



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

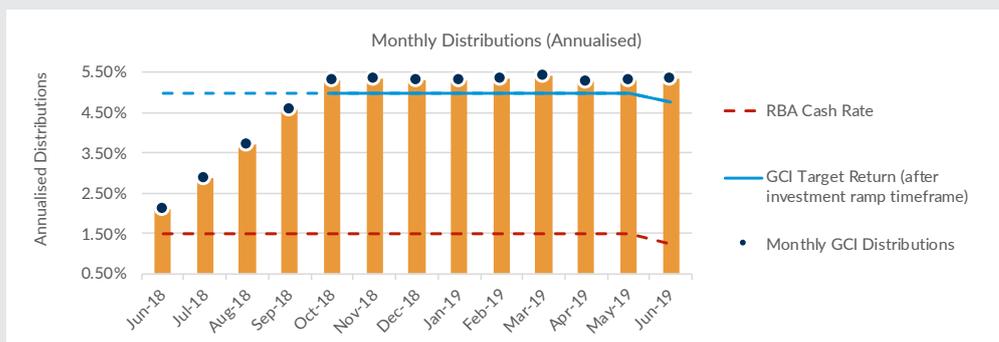
GCI continues to generate attractive and sustainable monthly income with highest risk adjusted returns through investments in a defensive asset class with a track record of low capital price volatility ensuring Capital Preservation.

GCI Investment Highlights

Income	Sustainable monthly cash income, Distribution yield currently 5.35% pa (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 0.86 cents per unit distribution for the month of June, which is consistent with our previous distributions of generating a distribution yield of 5.35% (net). We continue to produce returns in excess of the Target return of RBA Cash +3.50% pa (net of fees).



Fund Performance as at 30 June 2019

	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.45	1.30	2.73	5.12	4.84
RBA Cash Rate (%)	0.11	0.36	0.73	1.49	1.49
Net Excess Return (%)	0.34	0.94	1.99	3.57	3.30
Distribution (%)	0.43	1.30	2.61	4.92	4.64
Distribution (¢/unit)	0.86	2.59	5.17	9.63	9.09

¹ Inception date – 21 May 2018

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

continued overleaf...

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 \$1.9 billion.

GCI SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.06
NAV (Unit)	\$2.00
Market Cap	\$192.74m
Investment Management Fee²	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

² Includes GST, net of reduced input tax credits

GCI CHARACTERISTICS

Distributions³	5.33%
RBA Cash Rate⁴	1.25%
Interest Rate Duration (yrs)	0.05 years
Credit Spread Duration (yrs)	1.9 years
Number of Bond Holdings	47
Number of Underlying Mortgage Loans	76,081

³ The annualised distributions (net of fees) post initial ramp-up period after listing – calculations from October 2018.

⁴ Annualised.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH



Lonsec

WEBSITE

www.gcapinvest.com/gcit/overview



Market and GCI Investment Activity

During June, we witnessed three ADIs issuing benchmark (\$3.5 billion in total) Prime RMBS including ANZ who has not issued since 2016. Each of these transactions were upsized and the market continued to be well supported by strong investor demand. One of the transactions GCI invested in during the month was the ANZ "Kingfisher" \$1.5 billion RMBS transaction which is secured by a high quality, geographically diversified pool (>7,100 home loans), well seasoned (average borrower had been paying their mortgage payments for over 55 months), low CLVR (weighted average 55%) and an average loan balance of approx. \$210,000.

Announcement of early close of Shortfall Offer

The existing GCI Entitlement Offer and Shortfall Offer (to raise up to \$108.03 million) opened on 4 July 2019 and due to very strong support shown by new investors the **Shortfall Offer** was closed early on 8 July 2019. Importantly the Entitlement Offer will remain open until 25 July 2019 and Gryphon encourages all Eligible Unitholders wishing to participate in the Entitlement Offer to lodge their application as soon as possible.

Allocations under the Shortfall Offer will not be determined until the Entitlement Offer has closed, and applicants will be notified by their broker of the outcome of their applications.

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.gcainvest.com/gcit/overview

General

Email info@gcainvest.com

Boardroom (Unit Registry)

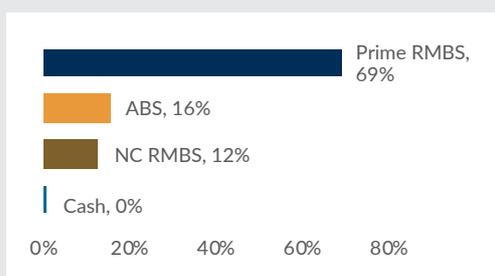
Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

GCI Portfolio Construction¹

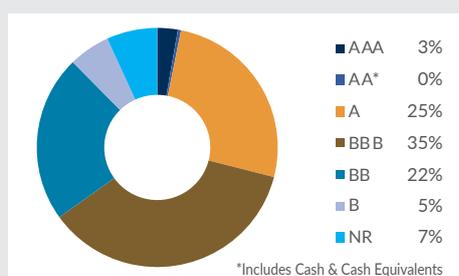
¹ Note as at 30 June 2019.

GCI Sector Allocations²



² Excludes Manager Loan.

GCI Rating Breakdown²



² Excludes Manager Loan.

GCI Portfolio Underlying Mortgage Loan Statistics³

	Total	Prime	Non-conforming ⁴
No. of Underlying Loans	76,081	70,787	5,294
Weighted Average Underlying Loan Balance	\$458,419	\$435,841	\$513,833
Weighted Average LVR	65%	65%	63%
Weighted Average Seasoning	26 months	30 months	16 months
Weighted Average Interest Rate	4.97%	4.43%	6.28%
Owner Occupied	59%	65%	43%
Interest Only	27%	27%	28%
90+ Days in Arrears as % of Loans	0.27%	0.20%	0.43%
% Loans > \$1.5m Balance	0.67%	0.27%	1.66%

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.

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Net Returns (after fees) (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2018	-	-	-	-	-	-	-	-	-	-	0.02	0.24	0.26
2019	0.25	0.31	0.39	0.44	0.45	0.45	0.50	0.42	0.49	0.43	0.42	0.45	5.12

Distributions (cents/unit)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	0.46	0.46
2019	0.48	0.62	0.74	0.88	0.86	0.88	0.88	0.80	0.90	0.85	0.88	0.86	9.63

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

WEBSITE

www.gcapinvest.com/gcit/overview

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