



Investment Objective and Strategy

The Gryphon Capital Income Trust (ASX Code: GCI) is a listed trust designed to provide investors with sustainable, monthly income (Target Return equal to RBA Cash Rate + 3.50% pa) through exposure to the Australian Securitisation market. This asset-class, primarily consisting of Residential Mortgage-Backed Securities (RMBS) and Asset Backed Securities (ABS), is a key pillar of the Australian fixed income market.

GCI's 3 strategic objectives

1. Sustainable monthly cash income



2. High risk-adjusted return

3. Capital Preservation

Fund Performance

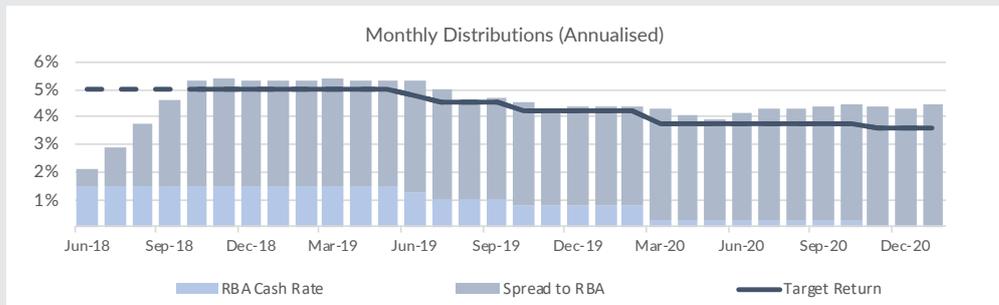
	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.33	1.39	3.01	4.37	4.78
RBA Cash Rate (%)	0.01	0.03	0.09	0.27	0.90
Net Excess Return (%)	0.32	1.36	2.91	4.09	3.84
Distribution ¹ (%)	0.37	1.09	2.19	4.30	4.49
Distribution (¢/unit)	0.75	2.18	4.35	8.43	8.82

¹ Inception date – 21 May 2018

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

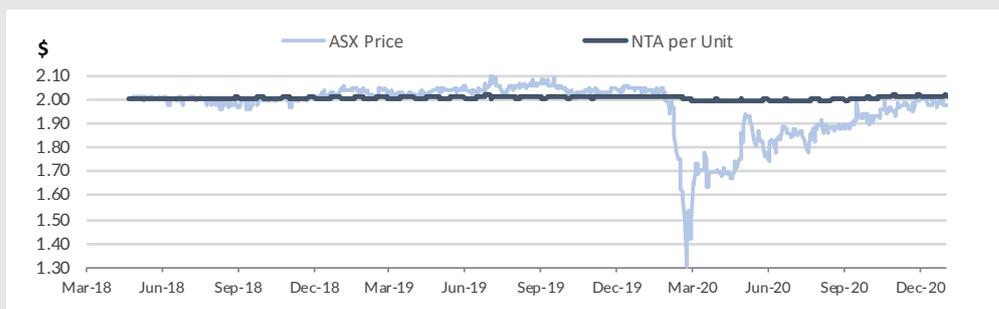
Distribution

GCI announced a 0.75 cents per unit distribution for the month, generating a trailing 12-month distribution return of 4.30% (net)².



² Actual distribution as % of NTA, assuming distribution reinvestment.

Net Tangible Asset (NTA) / Unit and ASX Price 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 \$2.2 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$408.1m/\$1.98
NTA/Unit	\$414.3m/\$2.01
Investment Management Fee ³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Current Yield ⁴	4.55%
Distributions (12m) ⁵	4.30%
RBA Cash Rate	0.10% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.57 years
Number of Bond Holdings	98
Number of Underlying Mortgage Loans	109,652

⁴ January 2021 distribution as % of unit price, annualised.

⁵ Actual distribution for the 12 months to 31 January, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith Investment Partners
Recommended

Lonsec

WEBSITE

www.gcainvest.com/gcit/overview



Commentary

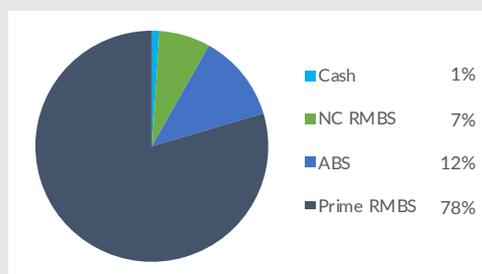
In December 2020, S&P released a research report "An Overview of Australia's Housing Market and Residential Mortgage-Backed Securities".

S&P concluded that the RMBS sector has been a strong performer globally, evidenced by low arrears and losses. Higher unemployment in the wake of COVID-19 is yet to have any meaningful effect on arrears as both lower interest rates and boosts to household income have helped to keep arrears low. While arrears are likely to rise in the months ahead, it would be off a low level. Job losses have been higher in sectors such as tourism and leisure. This could temper increases in arrears because workers in these sectors are more likely to rent.

S&P displayed a higher level of caution with respect to lower-rated tranches within "some" non-conforming transactions. S&P's rationale being that non-conforming transactions have a higher exposure to self-employed borrowers, who are more sensitive to cash-flow pressure arising from a drop in business activity. This is entirely consistent with Gryphon's decision to shift GCI's portfolio allocation bias to best (prime) borrowers throughout 2020.

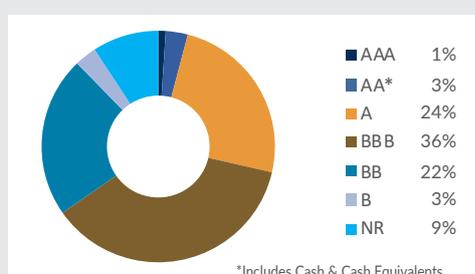
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics¹

	Total	Prime	Non-conforming ²
No. of Underlying Loans	109,652	101,859	7,793
Weighted Average Underlying Loan Balance	\$488,965	\$480,187	\$589,181
Weighted Average LVR	66%	66%	69%
Weighted Average Seasoning	29 months	28 months	31 months
Weighted Average Interest Rate	3.49%	3.36%	4.95%
Owner Occupied	65%	65%	67%
Interest Only	22%	22%	24%
90+ Days in Arrears as % of Loans	0.23%	0.19%	0.62%
% Loans > \$1.5m Balance	1.07%	0.94%	2.57%

¹ 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.

² 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.

INVESTMENT HIGHLIGHTS

Income	Sustainable monthly cash income.
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

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

continued overleaf..



SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	12.2%	2.3%	5.7%	2.6%	1.6%

SME Portfolio Underlying Mortgage Loan Statistics¹

No. of Underlying Loans	5,411	Borrower Type	
Weighted Average Underlying Loan Balance	\$471,676	SMSF	70.4%
Weighted Average LVR	58.5%	Company	15.1%
% > 80% LVR	0.50%	Individual	14.4%
Weighted Average Borrowers' Equity	\$335,157	Property Type	
90+ Days in Arrears as % of Loans	0.07%	Residential	42.7%
% > \$1.5m Current Balance	1.42%	Commercial	56.1%
		Mixed	1.2%

¹ 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.

Distributions (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.37	-	-	-	-	-	-	-	-	-	-	-	0.37
2020	0.36	0.34	0.36	0.33	0.33	0.34	0.36	0.36	0.36	0.37	0.35	0.36	4.29
2019	0.44	0.40	0.45	0.42	0.44	0.43	0.42	0.38	0.38	0.38	0.35	0.36	4.96
2018	-	-	-	-	-	0.23	0.24	0.31	0.37	0.44	0.43	0.44	2.48

Fund Returns (Net)² (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	0.33	-	-	-	-	-	-	-	-	-	-	-	0.33
2020	0.38	0.34	(0.45)	0.36	0.30	0.41	0.36	0.39	0.49	0.71	0.67	0.37	4.42
2019	0.50	0.42	0.49	0.43	0.42	0.45	0.74	0.43	0.35	0.41	0.38	0.39	5.54
2018	-	-	-	-	0.02	0.24	0.25	0.31	0.39	0.44	0.45	0.45	2.58

Total Unitholder Returns⁴ (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2021	(0.62)	-	-	-	-	-	-	-	-	-	-	-	(0.62)
2020	0.85	(2.60)	(16.7)	3.12	7.76	(3.75)	8.15	1.45	(0.94)	3.33	0.63	3.73	2.55
2019	2.43	(0.10)	(1.03)	0.42	2.43	0.91	2.35	(1.54)	1.34	(1.56)	0.34	0.36	6.42
2018	-	-	-	-	0.50	(0.27)	0.24	0.06	(0.88)	1.97	(1.07)	2.48	3.01

² Fund Return reflects compounded movements in the NTA.

³ Assuming monthly compounding.

⁴ Total Unitholder Returns comprises compounded distributions plus compounded movements in the listed price of ASX:GCI.

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ASX release date: 10 February 2021

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

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