



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) ²
NTA Net Return (%)	0.69	2.15	4.26	8.10	5.98	5.46	5.35
Distribution (¢/unit)	1.47	4.34	8.15	15.28	11.36	10.52	10.31
Distribution ¹ (%)	0.73	2.18	4.14	7.91	5.80	5.37	5.26
Target Return (%)*	0.64	1.89	3.63	6.83	4.74	4.67	4.68
Excess Return (%)**	0.09	0.28	0.49	1.01	1.01	0.67	0.55

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

² Inception date – 21 May 2018.

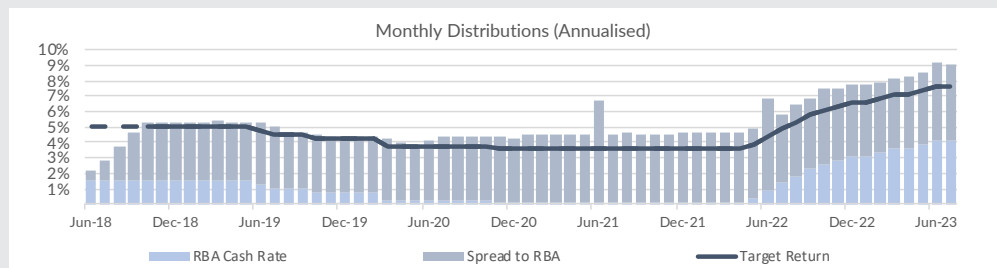
* Target Return = RBA Cash Rate + 3.50% p.a.

** 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 gcainvest.com/our-lit.

Distribution

GCI announced a 1.47 cents per unit distribution for the month, representing an annualised yield of 9.00% (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 wholly owned subsidiary of Barings, one of the world's leading asset managers managing over USD\$351 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.

[†] as at 30 June 2023

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$477.8m/\$1.97
NTA/Unit	\$486.7m/\$2.00
Investment Management Fee ⁴	0.72% p.a.
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

⁴ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Current Yield ⁵	9.17%
Distributions (12m) ⁶	7.91%
RBA Cash Rate	4.10% p.a.
Interest Rate Duration	0.04 years
Credit Spread Duration	0.84 years
Number of Bond Holdings	107
Number of Underlying Mortgage Loans	80,695

⁵ Jul 2023 distribution, excl. realised gains, as % of unit price, annualised.

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

FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust
www.gcainvest.com/our-lit

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Email info@gcainvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au



Commentary

Prior to the RBA raising interest rates in May 22, Gryphon released a Gryphon Insight ([No Payment Shock](#) and in September [Still No Payment Shock](#)) addressing the impact of rate rises on borrowers and ultimately the performance of RMBS investments if mortgage interest rates were to increase. Since this time, while the RBA has increased the cash rate twelve times to 4.10%, the performance of the borrowers in the GCI portfolio has been very consistent with Gryphon's analysis.

Gryphon's conclusion in May 22 was that the average borrower in the GCI portfolio is well positioned to manage higher interest rates. For the cohort of borrowers most exposed to large increases to their mortgage payments, a combination of serviceability buffers, elevated savings rates, over-payment history and strong employment provides effective mitigants against financial stress. Additionally, the substantial build up in borrowers' equity will also enable any borrower experiencing financial pressure to voluntarily self-manage their way out of arrears through property sales.

At Gryphon our investment process relies on the lens of receiving monthly loan data (for the GCI portfolio this includes performance data on the 80,695 loans underlying the GCI RMBS invested transactions) as this provides an important feedback loop and validation to our assumptions regarding future performance of the underlying transactions. Another important feedback loop is the performance of the banks' home loan portfolios and CBA's results presentation provides one such feedback loop. As expected and consistent with GCI's performance, CBA's home borrowers are proving resilient with home loans arrears remaining low and strong repayment and savings buffers in place.

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. ¹ 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 wholly owned subsidiary of Barings, one of the world's leading asset managers, with a proven track record of investment outperformance.

¹ Source – S&P Global Ratings

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

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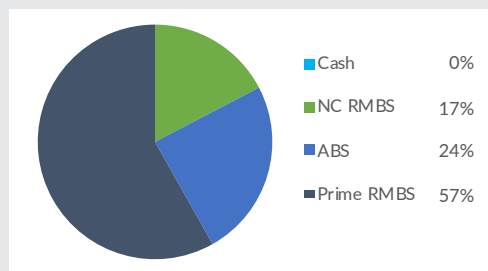
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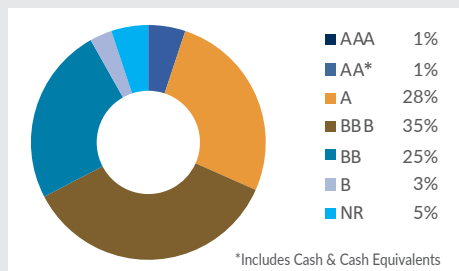
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	80,695	73,014	7,681
Weighted Average Underlying Loan Balance	\$373,864	\$313,678	\$574,652
Weighted Average LVR	64%	63%	68%
Weighted Average Seasoning	33 months	37 months	19 months
Weighted Average Interest Rate	7.01%	6.77%	7.80%
Owner Occupied	61%	59%	65%
Interest Only	21%	22%	17%
90+ Days in Arrears as % of Loans	0.72%	0.49%	1.51%
% Loans > \$1.5m Balance	3.97%	1.30%	12.87%

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	13.7%	3.7%	6.3%	3.7%	–

SME Portfolio Underlying Mortgage Loan Statistics⁴

No. of Underlying Loans	5,385	Borrower Type	
Weighted Average Underlying Loan Balance	\$380,863	SMSF	53.0%
Weighted Average LVR	59.1%	Company	21.8%
% > 80% LVR	1.90%	Individual	25.2%
Weighted Average Borrowers' Equity	\$359,642	Property Type	
90+ Days in Arrears as % of Loans	0.09%	Residential	35.7%
% > \$1.5m Current Balance	1.52%	Commercial	63.6%
		Mixed	0.7%

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Distributions (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2024	0.73												0.73
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)¹ (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2024	0.69												0.69
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 Returns³ (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2024	3.11												3.11
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

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: 21 August 2023

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

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