +3.50% (5.00% net of fees).



Fund Performance as at 30 November 2018

	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.44	1.27	2.08	-	3.99
RBA Cash Rate (%)	0.12	0.37	0.75	-	1.50
Net Excess Return (%)	0.32	0.90	1.32	-	2.45
Distribution (%)	0.43	1.24	2.04	-	3.89
Distribution (¢/unit)	0.86	2.48	4.04	-	7.65

¹ Inception date – 21 May 2018

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

Market and GCIT Investment Activity

Constructing a resilient investment portfolio that provides stability and protection against broader market volatility is a core objective of the Gryphon Capital Income Trust. In November, with geopolitical concerns continuing to weigh on risk appetite global credit markets continued to struggle across the board. An exception through this market volatility has been shorter dated secured RMBS and ABS and this is evidenced by the stability of the GCIT Net Asset Value since the GCIT listing in May 2018.

There are two key attributes of the GCIT investment portfolio which contribute to its protective nature including being 100% floating rate (i.e. no exposure to term interest rates) and the credit duration (i.e. a metric reflecting how quickly the principal is expected to be returned) being short – currently 2.2 years. GCIT has proven to be a defensive strategy in a tough market.

During November, we again witnessed quite a busy primary new issue market, with three RMBS and one ABS being priced, totaling A\$3.0 billion. As was the case in October, due to a combination of credit and GCIT portfolio optimisation considerations, the Gryphon Capital investment committee elected not to participate in any of these transactions. We did however sell a AAA RMBS position at the end of month in anticipation of participating in compelling investment opportunities prior to year end. Gryphon Capital continues to focus on identifying those investments which satisfy the return and risk characteristics 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	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$1.97
NAV (Unit)	\$2.00
Market Cap	\$172.67m
Investment Management Fee ²	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Weekly

² Includes GST, net of reduced input tax credits

GCIT CHARACTERISTICS³

Net Running Yield ⁴	5.29%
RBA Cash Rate	1.50%
Interest Rate Duration (yrs)	0.04 years
Credit Spread Duration (yrs)	2.2 years
Number of Bond Holdings	32
Number of Underlying Mortgage Loans	40,625

³ Annualised.

⁴ The net cash income GCIT would earn over the next year, assuming reinvestment, 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.

RESEARCH

BondAdviser

INDEPENDENT
INVESTMENT RESEARCH

Lonsec

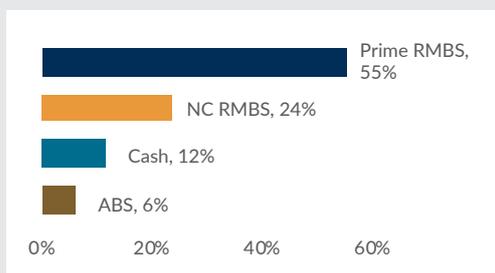
WEBSITE

www.gcapinvest.com/gcit/overview

GCIT Portfolio Construction¹

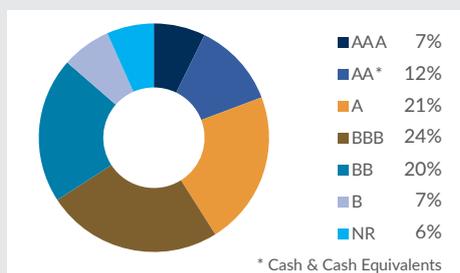
¹ Note as at 30 November 2018.

GCIT Sector Allocations²



² Excludes Manager Loan.

GCIT Rating Breakdown²



² Excludes Manager Loan.

GCIT Portfolio Underlying Mortgage Loan Statistics³

	Total	Prime	Non-conforming ⁴
No. of Underlying Loans	40,625	34,804	5,821
Weighted Average Underlying Loan Balance	\$504,265	\$465,604	\$581,921
Weighted Average LVR (%)	68%	68%	66%
% Loans > \$1.5m Principal Balance	1.04%	0.35%	2.41%
Weighted Average Seasoning	23 months	26 months	15 months
Weighted Average Interest Rate	5.17%	4.70%	6.12%
Owner Occupied	63%	65%	60%
Interest Only	25%	25%	24%
90+ Days in Arrears as % of Loans	0.27%	0.30%	0.20%

³ 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.

⁴ 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.

Net Returns (after fees)

(%)	Jan	Feb	Mar	Apr	May ⁵	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	0.01	0.23	0.25	0.31	0.39	0.44	0.44	-	2.09

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	0.74	0.88	0.86	-	4.04

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

One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) is the responsible entity of the Gryphon Capital Income Trust (ARSN 623 308 850 ("Fund"). Information contained in this document was prepared by Gryphon Capital Investments Pty Ltd (ACN 167 850 535) (GCI). While neither OMIFL nor GCI has any reason to believe the information is inaccurate, the truth or accuracy of the information cannot be warranted or guaranteed. Before making any decision regarding the Fund, investors and potential investors should consider the Product Disclosure Statement (PDS) and other continuous disclosures available on the Australian Securities Exchange ("ASX") website (Disclosure Material). The Disclosure Material contains important information about investing in the Fund and it is important investors obtain and read the Disclosure Material before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. This document contains general information only and is not intended to be financial product advice. It does not take into account any person's (or class of persons') investment objectives, financial situation or particular needs, and should not be used as the basis for making investment, financial or other decisions. Investors should also consult a licensed financial adviser before making an investment decision in relation to the Fund. This document may contain forward-looking statements based on current expectations, estimates, and projections about the Fund's business and the industry in which the Fund invests. Readers are cautioned not to place undue reliance on these forward-looking statements. Neither OMIFL nor GCI undertakes any obligation to revise any such forward-looking statements to reflect events and circumstances after the date of this publication. Past performance is not indicative of future performance. Neither OMIFL or GCI nor any other person associated with the Fund guarantees or warrants the future performance of the Fund, the return on an investment in the Fund, the repayment of capital or the payment of distributions from the Fund. To the extent permitted by law, no liability is accepted by OMIFL, GCI or their respective directors for any loss or damage as a result of any reliance on this information. Information in this document is current as at 30 November 2018.