



Investment Objective and Strategy

The Gryphon Capital Income Trust (ASX Code: GCI) is designed for investors seeking sustainable, monthly income through exposure to an actively managed portfolio of securitised, floating rate bonds held in a Listed Investment Trust structure. The Target Return is equal to RBA Cash Rate + 3.50% pa. The Australian securitised market comprises floating rate, Residential Mortgage-Backed Securities (RMBS) and Asset Backed Securities (ABS) and 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

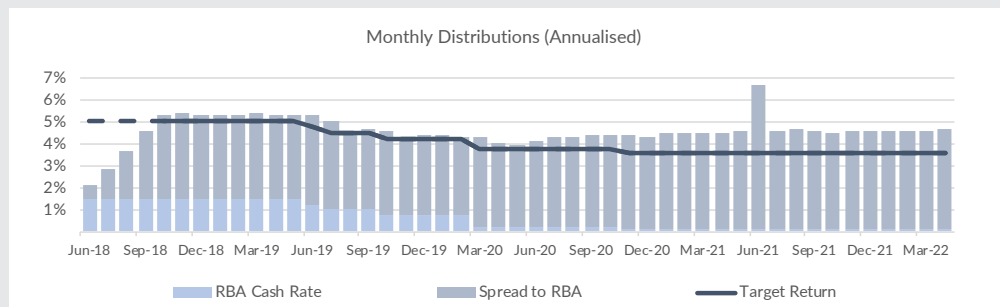
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr (Ann)	Incep (Ann) ¹
Net Return (%)	0.23	0.78	1.82	4.48	4.86	4.83
RBA Cash Rate (%)	0.01	0.02	0.05	0.10	0.38	0.64
Net Excess Return (%)	0.23	0.76	1.77	4.38	4.46	4.16
Distribution ¹ (%)	0.38	1.11	2.26	4.75	4.57	4.56
Distribution (¢/unit)	0.76	2.23	4.51	9.40	9.01	8.97

¹ Inception date – 21 May 2018

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

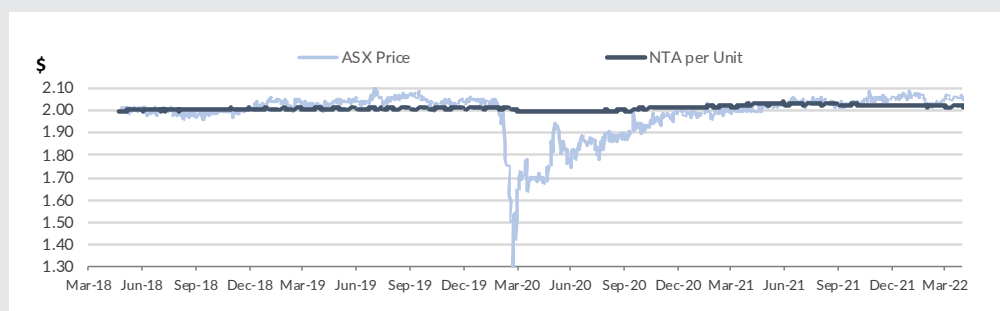
Distribution

GCI announced a 0.76 cents per unit distribution for the month, generating a trailing 12-month distribution return of 4.75% (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 \$3.0 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$498.5m/\$2.05
NTA/Unit	\$489.6m/\$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	4.61%
Distributions (12m) ⁵	4.75%
RBA Cash Rate	0.10% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.45 years
Number of Bond Holdings	108
Number of Underlying Mortgage Loans	98,612

⁴ April 2022 distribution as % of unit price, annualised.

⁵ Actual distribution for the 12 months to 30 April, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH

Zenith
RECOMMENDED

Lonsec

WEBSITE

www.gcinvest.com/our-lit



Commentary

With inflation mania firmly entrenched in the markets (refer Gryphon Insight on [Inflation](#)) and wage growth finally picking up, the RBA at last decided to act and increase the cash rate on 3 May 2022 to 0.35%. GCI invests in Australian RMBS and ABS which are Floating Rate Notes that are structured so that their monthly interest rate resets to the current market rate. As the RBA raises interest rates, GCI's income and its distributions to unitholders will also increase.

Gryphon released our latest Insight earlier in May ([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 by 2%. As the RBA presented analysis around the impact on borrowers of a 2% rise in interest rates in their April Financial Stability Report, this allowed Gryphon to validate our own analysis against the RBA analysis.

Promisingly, Gryphon's conclusion is that the average borrower in the GCI portfolio is well positioned to manage higher interest rates, something confirmed by the RBA's own analysis: 'Overall, the majority of indebted households are well placed to manage higher minimum loan repayments...' ¹ This is also further corroborated by S&P's analysis ² released immediately after the rate rise in which they state: 'While arrears are set to increase in earlier arrears categories as borrowers adjust to higher mortgage repayments, we don't expect significant increases in the advanced arrears categories, given a strong labor market and the buffers built into serviceability assessments. In addition, many borrowers have benefited from a pandemic build-up in savings and repayment buffers, which will help to absorb higher mortgage repayments.'

No payment shock – impact if mortgage interest rates were to increase by 2%

Gryphon's analysis detailed in our recent ([No Payment Shock](#)) Insight provides us with confidence that the majority of borrowers are well placed to manage the expected higher mortgage rates, entirely consistent with findings by the RBA ¹ and S&P ². For the cohort of borrowers most exposed to large increases to their minimum mortgage payments, a combination of serviceability buffers, elevated savings rate, over-payment history and strong employment growth provides effective mitigants against financial stress. Additionally, the substantial build up in borrowers' equity will enable any borrower experiencing financial pressure to voluntarily self-manage their way out of arrears through property sales.

RMBS are well placed to continue to provide the stable and predictable income characteristic of GCI's performance to date. With a portfolio of floating rate assets, GCI's monthly distributions will increase with increases in the official cash rate.

¹ Financial Stability Review – April 2022, page 27

² S&P May 3, 2022

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/our-lit

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

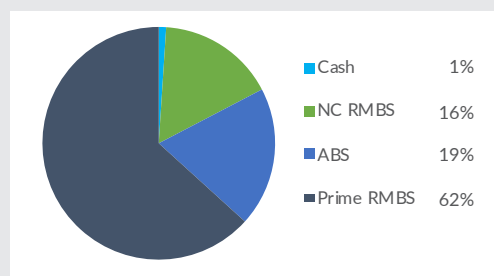
Email enquiries@boardroomlimited.com.au

continued overleaf...



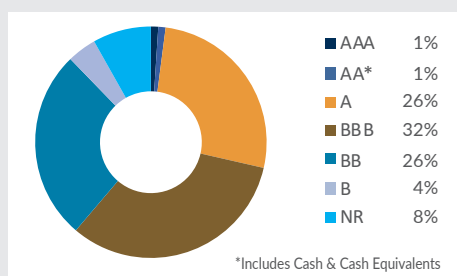
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	98,612	86,782	11,830
Weighted Average Underlying Loan Balance	\$369,089	\$322,255	\$556,879
Weighted Average LVR	66%	65%	68%
Weighted Average Seasoning	27 months	30 months	17 months
Weighted Average Interest Rate	3.19%	3.04%	3.82%
Owner Occupied	62%	60%	68%
Interest Only	22%	23%	18%
90+ Days in Arrears as % of Loans	0.32%	0.27%	0.52%
% Loans > \$1.5m Balance	2.50%	1.53%	6.39%

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%	1.9%	4.0%	4.4%	-

SME Portfolio Underlying Mortgage Loan Statistics⁴

No. of Underlying Loans	3,710	Borrower Type	
Weighted Average Underlying Loan Balance	\$367,765	SMSF	63.5%
Weighted Average LVR	59.3%	Company	17.7%
% > 80% LVR	0.38%	Individual	18.8%
Weighted Average Borrowers' Equity	\$346,813	Property Type	
90+ Days in Arrears as % of Loans	0.12%	Residential	33.3%
% > \$1.5m Current Balance	0.48%	Commercial	65.7%
		Mixed	1.0%

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.

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/our-lit

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

continued overleaf...



Distributions (%)

Fin. Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2022	0.38	0.38	0.37	0.37	0.37	0.38	0.38	0.35	0.38	0.38	-	-	3.80
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
2022	0.37	0.44	0.32	0.29	0.25	0.37	0.40	0.28	0.27	0.23	-	-	3.28
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
2022	1.36	0.87	(1.60)	0.87	1.84	0.37	0.37	(1.12)	1.86	(0.12)	-	-	4.77
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.

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/our-lit

General

Email info@gcapinvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au

ASX release date: 12 May 2022

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) 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 30 April 2022.