



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	3 Yr (Ann)	Incep (Ann) ²
NTA Net Return (%)	0.69	2.07	3.97	6.09	5.50	5.12
Distribution (¢/unit)	1.33	3.78	7.47	13.28	10.37	9.85
Distribution ¹ (%)	0.66	1.90	3.79	6.84	5.29	5.02
Target Return (%)*	0.59	1.68	3.30	5.67	4.32	4.48
Excess Return (%)**	0.07	0.22	0.48	1.11	0.93	0.52

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

² Inception date – 21 May 2018.

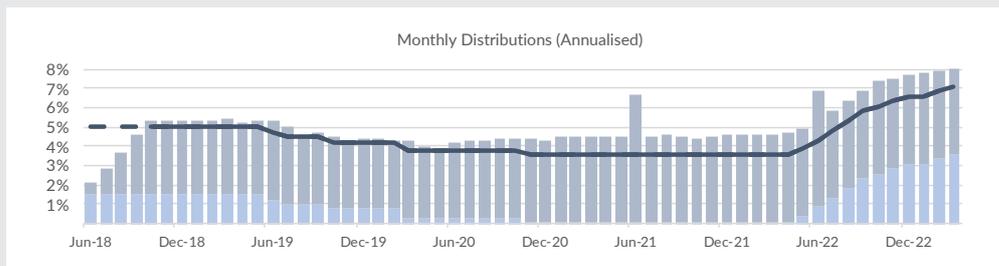
* Target Return = RBA +3.50% p.a.

** Geometric excess return

Note: Past performance is not a reliable indicator of future performance. All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. The comparison to the RBA Cash Rate is not intended to compare an investment in GCI to a cash holding. The RBA Cash Rate is displayed as a reference to the target return for GCI. The GCI investment portfolio is of higher risk than an investment in cash. To understand the Trust's risks better, please refer to the most recent PDS [here](#) or at gcapinvest.com/our-lit.

Distribution

GCI announced a 1.33 cents per unit distribution for the month, representing an annualised yield of 8.11% (net)³.



³ Actual distribution for the month as % of NTA, annualised.

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.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$479.0m/\$1.97
NTA/Unit	\$486.8m/\$2.00
Investment Management Fee ⁴	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

⁴ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Current Yield ⁵	8.24%
Distributions (12m) ⁶	6.84%
RBA Cash Rate	3.60% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	0.76 years
Number of Bond Holdings	104
Number of Underlying Mortgage Loans	77,933

⁵ March 2023 distribution (excl. realised gains) as % of unit price, annualised.

⁶ Actual distribution for the 12 months to 31 March, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT
INVESTMENT RESEARCH

Zenith



Lonsec

WEBSITE

www.gcapinvest.com/our-lit



Commentary

March's financial turmoil was triggered after losses on long-term fixed rate bonds led to an evaporation of depositor confidence (effectively a digital depositor run) and the sudden collapse of US\$212 billion tech-lender Silicon Valley Bank in the US on 10 March. Loss of confidence in the financial sector spread resulting in a second regional US lender going bust and the bailout of Credit Suisse through its forced sale to UBS. The circuit breaker for the markets' confidence in the banking sector was the timely response by both governments and regulators, which in the US meant all US deposits were safe.

The volatile macro conditions contributed to the RBA deciding to "pause" after ten consecutive rate rises at 3.60%. The RBA commented that the pause was to enable them to assess the impact of its previous tightening on the economy, stating that further tightening may be required.

Both the higher cash rate and inflation pose challenges for the Australian borrower. Although borrowers' arrears continue to remain low, since Q4 2021, the Gryphon Investment Committee has been tactically positioning our portfolios with a strong defensive bias. This cautious approach was in anticipation of a weaker investment environment, coupled with our belief of the uncertainty around the macro environment and the fact that public markets in 2H of 2021 were pricing in perfection.

Gryphon's base case expectation continues to be a steady rise in early-stage arrears in 2H 2023; however, we are not forecasting a comparable increase in late-stage arrears. Importantly we are laser focused on the monthly loan level data we receive to help identify any negative trends in borrower payments or habits (e.g. borrowers drawing down on offset accounts or using savings to meet mortgage payments).

Gryphon utilises its specialist knowledge and systems and data to monitor and anticipate mortgage market developments so we can continue to deliver on our objectives of regular, sustainable monthly income with strong capital preservation.

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 MLC	Mason Stevens Navigator
Netwealth	North

FURTHER INFORMATION AND ENQUIRIES

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www.gcapinvest.com/our-lit

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

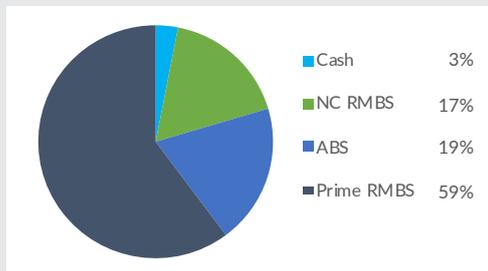
Email enquiries@boardroomlimited.com.au

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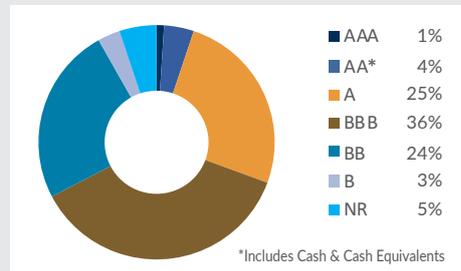
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



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Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	77,933	68,664	9,269
Weighted Average Underlying Loan Balance	\$368,055	\$310,053	\$565,746
Weighted Average LVR	64%	63%	68%
Weighted Average Seasoning	30 months	33 months	17 months
Weighted Average Interest Rate	6.44%	6.25%	7.09%
Owner Occupied	60%	59%	63%
Interest Only	24%	25%	22%
90+ Days in Arrears as % of Loans	0.56%	0.50%	0.77%
% Loans > \$1.5m Balance	4.36%	1.62%	13.70%

² 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.

³ 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.

SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	10.4%	2.8%	4.2%	3.5%	-

SME Portfolio Underlying Mortgage Loan Statistics⁴

No. of Underlying Loans	3,358	Borrower Type	
Weighted Average Underlying Loan Balance	\$393,484	SMSF	62.5%
Weighted Average LVR	59.3%	Company	18.3%
% > 80% LVR	2.22%	Individual	19.2%
Weighted Average Borrowers' Equity	\$359,392	Property Type	
90+ Days in Arrears as % of Loans	0.04%	Residential	29.4%
% > \$1.5m Current Balance	0.71%	Commercial	70.1%
		Mixed	0.5%

⁴ 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.

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Distributions (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2023	0.49	0.53	0.55	0.61	0.60	0.64	0.64	0.58	0.66	-	-	-	5.43
2022	0.38	0.38	0.37	0.37	0.37	0.38	0.38	0.35	0.38	0.38	0.41	0.55	4.79
2021	0.36	0.36	0.36	0.37	0.35	0.36	0.37	0.34	0.37	0.36	0.38	0.53	4.61
2020	0.42	0.38	0.38	0.38	0.35	0.36	0.36	0.34	0.36	0.33	0.33	0.34	4.40
2019	0.24	0.31	0.37	0.44	0.43	0.44	0.44	0.40	0.45	0.42	0.44	0.43	4.92

Fund Returns (Net)¹ (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2023	0.12	0.60	0.52	0.56	0.64	0.65	0.66	0.71	0.69	-	-	-	5.28
2022	0.37	0.44	0.32	0.29	0.25	0.37	0.40	0.28	0.27	0.23	0.38	0.16	3.83
2021	0.36	0.39	0.49	0.71	0.67	0.37	0.33	0.57	0.45	0.61	0.68	0.48	6.29
2020	0.74	0.43	0.35	0.41	0.38	0.39	0.38	0.34	(0.45)	0.36	0.30	0.41	4.12
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

Total Unitholder Returns³ (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2023	1.77	0.53	(2.50)	(0.66)	4.30	0.39	1.66	0.59	(0.34)	-	-	-	5.79
2022	1.36	0.87	(1.60)	0.87	1.84	0.37	0.37	(1.12)	1.86	(0.12)	(0.09)	(3.14)	1.39
2021	8.15	1.45	(0.90)	3.33	0.63	3.73	(0.62)	(0.67)	2.17	1.12	0.88	1.03	21.83
2020	2.35	(1.54)	1.34	(1.56)	0.34	0.36	0.85	(2.60)	(16.73)	3.12	7.76	(3.75)	(11.43)
2019	0.24	0.06	(0.90)	1.97	(1.07)	2.48	2.43	(0.10)	(1.03)	0.42	2.43	0.91	8.03

¹ Fund Return reflects compounded movements in the NTA.

² Assuming monthly compounding.

³ Total Unitholder Returns comprises compounded distributions plus compounded movements in the listed price of ASX:GCI.

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ASX release date: 26 April 2023

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

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