



Investment Objective

Gryphon Capital Income Trust (GCI) set itself 3 strategic objectives at IPO:

1. Sustainable monthly cash income



2. High risk-adjusted return

3. Capital Preservation

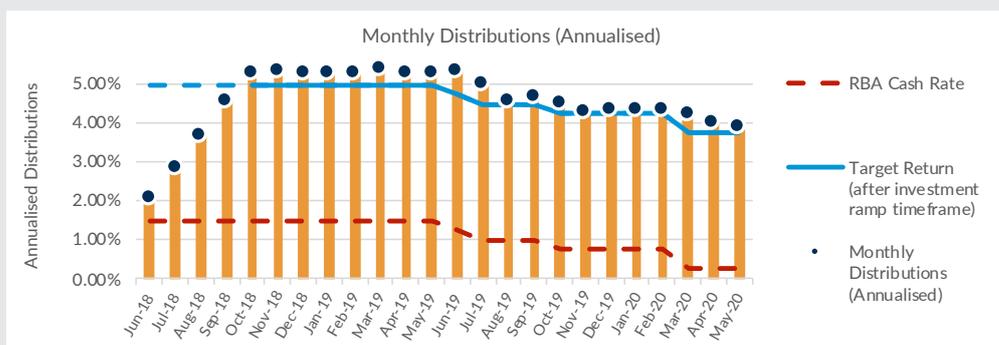
GCI continues to generate attractive and sustainable monthly income with highest risk adjusted returns through investments in a defensive asset class with a track record of low capital price volatility and capital preservation.

Investment Highlights

Income¹	Sustainable monthly cash income. Current 12-month distribution yield at 4.50% (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 Prime 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

Distribution

GCI announced a 0.65 cents per unit distribution for the month of May, generating a distribution yield for the 12 months to May 2020 of 4.50% (net)¹.



Fund Performance as at 31 May 2020

	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ²
Net Return (%)	0.30	0.21	1.32	4.16	4.47
RBA Cash Rate (%)	0.02	0.08	0.27	0.75	1.14
Net Excess Return (%)	0.28	0.13	1.05	3.38	3.30
Distribution ¹ (%)	0.33	1.01	2.09	4.50	4.54
Distribution (¢/unit)	0.65	2.01	4.15	8.84	8.91

¹ Actual distribution as % of NTA, assuming distribution reinvestment.

² Inception date – 21 May 2018

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

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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 \$2.1 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$1.82
Market Cap	\$375.2m
NTA/Unit	\$410.7m/\$1.99
Investment Management Fee³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Distributions (12m)⁴	4.50%
RBA Cash Rate	0.25% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	2.04 years
Number of Bond Holdings	87
Number of Underlying Mortgage Loans	111,260

⁴ Actual distribution for the 12 months to 31 May, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH



Lonsec

WEBSITE

www.gcapinvest.com/gcit/overview



Market and GCI Investment Activity

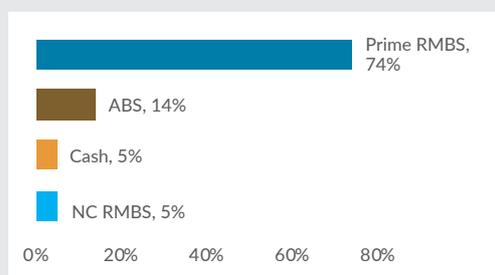
As global credit markets continued to rally in May, international fixed income investors from Asia, UK and the US started to invest in Australian RMBS as this asset class lagged the global rally in credit and represents strong relative value.

In May, there were three primary RMBS transactions totalling \$2.25 billion, including two \$500 million Prime RMBS transactions and one \$1.25 billion Non-Conforming RMBS. Each of the Prime RMBS had compelling credit attributes and no COVID impacted borrowers in the pool whereas circa 15% of the underlying loans in the Non-Conforming transaction had been granted COVID hardship. While the nominal yields on offer from the Non-Conforming RMBS were materially higher than the Prime RMBS, Gryphon's investment process concluded that the yields on offer were insufficient to compensate us for the risks involved. From a portfolio positioning perspective, Gryphon has been increasing our portfolio weighting to Prime RMBS and this continued in May as we participated in both Prime RMBS transactions taking advantage of the higher quality risk-adjusted returns on offer.

Portfolio Construction¹

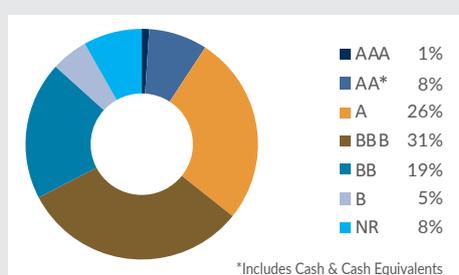
¹ As at 31 May 2020.

Sector Allocations²



² Excludes Manager Loan.

Rating Breakdown²



² Excludes Manager Loan.

Portfolio Underlying Residential Mortgage Loan Statistics³

	Total	Prime	Non-conforming ⁴
No. of Underlying Loans	111,260	105,359	5,901
Weighted Average Underlying Loan Balance	\$476,216	\$466,600	\$615,632
Weighted Average LVR	65%	65%	67%
Weighted Average Seasoning	29 months	29 months	32 months
Weighted Average Interest Rate	3.65%	3.56%	5.04%
Owner Occupied	65%	65%	67%
Interest Only	24%	25%	23%
90+ Days in Arrears as % of Loans	0.36%	0.27%	1.56%
% Loans > \$1.5m Balance	0.92%	0.78%	2.87%

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.

ABS Sector Allocation

Sub sector	%	A	BBB	BB	B
ABS SME	13.94%	2.88%	5.85%	3.67%	1.54%
ABS Auto	-	-	-	-	-
Total	13.94%	2.88%	5.85%	3.67%	1.54%

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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.gcapinvest.com/gcit/overview

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au



SME Portfolio Underlying Mortgage Loan Statistics¹

No. of Underlying Loans	3,834	Borrower Type	
Weighted Average Underlying Loan Balance	\$462,830	SMSF	70.82%
Weighted Average LVR	58.9%	Company	15.67%
% > 80% LVR	0.16%	Individual	13.51%
Weighted Average Borrowers' Equity	\$322,798	Property Type	
90+ Days in Arrears as % of Loans	0.16%	Residential	35.68%
% > \$1.5m Current Balance	1.45%	Commercial	63.16%
		Mixed	1.16%

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General

Email info@gcainvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

ASX release date: 17 June 2020

Authorised for release by One Managed Investment Funds Limited, the responsible entity of Gryphon Capital Income Trust.

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