



### 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) | 5 Yr (Ann) | Incep (Ann) <sup>2</sup> |
|-------------------------------|-------|-------|-------|-------|------------|------------|--------------------------|
| NTA Net Return (%)            | 0.77  | 2.23  | 4.63  | 9.09  | 6.54       | 5.88       | 5.70                     |
| Distribution (¢/unit)         | 1.50  | 4.41  | 8.78  | 16.93 | 12.84      | 11.30      | 10.94                    |
| Distribution <sup>1</sup> (%) | 0.75  | 2.22  | 4.46  | 8.79  | 6.58       | 5.78       | 5.59                     |
| Target Return (%)*            | 0.66  | 1.98  | 3.93  | 7.70  | 5.46       | 4.96       | 4.97                     |
| Excess Return (%)**           | 0.08  | 0.23  | 0.51  | 1.00  | 1.07       | 0.78       | 0.59                     |

<sup>1</sup> Actual distribution as % of NTA, assuming distribution reinvestment.

<sup>2</sup> Inception date — 21 May 2018.

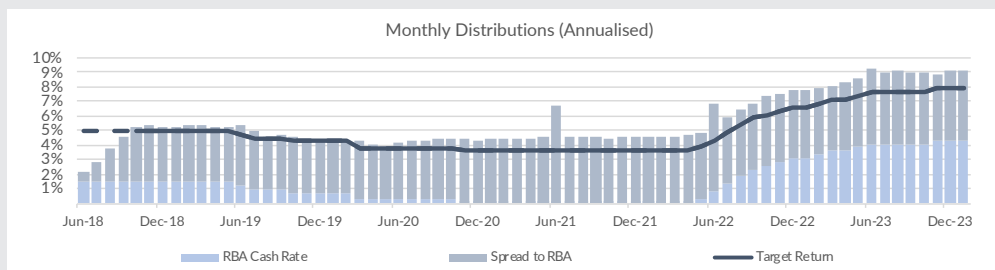
\* Target Return = RBA Cash Rate +3.50% p.a.

\*\* 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](http://gcapinvest.com/our-lit).

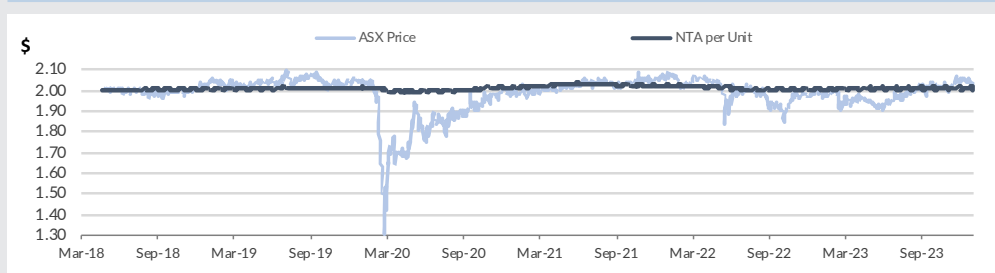
### Distribution

GCI announced a 1.50 cents per unit distribution for the month, representing an annualised yield of 9.17% (net)<sup>3</sup>.



<sup>3</sup> Jan 2024 distribution as % of NTA, annualised.

### Net Tangible Asset (NTA) / Unit and ASX Price Performance



continued overleaf...

### ABOUT THE MANAGER<sup>†</sup>

Gryphon Capital Investments Pty Ltd ("Gryphon") is a wholly owned subsidiary of Barings, one of the world's leading asset managers managing over USD\$381 Billion AUM, with more than 1,200 external clients and 1,800 professionals globally.

The Gryphon team has joined the Global Structured Finance team at Barings, which consists of over thirty investment professionals based in Charlotte, North Carolina, London and Brisbane. Ashley Burtenshaw and Steven Fleming continue to be the portfolio managers for GCI.

<sup>†</sup> as at 31 December 2023

### SNAPSHOT

|                                        |                             |
|----------------------------------------|-----------------------------|
| ASX Code                               | GCI                         |
| IPO Date                               | 25 May 2018                 |
| Asset                                  | Fixed Income, floating rate |
| Market Cap/Unit                        | \$491.2m/\$2.02             |
| NTA/Unit                               | \$487.5m/\$2.00             |
| Investment Management Fee <sup>4</sup> | 0.72% p.a.                  |
| Performance Fee                        | None                        |
| Distributions                          | Monthly                     |
| Unit Pricing                           | Daily                       |

<sup>4</sup> Includes GST, net of reduced input tax credits

### CHARACTERISTICS

|                                     |            |
|-------------------------------------|------------|
| Current Yield <sup>5</sup>          | 9.17%      |
| Distributions (12m) <sup>6</sup>    | 8.79%      |
| RBA Cash Rate                       | 4.35% p.a. |
| Interest Rate Duration              | 0.04 years |
| Credit Spread Duration              | 0.90 years |
| Number of Bond Holdings             | 108        |
| Number of Underlying Mortgage Loans | 71,700     |

<sup>5</sup> Jan 2024 distribution as % of NTA, annualised.

<sup>6</sup> Actual distribution for the 12 months to 31 January, as % of NTA, assuming distribution reinvestment.

### FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust  
[www.gcapinvest.com/our-lit](http://www.gcapinvest.com/our-lit)

#### General

Email [info@gcapinvest.com](mailto:info@gcapinvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)



### Commentary

On 29 January, the Responsible Entity announced a capital raise in the form of a 1 for 5 pro rata non-renounceable entitlement offer to eligible unitholders (the Entitlement Offer) and a public offer to new investors for any units not taken up in the Entitlement Offer (the Offer). The Offer is to raise up to approximately \$97.3 million at an offer price of \$2.00 per new unit.

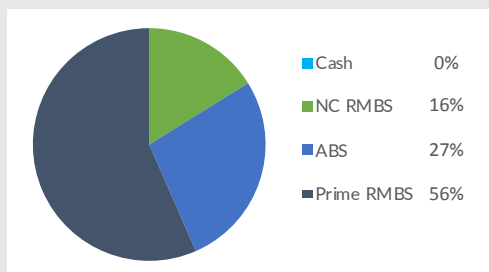
Proceeds of the Offer will be used to:

- Provide additional scale to expand the Trust's participation in the RMBS/ABS market, thereby diversifying the portfolio.
- Expand the Trust's investor base, providing greater liquidity for unitholders
- Reduce the operating costs of the Trust on a cost per unit basis

The Offer closing date is Friday 23 February 2024.

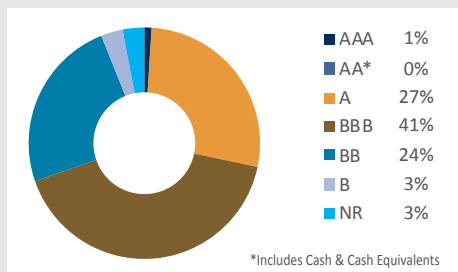
### Portfolio Construction

#### Sector Allocations<sup>1</sup>



<sup>1</sup> Excludes Manager Loan.

#### Rating Breakdown<sup>1</sup>



### Portfolio Underlying Residential Mortgage Loan Statistics<sup>2</sup>

|                                          | Total     | Prime     | Non-conforming <sup>3</sup> |
|------------------------------------------|-----------|-----------|-----------------------------|
| No. of Underlying Loans                  | 71,700    | 65,920    | 5,780                       |
| Weighted Average Underlying Loan Balance | \$379,236 | \$325,851 | \$571,773                   |
| Weighted Average LVR                     | 64%       | 63%       | 68%                         |
| Weighted Average Seasoning               | 29 months | 34 months | 14 months                   |
| Weighted Average Interest Rate           | 7.08%     | 6.89%     | 7.76%                       |
| Owner Occupied                           | 61%       | 61%       | 63%                         |
| Interest Only                            | 20%       | 21%       | 17%                         |
| 90+ Days in Arrears as % of Loans        | 1.17%     | 0.74%     | 2.70%                       |
| % Loans > \$1.5m Balance                 | 4.83%     | 1.84%     | 15.61%                      |

<sup>2</sup> 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.

<sup>3</sup> 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    | 9.4% | 2.0% | 5.0% | 2.4% | – |

continued overleaf...

### 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:

AMP North            Asgard eWrap  
BT Panorama        HUB24  
Macquarie – Manager / Consolidator  
Netwealth Wrap

### FURTHER INFORMATION AND ENQUIRIES

#### Gryphon Capital Income Trust

[www.gcainvest.com/our-lit](http://www.gcainvest.com/our-lit)

#### General

Email [info@gcainvest.com](mailto:info@gcainvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)



### SME Portfolio Underlying Mortgage Loan Statistics<sup>1</sup>

|                                          |           |                      |       |
|------------------------------------------|-----------|----------------------|-------|
| No. of Underlying Loans                  | 3,428     | <b>Borrower Type</b> |       |
| Weighted Average Underlying Loan Balance | \$388,952 | SMSF                 | 45.2% |
| Weighted Average LVR                     | 59.2%     | Company              | 26.3% |
| % > 80% LVR                              | 3.43%     | Individual           | 28.5% |
| Weighted Average Borrowers' Equity       | \$370,636 | <b>Property Type</b> |       |
| 90+ Days in Arrears as % of Loans        | 0.27%     | Residential          | 35.4% |
| % > \$1.5m Current Balance               | 1.90%     | Commercial           | 63.5% |
|                                          |           | Mixed                | 1.1%  |

<sup>1</sup> 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 (%)

| Fin. Year | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar  | Apr  | May  | Jun  | YTD <sup>3</sup> |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2024      | 0.73 | 0.74 | 0.71 | 0.73 | 0.70 | 0.75 | 0.75 |      |      |      |      |      | 5.23             |
| 2023      | 0.49 | 0.53 | 0.55 | 0.61 | 0.60 | 0.64 | 0.64 | 0.58 | 0.66 | 0.65 | 0.70 | 0.73 | 7.64             |
| 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)<sup>2</sup> (%)

| Fin. Year | Jul  | Aug  | Sep  | Oct  | Nov  | Dec  | Jan  | Feb  | Mar    | Apr  | May  | Jun  | YTD <sup>3</sup> |
|-----------|------|------|------|------|------|------|------|------|--------|------|------|------|------------------|
| 2024      | 0.69 | 0.77 | 0.74 | 0.83 | 0.69 | 0.75 | 0.77 |      |        |      |      |      | 5.35             |
| 2023      | 0.12 | 0.60 | 0.52 | 0.56 | 0.64 | 0.65 | 0.66 | 0.71 | 0.69   | 0.66 | 0.73 | 0.71 | 7.50             |
| 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 Returns<sup>4</sup> (%)

| Fin. Year | Jul  | Aug    | Sep    | Oct    | Nov    | Dec  | Jan    | Feb    | Mar     | Apr    | May    | Jun    | YTD <sup>2</sup> |
|-----------|------|--------|--------|--------|--------|------|--------|--------|---------|--------|--------|--------|------------------|
| 2024      | 3.11 | 1.52   | 1.73   | 1.73   | (0.54) | 4.01 | (1.21) |        |         |        |        |        | 10.70            |
| 2023      | 1.77 | 0.53   | (2.50) | (0.66) | 4.30   | 0.39 | 1.66   | 0.59   | (0.34)  | (0.60) | 0.98   | (0.79) | 5.34             |
| 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             |

<sup>2</sup> Fund Return reflects compounded movements in the NTA.

<sup>3</sup> Assuming monthly compounding.

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

**Disclaimer: 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 available at [www.gcapinvest.com/our-lit](http://www.gcapinvest.com/our-lit).

### 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:

AMP North Asgard eWrap

BT Panorama HUB24

Macquarie – Manager / Consolidator

Netwealth Wrap

#### FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust

[www.gcapinvest.com/our-lit](http://www.gcapinvest.com/our-lit)

#### General

Email [info@gcapinvest.com](mailto:info@gcapinvest.com)

#### Boardroom (Unit Registry)

Phone 1300 737 760

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)



### ASX release date: 23 February 2024

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

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) (Gryphon). While neither OMIFL nor Gryphon 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), the Target Market Determination (TMD), available at [www.gcainvest.com/our-lit](http://www.gcainvest.com/our-lit), 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 Gryphon 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 Gryphon 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, Gryphon 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 31 January 2024.