

5 November 2019

Dear Unitholder

Gryphon Capital Income Trust—Entitlement Offer

On 1 November 2019, One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 (**Responsible Entity**) as responsible entity for the Gryphon Capital Income Trust ARSN 623 308 850 (**Trust**) (**ASX:GCI**) announced it was conducting—

- a pro rata non-renounceable entitlement offer to Eligible Unitholders of 1 new fully paid Unit in the Trust (**New Units**) for every 3 existing Units held on the Record Date (**Entitlement Offer**), and
- a shortfall offer to new investors of any New Units not subscribed for by Eligible Unitholders under the Entitlement Offer (**Shortfall Offer**),

both at the offer price of \$2.01 per New Unit (**Offer Price**), to raise up to \$103.6 million.

The Entitlement Offer and the Shortfall Offer comprise the **Offer**. The record date for the Entitlement Offer is 7.00pm (AEDT) on Thursday, 7 November 2019 (**Record Date**). The Entitlement Offer is open to eligible unitholders (**Eligible Unitholders**), being persons who—

- are registered as a holder of Units at 7.00pm (AEDT) on the Record Date, and
- have a registered address on the Trust's register in Australia or New Zealand.

We are sending you this letter because, according to our records, you are an Eligible Unitholder.

Details of the Entitlement Offer are set out in the product disclosure statement dated 4 November 2019 (**PDS**) which was lodged with the Australian Securities and Investments Commission and released on the Australian Securities Exchange (**ASX**). Capitalised terms used but not defined in this letter have the meaning given to them in the PDS. A copy of the PDS is available to Eligible Unitholders on the ASX website and on the Trust's website www.gcapinvest.com/gcit/overview, by emailing info@gcapinvest.com or by calling the Trust's Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (International) from 9.00am to 5.00pm (AEDT) Monday to Friday during the Entitlement Offer period. Eligible Unitholders will be sent a personalised Entitlement and Acceptance Form on Tuesday, 12 November 2019.

Entitlement Offer

As an Eligible Unitholder, your Entitlement is the invitation under the Entitlement Offer to subscribe for 1 New Unit at the Offer Price for every 3 existing Units you hold as at 7.00pm (AEDT) on the Record Date.

Oversubscription Facility

Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlement at the Offer Price (**Oversubscription Facility**). Additional New Units will only be allocated to Eligible Unitholders if available. Allocations of Additional New Units will be determined by the Responsible Entity in the manner described in section 2.11 of the PDS.

Shortfall Offer

The Responsible Entity intends to offer any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) (**Shortfall**) at the Offer Price under the PDS.

The Shortfall Offer is only open to Australian and New Zealand resident investors who have received an invitation from their Broker to participate. That is, no general public offer of New Units will be made under the Shortfall Offer. Members of the public wishing to apply for New Units under the Shortfall Offer must do so through a Broker with a firm allocation of New Units.

The Offer is managed by Morgans Financial Limited ABN 49 010 669 726 AFSL 235410 and National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 (**Joint Arrangers**).

The Joint Arrangers will be paid certain fees in connection with their role as joint arrangers to the Offer. Further information is set out in section 13.3 of the PDS. The Offer is not underwritten.

Effect of the Offer

As at the date of this letter, the Trust has 154,595,075 Units on issue. Following completion of the Offer (assuming it is fully subscribed), the Trust will have 206,126,766 Units on issue.

New Units issued under the Offer will rank equally with the existing Units (including in respect of their entitlement to distributions from the Trust) with effect from their date of issue.

Use of proceeds

Proceeds of the Offer will be used to do the following:

- 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.

Further information about the proposed use of funds raised under the Offer are set in the PDS.

Actions required by Eligible Unitholders under the Entitlement Offer

The Responsible Entity has decided that it is unreasonable to make offers under the Entitlement Offer to *Unitholders who have a registered address outside Australia or New Zealand*, having regard to the number of Unitholders in those places, the number and value of the New Units that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places (**Ineligible Unitholders**). Ineligible Unitholders will not be eligible to participate in the Entitlement Offer.

As an Eligible Unitholder you may do one of the following:

- Take up all or part of your Entitlement (i.e. apply for 1 New Unit for every 3 existing Units held on the Record Date).
- Take up all of your Entitlement and apply for Additional New Units in excess of your entitlement under the Oversubscription Facility (subject to any scale-back).
- Do nothing, in which case your Entitlement will lapse and you will receive no value for your

Entitlement.

If you decide to take up all or part of your Entitlement or take up all of your Entitlement and apply for Additional New Units in excess of your Entitlement, then you must—

- pay your Application Monies via BPAY®, or
- complete and return your personalised Entitlement and Acceptance Form accompanying this PDS with the requisite Application Monies by cheque, bank draft or money order, by following the instructions set out on the personalised Entitlement and Acceptance Form.

If paying by BPAY®—

- you do not need to complete or return your personalised Entitlement and Acceptance Form, and
- your Application Monies must be received no later than the close of the Entitlement Offer, being 5.00pm (AEDT) on Monday, 25 November 2019.

If paying via cheque, bank draft or money order—

- to ensure cleared funds are receipted prior to the Offer Closing Date, your completed personalised Entitlement and Acceptance Form and Application Monies must be received by no later than 5.00pm (AEDT) on Monday, 25 November 2019 at the Unit Registry as set out in the PDS.

Other information

The Offer of New Units is made under the PDS. As an Eligible Unitholder you should carefully read the PDS in its entirety before deciding to apply for New Units, including the risks set out in section 8 of the PDS.

Key Dates

Announcement of the Offer	1 November 2019
Lodgement of the PDS with ASIC and released to ASX	4 November 2019
Units trade on an ex-Entitlement basis	6 November 2019
Record Date for Entitlement Offer (7.00pm AEDT)	7 November 2019
Dispatch PDS and Application Forms for the Offer	12 November 2019
Offer Opening Date	12 November 2019
Offer Closing Date (5.00pm AEDT)	25 November 2019
New Units - Entitlement Offer - quoted on ASX on a deferred settlement basis	26 November 2019
Results of the Entitlement Offer announced	27 November 2019
Issue of New Units and issue of Additional New Units under the Entitlement Offer	2 December 2019

Normal trading of New Units and Additional New Units issued under the Entitlement Offer expected to commence on ASX and dispatch of holding statements expected to occur	3 December 2019
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Results of the Shortfall Offer announced	4 December 2019
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Issue of New Units under the Shortfall Offer	9 December 2019
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Normal trading of New Units issued under the Shortfall Offer expected to commence on ASX and dispatch of holding statements expected to occur	10 December 2019
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The above dates are subject to change and are indicative only. The Responsible Entity reserves the right to amend this indicative timetable subject to the Corporations Act and the Listing Rules. In particular, the Responsible Entity reserves the right to close the Offer early, extend the Offer Closing Date or accept late applications without notifying any recipients of this PDS or any applicant. Investors who wish to make an application are encouraged to do so as soon as practicable after the Offer opens.

On behalf of the Trust, I thank you for your continued support.

Sincerely



Sarah Wiesener

Director

One Managed Investment Funds Limited as Responsible Entity

Important notice:

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 (Trust). 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 Trust, investors and potential investors should consider the Product Disclosure Statement dated 4 November 2019 (PDS) and other continuous disclosures available on the Australian Securities Exchange (ASX) website (Disclosure Material). The Disclosure Material contains important information about investing in the Trust 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 Trust. 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 Trust. Past performance is not indicative of future performance. Neither OMIFL nor Gryphon nor any other person associated with the Trust guarantees or warrants the future performance of the Trust, the return on an investment in the Trust, the repayment of capital or the payment of distributions from the Trust. 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 letter is current as at 5 November 2019