

Supplementary Product Disclosure Statement

This is a supplementary product disclosure statement (Supplementary PDS) issued by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 as responsible entity (Responsible Entity) for the Gryphon Capital Income Trust ARSN 623 308 850 (Trust). It supplements, and is intended to be read together with, the product disclosure statement dated 6 March 2018 (Original PDS).

This supplementary PDS is dated 30 April 2018 and a copy of this Supplementary PDS was lodged with the Australian Securities and Investments Commission (ASIC) on that date. Neither ASIC nor ASX (or their officers) take responsibility for the contents of this Supplementary PDS.

The Responsible Entity has applied to the ASX for admission of the Trust to the Official List of the ASX and the quotation of Units to be issued pursuant to the Offer.

The information in this Supplementary PDS is taken to be included in the Original PDS. Except where defined in this Supplementary PDS, capitalised terms have the meaning set out in the Original PDS. References in this Supplementary PDS to a page or section are references to the corresponding page or section of the Original PDS.

The Joint Arrangers (being Morgans Financial Limited ABN 49 010 669 726 AFSL 235410 and National Australia Bank Limited ABN 12 004 044 937 AFSL 230 686) who are managing the Offer on behalf of the Trust, are not responsible for, and have not caused, the issue of this Supplementary PDS."

1. Purpose of this Supplementary PDS

The purpose of this Supplementary PDS is to provide Investors with additional information which may be relevant to their decision to invest in the Trust.

2. Revised timetable

The Closing Date of the Offer has been extended to 4 May 2018, and accordingly, the Offer timetable set out below replaces the timetable on page 6 of the Original PDS:

Activity	Timetable	Revised Timetable
Broker Firm Offer Closing Date	27 April 2018	4 May 2018
General Offer Closing Date	2 May 2018	4 May 2018
Settlement	11 May 2018	18 May 2018
Expected date of the allotment of Units under the Broker Firm Offer and General Offer	12 May 2018	21 May 2018
Expected date for dispatch of holding statements	14 May 2018	21 May 2018
Trading of Units on ASX commences	18 May 2018	25 May 2018

The above dates are indicative only. The Responsible Entity reserves the right to vary the Revised Timetable, subject to the Listing Rules and the Corporations Act.

3. The Responsible Entity

3.1 Responsible Entity Board

Section 4.3 of the Original PDS is updated by including the following new sub-section (d):

(d) *Enforceable undertaking*

On 13 February 2018 ASIC accepted enforceable undertakings (EUs) from Frank Tearle and Justin Epstein. The EUs related to information allegedly withheld in relation to an AFSL application and required Frank and Justin to undertake not to perform the role of a responsible manager on an AFSL or be involved in the application for an AFSL for a specified period. ASIC did not seek an EU from the Responsible Entity itself.

While Frank and Justin are directors of the Responsible Entity, they are not responsible managers on the Responsible Entity's AFSL, and despite the allegations, there was no admission of a contravention by ASIC nor Frank or Justin.

Importantly, the EUs did not concern the issue of financial assets, the operation of a registered managed investment scheme, nor the provision of financial services generally.

Further information about the EUs is available on ASICs website.

4. Manager Loan

4.1 Offer Summary

The summary of the Manager Loan on page 15 of the Original PDS, titled "What is the purpose of the Manager Loan?" is deleted and replaced with the following:

A maximum of 3% of the proceeds of the Offer will be advanced to GCM and may be used by Gryphon Group as working capital (equating to between \$3.5 million and \$10.3 million depending on the gross proceeds of the Offer). Examples of working capital expenses include the provision of ongoing services to the Trust including but not limited to investor relations, capital management, future fundraisings and to pay costs of the Offer.

4.2 Manager Loan

The Manager Loan is further addressed in section 4.8 of the Original PDS, which is deleted and replaced with the following:

A maximum of 3% of the proceeds of the Offer (equating to between \$3.5 million and \$10.3 million depending on the gross proceeds of the Offer) will be invested in the Manager Loan. The Manager Loan is an unsecured loan advanced to GCM which is part of the Gryphon Group. GCM may use the funds for working capital purposes, such as the provision of ongoing services to the Trust including but not limited to investor relations, capital management, to facilitate future fundraisings and to pay costs of the Offer. GCM is required to pay both principal and interest on the Manager Loan in regular instalments over the 10-year term of the loan, at an interest rate of 5% per annum. GCM may repay the Manager Loan early at its absolute discretion, and must repay the Manager Loan in full regardless of whether GCI remains the Manager of the Fund.

4.3 Manager Loan

The Manager Loan is further addressed in section 12.4 of the Original PDS. The "Loan Amount" in the table in section 12.4 is amended by inserting the following new sentence before the words "See Section 9".

"A maximum of 3% of the proceeds of the Offer (equating to between \$3.5 million and \$10.3 million depending on the gross proceeds of the Offer)".

5. Investment objective

The Trust's Investment Objective is to provide monthly cash income and capital preservation at a portfolio level by investing in a portfolio of fixed income securities consisting of RMBS and ABS. However, neither the Responsible Entity nor the Manager guarantees the performance of the Trust. Investor's capital is not guaranteed. Like all investments, the investments comprising the Portfolio carry risks, and if these risks eventuate, you may lose some or all of your capital invested in the Trust

6. The Manager

6.1 Offer summary—the Manager's historical performance

On page 12 of the Original PDS under the heading "What is the Manager's historical performance?" the fourth paragraph is amended by inserting the following new sentence at the end of the paragraph:

Further, while the Manager is experienced in operating mandates for institutional clients, the Manager has not managed the portfolio of an ASX-listed managed investment scheme until its appointment as Manager of the Trust.

6.2 Relevant experience

Section 5.6 of the Original PDS is amended by inserting the following new paragraphs at the end of that section:

Investors should note that while the Manager has significant experience in respect of the investment strategies for its institutional clients in the Secured Opportunities and Investment Grade Securitised Strategies, the Manager has not acted as investment manager of a managed fund available to retail investors. However, both Steven Fleming and Ashley Burtenshaw have acted as investment manager of a retail listed trusts in roles they held at investment managers prior to them establishing the Gryphon Group.



Gryphon Capital Income Trust

Product Disclosure Statement

6 March 2018

Gryphon Capital Income Trust

ARSN 623 308 850

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

Lead Arrangers and JLMs



Co Managers





Important Notice

The Gryphon Capital Income Trust ARSN 623 308 850 (Trust) is an Australian managed investment scheme registered with the Australian Securities and Investments Commission (ASIC).

This document is a product disclosure statement (PDS) for the purposes of Part 7.9 of the Corporations Act. This PDS is issued by the responsible entity of the Trust, One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (Responsible Entity).

The Responsible Entity has appointed Gryphon Capital Investments Pty Ltd ACN 167 850 535 AFSL 454552 (Manager) to provide investment and other services to the Trust pursuant to an Investment Management Agreement.

The Joint Arrangers will together manage the Offer on behalf of the Trust. The Joint Arrangers are Morgans Financial Limited ABN 49 010 669 726 AFSL 235410 (Morgans) and National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 (NAB).

The Joint Arrangers function should not be considered to be an endorsement of the Offer nor a recommendation of the suitability of the Offer for any investor. The Joint Arrangers do not guarantee the success or performance of the Trust or the returns (if any) to be received by investors. The Joint Arrangers are not responsible for, and have not caused, the issue of this PDS.

PDS

This PDS is dated 6 March 2018 and a copy of this PDS was lodged with ASIC on that date.

The Responsible Entity will apply to the ASX for admission of the Trust to the Official List of the ASX within seven days of the date of this PDS.

Neither ASIC nor the ASX (or their respective officers) take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units issued under this PDS will be issued by the Responsible Entity on the terms and conditions set out in this PDS.

Admission to the Official List of the ASX is in no way an indication of the merits of the Trust.

Not investment advice

The information contained in this PDS is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs.

Before deciding to invest in the Trust, you should read this PDS in its entirety. You should take into account all risk factors referred to in this PDS (including those in Section 7) and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Trust. There is no guarantee that the Units offered under this PDS will provide a return on capital, lead to payment of distributions or that there will be any increase in the value of the Units. If you wish to apply for Units you must do so using the relevant Application Form.

Authorised information

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this PDS. Neither the Manager nor the Responsible Entity nor any other person associated with the Trust guarantees or warrants the future performance of the Trust, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units. Any information or representation in relation to the Offer not contained in this PDS may not be relied on as having been authorised in connection with the Offer by the Responsible Entity, the Manager or any other person that may have liability for the content of this PDS.

No Offer where Offer would be illegal

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia or New Zealand. The distribution of this PDS outside Australia or New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.



Exposure Period

Pursuant to the Corporations Act, this PDS is subject to an exposure period of seven days from the date of lodgement of this PDS with ASIC, which period may be extended by ASIC by a further period of seven days. This period (and extension) is referred to in this PDS as the 'Exposure Period'. The Exposure Period enables this PDS to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this PDS. If deficiencies are detected, the Responsible Entity will either:

- (a) return any Application Amount the Responsible Entity has received;
- (b) provide each Applicant with a supplementary or replacement product disclosure statement that corrects the deficiency, and gives the Applicant the option to withdraw the Application within one month and be repaid the Application Amount; or
- (c) issue to the Applicant the Units applied for in the Application, provide each Applicant with a supplementary or replacement product disclosure statement that corrects the deficiency and gives the Applicant the option to withdraw the Application within one month and be repaid the Application Amount.

The Responsible Entity is prohibited from accepting Applications received during the Exposure Period. Application Forms received prior to the expiration of the Exposure Period will therefore not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the first Business Day after the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Rights and obligations attached to the Units

Details of the rights and obligations attached to each Unit, and the material provisions of the Constitution, are summarised in Section 12.1. A copy of the Constitution is available, free of charge, on request from the Manager.

Electronic and printed PDS

This PDS will be available and may be viewed online at www.gcapinvest.com/GCI. The information on the website does not form part of this PDS.

The Offer pursuant to this PDS is available to persons receiving an electronic version of this PDS within Australia or New Zealand. The Offer made under this PDS is only available to persons receiving this PDS in Australia and New Zealand. The Responsible Entity is entitled to refuse an Application for Units under this PDS if it believes the Applicant did not receive the Offer in Australia or New Zealand.

Applications for Units may only be made on either a printed copy of the Application Form attached to or accompanying this PDS or via the electronic Application Form attached to the electronic version of this PDS, available on the Manager's website. Units to which this PDS relates will only be issued on receipt of an Application Form issued together with the PDS whether it will be by a printed copy or an electronic Application Form.

During the Offer Period, any person may obtain a paper copy of this PDS free of charge by contacting: the Unit Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) (between 8:30am to 5:00pm AEST on a Business Day).

Disclaimer

No person is authorised by the Responsible Entity, the Manager or the Joint Arrangers to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, the Manager, their directors or any other person in connection with the Offer. The Trust's business, financial condition, operations and prospects may have changed since the date of this PDS.

Certain statements in this PDS constitute forward looking statements. These forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes', 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.



These forward-looking statements are based on current expectations, estimates, and projections about the Trust's business and the industry in which the Trust invests and the beliefs and assumptions of the Manager and the Responsible Entity. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's and the Manager's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 7.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The Responsible Entity and the Manager do not make any assurance, express or implied, in relation to whether any forward-looking statements will actually eventuate.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, neither the Responsible Entity nor the Manager intends to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. They are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. You should, however, review the factors and risks the Responsible Entity describes in the reports to be filed from time to time with the ASX after the date of this PDS.

Some numerical figures in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Updated information

Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the website: www.gcapinvest.com/GCI and the Manager will provide a copy of the updated information, free of charge to any investor who requests a copy by contacting the Unit Registry information hotline on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) (between 8:30am to 5:00pm AEST on a Business Day).

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

Miscellaneous

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Trust.

References in this PDS to currency are to Australian dollars unless otherwise indicated. All data contained in charts, graphs and tables within this PDS are based on information available as at 31 January 2018 unless otherwise stated.

Certain terms and abbreviations in this PDS have defined meanings that are explained in the Glossary in Section 14 of this PDS.

Time

Unless otherwise stated or implied, references to time in this PDS are to Australian Eastern Standard Time (AEST). Any references to documents included on the Manager's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into the PDS.



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Offer highlights

Key Offer Statistics	
Trust	Gryphon Capital Income Trust ARSN 623 308 850
Proposed ASX code	GCI
Units offered	Fully paid ordinary Units
Minimum number of Units available under the Offer	50 million
Subscription Price per Unit	\$2.00
Minimum gross proceeds from the Offer	\$100 million
Pro forma Net Asset Value (NAV) backing per Unit based on the Minimum Subscription	\$2.00
Maximum number of Units available under the Offer	175 million
Gross proceeds from the Offer based on the Maximum Subscription	\$350 million
Pro forma NAV backing per Unit based on the Maximum Subscription being received	\$2.00

Important dates	
Lodgement of the PDS with ASIC	6 March 2018
Opening Date	20 March 2018
Broker Firm Offer Closing Date	27 April 2018
General Offer Closing Date	2 May 2018
Settlement	11 May 2018
Expected date of the allotment of Units under the Broker Firm Offer and General Offer	12 May 2018
Expected date for dispatch of holding statements	14 May 2018
Trading of Units on ASX commences	18 May 2018

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 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.



Corporate directory

<i>Responsible Entity</i>	One Managed Investment Funds Limited ACN 117 400 987 Level 11, 20 Hunter Street Sydney NSW 2000
<i>Manager</i>	Gryphon Capital Investments Pty Ltd ACN 167 850 535 Level 1, 50 James Street Fortitude Valley Qld 4006
<i>Joint Arrangers</i>	Morgans Financial Limited Level 29, 123 Eagle Street Brisbane QLD 4000 National Australia Bank Limited Level 25, 255 George St Sydney NSW 2000 Australia
<i>Administrator</i>	Mainstream Fund Services Level 1, 51-58 Pitt Street Sydney NSW 2000
<i>Unit Registry</i>	Boardroom Pty Limited ACN 003 209 836 Grosvenor Place Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760 (within Australia) Telephone: +612 9290 9600 (outside Australia)
<i>Investigating Accountant</i>	Pitcher Partners Sydney Corporate Finance Pty Ltd Level 22, MLC Centre 19 Martin Place Sydney NSW 2000
<i>Solicitors to the Offer</i>	McMahon Clarke 62 Charlotte Street Brisbane Qld 4000
<i>Manager's Corporate Advisor</i>	Seed Partnerships Pty Ltd Level 10, 135 Macquarie Street Sydney NSW 2000



Letter to Investors

6 March 2018

Dear Investor,

It is with great pleasure that we introduce the Gryphon Capital Income Trust (Trust), a newly established trust registered with ASIC and proposed to be listed on the Australian Securities Exchange (ASX). One Managed Investment Funds Limited ACN 117 400 987, AFSL 297042 is the responsible entity (Responsible Entity) of the Trust and Gryphon Capital Investments Pty Ltd ACN 167 850 535, AFSL 454552 (GCI or Manager) is the appointed manager.

The Trust seeks to provide Unitholders with monthly income and capital preservation by investing in a portfolio of Australian asset backed securities (ABS) including residential mortgage backed securities (RMBS). This market is dominated by institutional investors and, until now, has been difficult for retail investors to access and to build a diversified portfolio. We encourage you to visit GCI's website www.gcapinvest.com/GCI which includes further educational information about investing in RMBS and ABS as a sub-set of the fixed income asset class.

About the Manager

GCI is an institutional fixed income manager with significant experience in the Australian and international ABS market. GCI manages segregated accounts on behalf of institutional investors seeking opportunities in fixed income credit markets (ie RMBS, ABS etc).

GCI currently manages institutional mandates in excess of \$1.7 billion (as at the date of this PDS).

The Opportunity

The Trust will seek to provide investors with:

- (a) *Consistent cash distributions paid monthly:* The Trust is targeting returns of RBA Cash Rate plus 3.50% per annum net of fees through the economic cycle.
- (b) *Capital preservation:* A key objective of the Trust is capital preservation. The Trust will comprise an actively managed portfolio of securities which will generally have floating interest rates and multiple layers of investor protections as set out in Section 3.9.
- (c) *Experienced management:* The GCI Investment Team has deep experience in investing in RMBS and ABS. Members of the GCI Investment Team have over 47 years of collective experience in successfully investing in the RMBS and ABS sector for institutional clients. The Manager has developed a robust investment process, which until the establishment of the Trust, had only been accessible by institutional clients.
- (d) *Enhanced diversification:* Fixed income is an important component of a balanced investment portfolio, offering stable yields and lower risk of capital loss than other asset classes. An investment in the Trust provides indirect access to the fixed income investment class (and RMBS and ABS in particular) which provides asset class diversification typically complementary to other equity and hybrid instruments.
- (e) *Attractive structure:* The Trust structure allows the Manager to invest a permanent and stable pool of capital, while also offering investors ASX liquidity. This allows the Manager to make long term investment decisions without the need to source liquidity for potential investor redemptions, which may impact return.
- (f) *Offer costs:* Gryphon Group will pay the expenses of the Offer such that immediately following the close of the Offer the pro-forma NAV is expected to be equal to the Subscription Price.

Responsible Entity

One Managed Investment Funds Limited is the responsible entity of the Trust and the issuer of the Units and this PDS.



The Offer

The Responsible Entity is seeking to raise up to \$350 million through the issue of Units at a Subscription Price of \$2.00 per Unit.

This PDS contains important information regarding the Offer. We encourage you to read it carefully and in its entirety, including Section 7 which sets out certain key risks associated with an investment in the Trust and Section 6 which sets out the fees and other costs associated with investing in the Trust. If you have any questions, you should seek relevant professional advice before making an investment decision.

GCI takes an active approach to engaging and communicating with our investors and it is our intention to take a similar approach with Unitholders. Regular communications are intended to include weekly NAV announcements, monthly investment updates and yearly and half yearly financial reports.

Access to all relevant information about the Trust, such as independent research reports, will be available on www.gcapinvest.com/GCI.

We look forward to welcoming you as an investor in the Gryphon Capital Income Trust.

Steven Fleming
Director, Gryphon Capital Investments Pty Ltd



1. Offer summary

1.1 About the Gryphon Capital Income Trust

Topic	Summary	For more information
What is the Trust?	The Trust is newly established and has not undertaken any business to date. The Trust has been formed specifically for the purposes of the Offer. The Trust is an Australian registered managed investment scheme under Chapter 5C of the Corporations Act. Following completion of the Offer, it is proposed the Trust will be listed on ASX.	Section 4
Who is the Responsible Entity?	<p>One Managed Investment Funds Limited is the responsible entity and as such is responsible for management of the operations of the Trust.</p> <p>While the Responsible Entity delegates investment management and administrative services to other entities, it retains ultimate responsibility for these functions. As such, the Constitution contains indemnity provisions covering the Responsible Entity for losses and liabilities incurred in connection with the operation of the Trust.</p>	Section 4.2
Who will be responsible for managing the affairs of the Trust?	<p>The Responsible Entity has appointed:</p> <ul style="list-style-type: none">(a) Gryphon Capital Investments Pty Ltd (ACN 167 850 535) (GCI or Manager) as manager of the Trust under the Investment Management Agreement.(b) Mainstream Fund Services ACN 118 902 891 (Administrator) as Trust administrator.(c) Boardroom Pty Limited ACN 003 209 836 (Unit Registry) as registry provider to the Trust. <p>The Responsible Entity may change these service providers without your consent or notice to you.</p>	Sections 4.14 and 12
Who is the Manager?	<p>GCI is the investment manager of the Trust.</p> <p>GCI is an institutional fixed income manager with significant experience in the Australian and international RMBS and ABS markets. GCI manages segregated accounts on behalf of institutional investors seeking opportunities in fixed income credit markets.</p> <p>The GCI Investment Team has significant experience in the fixed income markets and currently manages institutional mandates in excess of \$1.7 billion (as at the date of this PDS).</p>	Section 5



Topic	Summary	For more information
<i>Who is the GCI Investment Committee?</i>	<p>The GCI Investment Committee comprises the Australian-based GCI Partners, Steven Fleming and Ashley Burtenshaw, who will hold ultimate responsibility for the implementation of the Trust's Investment Strategy. The GCI Investment Committee has diverse experience in the international securitised fixed income markets.</p> <p>Steven Fleming has over 24 years' direct experience in investment and securitisation markets having held a variety of senior investment roles in London, New York and Australia.</p> <p>Ashley Burtenshaw has over 23 years' direct experience in investment markets having held a variety of senior investment and trading roles in London, Tokyo and Australia.</p> <p>The GCI Investment Committee is supported by members of the GCI Investment Team; a team of investment professionals which provide analytical and portfolio risk management support.</p>	Section 5.5
<i>What experience does the Manager have?</i>	<p>Members of the GCI Investment Committee collectively have over 47 years' experience in the investment markets.</p> <p>The Manager currently manages segregated accounts valued at over \$1.7 billion on behalf of institutional investors which is invested in the RMBS and ABS markets.</p>	Section 5.5
<i>What is the Trust's Investment Objective?</i>	<p>The Trust's Investment Objective is to provide monthly cash income and capital preservation by investing in a portfolio of securitised fixed income bonds comprising RMBS and ABS and other Authorised Investments.</p> <p>The Manager seeks to deliver the Target Return while preserving Unitholders' capital.</p>	Section 4.5
<i>What is the Trust's Investment Strategy?</i>	<p>The Investment Strategy, which will be implemented by the Manager, reflects the key tenets of the Manager's investment philosophy of capital preservation and superior investment returns, given the associated risk.</p> <p>The investment selection processes, policies and risk protocols employed by the Manager in the construction of the Portfolio on behalf of the Trust will be the same as those it currently employs on behalf of its institutional clients.</p>	Sections 4.5 and 4.15



Topic	Summary	For more information
<i>What is the Manager's historical performance?</i>	<p>As at the date of this PDS the Manager operates segregated accounts for institutional clients totalling in excess of \$1.7 billion. In each case the Manager develops, in consultation with the client, an investment strategy for the account. Important components in developing the investment strategy are the client's expectations in relation to the target return and the level of risk the client is prepared to accept. Having considered these factors GCI agrees with the client a target return of the portfolio which GCI considers is achievable having regard to the investment strategy.</p> <p>GCI's performance history since its inception in April 2015 to January 2018 for its institutional clients is summarised in Section 5.8.</p> <p>The investment selection processes, policies and risk protocols employed by the Manager in the construction of the Portfolio on behalf of the Trust will be the same as those it currently employs on behalf of its institutional clients.</p> <p>Important Note: The past performance of the Manager in meeting target returns for its institutional clients is not a reliable indicator of the likelihood of the Manager achieving the Target Return of the Trust.</p>	Section 5.8
<i>How will the Portfolio be constructed?</i>	<p>The Manager is responsible for the Portfolio construction. The Portfolio will be constructed in accordance with the Investment Strategy and the Investment Guidelines and policies agreed with the Responsible Entity from time to time. (initially being the guidelines set out in Section 4.6 of this PDS).</p>	Sections 4.6, 4.7 and 5.4
<i>What is the Target Return?</i>	<p>Target Return of RBA Cash Rate plus 3.50% per annum net of fees through the economic cycle.</p> <p>Based on the RBA Cash Rate as at the date of this PDS of 1.50%, the initial Target Return will be 5.00% per annum (net of fees).</p> <p>The total return may rise or fall based on, amongst other things, performance in the underlying Trust investments and movements in the RBA Cash Rate.</p> <p>The Target Return is only a target and may not be achieved. It may take some time (up to six months following listing) until the target Portfolio construction is achieved and before the Target Return can be expected to be achieved.</p>	Section 4.5



Topic	Summary	For more information
<i>What are the key highlights of the Offer?</i>	<p>The Trust will seek to provide investors with the following:</p> <p>(a) Portfolio diversification</p> <ul style="list-style-type: none"> Fixed income is an important component of a balanced investment portfolio, offering stable yields and lower risk of capital loss than other asset classes. An investment in the Trust provides asset class diversification for investors by gaining exposure to a portfolio of RMBS and ABS. <p>(b) Monthly cash income</p> <p>Target Return of RBA Cash Rate plus 3.50% per annum net of fees through the economic cycle and intends to pay cash distributions monthly.</p> <p>(c) Capital preservation</p> <p>The portfolio will consist of an actively managed portfolio of assets which historically have a low risk of capital loss.</p> <p>(d) Experienced management</p> <ul style="list-style-type: none"> GCI has deep experience in RMBS and ABS and has developed robust investment processes which, until now, have only been available to institutional clients. Until the establishment of this Trust, access to the GCI Investment Team had only been accessible to institutional clients. <p>(e) LIT structure which provides investors with:</p> <ul style="list-style-type: none"> A closed pool of capital enabling the Manager to make long term investments without the need to source liquidity for potential investor redemptions, and Strong corporate governance. <p>(f) Attractive fee structure and innovative fund design</p> <ul style="list-style-type: none"> Base management fees comparable to fees charged to wholesale investors for similar products. Offer costs are not paid directly by the Trust so the NAV at listing is expected to be equal to the Subscription Price. 	
<i>Will the Trust pay distributions?</i>	<p>The Responsible Entity intends to pay distributions to Unitholders monthly. Distributions are expected to match income (net of fees and expenses) generated by the Trust. Distributions will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors the Responsible Entity deems relevant.</p> <p>It is intended the first distribution will be paid following the month ending 30 June 2018 and then monthly thereafter.</p> <p>The Responsible Entity may establish a distribution reinvestment plan which will provide Unitholders the option to re-invest distributions. Details on any distribution reinvestment plan will be provided to Unitholders following the commencement of trading on ASX.</p>	Section 4.9



Topic	Summary	For more information
<i>Will the Trust have any debt?</i>	<p>It is not anticipated the Trust will use debt to increase the scale of the Trust's investments.</p> <p>The Manager does not intend to use debt to enhance returns. The Trust's gearing policy limits debt to up to 25% of the Trust's NAV for short term purposes only. For example, the Manager does not intend to use debt unless it has also planned to raise new capital from the issue of new Units which will be used to repay any borrowings.</p>	Section 4.16
<i>Does the Investment Strategy permit derivative investments?</i>	Derivatives are only permitted for efficient portfolio management (e.g. hedging) and not for market speculative purposes in an attempt to increase returns.	Section 4.6
<i>What is the time frame to achieve target Portfolio Construction?</i>	The Manager may take up to six months to fully invest the Trust in accordance with the Investment Strategy outlined in sections 4.5 and 4.6. However, the pace of the Trust's capital deployment will depend on market conditions.	Section 4.7
<i>What fees will the Manager and the Responsible Entity receive?</i>	<p>The Manager will receive a management fee of 0.72% p.a. of NAV of the Trust.</p> <p>The Responsible Entity will receive a Responsible Entity fee of:</p> <ul style="list-style-type: none"> (a) 0.06% per annum on the gross value of the Trust's assets (up to \$200 million); (b) 0.04% on the gross value of the Trust's assets (from \$200 million to \$300 million); and (c) 0.02% on the gross value of the Trust's assets (from \$300 million), <p>subject to minimum monthly fee of \$5,225 and annual CPI increases.</p> <p>The Responsible Entity will also receive a custody fee equal to 0.01% per annum on the gross value of the Trust's assets for performing custodial services on behalf of the Trust. This fee is subject to a minimum monthly fee of \$2,563 and annual CPI increases.</p>	Section 6
<i>What is the expected NAV per Unit of the Trust on the Allotment Date?</i>	The NAV per Unit of the Trust at the Allotment Date is expected to be \$2.00. The expected NAV per Unit is equal to the Subscription Price because upfront costs associated with the Offer will be funded by the Gryphon Group.	Section 9
<i>What are the key terms of the Investment Management Agreement?</i>	<p>Under the Investment Management Agreement, the Manager will be responsible for managing the Portfolio in accordance with the Investment Objective, Investment Strategy, guidelines and Authorised Investments set out in this PDS.</p> <p>The Investment Management Agreement will have an initial term of 10 years subject to an automatic extension. After the expiration of the initial term the Investment Management Agreement may be terminated by the Responsible Entity on three months' notice after an ordinary resolution of Unitholders is passed to terminate the Investment Management Agreement.</p>	Section 12.2



Topic	Summary	For more information
<i>What is the purpose of the Manager Loan?</i>	Part of the proceeds of the Offer will be advanced to GCM and may be used by Gryphon Group as working capital. For example it may be used to provide ongoing services to the Fund including but not limited to investor relations, capital management and, facilitate future fundraisings and to pay costs of the Offer.	Section 4.8 and 12.4
<i>Who is the Custodian?</i>	One Managed Investment Funds Limited will act as both responsible entity and custodian of assets of the Trust.	Section 4.13
<i>What is the difference between a listed investment company and a listed investment trust?</i>	Under a trust structure, all earnings are distributed to investors on a pre-tax basis. There are no franking credits for investors in a trust structure. This is similar to most managed fund or exchange traded fund structures. Under a company structure, as in a listed investment company, earnings would typically be taxed at the company tax rate and franking credits may be distributed to investors via dividends.	Section 4.12
<i>What are the key risks associated with an investment in the Trust?</i>	<p>There are a number of risks associated with investing in the Trust which are set out in detail in Section 7. They include the following:</p> <ul style="list-style-type: none">(a) Manager risk – The Trust’s success is reliant upon the ability of the Manager to devise and maintain a portfolio that achieves the Investment Objective and Investment Strategy.(b) Operating history – The Trust is newly formed and has no operating history.(c) Availability of investments – There is no guarantee the Manager will find sufficient investments for the Trust at suitable prices to deliver the Investment Objective.(d) Distribution risk – The Manager may make poor investment decisions which may result in the Trust’s return being inadequate to pay distributions to Unitholders.(e) Key man risk – The Responsible Entity has no right to terminate the Investment Management Agreement solely as a consequence of a change of control of the Manager or in the event of a material change to the composition of the CGI Investment Team. For example, the Responsible Entity cannot terminate the Investment Management Agreement if either Steven Fleming or Ashley Burtenshaw resigns from the Manager.(f) Market risk – The investments comprising the Trust’s Portfolio are subject to market risk. Market risk is risk associated with changes in market prices or rates, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, national and international political circumstances.	Section 7



Topic	Summary	For more information
	<p>(g) Reinvestment risk – To achieve the Target Return over the long term the proceeds of securities held by the Trust that mature and are sold must be able to be reinvested in securities with a yield comparable to that of the Portfolio as a whole. This may not always be possible.</p> <p>(h) Value of RMBS/ABS – There are a number of factors which can affect the price of RMBS/ABS in which the Trust invests. For example, this can include changes in market perception of the assets underlying the security, the credit quality underlying the security and the creditworthiness of the issuer of the security.</p> <p>(i) Credit risk – There is a risk that a rating agency may assign incorrect or inappropriate credit ratings to issuers and the securities issued which may mean the underlying security is more likely to be subject to a default event than was anticipated.</p> <p>(j) Non-investment grade investments – The Trust will invest in high yield (namely non-investment grade) securities which have a higher risk of default than investment grade securities.</p> <p>(k) Hedging risk – The Manager intends to only use derivatives and other hedging techniques for risk management purposes. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses.</p> <p>(l) Liquidity risk – If a security cannot be bought or sold quickly enough to minimise potential loss, the value of the Portfolio may be adversely affected.</p> <p>(m) Unit trading price risk – Units may not trade on ASX at or near the stated underlying NAV per Unit.</p> <p>(n) Volatility of Units risk – Units when listed on ASX may be thinly or heavily traded, and could be volatile, irrespective of the value of the investments held by the Trust.</p> <p>(o) ASX liquidity risk – Units in the Trust are intended to be listed on ASX. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop.</p> <p>(p) ASX counterparty risk – ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHES, the central system for clearing and settling trades on ASX. There is also a risk that arises from Unitholders relying on the creditworthiness of their Broker.</p> <p>(q) Manager Loan risk – The Trust assets will be used to make the Manager Loan to GCM (an entity within the Gryphon Group). The term of the loan is 10 years. GCM is required to repay the loan including interest from its own resources. If GCM fails to repay the Manager Loan for any reason, then the Trust will incur a loss.</p>	
What is the financial position of the Trust?	While the Trust is yet to commence trading, unaudited pro forma financial statements of its anticipated financial position on listing are set out in Section 9.	Section 9



Topic	Summary	For more information
<i>Will any related party have a significant interest in the Trust or the Offer?</i>	The Manager or entities associated with the Manager may hold Units.	Sections 13.3 and 13.4
<i>Information on the Constitution</i>	The Constitution is the document which governs the relationship between the Responsible Entity and Unitholders, the key terms of which are summarised in Section 12.1 of the PDS.	Section 12.1
<i>What are the Trust's material contracts?</i>	In addition to the Investment Management Agreement, the Responsible Entity, on behalf of the Trust has entered into the Offer Management Agreement. For more information on these agreements please refer to Section 12.	Section 12
<i>What will be the Trust's valuation policy?</i>	The Trust's valuation policy is set out in Section 4.10. The assets of the Trust will be valued using market accepted practices to accurately and independently price all securities and other assets within the Portfolio.	Section 4.10
<i>What information will be provided to the Unitholders after listing on ASX?</i>	The Responsible Entity will provide information required under the Listing Rules including announcing the following on ASX: (a) The Trust's annual financial statements; (b) The Trust's half-yearly financial statements; and (c) Any continuous disclosure notices required under the Corporations Act and the Listing Rules The NAV per Unit is expected to be published on the Trust's website www.gcapinvest.com/GCI and lodged with ASX on a weekly basis. The Responsible Entity will also release reports to the ASX on the activities of the Trust, the performance of the Portfolio and the Manager's investment outlook. These reports will also be available on the Trust's website www.gcapinvest.com/GCI and announced to the ASX.	

1.2 About the Offer

Topic	Summary	For more information
<i>Who is the issuer of Units and this PDS?</i>	The Responsible Entity.	Section 4.2
<i>What is the Offer?</i>	An offer to subscribe for Units in the Trust at the Subscription Price on the conditions set out in this PDS. The Offer comprises the Broker Firm Offer and the General Offer.	Section 2.1
<i>What do Applicants pay when applying under the Offer?</i>	All Applicants under the Offer will pay a Subscription Price of \$2.00 per Unit.	Section 2.1
<i>Who are the Joint Arrangers to the Offer?</i>	Morgans and NAB.	



Topic	Summary	For more information									
What is the purpose of the Offer?	To raise capital to undertake investments consistent with the Investment Objective of the Trust.										
What happens if the Minimum Subscription is not achieved?	If Minimum Subscription is not obtained within 3 months after the date of this PDS, then the Responsible Entity will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their applications and be repaid their Application Amount in full without interest.	Section 2.2									
Is the Offer underwritten?	The Offer is not underwritten.	Section 2.10									
Will any Units be subject to escrow arrangements?	Units issued will not be subject to escrow arrangements.										
What will the capital structure of the Trust be following completion of the Offer?	<p>On completion of the Offer the capital structure of the Trust will be as set out below:</p> <table> <tr> <th></th><th>Minimum subscription (\$100 million)</th><th>Maximum subscription (\$350 million)</th></tr> <tr> <td>Units</td><td>50,000,000</td><td>175,000,000</td></tr> <tr> <td>NAV per Unit</td><td>\$2.00</td><td>\$2.00</td></tr> </table>		Minimum subscription (\$100 million)	Maximum subscription (\$350 million)	Units	50,000,000	175,000,000	NAV per Unit	\$2.00	\$2.00	Section 9
	Minimum subscription (\$100 million)	Maximum subscription (\$350 million)									
Units	50,000,000	175,000,000									
NAV per Unit	\$2.00	\$2.00									
Who can participate in the Offer?	Retail Investors and Institutional Investors with a registered address in Australia or New Zealand may participate in the General Offer. The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand.	Sections 2.3 and 2.4.									
How do I apply under the Offer?	Instructions on how to apply are set out in Section 2.6.	Section 2.6									
What are the fees and costs of the Offer?	<p>The fees and costs of the Offer will be borne by Gryphon Group. Gryphon Group will pay:</p> <ul style="list-style-type: none"> (a) the Joint Arrangers a joint lead arranger fee equal to 0.20% plus GST of the total amount raised under the Offer; (b) the Joint Arrangers a management fee equal to 0.75% plus GST of the total amount raised under the Offer; and (c) to any broker who has been allocated Units under the Broker Firm Offer, a fee of 1.25% plus GST of the total amount raised by that broker under the Broker Firm Offer. <p>There are other fees and costs associated with Offer, including legal, advisory, accounting, taxation and listing fees.</p> <p>The Offer has been structured to eliminate an immediate decline to the Trust's NAV as a result of the expenses incurred upon the establishment of the Trust. The Manager believes it is unfair for establishment Unitholders to incur such costs at listing. To achieve this, the Gryphon Group will pay the establishment costs of the Offer and may elect to do so using the proceeds of the Manager Loan.</p>	Section 13.6									



Topic	Summary	For more information
<i>Is there a minimum value of Units which I must apply for under the Offer?</i>	Yes. Each Applicant must subscribe for a minimum of 2,500 Units, with a minimum Application Amount of \$5,000.	Section 2.5
<i>Is there a cooling-off period?</i>	No, a cooling-off period does not apply to the Offer.	
<i>How can I obtain further information?</i>	If you would like more information or have any questions relating to the Offer, please go to the Trust's website www.gcapinvest.com/GCI , or call the Unit Registry on 1 300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8:30am and 5:00pm (AEST) Monday to Friday. If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	

2. Details of the Offer

2.1 What is the Offer?

The Responsible Entity is offering for subscription Units at a Subscription Price of \$2.00 per Unit to raise up to \$350 million. The rights attached to the Units are set out in Section 12.1.

The Offer comprises the following:

- (a) the Broker Firm Offer, and
- (b) the General Offer.

The Offer will only be made to investors who have a registered address in Australia or New Zealand.

Further information about the Broker Firm Offer and the General Offer is set out below.

2.2 Minimum Subscription

The Minimum Subscription required for the Offer to proceed is \$100 million.

If the Minimum Subscription is not obtained within three months after the date of this PDS, then the Responsible Entity will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

2.3 Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia or New Zealand.

Applicants should contact their Broker to determine whether they may be allocated Units under the Broker Firm Offer.



2.4 General Offer

The General Offer is open to Retail Investors and Institutional Investors who have a registered address in Australia or New Zealand. Staff and directors of the Responsible Entity and the Manager are able to participate in the General Offer.

2.5 Minimum Application Amount

The minimum Application Amount under the Offer is 2,500 Units at a Subscription Price of \$2.00 per Unit, being \$5,000.

There is no maximum Application Amount. The Responsible Entity reserves the right in its absolute discretion to reject any Application, allocate a lesser number of Units than applied for, or to aggregate any Application under the Offer which it believes may be multiple Applications from the same person.

2.6 How do I apply under the Offer?

Application Forms must be completed in accordance with the instructions set out on the relevant Application Form. By making an Application you declare that you were given a copy of this PDS with the Application Form.

(a) Broker Firm Offer

Applicants who have been offered a firm allocation by a Broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation.

You may participate in the Broker Firm Offer by completing the Application Form marked "Broker Firm Offer" attached to this PDS or the Application Form marked "Broker Firm Offer" accompanying an electronic version of this PDS and submitting the completed Application Form to your Broker together with your Application Amount by 5.00pm AEST on the Broker Firm Offer Closing Date, or otherwise in accordance with the instructions given to you by your Broker.

The Brokers may determine how they allocate Units among their clients, and they (and not the Responsible Entity nor the Manager) will be responsible for ensuring that clients who have received an allocation from them receive the relevant Units.

Neither the Responsible Entity, the Manager nor the Unit Registry accept any responsibility for any acts or omissions by Brokers in connection with an Application, Broker Firm Offer Application Form and Application Amount.

Please contact your Broker if you have any questions.

(b) General Offer

You may participate in the General Offer by completing the Application Form marked "General Offer" attached to this PDS or by completing the Application Form marked "General Offer" accompanying an electronic version of this PDS or by lodging an online application at www.gcainvest.com/GCI. Completed Application Forms and Application Amounts must be received by the Unit Registry by 5.00pm AEST on the Closing Date.

(c) How to pay the Application Amount

If you are applying online you must complete your Application and pay your Application Amount by making a BPAY payment. If you apply using a paper Application Form, you must complete your Application and pay your Application Amount by enclosing a cheque with your completed Application Form.

Using the BPAY details provided when you complete your online Application Form, you need to do the following:

- (i) Access your participating BPAY financial institution either through telephone banking or internet banking.
- (ii) Select BPAY and follow the prompts.
- (iii) Enter the biller code supplied.
- (iv) Enter the unique CRN supplied for each Application.
- (v) Enter the total amount to be paid which corresponds to the number of Units you wish to apply for under each Application (i.e. a minimum of \$5,000). Note that your financial institution may apply limits on your use of BPAY. You should enquire about the limits that apply in your own personal situation.
- (vi) Select the account you wish your payment to be made from.
- (vii) Schedule your payment. Note that online Applications without payment cannot be accepted.
- (viii) Record your BPAY receipt number and date paid. Retain these details for your records.



BPAY payments must be made from an Australian dollar account of an Australian financial institution. You will need to check with your financial institution in relation to their BPAY closing times to ensure that your Application Amount will be received by 5:00pm (AEST) on the Closing Date. If you do not make payment of the Application Amount, your Application will be incomplete and may not be accepted.

If you complete your Application by making a BPAY payment, you do not need to complete or return the relevant paper Application Form. By completing a BPAY payment, you acknowledge you are applying pursuant to the relevant Offer.

2.7 Allocation policy

The allocation of Units under the Broker Firm Offer and General Offer will be determined by the Responsible Entity, the Manager and the Joint Arrangers.

Certain Applications may be given preference in the allocation of Units.

The Responsible Entity in its sole and absolute discretion reserves the right to reject any Application or allocate a lesser number of Units than applied for. No interest will be paid or refunded.

2.8 Application Amount

All Application Amounts will be held on trust in a separate bank account until the Units are issued to Unitholders. Any interest earned on Application Money will form part of the assets of the Trust.

2.9 Brokerage, commission and stamp duty

There is no brokerage, commission or stamp duty payable by Applicants on the acquisition of Units under the Offer.

2.10 Is the Offer underwritten?

The Offer is not underwritten.

2.11 ASX listing and issue of Units

Within seven days of the date of this PDS, the Responsible Entity will apply to the ASX for admission of the Trust to the Official List of the ASX and for the Units to be quoted. The Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date, subject to the Trust being admitted to the Official List of the ASX. Allotment is expected to occur on 12 May 2018. Trading of Units on ASX is then expected to commence on 18 May 2018 on a normal T + 2 settlement basis.

The Responsible Entity will apply for the Trust's Units to participate in ASX's CHESS and will comply with the Listing Rules and the ASX Settlement Operating Rules under which transfers are effected in an electronic form.

When the Units become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register.

2.12 Warning Statement for New Zealand Investors

- (a) This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conducts Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- (b) This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
- (c) There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- (d) The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.



- (e) Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- (f) The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- (g) If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Currency exchange risk

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

3. Overview of the fixed income market

3.1 What are Fixed Income Securities?

A fixed income security is a commitment by a borrower to pay an agreed rate of interest on the amount borrowed (principal) over a set period of time and, when that period ends, to repay the money in full. The lender or investor knows at the outset how much interest or income it can expect to receive over the life of the agreement. The interest on the debt may be paid during or at the end of the agreed period and may be either a floating rate or a fixed rate.

A bond is a fixed income security and comes in a number of forms (see Table 3.1).

A bond generally provides greater certainty as to the income stream and return of capital, as compared to other asset classes. For retirees or investors who require a predictable source of income, a bond's regular interest payments provide a level of comfort and security. Generally speaking, there is a trade-off between risk and return and this is why most fixed income instruments pay lower returns than listed equities and other riskier investments.

Within the fixed income asset class, different types of bonds pay different returns. The interest rate paid on bonds will be determined by a number of factors including the following:

- (a) *Term*: How long the capital is committed.
- (b) *Capital structure*: The priority of the bond in the capital structure and whether the bonds are secured against assets, unsecured or subordinated to other debt instruments (see Section 3.2).
- (c) *Credit assessment*: The credit assessment of the borrower to ensure it will have the ability to meet principal and interest repayments.

Fixed rate bonds pay a fixed rate of interest for the investment term. Floating rate securities pay a variable rate of interest. For example the interest rate payable might be set at an agreed margin over an agreed reference rate (eg. bank bill rate). Floating rate bonds are less susceptible to capital appreciation and loss than fixed rate bonds because the interest rate paid to investors adjusts in line with changes in market interest rates.

The Trust will invest in floating rate RMBS and ABS which are secured bonds created through a process known as securitisation. RMBS, ABS and the securitisation process is summarised in Sections 3.4 to 3.11.



3.2 Capital Structure

The priority in the ranking of the capital structure of a fixed income security is a key determinant of whether the expected return adequately compensates the investor for the risk involved. Holders of fixed income securities have preferential treatment over equity holders for income distributions and capital returns in the event of insolvency. Fixed income is generally considered lower risk than hybrid securities or equity investments, as they tend to have a less volatile return profile. Secured debt generally has a lower risk than unsecured debt.

Secured debt is the first debt to be repaid in the event of a default and carries the highest ranking, above any other debt issued by a company. This debt is secured by the underlying assets and in the event that a borrower defaults, the holder of a secured bond has a first claim over the assets offered as security. Senior unsecured debt has no specific collateral backing from the borrower, however, are prioritised ahead of other unsecured creditors to the residual assets. Subordinated debt holders stand behind the more senior debt holders in a default event, but ahead of convertible debt, hybrids and finally equity.

Table 3.1

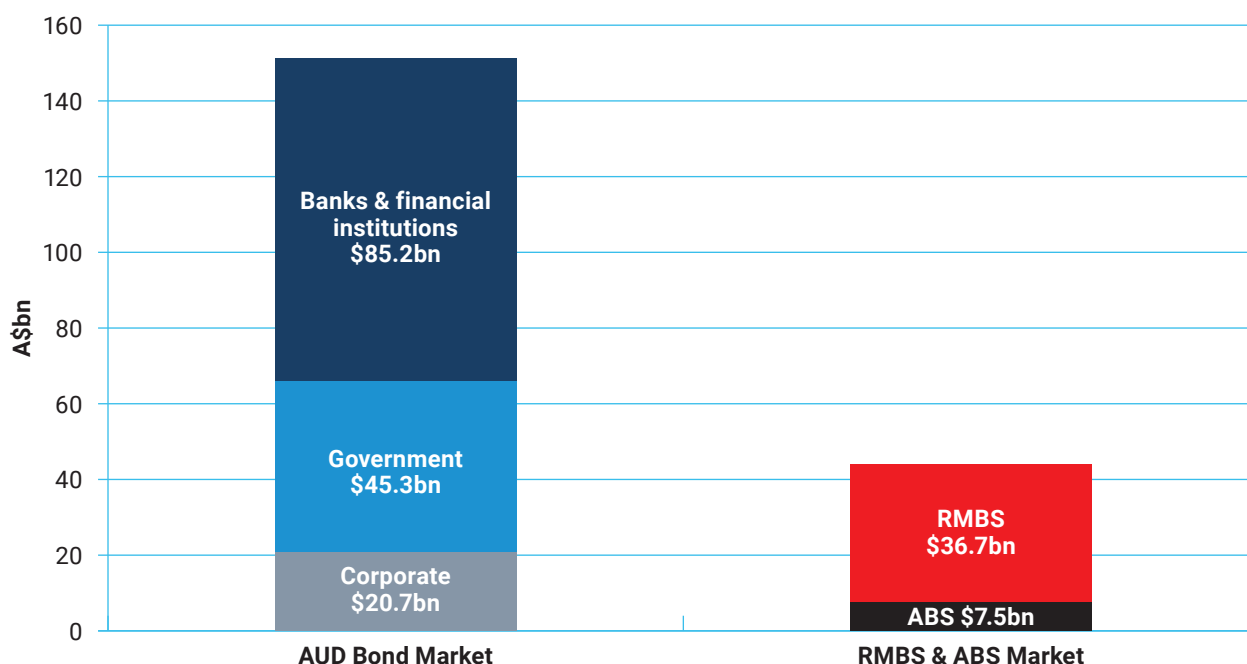
Risk	Instrument	Bond Type
Lowest	Cash	
	Government Bonds	
	Secured Bonds	RMBS and ABS
	Unsecured Bonds	
	Subordinated Bonds	
	Convertible Debt	
	Hybrid Securities	
Highest	Equity	

3.3 AUD Fixed income securities and market

Fixed income securities are an important part of the Australian capital markets and a source of debt funding for the Australian economy including Government, financial institutions and corporate borrowers. For investors such as professional fund managers, superannuation funds and retail investors, fixed income securities or bonds provide a diversified and generally less volatile asset class (compared to other asset classes) within a diversified investment portfolio. Whilst a limited number of bonds are listed on ASX, many different types of fixed income securities are also issued as "Over the Counter" (OTC) securities and available only to professional or wholesale investors. Retail investors typically can only gain direct access to the benefits of many OTC securities by investing through a professional fixed income manager.

An important and growing segment of the wholesale fixed income market is ABS issued as a result of securitisation of underlying assets such as residential mortgages. Refer to sections 3.4 to 3.11 for a summary of the securitisation process.

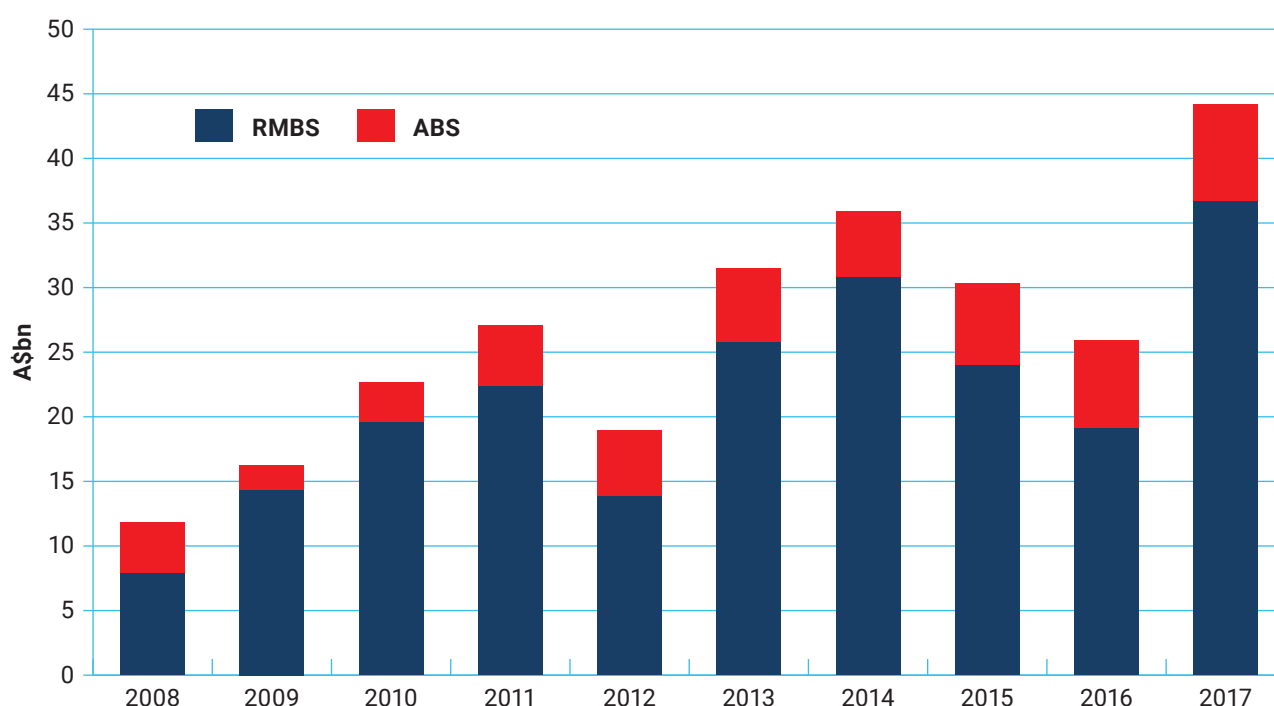
During 2017, the Australian capital markets saw record volumes of debt funding raised for government and corporate borrowers as well as a record level issuance of RMBS and ABS. The following chart demonstrates that during 2017 the volume of issuance for all RMBS and ABS (\$44.2 billion) was in excess of twice the volume of corporate bonds issued (\$20.7 billion). Gaining exposure to this asset class therefore provides an opportunity for investors to further diversify their investment portfolio and gain exposure to a steady and reliable income stream.

**Table 3.2: 2017 Public Offer Fixed Income and Securitisation Issuance**

Source: NAB, Bloomberg

Note: The banks & financial issuance of \$85.2 billion, and the corporate issuance of \$20.7 billion, each exclude private bond issues, hybrid and preferred securities.

Table 3.3 shows the growth in combined RMBS/ABS issuance from 2008 to 2017 and demonstrates the RMBS and ABS markets are an important part of the overall Australian capital markets and the volume of bonds issued has grown substantially since the global financial crisis. The combined RMBS/ABS public market has grown by more than 275% over the period from \$11.5 billion to \$44.2 billion and has grown more than 66% between 2016 and 2017 alone. As the RMBS/ABS market grows, the pool of savings and investment demand for fixed income assets is also growing and regularly outstripping the supply of newly issued bonds. In the Manager's opinion, exposure to RMBS/ABS provides an alternate investment option and one that has not traditionally been available to retail investors seeking exposure to diversified fixed income streams.

Table 3.3: Australian RMBS/ABS Public Issuance 2008 – 2017

Source: NAB, Bloomberg



3.4 Securitisation

Securitisation is the process of funding the purchase of a pool of assets by issuing bonds which are secured against the value of those underlying assets. Residential Mortgage Backed Securities (RMBS) and Asset Backed Securities (ABS) are both forms of this type of bond. Banks and other lenders (Originators) use securitisation to fund their lending activities. It is not new and has been a feature of the Australian financial landscape for over 30 years. As banking regulations have tightened, it has become a more important part of a bank's funding as regulatory changes make it less attractive for banks to keep loans on their balance sheet for their full life.

Investors are attracted to these bonds due to their diversification benefits and attractive returns. The underlying loan pools are highly diversified and consist of thousands of loans. Institutional investors select their bond investments based on the types of loans, bond rating and term.

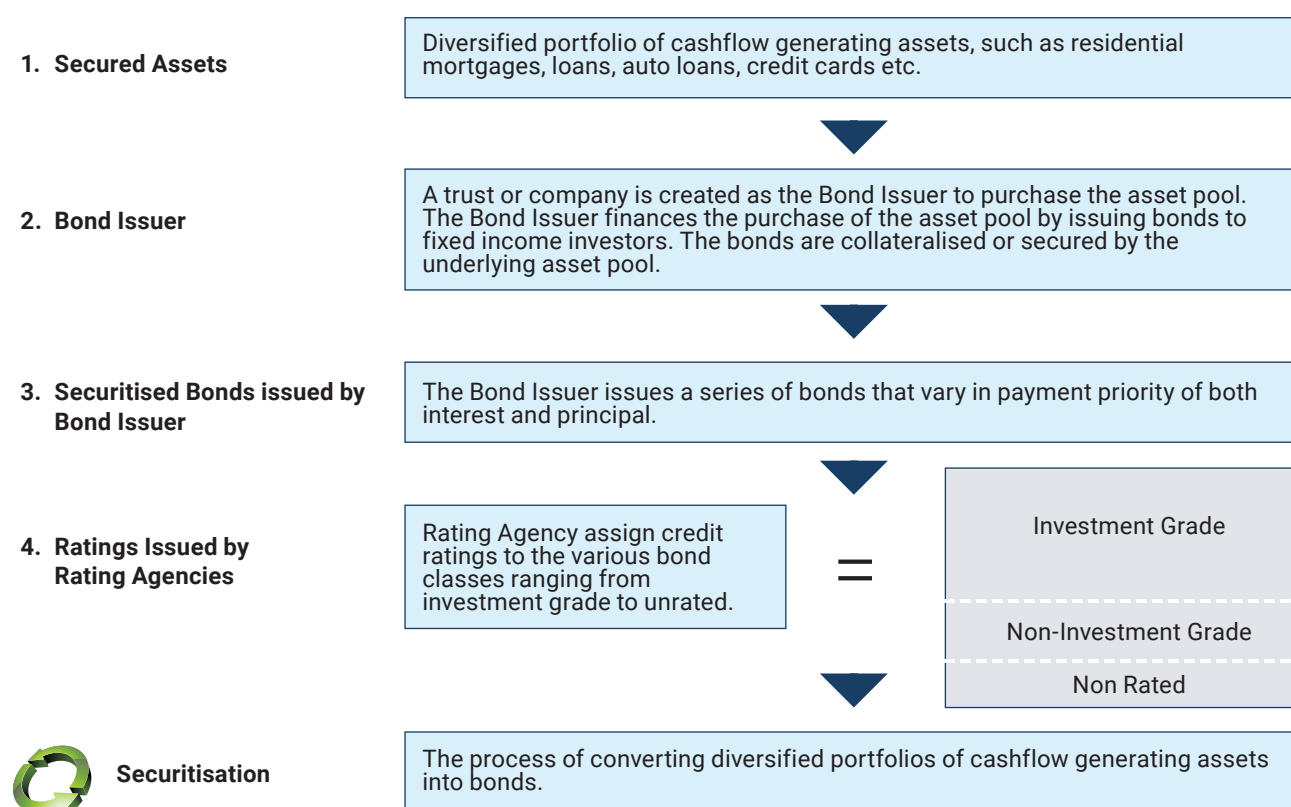
3.5 Asset Backed Securities

Asset backed securities are a type of fixed income security in which the interest payments are linked to and secured against the performance of an underlying pool of assets. In this style of bond the interest payments are serviced by the cash flows generated by a specific class of assets, such as home loans, finance leases or credit card payments. This is a form of finance known as securitisation. This compares to government or corporate bonds where interest payments are typically sourced from cash flows arising from tax revenues in the case of governments, and operating income in the case of companies. RMBS is a type of ABS where the pool of assets are exclusively loans which are secured against residential property.

RMBS and ABS are a large component of the Australian bond market with the main investors being institutional investors including banks, insurance companies and fund managers.

3.6 Securitisation process

Table 3.4: Securitisation process





3.7 Bond ratings

Unlike corporate bonds where a ratings agency might attribute a rating to a corporate bond based on the risk of payment default of the borrower, in fixed income RMBS/ABS all bonds issued in the securitisation process are secured against the same underlying pool of assets. Accordingly one of the primary drivers that determines the rating of a bond in that series is the priority (or order) of payment of interest and repayment of capital attributable to each bond issued in the structure.

Each ratings agency uses its own credit ratings for different tranches of RMBS/ABS bond issuance but each uses a similar approach in assigning such credit ratings. Below is an example of a typical prime RMBS securitisation offer. It demonstrates that each bond is paid different interest rates, reflecting its credit rating and priority of payment. Section 3.9 explains how the cash left after interest payments are made (excess interest) is used as a layer of protection for bond holders.

Table 3.5: Capital structure of a typical prime RMBS issue¹

Credit rating ²	AUD issuance	Indicative interest rate ³	Spread over floating benchmark	
AAA	960,000,000	2.65%	0.95%	
AA	20,000,000	3.55%	1.85%	
A	9,500,000	4.05%	2.35%	
BBB	3,500,000	5.05%	3.35%	Trust's target investments
BB	3,500,000	6.25%	4.55%	
NR	3,500,000	7.35%	5.65%	
Total	1,000,000,000			

1. Based on typical prime RMBS issue of \$1,000,000,000.

2. Each rating tranche may also include sub-sets within the rating class. For example, 'BBB' includes BBB+ and BBB- which is considered investment grade.

3. The rates disclosed in Table 3.6 are not a forecast nor an indication of future interest rate returns on a typical RMBS issue. The rates provide an indication of the coupon interest rates of each tranche for a typical prime RMBS issue as at the date of this PDS.

Source: GCI

Table 3.6: Capital structure of a typical ABS issue¹

Credit rating ²	AUD issuance	Indicative interest rate ³	Spread over floating benchmark	
AAA	195,000,000	2.68%	0.98%	
AA	38,700,000	3.40%	1.70%	
A	22,800,000	3.90%	2.20%	
BBB	15,600,000	4.90%	3.20%	Trust's target investments
BB	16,800,000	6.70%	5.00%	
B	8,100,000	7.70%	6.00%	
NR	3,000,000	11.70%	10.00%	
Total	300,000,000			

1. Based on typical prime ABS issue of \$300,000,000.

2. Each rating tranche may also include sub-sets within the rating class. For example, 'BBB' includes BBB+ and BBB- which is considered investment grade.

3. The rates disclosed in Table 3.7 are not a forecast nor an indication of future interest rate returns on a typical ABS issue. The rates provide an indication of the coupon interest rates of each tranche for a typical ABS issue as at the date of this PDS.

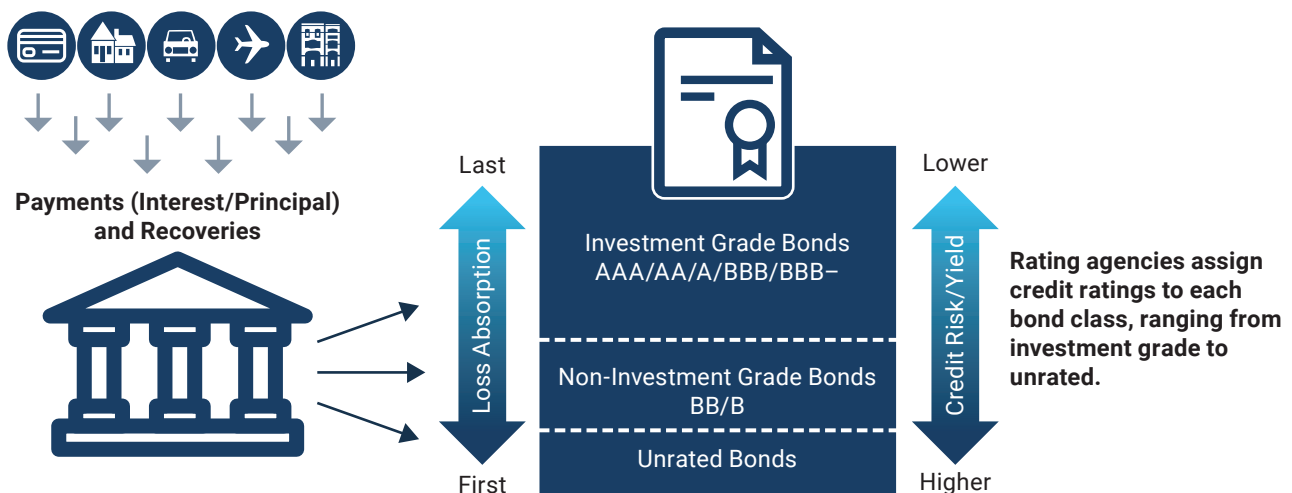
Source: GCI



3.8 Payment process

Each month the interest received from the pooled loans is paid to investors. Interest is paid first to those holding the highest rated bonds, until all accrued interest on those bonds is paid. Then interest is paid to holders of the next highest rated bonds and so on. The same thing occurs when principal payments (made by borrowers of the underlying loans) are received. The highest rated bonds are paid principal first and so on. Hence, a higher rated bond receives a lower rate of interest where as a lower rated bond receives a higher rate of interest even though they are secured by the same pool of loans. In the event of a shortfall, investors in the lowest ranking bond class will be exposed to losses first, with any further losses impacting more senior classes in reverse order of payment priority. However, as noted in Section 3.9, there are a number of factors designed to limit the likelihood of any loss to investors.

Table 3.7: Payment process of bonds



3.9 What are the factors that protect bondholders against loss?

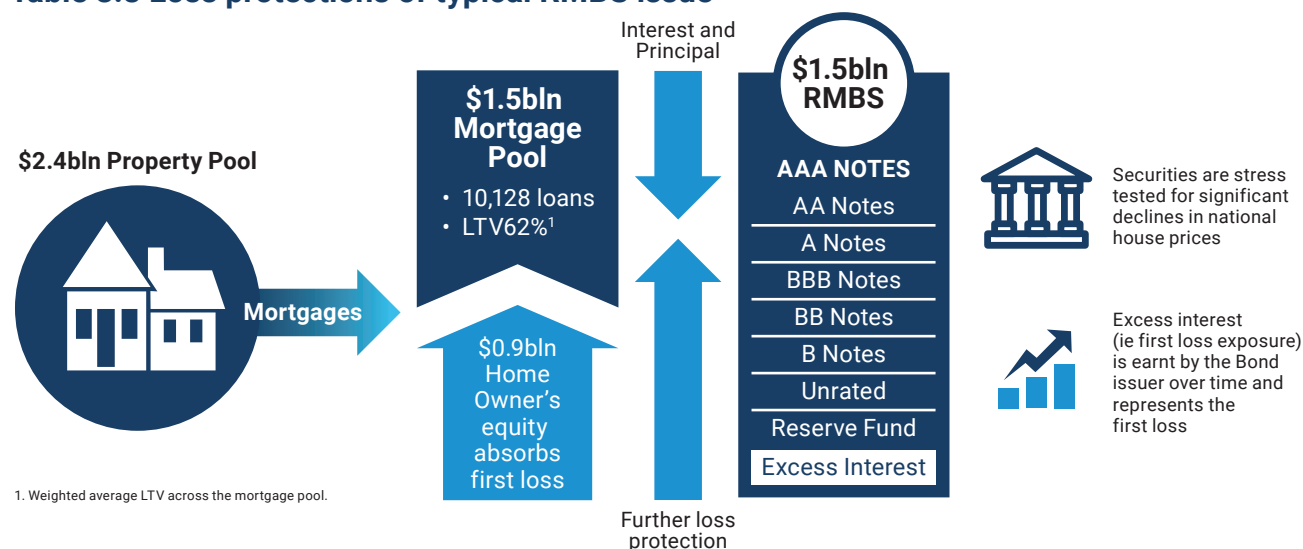
RMBS and ABS have a number of important structural protections (credit enhancements) that mitigate the risk of bondholders taking a principal loss. These credit enhancements include:

- **Equity:** If the underlying borrower defaults on their payment obligations, the servicer of the loan (e.g. bank) repossesses the asset and sells it to recover the outstanding loan amount. In the event of a default, the first loss is therefore absorbed by the borrower's equity in the underlying asset.
- **Lenders Mortgage Insurance (LMI):** For RMBS, LMI is often taken up to cover mortgages with a loan to value ratio (LTV) of greater than 80%. In the event of a default and after the sale of the secured asset, if the sale of the property was not sufficient to cover the principal amount outstanding of the loan (i.e. homeowner equity was zero), then the mortgage insurance provider will pay the loss amount to the lender (or issuer of the bond) subject to the terms of the insurance contract. This payment can then be used to protect bondholders if required.
- **Excess Interest:** The interest payments received from the pool of loans less the interest paid to fund payments owed to all bond holders is referred to as excess interest. This surplus represents the profit margin paid to the Originator (e.g. bank) on the assets sold under the securitisation process. The excess interest is paid throughout the life of the loan but is only received if the borrowers continue to pay their mortgage payments and bondholders are paid. In the event of a default, any losses that remain after first looking to the borrower's equity and any LMI paid, accrues against the excess spread (Originator profit) every month/quarter. This aligns the interests of the Originator with the bondholders.
- **Originator holds first-loss bonds:** For RMBS/ABS, the most junior tranche is often required to be held by the Originator. In the event of a default and after the sale of the secured asset, if the sale of the asset was not sufficient to cover the principal amount outstanding, then the Originator (e.g. bank) will incur the first loss. This means the Originator is incentivised to ensure bond holders receive the principal and interest payments in full.



Set out in Table 3.8 below is a diagram representing how the investor protections in a typical RMBS issue work in practice.

Table 3.8 Loss protections of typical RMBS issue



3.10 Historical Loss Performance of Australian Securitisations

Notwithstanding losses on underlying loans do occur, historically these losses have not flowed through to RMBS holders. The historical loss performance of the Australian securitisation market has been exceptional since its origins. While the credit enhancements provide multiple layers of protection for bond holders against losses on the underlying loan assets, the absolute level of losses (before these protections) on loans in Australian RMBS has in fact been extremely low compared to the large volume of loans that have been securitised.

Australian prime RMBS represents approximately 85% of the outstanding Australian securitised bond market (as at June 30, 2017). For prime RMBS, after the realisation of the home owners' equity, payouts from LMI and the securitisation's excess spread, as at 31 July 2017 there have been no losses ("charge offs") on any rated securitisation bonds (Source: Standard & Poors: An Overview of Australia's Housing Market and Residential Mortgage- Backed Securities July 31st 2017). It is important to note, historical loss performance of the Australian securitisation market is not necessarily indicative of future loss performance.

3.11 Issuers of Securitisation

In Australia, Originators that issue securitised product include major and regional banks, other deposit taking institutions and also non-bank financial institutions. All securitisations provide liquidity for the Originator of the assets but there are other motivations for Australian banks including a requirement to manage regulatory capital management and other funding requirements.

Some of Australia's largest financial institutions are users of the securitisation process described above as set out in Table 3.9 below.

Table 3.9: Major originators of securitisation in Australia

Major Banks	Regional banks and other ADIs	Non-banks
NAB	Suncorp	Pepper Money
Commonwealth Bank	Bendigo Bank	Liberty
ANZ	Macquarie	Resimac
Westpac	Bank of Queensland	Firstmac
	Me Bank	Flexigroup
	Heritage Bank	Latitude Financial Services
	AMP	
	CUA	
	MyState	



4. About the Trust

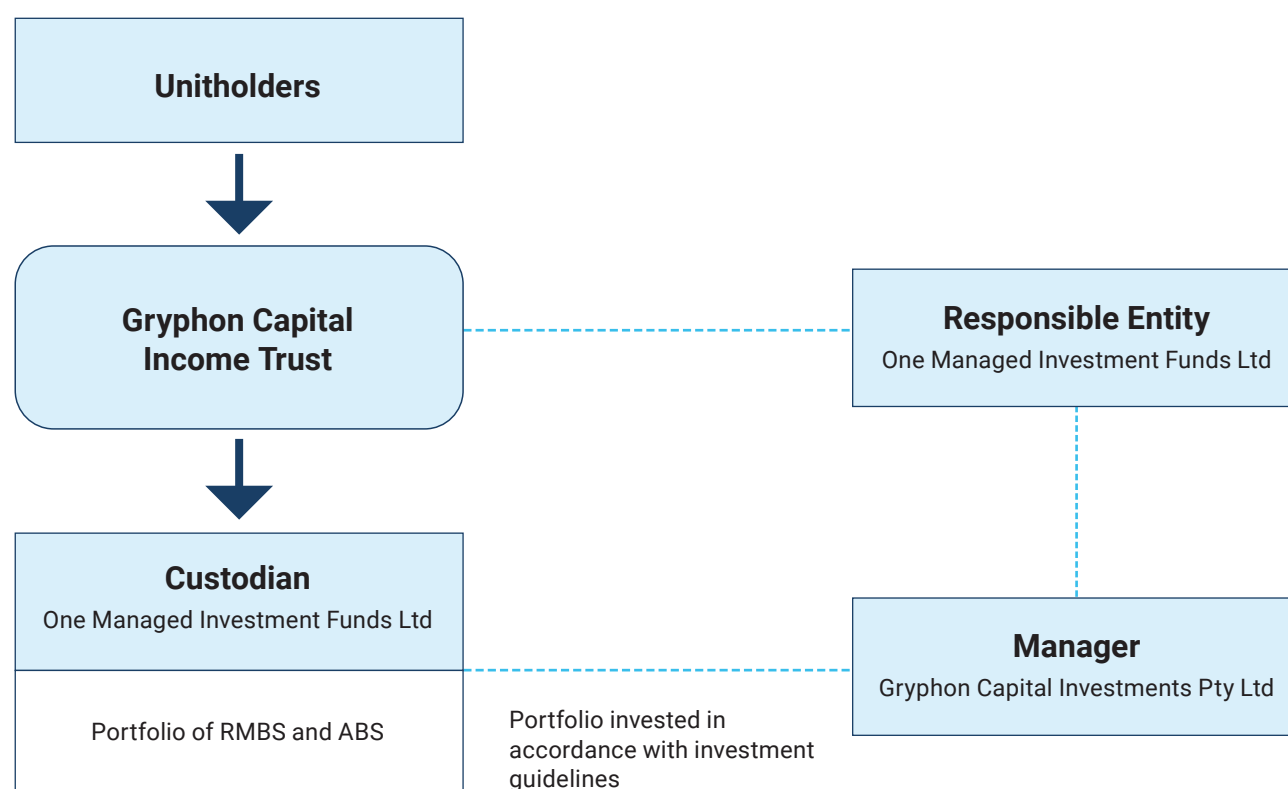
4.1 Overview

The Trust is structured as a managed investment scheme and is registered with ASIC under Chapter 5C of the Corporations Act. The Trust has been established for the purposes of the Offer. Following completion of the Offer, it is proposed the Trust will be listed on ASX. As the Trust is newly formed it has no operating history.

One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 is the responsible entity and custodian of the Trust. The Responsible Entity has appointed Gryphon Capital Investments Pty Ltd ACN 167 850 535 as manager of the Trust.

The Trust will invest in a portfolio of Australian RMBS and ABS invested in accordance with the Investment Strategy and the Investment Guidelines as detailed below in sections 4.5 and 4.6.

Table 4.1: Trust structure



4.2 About the Responsible Entity

One Managed Investment Funds Limited is the issuer of Units under this PDS and is the responsible entity and custodian of the Trust. The Responsible Entity is responsible for the overall corporate governance of the Trust. The Responsible Entity will manage the Trust in accordance with its duties to Unitholders. The Responsible Entity is also subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interests of Unitholders. Further details of the Constitution and the Responsible Entity's obligations are specified in Section 12.1.

Under the Corporations Act, a responsible entity is required to either have a board of directors, not less than half of which comprises external directors, or to appoint a compliance committee with a majority of external representation. One Managed Investment Funds Limited complies by having a compliance committee with a majority of external members.



The Responsible Entity's role includes the following:

- (a) Acting honestly and in the best interest of Unitholders and in doing so, exercising the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position.
- (b) Monitoring the operations, financial position and performance of the Trust.
- (c) Overseeing the risk management and compliance of the Trust.
- (d) Ensuring the Constitution meets the requirements of the Corporations Act and that the Trust complies with the Constitution.
- (e) Ensuring the Trust's compliance plan meets the requirements of the Corporations Act and that the Trust complies with the compliance plan.

The Responsible Entity is a member of One Investment Group (OIG) which is an independent funds management business specialising in providing responsible entity, trustee, custody and administration services. OIG is responsible for in excess of 200 funds and \$25 billion in a wide range of underlying asset classes including infrastructure, real estate, equities, fixed income, private equity and fund of funds. OIG is not a fund manager and its clients include global and Australian listed companies, sovereign wealth funds, banks, insurance companies, pension funds, private equity firms and boutique managers.

Further information about the Board and the Responsible Entity's corporate governance framework and compliance with the ASX Principles is set out in Section 8.

To find out more:

Visit www.oneinvestment.com.au
Phone 02 8277 0000
Post PO Box R1471
Royal Exchange NSW 1225

4.3 Responsible Entity Board

As the Responsible Entity is a member of OIG, the Directors are appointed by OIG.

(a) Frank Tearle – Executive Director

Frank joined the Board in December 2008. Before founding OIG, Frank served in various roles at Allco Finance Group, including as head of business transition and operations, managing director of the Hong Kong office, director in the corporate finance team and general counsel.

He has been a non-executive director of the investment manager of a Singaporean listed property trust and an APRA regulated insurance company. He has more than 10 years' experience working in major law firms in Australia and the United Kingdom. Frank holds a Master of International Business Law from the University of Technology, Sydney and a Bachelor of Law (Honours) from the University of Leicester.

(b) Elizabeth Reddy – Non-Executive Director

Elizabeth joined the Board in November 2009. She was a solicitor at Atanaskovic Hartnell advising on the Corporations Act, contractual disputes, mergers and acquisitions, equitable claims, trade practices and insolvency prior to undertaking a number of commercial roles. Elizabeth is currently engaged as Corporate Counsel for a media organisation specializing in media law. She is also experienced in compliance and risk management issues.

(c) Justin Epstein – Executive Director

Justin joined the Board in September 2009 and is a founding partner of OIG. Before founding OIG, he was the investment director of LCJB Investment Group. Justin has previously worked in group strategy and business development for a major Australian investment bank, for the corporate finance and restructuring division of Ernst & Young and for a specialised property finance and investment group.

Justin is also a director of a private investment company primarily focused on equity investments and distressed debt opportunities. He holds a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australia.



4.4 Custodian

The Responsible Entity will perform self-custody in respect of the Trust's assets. The role of the Custodian is limited to holding assets of the Trust and it has no supervisory role in relation to the operation of the Trust. The Custodian does not make investment decisions in respect of the assets held or manage those assets, and has no liability or responsibility to investors in the Trust. The Responsible Entity may change the appointed custodian from time to time, without notice to you.

4.5 Investment Objective and Target Return

The Trust's Investment Objective is to provide monthly cash income and capital preservation at a portfolio level by investing in a portfolio of fixed income securities consisting of RMBS and ABS.

The Manager seeks to deliver the Target Return while seeking to preserve the Trust's capital. The Manager has developed a proprietary risk management framework which forms a fundamental part of its investment process. This investment process has been formed having regard to the Manager's investment philosophy which gives first priority to capital preservation before assessing the appropriate income return.

The Trust's Target Return is RBA Cash Rate plus 3.50% per annum net of fees through the economic cycle. Based on the RBA Cash Rate as at the date of this PDS of 1.50%, the initial Target Return will be 5.00% per annum (net of fees).

The total return of the Trust may rise or fall based on, amongst other things, performance in the underlying Trust investments and movements in the RBA Cash Rate. Investors should read Section 7 which sets out some of the key risks of an investment in the Trust. Investors should be aware that because the Trust is listed on ASX, the value of their holding on ASX may be greater or less than the value of the underlying portfolio of assets in the Trust and the investment performance of their units different from that of the Trust's.

The Target Return is not a forecast and is not guaranteed. Investors should also note it may take some time following listing of the Units until the Manager is able to construct the Portfolio (which may be up to six months) and before the Target Return can be expected to be achieved. Distributions to Unitholders in the initial six months are therefore expected to be lower than the Target Return.

4.6 Investment Guidelines and Authorised Investments

Currently, the Manager only invests on behalf of institutional investors through individual segregated accounts. No two clients' portfolios are pooled. In each case the Manager develops, in consultation with the client, an investment strategy for the segregated account. Important components in developing the investment strategy are the client's expectations in relation to the target return and the level of risk the client is prepared to accept. Having considered these factors the Manager will agree with the client a target return of the portfolio which GCI considers is achievable having regard to the investment strategy. As with each of the Manager's existing clients, the Trust's Investment Guidelines are tailored for the Trust's Investment Objective.

The Investment Guidelines for the Trust are summarised below:

(a) Jurisdiction

All Trust investments must be issued by an Australian domiciled issuer.

(b) Authorised Investments

The Trust investment may consist of the following:

- (i) Cash held in a bank or other ADI.
- (ii) Short term money market securities or cash equivalent.
- (iii) RMBS.
- (iv) Other ABS. That is, non RMBS which may include securitisations backed by consumer loans, loans to SMEs, auto loans among others.
- (v) Manager Loan.

(c) Investment Guidelines

All investments:

- (i) must be denominated or payable in Australian dollars or denominated in another currency but hedged back to Australian dollars, and
- (ii) other than the Manager Loan, must be fully secured by collateral domiciled in Australia.

**(d) Investment concentrations**

The Investment Guidelines require the Manager to prudently limit exposures to any individual asset class, issuers and transactions. To support this, the Manager has adopted the following investment restrictions for the Trust:

- (i) At least 50% of the Portfolio (calculated as a percentage of the Trust's NAV) will be invested in assets with an Investment Grade Rating.
- (ii) At the time of investment the maximum holding in any one security will not exceed 10% of the Trust's NAV.
- (iii) At the time of investment the exposure to any one Originator must not exceed 25% of the Trust's NAV.
- (iv) All ABS investments must be rated by one of Standard & Poors, Moodys or FitchRatings.
- (v) Non-investment grade ABS must not exceed 5% of the Trust's NAV.

The investment concentrations may be breached from time to time if the value of securities in the Portfolio changes or the Manager sells an asset. However, in those circumstances the Manager will attempt to re-balance the Portfolio within a reasonable timeframe.

(e) Hedging and derivatives

The Manager intends to only use derivatives and other hedging techniques for risk management purposes and not for market speculative purposes in an attempt to increase returns.

The guidelines set out above do not apply to the Manager Loan which is summarised in Section 12.4.

4.7 Target Portfolio construction

The Trust will invest the proceeds raised from the Offer in a diversified portfolio of RMBS and ABS and other Authorised Investments. Once the Manager Loan is repaid the only investments on the Trust will be in RMBS and ABS.

Unlike other more common fixed income investments such as government bonds, the Trust will invest in RMBS and ABS. Before making an investment the Manager will often negotiate with an Originator to ensure that the terms of the bond issue meets its robust due diligence standards. This is one of the major reasons why Retail Investors have difficulty accessing the RMBS and ABS markets. The Manager anticipates it will take between three and six months to construct a Portfolio consistent with the Investment Objective. To ensure the Trust will earn income in the period the Portfolio is being constructed, immediately following the allotment of Units, the Manager will invest the Offer proceeds in more readily available RMBS and ABS in order to ensure the Trust is earning income almost immediately. The Manager will then begin to transition those investments into higher income generating Authorised Investments as opportunities arise.

Set out below is a table which sets out the Authorised Investments of the Trust (investment mandate) and the weightings to each Authorised Investment which would comprise a typical Portfolio.

Table 4.1: Authorised Investments

Authorised Investment	Investment mandate (%)	Indicative Portfolio (%)
Cash	0 – 10	2
RMBS (of different credit ratings)	70 – 100	85
ABS (of different credit ratings)	0 – 30	13

The indicative Portfolio outlined above is based on the Manager's current expectations, but may not reflect the actual allocation of the Portfolio.

As explained in section 3.7, the Manager intends to invest in bonds of different ratings to achieve the Target Return. Bonds with a lower investment rating (and therefore a higher risk of default) typically receive a higher rate of interest, resulting in a higher return to the Trust. Conversely, bonds with a higher investment rating (and therefore a lower risk of default) typically receive a lower rate of interest, resulting in a lower return to the Trust. The Manager will endeavour to construct a Portfolio of Authorised Investments to maximise risk adjusted returns to the Trust.



4.8 Manager Loan

A small portion of the funds raised from the Offer will be invested in the Manager Loan. The Manager Loan is an unsecured loan advanced to GCM which is part of the Gryphon Group. GCM may use the funds as working capital. For example, it may be used to provide ongoing services to the Trust including but not limited to investor relations, capital management, to facilitate future fundraisings and to pay costs of the Offer. GCM is required to pay both principal and interest on the Manager Loan in regular instalments over the 10-year term of the loan. GCM may repay the Manager Loan early at its absolute discretion.

4.9 Distribution policy

The Responsible Entity intends to pay distributions to Unitholders monthly. The annual distribution is expected to match income (net of fees and expenses) generated by the Trust. Distributions will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors the Responsible Entity deems relevant.

It is intended the first distribution will be paid following the period ending 30 June 2018 and then monthly thereafter.

The Responsible Entity may establish a distribution reinvestment plan which will provide Unitholders the option to re-invest distributions. Details on any distribution reinvestment plan will be provided to Unitholders following the commencement of trading on ASX.

4.10 Valuation of assets

The Trust assets will be valued on a regular basis using market pricing valuation provided by specialist independent market providers.

The NAV of the Trust is expected to be calculated weekly and will be made available on the Trust's website and on ASX.

4.11 Allocation Policy

The Manager is also the manager of other client accounts and applies the same investment process in managing each of these mandates as it intends to apply to the Trust. The investment guidelines and permitted investments for each client account are tailored to meet the individual clients' risk constraints and investment goals. The Trust's investment guidelines are summarised in section 4.6. In order to ensure neither the Trust nor any of the Manager's clients are disadvantaged the Manager has an allocation policy designed to allocate trades on a fair and equitable basis across the Manager's client portfolios and the Trust's Portfolio. The Manager's allocation policy is summarised below.

Where a trade idea results in a buy or sell order being aggregated and requires allocation between different client mandates (including the Trust), the GCI Investment Committee will be responsible for allocating the order to each client mandate taking into consideration a range of different factors and most importantly while acting in good faith to ensure the allocation does not disadvantage any of the clients concerned. In determining such allocations, the GCI Investment Committee will consider a variety of factors and principles, including, but not limited to, the following factors in respect of each client mandate:

- (a) Legal and regulatory restrictions affecting the potential allocation.
- (b) Investment objectives of the mandate.
- (c) Mandate target investment size.
- (d) Availability of capital.
- (e) Cash and liquidity available and future liquidity requirements.
- (f) Mandate investment restrictions and risk limits availability (i.e. rating, asset class, issuer, servicer, currency etc.).
- (g) The size and nature of the investment opportunity.
- (h) Investments will be rejected where allocation of an investment opportunity would be insufficient to make up a meaningful portion of an individual mandate's NAV.
- (i) Other investment opportunities that may be or become (i.e. may be in the investment pipeline) available to a mandate in the near term.
- (j) The need to rebalance positions held by any mandate due to capital infusions or withdrawals.
- (k) Anticipated volatility associated with the investment.
- (l) The avoidance of odd lots. That is, an allocation should not be so small as to create an investment which is too small to trade.



- (m) The liquidity of the investment opportunity.

The GCI Investment Committee will act in good faith to ensure all allocations are determined in a fair and equitable manner without favouring any particular client as well as ensuring all trades are consistent with the investment strategy of each mandate.

The GCI Investment Committee will support the above policy by adopting the following practices in determining and recording allocations between strategies and mandates:

- (a) Avoid “cherry-picking” or other undisclosed inequitable allocation practices.
- (b) Documenting allocations in a minute to the GCI Investment Committee paper which is prepared prior to trade execution.
- (c) Ensure that allocation methods and practices are consistent with investor disclosures.
- (d) Documenting and recording the basis for allocations including any post trade modifications and cancellations.

4.12 Benefits of a closed ended trust structure

A listed investment trust is referred to as a ‘closed-end’ vehicle in that there are no redemptions by investors. Instead, while the Trust is listed, Unitholders wishing to exit their investment will be able to do so via the ASX.

GCI currently manages individually managed segregated accounts for institutional clients which are open-ended structures. In managing an open-ended structure, such as an unlisted fund, the cash flows and hence the Manager’s investment decisions, are affected by applications and redemptions from investors. An open-ended entity may therefore be subject to cash outflows due to clients and investors redeeming their investment that may need to be funded by the Manager having to sell down portfolio positions.

Because the Trust is a closed-end vehicle the Manager’s investment decisions will not be affected by considerations of cash reserves for the purpose of meeting redemption requests and the Manager will not be required to sell down positions in the Portfolio under disadvantageous market conditions for that purpose.

4.13 Location and custody of assets

All of the assets of the Trust will be held by the Custodian who is responsible for holding the assets of the Trust on behalf of the Trust. At the date of this PDS the Responsible Entity is also the Custodian. All the assets of the Trust will be located in Australia.

4.14 Administration and registry

The Responsible Entity outsources its investment valuation and accounting to Mainstream Fund Services Pty Ltd. The Administrator incurs external costs on behalf of the Trust. These costs are included as an expense and are payable from the assets of the Trust. The Administrator will value the Trust’s assets each week and will, as soon as it is practical, provide these calculations to the Responsible Entity. The Manager will publish the NAV per Unit on the Trust’s website www.gcapinvest.com/GCI and on ASX.

The Responsible Entity will appoint Boardroom Pty Limited to maintain the unit register for the Trust. The fees payable to the Unit Registry are also included as an expense and are payable from the assets of the Trust.

4.15 Changes to the Investment Strategy

The Investment Strategy and Investment Guidelines outlined in this section are expected to be implemented by the Manager upon listing of the Trust on ASX.

It is not expected that the Manager will seek to change the Trust’s Investment Objective or Investment Strategy. However, any such changes would require Responsible Entity approval, after consultation with the Manager, before they could be implemented. Unitholders will receive advice of any material changes via the Trust’s website and the ASX.

Subject to compliance with the Listing Rules and the Corporations Act, the Manager has absolute discretion to invest as it sees fit to achieve the Investment Objective.

If the Trust ceases to comply with the approved Investment Objective or Investment Strategy, or any directions or instructions from the Responsible Entity, due to market movements, change in the nature of an investment or any other event outside the reasonable control of the Manager, then the Manager must use its reasonable endeavours to remedy the non-compliance within a reasonable period following the Manager becoming aware of the non-compliance, or longer period as permitted by the Responsible Entity.



4.16 Leverage

Financial leverage increases a Unitholder's exposure to an asset by applying borrowed funds in addition to the Trust's capital when making an investment. It is not anticipated that the Trust will have any long-term debt to increase the scale of the Trust's investments.

The Manager does not intend to use long-term debt to enhance returns. The Trust's gearing policy limits debt to up to 25% of the Trust's NAV and it is intended to be used for short term purposes only. For example, the Manager does not intend to use debt unless it has also planned to raise new capital from the issue of new Units which will be used to repay any borrowings.

4.17 Liquidity

While the Trust is listed on ASX, Units are not able to be redeemed. However the Responsible Entity may undertake a buy-back of Units provided it complies with the Corporations Act and Listing Rules.

Once the Trust is admitted to the official list of the ASX and Units are quoted on ASX, Unitholders will be able to sell their Units on ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, the ASX being open for trading and the Units not being suspended from trading.

As at the date of this PDS, the Responsible Entity does not offer any liquidity to Unitholders, but Unitholders may sell their Units on ASX after Units are quoted on ASX (subject to there being sufficient on-market purchasers).

4.18 Reports to Unitholders

The Trust will be a disclosing entity and as such will be required to meet the continuous disclosure requirements of the Corporations Act and Listing Rules. The Trust will:

- (a) Prepare annual and half-yearly financial statements which will be announced on ASX.
- (b) The Trust will report its NAV per Unit weekly to the ASX.
- (c) Notify ASX or any information concerning the Trust of which it is, or becomes aware, which a reasonable person would expect to have a material effect on the price or value of Units, subject to any exceptions in the Listing Rules.

The Responsible Entity may also release to the ASX (and the Manager place on Trust's website) reports prepared by the Manager from time to time, to keep Unitholders informed about the current activities of the Trust, the performance of the Trust's Portfolio and the investment outlook.

5. About the Manager

5.1 The Investment Manager

The Responsible Entity has appointed Gryphon Capital Investments Pty Ltd ACN 167 850 535 AFSL 454552 to be the manager of the Portfolio under an Investment Management Agreement.

GCI is a specialist institutional fixed income fund manager based in Brisbane and London. GCI was founded in 2014 by Steven Fleming, Ashley Burtenshaw and Henry Cooke when the GCI team spun off from their former employer. As at the date of this PDS, GCI manages circa \$1.7 billion in long only and bespoke mandates for institutional clients in separately managed accounts. GCI is a deep-credit, research driven, low volatility manager aiming to deliver strong and stable returns to their clients not constrained by conventional fixed income benchmarks.

The Manager is 100% privately owned by entities associated with the GCI Investment Team.



5.2 Role of the Manager

The Manager will make investment and divestment decisions for the Trust and implement the Investment Strategy on the terms and conditions set out in the Investment Management Agreement (a summary of the Agreement is set out in Section 12.2).

The Manager will:

- (a) implement the Investment Strategy, including actively manage and supervise the Portfolio's investments;
- (b) manage the Portfolio's exposure to RMBS and ABS, derivatives (if any) and cash;
- (c) regularly update the Responsible Entity regarding the Portfolio and provide all information necessary for the maintenance of the Trust's financial accounts to be completed; and
- (d) provide administrative support to assist and ensure the maintenance of the Trust's records, compliance with the Listing Rules and the Corporations Act.

5.3 Investment philosophy

GCI's investment style is a long-only, deep-credit, research-driven, macro-aware approach using top-down and bottom-up techniques to build portfolios of what it considers to be the best relative-value securities consistent with its client's individual investment parameters.

GCI's investment strategies do not rely on 'timing' the market. Therefore, when making investment decisions, GCI's investment horizon and that of the Trust assumes the investment will be held until maturity, thus making capital preservation paramount especially through periods of economic turbulence. This philosophy is consistent with GCI's cognitive bias for long only investment strategies which are underpinned by its thorough and timely risk management systems. That said, GCI may still sell the Trust's investments before maturity where it believes it can reinvest capital more effectively elsewhere.

GCI believes the safest passage to long term success comes from the benefits of being a specialist investment manager. GCI's processes require it to establish the charter for each investment strategy in consultation with its clients and then not deviate from the strategy making sure there are no surprises and performance directly mirrors their client's objectives.

5.4 Investment process

GCI is a low volatility fixed income specialist manager which aims to deliver superior investment returns where the return outweighs the risk involved.

GCI's investment process can be broken down into four pillars.

(a) Idea generation

The GCI Investment Committee meets weekly to evaluate the Portfolio and to discuss the characteristics of assets that would best contribute to Portfolio composition. The GCI Investment Committee analyses the structure of the Portfolio and its exposure to market risks, credit rating profile, and collateral securing Portfolio investments, using a comprehensive proprietary database that accesses data fed directly from the Originator.

The GCI database stores data on each bond and the underlying collateral including the loan data on each individual loan at origination of the securitisation. The data and GCI database is updated frequently during the term of the investment. The GCI database stores detailed information on 114,984 residential loans and 1,129 Australian RMBS securities as at 21 December 2017. The database includes up to 47 fields of information in respect of each of the 114,984 loans. The Manager believes this data gives GCI a rich source of information about the performance of the collateral supporting its investments and provides it with a competitive advantage over its peers in assessing and pricing risk in the RMBS markets in which it invests.

This data is overlaid with analysis of the surrounding macroeconomic environment, such as current versus historical pricing of RMBS investments and ABS investments, pricing of comparable asset classes, portfolio concentration (e.g. for RMBS the geographic concentration or concentration of interest only loans verses principal and interest loans), changes in the regulatory landscape, supply and demand equation, and composition of the existing Portfolio to identify themes and associated investment opportunities. The GCI Investment Committee does not seek to maximise Portfolio yield by simply investing in higher yielding/lower credit quality bonds, despite those being within the investment mandate of the Portfolio, but seeks to maximise the risk adjusted return to the Portfolio.

**(b) Security selection and research**

After identifying investment opportunities, the GCI Investment Committee engages the research team to conduct a thorough credit analysis for each opportunity. This process involves the research team obtaining the data file from each Originator which contains a summary term sheet for the securitisation, an information memorandum and, for RMBS, the loan by loan data.

The GCI Investment Team then completes a detailed assessment which includes:

- Credit report – This involves a complete summary of the proposed investment. This report evaluates the individual bonds which make up the securitisation, the parties to the transaction and identifies any high level risks, and for RMBS, a detailed loan-by-loan analysis.
- Deal modelling – For RMBS, a detailed model including analysis of investment protections (eg excess spread (refer to Section 3.9) and an analysis of the likelihood of possible rating agency upgrade/downgrade of bonds (which can lead to a price increase/decrease in the bond).
- Security analysis – A detailed analysis of the total collateral (or security) to enable the GCI Investment Team to make an assessment of the risk of the collateral pool to determine whether the collateral is flawed. For example, a collateral pool might be flawed if the average LTV of the collateral pool is achieved by combining a blend of low LTV loans (lower risk) and high LTV loans (higher risk)). Another example could include a higher proportion of self-employed borrowers with large loan balance and high LTV. For RMBS, the GCI Investment Team will generally conduct a review of all 'large loans' (typically in excess of \$700,000) in the portfolio.

Following the detailed assessment, the GCI Investment Team then stress tests the investment opportunity. For RMBS, the collateral pool is stress tested for significant declines in national house prices across the collateral pool to project a worst case loss scenario. For ABS, the stressed default rate is set to a multiple of standard deviations above the observed historic mean default rate, and stressed recovery rate set to a multiple of standard deviations below the observed historic mean recovery rate – and these combine together to generate the worst case loss scenario. In order for the investment to be considered suitable by the GCI Investment Committee and proceed to the execution phase of the investment process, the strength and size of the protections must satisfy a multiple of the worst case loss scenarios.

(c) Portfolio construction

Portfolio construction brings together the best ideas formulated by the GCI Investment Committee and then researched by the GCI Investment Team to deliver the optimal Portfolio composition for the agreed risk budget. Not all investments that pass the security selection process will enter the Portfolio owing to the proactive management of risk building up in the Portfolio. The Portfolio is constructed with consideration of the following principles and having regard to the investment mandate:

- Diversification across the Portfolio.
- Correlation to traditional asset classes such as listed equities to ensure the Portfolio provides appropriate diversification.
- Relative value between existing holdings and those available in the investible universe which may lead to rebalancing of the Portfolio by selling investments the GCI Investment Team consider are overvalued and acquiring investments they considers are better value.
- Analysis of the credit quality of any counterparty to a securitisation such as LMI providers.
- Drivers of mortgage performance such as an analysis of historical trends in the speed of borrower repayments which can create an early sell or buy signal for the GCI Investment Team.

(d) Portfolio management

The GCI Investment Team regularly receives updated data on all loans within a RMBS collateral pool. These provide dynamic reporting on the current status of each loan within the collateral pool. For example, the reports will identify whether an individual residential borrower is current or delinquent, the loan amount outstanding, and if the borrower has repaid or refinanced. The GCI Investment Team tracks the performance of delinquent residential loans over time which allows the Manager to determine if the collateral pool is deteriorating or borrowers are remedying any delinquency quickly. This can provide the Manager with an early buy or sell signal on an investment.

This surveillance and monitoring provides in-depth risk reporting of each individual investment within the Portfolio. For RMBS, this includes projecting the likelihood of any rating upgrades or downgrades, assessing 'actual excess spread' to 'projected excess spread' (refer to Section 3.9) which is a good indicator of the safety margin which exists before any bond holders will suffer a loss. For ABS, this includes the collateral mix as it evolves over time. Finally the performance attribution of each individual RMBS and ABS investment in the Portfolio is assessed allowing the GCI Investment Committee to understand precisely how the returns were generated.



5.5 The Manager's Team

(a) Overview

The GCI Investment Committee comprises Steven Fleming and Ashley Burtenshaw and is responsible for all investment decisions concerning assets of each investment strategy GCI manages, including the Trust. Each investment decision requires the consensus of both members of the GCI Investment Committee.

The GCI Investment Committee is supported by members of the GCI Investment Team. The principals of the GCI Investment Team have broad and deep investment experience of securitisation markets across jurisdictions and asset classes. The principals have a collective 47 years' experience in financial markets having worked in Australia, London, New York and Tokyo in funds management and investment banking including securitisation structuring, origination and fixed income trading. The principals have witnessed multiple market cycles.

The Responsible Entity will be able to draw upon and benefit from the depth and breadth of experience in the construction and maintenance of the Trust's Portfolio.

The Manager considers that each member of the GCI Investment Team will be available to devote the amount of time required for the Manager to properly perform its function in construction and managing the Trust's Portfolio in accordance with the Investment Management Agreement.

There have been no adverse regulatory findings against the Manager or any member of the GCI Investment Team in any jurisdiction in which they have operated.

(b) GCI Investment Team – Key Persons

Steven Fleming

Steven is a founding partner of GCI where he acts as the Chief Executive Officer (CEO). As CEO, he is responsible for the firm's business strategy, risk management, operational oversight and is a member of GCI's Investment Committee.

Steven has more than 24 years' experience across a broad range of areas, including debt capital markets, securitisation, funds management and structured finance.

Before co-founding GCI, Steven spent five years at Threadneedle Investments as the Australian co-head responsible for managing the firm's global ABS portfolios. Prior to this Steven held several key roles specialising in structured finance and securitisation which included, co-head of the Babcock and Brown Capital Markets Group, Director commercial property financing in Nomura's New York office and Associate Director in Nomura's Principal Finance Group based in London. Steven began his career with Price Waterhouse in Sydney.

Steven qualified as a Chartered Accountant in Australia in 1994 and holds a Masters of Economics from Macquarie University, a Bachelor of Commerce from the University of Queensland, is a member of the Australian Institute of Company Directors.

Ashley Burtenshaw

Ashley is a founding partner of GCI where he acts as the Chief Investment Officer (CIO). As CIO, Ashley is responsible for the firm's investments, portfolio management and is a member of GCI's Investment Committee.

Ashley has over 23 years' experience in financial markets that spans across a broad range of areas, including securitisation in debt capital markets, fixed income trading and funds management.

Before co-founding GCI, Ashley spent five years at Threadneedle Investments as the Australian co-head responsible for managing the firm's Global ABS portfolios. Prior to this he worked as a director, fixed income at Credit Suisse First Boston and as a senior ABS portfolio manager at Babcock and Brown. Ashley began his career as fixed income trader with Nomura in the London and Tokyo offices.

Ashley holds a Bachelor of Science, major in Mathematics from Queensland University of Technology.

**Shane Stanton**

Shane joined GCI in 2014 as a portfolio analyst. As an experienced analyst, Shane is responsible for developing GCI's portfolio and risk management tools. Shane provides day-to-day portfolio support to the GCI Investment Committee.

Shane has more than 12 years' experience in credit markets, including securitisation, derivatives, funds management and structured finance.

Before joining GCI, Shane spent four years at Threadneedle Investments as a quantitative analyst in the firm's ABS team. Prior to this Shane held several key positions specialising in structured products which included a structured products distribution role at Barclays Capital and a quantitative role in the aviation team at Allco Finance Group. Shane began his career by winning a cadetship to the Australian Bureau of Statistics in 2004.

Shane holds a Masters in Applied Finance from Macquarie University, and a 1st Class Honours degree in Science (Adv Mathematics) from Sydney University.

Sergey Podzorov

Sergey joined GCI in 2014 as a portfolio analyst. As an experienced programmer and developer, Sergey is responsible for building and maintaining the firm's portfolio applications which assist the team with market pricing, compliance, risk and portfolio management.

Sergey has over 24 years' experience in financial markets, in areas including securitisation, structured finance and funds management.

Before joining GCI, Sergey spent five years at Threadneedle Investments as a database programmer in the firm's ABS team. Prior to this Sergey held several key system development positions at Babcock and Brown, CBA and Credit Suisse First Boston. Sergey began his career working in a scientific research role for an academic institution in Moscow.

Sergey holds a Master of Science and a Ph.D. from the Moscow Institute of Physics and Technology.

(c) GCI Operations – Key Person**Michael Groom**

Michael joined GCI in 2014 as the head of operations. Michael is responsible for the firm's financial affairs, as well as managing GCI's operational compliance and company practices.

Michael has more than 20 years' experience in financial markets, including equities, securitisation, derivatives, funds management and structured finance.

Before joining GCI, Michael spent five years at Threadneedle Investments as the Australian head of operations. Prior to this Michael spent several years in Brisbane, Sydney and London holding key accounting and middle office positions specialising in equities, fixed income, structured products and infrastructure which included managing the middle office of the Babcock and Brown Capital Markets Group. Michael began his career in Brisbane with Pembroke Josephson and Wright.

Michael holds a Bachelor of Business major in Accounting from Queensland University of Technology and is a qualified CPA.

5.6 The Investment Strategy: relevant experience

The Manager currently manages over \$1.7 billion held in a number of individually managed segregated accounts for institutional clients. The Manager currently operates two investment strategies for its institutional clients; the Secured Opportunities strategy (since April 2015) and the Investment Grade Securitised strategy (since September 2016).

The Manager employs those same investment policies and processes in respect of each segregated account and will construct and manage the Trust's Portfolio using the same investment process in accordance with the Trust's Investment Objective and Investment Guidelines.

While past performance is not a reliable indicator of future performance, the Manager considers the performance of both the Secured Opportunities strategy and the Investment Grade Securitised strategy is relevant to demonstrate the Manager's skill and expertise in being able to construct a portfolio having regard to the investment objectives and risk profile of the investor and to then manage the portfolio and achieve the client's objectives in terms of performance and risk management. The Manager considers the performance of both the Secured Opportunities strategy and the Investment Grade Securitised strategy is relevant for the following reasons:

- (a) The Manager will employ the same investment process.
- (b) Neither strategy is intended to provide liquidity, meaning investment decisions are not affected by short term



- applications and redemptions.
- (c) The investment universe in which the Trust may invest:
- contains asset classes which are identical to the asset classes used in the Investment Grade Securitised strategy; and
 - includes approximately 89% by value of the Secured Opportunities strategy investable universe.
- (d) The investment universe of the Trust includes elements of the Investment Grade Securitised strategy and the Secured Opportunities strategy. A comparison of the investment restrictions for each strategy is provided in the table below.

5.7 Comparison of the investment restrictions

Table 5.1: Comparison of investment restrictions between existing GCI strategies and the Trust

	Secured Opportunities	Investment Grade Securitised	Trust
Authorised Investments			
RMBS	Yes	Yes	Yes
ABS	No	Yes	Yes
Investment Mandate			
(a) Credit Rating Restrictions			
Minimum Credit Rating	N/A	BBB-	N/A
At least 50% of Portfolio to be Investment Grade	N/A	Yes	Yes
(b) Portfolio Concentration			
Maximum holding in one security the time of investment	10%	10%	10%
Maximum single Originator exposure	25%	N/A	25%
(c) Portfolio Weighted Average Life			
Maximum Portfolio Weighted Average Life ¹	5.5 years	N/A	5.5 years

1. Means the weighted average life of the bonds (by value) in the Portfolio must be less than 5.5 years.

While there are obvious similarities between the investment universe of the Trust and of the Secured Opportunities strategy and the Investment Grade Securitised strategy, there are structural differences in that the Trust is operated as a regulated managed investment scheme which has additional compliance costs when compared with a segregated account. These differences impact, among other things, the cash available for distribution within the different portfolios.

The Secured Opportunities strategy and Investment Grade Securitised strategy are segregated accounts for individual institutional clients with no regular distributions payable. The Trust will pay monthly income distributions. In setting the Target Return the Manager believes it has given appropriate weight to these structural differences.



5.8 Historical performance of the GCI Australian Fixed Income Strategies

This Section contains details in relation to the historical performance of the Secured Opportunities strategy and Investment Grade Securitised strategy since their respective inceptions. The Manager has advised the Responsible Entity, and the Responsible Entity considers, the performance of each of these segregated accounts are relevant in that they demonstrate the Manager's skill and expertise in being able to construct a portfolio having regard to the investment objectives and risk profile of the investor and to then manage the portfolio and achieve the client's objectives in terms of performance and risk management.

It is important to note the performance of the Secured Opportunities strategy and Investment Grade Securitised strategy are not forecasts and do not represent the future performance of the Trust or its Investment Strategy and processes. Past performance is not indicative of future performance and the performance of the Trust could be significantly different to the historical performance of the either the Secured Opportunities strategy or Investment Grade Securitised strategy.

Investors should note that, given the Trust, the Secured Opportunities strategy and Investment Grade Securitised strategy have different legal structures (for example, the compliance costs associated with operating the Trust will be higher than a segregated account), variations in cash flows and other possible factors, overall performance as well as the composition of the Trust's Portfolio will not be identical to that of an equally weighted portfolio consisting of either the Secured Opportunities strategy or Investment Grade Securitised strategy. Performance figures below are expressed as being net of fees and costs for the relevant segregated accounts. For the reasons set out above, the costs of operating a segregated account are lower than the costs of the Trust. The historical performance of the Secured Opportunities strategy and Investment Grade Securitised strategy are included to demonstrate the Manager's ability to deliver target returns (after fees) by adopting the same processes and disciplines it intends to apply in managing the Trust.

Table 5.2: Historical performance of the Secured Opportunities strategy

Inception	April 2015
Structure	Segregated account for institutional client
Benchmark	Bloomberg AusBond Bank Bill Index
Target Return over Benchmark	5.00%
Portfolio Construction	Portfolio of Australian Prime RMBS

Secured Opportunities portfolio performance (as at 31 January 2018)

	Benchmark	Target	Actual
1 year return	1.75%	6.75%	7.26%
2 year return	1.89%	6.89%	7.63%
Since inception (April 2015)	1.99%	6.99%	6.93%

Past performance is not necessarily a reliable indicator of future performance.

**Table 5.2: Historical performance of the Investment Grade Securitised Strategy**

Inception	September 2016
Structure	Segregated account for institutional client
Benchmark	Bloomberg AusBond Bank Bill Index
Target Return over Benchmark	2.70%
Portfolio Construction	Portfolio of Australian Prime RMBS, Australian Non-Conforming RMBS and Australian ABS

Investment Grade Securitised portfolio performance (as at 31 January 2018)

	Benchmark	Target	Actual
1 year return	1.75%	4.45%	5.27%
2 year return	N/A	N/A	N/A
Since inception (September 2016)	1.75%	4.45%	5.31%

Past performance is not necessarily a reliable indicator of future performance.

6. Fees & other costs

6.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance, rather than 1%, could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features, such as superior investment performance, or the provision of better member services, justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund manager or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

6.2 What are the fees and costs of the Trust?

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the Trust assets as a whole. The fees and costs in the tables are inclusive of the net effect of GST (i.e. inclusive of GST and net of any input tax credit, or reduced input tax credit, as applicable) and where applicable have been rounded to two decimal places.

Taxes are set out in Section 10.

You should read all the information about fees and costs because it is important to understand their impact on your investment.



Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Trust		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable

Management costs¹ – The fees and costs of managing your investment

	Management fee: 0.72% per annum of the Net Asset Value. ²	Calculated and accrued daily and paid to the Manager monthly in arrears out of the Trust's assets.
	Responsible Entity fee ³ : Expected to range between 0.06% and 0.05% per annum on the gross value of the Trust's assets ⁴ Subject to minimum monthly fee of \$5,225.	Calculated and accrued daily and paid to the Responsible Entity monthly in arrears out of the Trust's assets.
	Custody fee ³ : Expected to range between 0.03% and 0.01% per annum on the gross value of the Trust's assets ⁴ Subject to a minimum monthly fee of \$2,563.	Calculated and accrued daily and paid to the Responsible Entity monthly in arrears out of the Trust's assets.
	Expenses: Expected to range between 0.15% and 0.08% per annum of the gross value of the Trust's assets. ⁴	Expenses are generally paid as incurred, or reimbursed to the Responsible Entity or the Manager (as applicable) from the assets of the Trust.

Service fees

Switching fee The fee for changing investment options	Nil	Not applicable
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1. As the Trust is newly established the figures in this table reflect the Responsible Entity's reasonable estimate at the date of this PDS of the costs that will apply on a typical ongoing basis (adjusted to reflect a 12 month period).
2. The amount of this fee can be negotiated with Institutional Investors. For more information, please refer to section 6.4 below.
3. Subject to annual CPI increases.
4. Based on the Trust having a net asset value of between \$100 million and \$350 million.



6.3 Example of annual fees and costs

The following table gives an example of how the fees and costs applicable to Units in the Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000	
Contribution Fees	Nil	You will not be charged contribution fees.
Plus Management Costs	0.96% per annum. ¹	For every \$50,000 you have invested in the Trust you will be charged \$480 each year. ¹
Equals Cost of the Trust	If you had an investment of \$50,000 in the Trust, you would be charged fees of \$480 . ¹	
	What it costs you will depend on the fees you negotiate.	

1. Based on the Trust having a net asset value of \$100 million. If the Trust has a higher net asset value then this amount would be lower. For example, if the Trust has a net asset value of \$350 million the Management Costs would be 0.86% per annum and each year you would be charged \$430 for every \$50,000 you have invested in the Trust.

6.4 Additional explanation of fees and costs

(a) Management costs

Management costs are comprised of fees payable to the Responsible Entity and the Manager, as well as expenses.

(b) Management fee

The Manager is entitled to receive a management fee of 0.72% of the Trust's NAV for acting as investment manager of the Trust.

The management fee is calculated and accrued daily and paid monthly in arrears from the Trust's assets.

(c) Responsible Entity fee

The Responsible Entity is entitled to receive the following fee for acting as responsible entity of the Trust:

- (i) 0.06% per annum on the gross value of the Trust's assets (up to \$200 million);
- (ii) 0.04% per annum on the gross value of the Trust's assets (from \$200 million to \$300 million); and
- (iii) 0.02% per annum on the gross value of the Trust's assets (from \$300 million).

For example:

- (iv) If the gross value of the Trust's assets is \$200 million, then the Responsible Entity is entitled to receive \$120,000 per annum (\$200 million x 0.06%).
- (v) If the gross value of the Trust's assets is \$300 million, then the Responsible Entity is entitled to receive a fee of \$160,000 per annum ((\$200 million x 0.06%) + (\$100 million x 0.04%).
- (vi) If the gross value of the Trust's assets is \$350 million, then the Responsible Entity is entitled to receive a fee of \$170,000 per annum ((\$200 million x 0.06%) + (\$100 million x 0.04%) + (\$50 million x 0.02%).

This fee is calculated and accrues daily and is payable to the Responsible Entity monthly in arrears from the Trust's assets.

This fee is subject to a minimum monthly fee of \$5,225. All minimum fees payable to the Responsible Entity are subject to annual CPI increases.

(d) Custody fee

The Responsible Entity is entitled to receive a custody fee equal to 0.01% of the gross value of the Trust's assets for performing custodial services for the Trust.

This fee is calculated and accrues daily and is payable monthly in arrears from the Trust's assets.

This fee is subject to a minimum monthly fee of \$2,563 and annual CPI increases. If the gross value of the Trust's assets is \$100 million, then this monthly fee equates to 0.03% of the gross value of the Trust's assets.



(e) Expenses

Expenses means the following:

- (i) Administrator fees.
- (ii) Unit Registry fees.
- (iii) Annual ASX fees.
- (iv) Accounting and audit fees of the Trust.

Expenses are generally paid from the Trust's assets when incurred, or reimbursed from the Trust's assets to the Responsible Entity or the Manager (as the case may be). On some occasions the Responsible Entity may also incur abnormal or infrequent expenses such as costs associated with any meetings of Unitholders, costs of litigation to protect investors' rights, costs to defend claims in relation to the Trust, legal fees, once off or non "business as usual" fees, and termination and wind up costs. No estimate has been made in respect of abnormal expenses.

(f) Transactional and operational costs

The Responsible Entity estimates the Trust will not incur any additional transactional or operational costs. Unitholders will be advised of any changes which may take the form of a notice on the Responsible Entity's website.

(g) Goods and services tax

Unless otherwise stated, all fees set out in this section are inclusive of the net effect of GST. This includes GST, net of input tax credits or reduced input tax credits as applicable. The Trust may not be entitled to claim a full input tax credit in all instances. Further information on the tax implications associated with an investment in the Trust is set out in Section 10.

(h) Waiver or deferral of fees

The Responsible Entity and the Manager may, in their discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

(i) Maximum fees

The Constitution allows the Responsible Entity to charge the following maximum fees:

- (i) An ongoing responsible entity fee of 2.1% per annum of the gross value of the Trust's assets.
- (ii) A custody fee of 1% per annum of the gross value of the Trust's assets.

The Responsible Entity may change the fees without consent of the Unitholders provided it first obtains the written consent of the Manager and the fees remain below the maximum fee. The Responsible Entity will provide at least 30 days' notice if it intends to increase the fees in those circumstances.

(j) Contingent fees

- (i) The Constitution allows the Responsible Entity to charge a removal fee equal to the balance of the responsible entity fee plus the balance of the custody fee the Responsible Entity would have received had it remained the responsible entity of the Trust for four years from the issue of the first Unit under this PDS if:
 - the Responsible Entity is removed as responsible entity of the Trust within four years of the issue of the first Unit under the PDS, other than for gross negligence or for a breach of a fiduciary duty to Investors which causes them substantial loss, or
 - the Responsible Entity retires as responsible entity of the Trust within four years of the issue of the first Unit under the PDS at the request of the Manager in accordance with the Investment Management Agreement.
- (ii) The Investment Management Agreement allows the Manager to charge the following fees if the Responsible Entity terminates the Investment Management Agreement without cause:
 - A fee equal to the aggregate management fee paid to the Manager in the 12-month period up to the date of termination.
 - If the Trust's name has not been changed within 90 days of the date of termination, a licence fee equal to 1.0% per annum of the net value of the Portfolio for so long as the Trust's name includes the word "Gryphon".

**(k) Institutional Investors**

The Manager may negotiate with Institutional Investors on an individual basis, in relation to rebates on fees in circumstances permitted by the Corporations Act or applicable relief granted by ASIC. In the event rebates are offered, they will be paid by the Manager and therefore will not affect the fees paid by, or any distributions to, other Unitholders.

(l) Other expenses and benefits

When permitted by law the Responsible Entity or the Manager may receive and retain other monetary and non-monetary benefits from third party service providers engaged to provide services to the Trust (such as brokers), including capital introduction services, contributions to our marketing campaigns, fee rebates, invitations to events, travel expenses, research and data services, provision of software and/or computer hardware and other information technology related services. These benefits are received pursuant to the appointment of the third party service provider and all such appointments are only made where the Responsible Entity and/or the Manager considers there is a benefit to the Trust for making such appointment and that the quality of the service being provided to the Trust is of a quality that the Responsible and/or the Manager considers is equal to or better than industry standard. Service providers of the Trust may also receive benefits from their own service providers and counter-parties.

You may request particulars of any benefits payable to the Responsible Entity or the Manager in respect of a particular product or service, however, the Responsible Entity will not account to Unitholders for any amounts or benefits received and retained, if in its reasonable opinion, it is not possible to quantify in dollar terms the extent of any such monetary and/or non-monetary benefits.

7. Risks

7.1 Overview

An investment in the Trust carries risk. Risks can be categorised as being specific to the Trust, broader risks which affect the Trust and general risks associated with investing in the fixed income market. Many of these risks are outside the control of the Responsible Entity, the Manager and their respective directors and officers. Consequently, the Units offered under this PDS carry no guarantee in respect of profitability, distributions or return of capital. Neither the Responsible Entity, the Manager nor their directors nor any party associated with the preparation of this PDS warrants that the Investment Objective will be achieved.

In addition, to the extent that statements in this PDS constitute forward-looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause the Trust's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by forward-looking statements. Although the Responsible Entity and the Manager each believe the expectations reflected in any forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, or that historic results will be repeated.

Investors should consider whether the Units offered by this PDS are a suitable investment, having regard to their own individual investment objectives, financial circumstances and the risk factors set out below.

The list below highlights the more significant and material risks; however, the list may not be exhaustive. Other less significant or less probable factors may also impact the Trust's financial performance, financial position or cash flow. Should any or all of these risk factors materialise, the value of Units may be adversely affected.

Investors should read this PDS in its entirety and consider the following risk factors and, if necessary, consult their accountant, financial adviser, stockbroker, lawyer or other professional adviser prior to making an investment in the Trust.

Investments are subject to many risks, not all of which can be predicted or foreseen. Some of the more significant risks associated with investing in the Trust, more properly described below, include:

- (a) risks relating to the Investment Strategy and Manager;
- (b) risks relating to the Trust;
- (c) risks relating to the Trust's investments; and
- (d) risks relating to the Units being listed on ASX.

The risks in this section are not an exhaustive list.



7.2 Significant risks relating to the Investment Strategy and the Manager

The historic performance of the various segregated accounts managed by the Manager on behalf of its institutional clients cannot be relied on as a guide to future performance of those segregated accounts or the Trust. The investment strategy adopted by the Manager on behalf of the Trust includes inherent risks. These include, but are not limited to the following:

- (a) The Trust's success and profitability is reliant upon the ability of the Manager to devise and maintain a portfolio that achieves the Investment Objective and Investment Strategy.
- (b) The ability of the Manager to continue to manage the Portfolio in accordance with this PDS, its mandate and the law which may be compromised by such events as the loss of its AFSL or registrations.
- (c) The Portfolio may not be as diversified as other listed investment entities.

There is no guarantee the Investment Strategy will be managed successfully or will meet its Investment Objective. Failure to do so could negatively impact the performance of the Trust. The Investment Management Agreement is expected to have an initial term of 10 years. Even if the Manager fails to achieve the Target Returns, it may be difficult to remove the Investment Manager.

The Manager may not manage the Portfolio in a manner that consistently meets the Investment Objective over time. In addition, either the Manager may cease to manage the Portfolio, requiring the Responsible Entity to find an alternative replacement manager, and this may affect the Trust's success and profitability.

Further, the Responsible Entity has no right to terminate the Investment Management Agreement in the event of a change of control of the Manager or in the event of a material change to the composition of the GCI Investment Team. For example, the Responsible Entity cannot terminate the Investment Management Agreement if either Steven Fleming or Ashley Burtenshaw resigns from the Manager. The risk of these events is mitigated by the Manager being wholly owned by the partners of the Manager such that the interests of the Manager are aligned with the Trust.

If the Manager ceases to manage the Trust and the Investment Management Agreement is terminated, then the Responsible Entity will need to identify and engage a suitably qualified and experienced manager to manage the Trust and continue to implement the Investment Strategy.

7.3 Significant risks relating to the Trust

(a) No operating history

The Trust is a newly formed entity with no financial, operating or performance history and no track record which could be used by an investor to make an assessment of the ability of the Responsible Entity or the Manager to achieve the Investment Objective. The information in this PDS about the Investment Objective is not a projection or the result of any simulated future performance. There is a risk the Investment Objective will not be achieved.

(b) No guarantee the Manager will find suitably priced investments

The Manager intends that, subject to market conditions, the Trust will be substantially invested or committed in accordance with its Investment Strategy within three-to six-months of the Closing Date. There is no guarantee that the Manager will find sufficient investments for the Trust at suitable prices to deliver the Investment Objective.

(c) Service provider risk

The operation of the Trust relies on the successful performance of the Responsible Entity's contracts with service providers. Refer to Section 12 for details on the material agreements.

The Trust could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Responsible Entity would be successful in enforcing its contractual rights. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Responsible Entity sources replacement service providers.

(d) Distribution risk

The Responsible Entity's ability to pay a distribution from the Trust is contingent on the income the Trust receives from its investments. No guarantee can be given concerning the future earnings of the Trust, the earnings or capital appreciation of the Trust's Portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Trust's return being inadequate to pay distributions to Unitholders.



(e) Potential conflict of interest

The Manager also acts as manager of segregated accounts on behalf of institutional clients which have similar investment objectives to the Trust. It is therefore possible the Manager may manage segregated accounts on behalf of clients which invest in the same investments as the Trust. Neither the Manager nor any person associated with the Offer is under any obligation to offer investment opportunities to the Trust. While the Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Trust and its Unitholders. The Manager has developed an allocation policy (see Section 4.11) to provide reasonable assurance that investments will be allocated appropriately and fairly among its clients.

(f) Regulatory approvals

All regulatory approvals for the continued operation of the Trust, including licenses or exemptions from licensing for the Manager have been obtained and neither the Responsible Entity nor the Manager are aware of any circumstances which might give rise to the cancellation or suspension of any of those approvals. If any of the approvals are cancelled or suspended, then the Trust may be adversely affected.

7.4 Significant risks relating to the Trust's investments

The following risks relate to an investment in the Trust and may impact the performance of the Trust:

(a) Market risk

The underlying investments comprised in the Portfolio are subject to market risk. The Trust is therefore at risk that market events may affect performance and in particular may affect the value of the Trust's investments. Market risk is risk associated with changes in market prices or rates, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, national and international political circumstances. While the Trust, through its investments, intends to hold a portfolio of assets, any of these factors including specific market events, such as the global financial crisis and levels of sovereign debt, may be materially detrimental to the performance of the Trust's investments.

(b) Reinvestment risk

A key determinant of an investment's yield is the price at which an investment is purchased and, therefore, when the market price of securities increase, the yield of the security if it were purchased on that day decreases. As such, the overall yield of the Portfolio, and therefore the level of distributions payable to Unitholders, would fall to the extent that the market prices of securities generally rise and the proceeds of securities held by the Trust that mature or are sold are not able to be reinvested in securities with a yield comparable to that of the Portfolio as a whole.

(c) Asset backed securities

The value of an RMBS and ABS can be affected by a number of factors, including:

- (i) changes in the market's perception of the underlying assets backing the security (for example, RMBS are particularly at risk from a decline in the housing market);
- (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security;
- (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures;
- (iv) changes in the perceived creditworthiness of the originator, of the underlying security or any other third parties to the transaction; and
- (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

At times of rapid changes in market conditions it may be difficult to value certain RMBS and ABS and values may fluctuate considerably, with market prices quickly becoming out of date and not reflecting the value which would be realised on a sale of the relevant investments in such market conditions. The value of the Portfolio will be determined regularly based on prices at which its investments trade in the wholesale market and, accordingly, falls in the market price will result in a corresponding fall in the Trust's NAV and the Units.



ABSs that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities (or RMBS). Primarily, these securities may not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. However, all ABS have other investor protections which may not be present in RMBS and which make investing in an ABS with the same credit rating a comparable risk to investing in RMBS.

Some RMBS and ABS structures contain derivatives and other exposures to third parties that may impact on the credit performance or rating of any given security and a default by such a counterparty or change in the value of the derivative contract may increase the risk of loss given a default of the RMBS/ABS which may impact the Trust's NAV and returns to Unitholders.

The investment characteristics of RMBS and ABS differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, very often monthly or quarterly, and that principal may be prepaid at any time because the underlying loans are often capable of being prepaid at any time.

(d) Due diligence process

The due diligence process the Manager plans to undertake in connection with its investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, the Manager intends to conduct due diligence to the extent it deems reasonable and appropriate based on the applicable facts and circumstances. The objective of the due diligence process will be to identify attractive investment opportunities. When conducting due diligence, the Manager will evaluate a number of important issues, which may include business, financial, tax, accounting, environmental, regulatory and legal issues in determining whether or not to proceed with an investment.

Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Manager will be required to rely on resources available to it, including information provided by internationally recognised rating agencies and other independent sources including issuers, originators and investment bank analysts. The due diligence process may at times rely on limited or incomplete information. Accordingly, the Manager cannot guarantee the due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity.

Any failure by the Manager to identify relevant facts through the due diligence process may cause it to make inappropriate investment decisions, which could have a material adverse effect on the Trust's profitability, NAV and Unit price.

(e) Credit risk

The Trust may invest in ABSs comprising debt securities issued by companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments, are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Trust. The amount of credit risk is usually measured by the issuer's credit rating which is assigned by one or more internationally recognised rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but is intended to be an indicator of the rating agencies' opinion of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater probability of default than more highly rated securities. There is a risk that an internationally recognised rating agency may assign incorrect or inappropriate credit ratings to issuers. Issuers often issue securities which are ranked in order of seniority which, in the event of default, would be reflected in the priority in which investors might be paid back.

The level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. In the event of a default under an ABS, the Trust's right to recover under the ABSs will depend on the ability of the Responsible Entity to exercise any rights that it has against the issuer.

(f) Non-investment grade Eligible Investments

The Trust may invest in high yield RMBS and ABS that are rated less than an Investment Grade. High yield RMBS and ABS have an increased risk of capital erosion due to a higher probability of default by the issuer. Changing market conditions and interest rate levels can also have a larger impact on the values of high yielding RMBS and ABS.

(g) Valuation risk

ABSs will be valued in accordance with the Trust's valuation policy which includes wherever possible using independent security pricing sourced from third parties. However, estimates of the fair value of such securities are inherently difficult to establish and are the subject of substantial uncertainty.



(h) Hedging risk

The Manager intends to only use derivatives and other hedging techniques for risk management purposes and not for market speculative purposes in an attempt to increase returns.

Should the Manager elect for the Trust to enter into hedging arrangements to protect against currency or interest rate risk the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Trust's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments.

There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Trust may also be exposed to the risk that the counterparties with which the Trust trades may cease making markets and quoting prices in such instruments, which may render the Trust unable to enter into an offsetting transaction with respect to an open position. Although the Manager will select the counterparties with which it enters into hedging arrangements with due skill and care, the residual risk that the counterparty may default on its obligations remains.

Derivatives (including but not limited to foreign exchange forwards, currency derivatives and swaps) are highly specialised instruments that require investment techniques and risk analyses different from those associated with debt securities. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative transaction adds to a portfolio. There can be no guarantee or assurance that the use of derivatives will assist in meeting the Investment Objective.

(i) Default and counterparty risk

The Manager may elect for the Trust to enter into over-the-counter derivative contracts and accordingly will be exposed to the risk that the counterparties to such contracts may, in an insolvency or similar event, be unable to meet their contractual obligations under the contracts. If a counterparty is unable to meet its contractual obligations under a derivative contract, then the Trust may incur a loss and this would have an adverse effect on the value of the Trust.

(j) Manager Loan

GCM, as counterparty to the Manager Loan, may not be able to meet its contractual obligations under the Manager Loan. The Manager Loan is an unsecured loan, which means the Trust's right to recover the loan will rank behind the secured creditors of GCM. If GCM is unable to meet its contractual obligations under the Manager Loan, then the Trust may incur a loss and this would have an adverse effect on the value of the Trust.

(k) Economic conditions

Changes in underlying economic conditions including, for example, interest rates, rates of inflation, industry conditions, house prices, unemployment, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely or favourably affect the Trust's prospects and the value of the Trust's Portfolio and the Units.

(l) Investment risk

The value of an investment in the Trust and/or the Trust's investments may fall over the short or long term for a number of reasons, including the risks set out in this Section 7, which means that you may receive less than your original investment when you sell your Units. The price of individual financial instruments may fluctuate or underperform other asset classes over time. An investor is exposed to these risks through the life of their holding of Units and through the Trust's investment strategies and policies.

(m) Interest rate risk

The Manager will primarily invest the Trust in floating rate loans meaning that as the underlying base rate rises and falls, the relative attractiveness to other instruments may change.

There is a strong correlation between the RBA Cash Rate and the base rates upon which the floating rate RMBS and ABS monthly interest rates are reset. Absolute returns on floating rate RMBS and ABS therefore rise and fall largely in correlation with the RBA Cash Rate.

(n) Liquidity risk

The Trust is exposed to liquidity risk in relation to the investments within its Portfolio. If a security cannot be bought or sold quickly enough to minimise potential loss, the value of the Portfolio may be adversely affected. The Trust's investments are not liquid securities and the ability of the Manager to dispose of an investment will depend on the market liquidity prevailing at that time.



(o) **Leverage risk**

The Manager does not intend to use long-term debt to enhance returns, but may use debt in limited circumstances (see Section 4.16). For example, the Manager does not intend to use debt unless it has also planned to raise new capital from the issue of new Units which will be used to repay any borrowings. If a proposed capital raise is not successful, then any leverage can magnify the gains and losses achieved in the Portfolio.

7.5 *Significant risks associating with the Units being listed on ASX*

Investors should be aware there are a number of specific risks associated with Units being listed on ASX. These risks include:

(a) **Unit trading price**

The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range of other factors including the presence of larger buying or selling interest in the Units.

Therefore, Unitholders should expect that for periods of time, sometimes extended periods, the Units may trade below the stated underlying NAV per Unit.

(b) **Volatility of units**

Units when listed on ASX may be thinly or heavily traded, and could be very volatile, irrespective of any changes in the underlying value of the investments held by the Trust. Units may also trade at a discount or premium to the NAV per Unit. There can be no guarantee that the total number of buyers multiplied by the number of Units that each buyer wants to buy at any point in time in the market will match or exceed the total number of sellers multiplied by the number of Units each seller wants to sell, or that Unitholders will be able to buy or sell Units for a price which they or the Responsible Entity believe fairly reflects the value of their Units. In addition, the NAV per Unit will fluctuate with changes in the value of the underlying investments held by the Trust.

(c) **ASX liquidity risk**

Units in the Trust are intended to be listed on ASX. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop after listing, that such a secondary market will sustain a price representative of the NAV per Unit. As a listed investment trust, there is no regular redemption facility for Units. That is, if a Unitholder no longer wishes to be invested in the Trust with respect to some or all of their Units, they will not have the ability to simply redeem their Units. They will be required to sell their Units on ASX. Whilst a listed investment trust can make a withdrawal offer from time to time, it is not the current intention of the Responsible Entity to do so.

(d) **ASX counterparty risk**

ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHES, the central system for clearing and settling trades on ASX, to ensure they receive their settlement proceeds as well as the risk that arises as a result of Unitholders relying on the creditworthiness of their broker when making trades on ASX.

7.6 *Other risk factors*

(a) **Litigation risks**

From time to time, the Responsible Entity may be involved in litigation. This litigation may include, but is not limited to, contractual claims. If a claim is pursued against the Responsible Entity, the litigation may adversely impact on the profits and financial performance of the Trust. Any claim, whether successful or not, may adversely impact on the Trust's Unit price and/or the return on your investment.

(b) **Cyber risk**

There is a risk of fraud, data loss, business disruption or damage to the information of the Trust or registry provider or to investors' personal information as a result of a threat or failure to protect this information or data.



(c) General risks

The performance and profitability of the Trust may be affected by many factors including the fact that the value of the portfolio in which the Trust invests may vary over time. This may result in either an increase or decrease in the value of Units and ultimately the value of your investment, which may result in the loss of income and the principal you initially invested.

Other factors which may impact on the value of the Units include asset risk, concentration risk, credit risk, counter-party risk, Manager risk, risks pertaining to the engagement of the Manager, the ability of the Manager to invest in appropriate investments which will meet the Investment Objective.

The Responsible Entity, the Manager and the Joint Arrangers to the Offer do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Trust.

(d) Timeframe for investment

Investors are strongly advised to regard any investment in the Trust as a medium-term proposition (one year or more) and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

In addition, the above list of risk factors ought not to be taken as exhaustive of the risks faced by the Trust or by investors in the Trust. The above factors, and others not specifically referred to above, may in future materially affect the financial performance of the Trust and the value of the Units. Therefore, there is no guarantee with respect to the payment of distributions, returns of capital or the market value of the Units.

8. Management & governance

8.1 Corporate governance framework

The Responsible Entity is responsible for the protection of Unitholders' interests and overall corporate governance of the Trust. The Responsible Entity will manage the Trust in accordance with its duties to Unitholders. The Responsible Entity is also subject to numerous duties under the Corporations Act, including duties to act honestly, exercise care and diligence and act in the best interest of Unitholders. To this end the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to the nature, scale and complexity of its activities and the Trust.

The Board will conduct itself in accordance with the ASX Principles as they apply to externally managed listed entities. The Board will review the corporate governance policies and practices relevant to the Trust on an on-going basis to ensure they meet the ASX Principles where appropriate given the nature scale and complexity of the Responsible Entity and the Trust.

Annually the Responsible Entity will provide details on how it has met the ASX Principles in accordance with the requirements of the Listing Rules.

8.2 Corporate governance principles and policy

Principle 1: Lay solid foundations for management and oversight.

The Responsible Entity is an independent responsible entity. This means, in respect of the Portfolio, many of the functions traditionally performed by an entity's management are instead performed by the Manager. The Responsible Entity monitors the performance of the Manager in much the same way as an independent board monitors performance of management of the entity they are appointed to.

The roles and responsibilities of the Responsible Entity and the Manager in connection with the Trust are set out in the Constitution and the Investment Management Agreement respectively and details of these documents are set out in Section 12.

The Responsible Entity has a board charter supported by policies and procedures that set out the respective roles and responsibilities of management and the Board, including those matters expressly reserved to the Board and those delegated to management.



Principle 2: Structure the Board to add value

Two of the Responsible Entity's three directors are executive directors and one is a non-executive director. All three directors are independent of the Manager which has day-to-day control of the Portfolio. Each director has been a director of the Responsible Entity for more than seven years.

Principle 3: Act Ethically and Responsibly

OIG has a code of conduct that applies to its directors, senior executives and employees. This code of conduct is supported by other OIG policies including OIG's conflicts of interest policy. The code of conduct acknowledges the importance for all employees of OIG to maintain high moral and ethical standards. The code of conduct is not intended to be exhaustive and does not anticipate every situation which may morally or ethically compromise an employee or OIG. In this regard OIG expects its employees to use their common sense and sound judgement and to ask when they are not sure. Standards OIG employees are expected to adhere to include:

(a) Act ethically and responsibly

- (i) To act honestly and in good faith at all times with high standards of personal integrity.
- (ii) To respect the rights of, and obligations owed to, Unitholders, clients, other employees, tenants, suppliers, outsource providers and the community at large.

(b) Conflicts of interest

- (i) To act in the best interests of Unitholders and, if there is a conflict between Unitholders' interests and the interests of the Responsible Entity, give priority to the relevant Unitholders' interests.
- (ii) Not to make improper use of their position as an OIG staff member to gain, directly or indirectly an advantage for themselves or for any person or to cause detriment to Unitholders.
- (iii) To avoid any conflicts between the OIG staff member's personal interests (including the interests of any family member) and the interests of any OIG entity, the OIG generally and where relevant, Unitholders. This includes avoiding any perceived conflicts of interests.
- (iv) Not to take advantage of property, confidential information or position, or opportunity arising from any of these, for personal gain or to compete with OIG.

(c) Compliance

- (i) To take all reasonable steps to ensure that OIG complies with all laws and regulations that apply to it and its operations.
- (ii) To report to OIG's compliance officer or compliance committee any breach of law, the constitutions of any scheme, or the compliance plans of any scheme.
- (iii) In addition to any of the duties set out above to generally uphold the fiduciary responsibilities OIG staff owe to Unitholders.
- (iv) Comply with the spirit, as well as the letter, of the law and with the principles of the code of conduct.

(d) Bribery and corruption

OIG prohibits employees from engaging in any form of bribery or corruption. Accordingly, OIG will not provide or receive anything of value specifically with the expectation of receiving a favourable decision or special treatment. This applies to OIG's dealings with other businesses and governments (whether local, state, federal or international). OIG staff must not offer, give, authorise, request or receive "bribes", "secret commissions" "facilitation payments" or "kickbacks" in the form of money, gifts, preference, privilege or anything of value that alters or is intended to alter the behaviour of the recipient.

(e) Investigation of Improper or Unethical Practices (Whistleblower)

Serious matters which are in Unitholders or public interest, and which could include:

- (i) financial malpractice, impropriety or fraud
- (ii) auditing matters, including non-disclosure or any subversion of the internal or external audit process
- (iii) criminal activity, and
- (iv) improper conduct or unethical behavior.

The above matters are matters which could be observed by any OIG staff member. All OIG staff are encouraged to bring these matters to the attention of their manager, the compliance officer or to the attention of an executive director. The manager or directors must then take any action they consider appropriate in the circumstances including investigating the alleged misconduct themselves or appointing a third-party investigator.



OIG confirms that where a member of staff reasonably believes that OIG or another member of staff has been involved in improper or unethical practices (including a breach of the code of conduct) and reports that behaviour in good faith, the position of the person reporting the improper or unethical practices will be protected including through the following measures:

- (i) The person's identity will not be revealed without their consent (unless disclosure is required by law).
- (ii) No disciplinary, discriminating or other adverse action will be taken (or tolerated) against that person as a consequence of reporting, in good faith, any improper or unethical practices (including a breach of the code of conduct).

Principle 4: Safeguard integrity in corporate reporting

The Board does not have an audit committee with the full board considering all financial reporting for the Trust. The Responsible Entity has appointed the Administrator and has delegated to the Administrator the responsibility for preparing all financial reporting for the Trust. The Board obtains appropriate representations from OIG management and where necessary the Manager and Administrator as to record keeping, risk management and the compliance with accounting standards of the financial statements.

Principle 5: Make timely disclosures

The Responsible Entity has a written policy for complying with its continuous disclosure obligations to ensure the market is made aware of any information the Responsible Entity becomes aware of that it considers a reasonable person would expect to have a material impact on the price or value of the Units. The policy is available on the Trust's website www.gcapinvest.com/GCI and can be obtained free of charge by contacting the Responsible Entity.

Principle 6: Respect the rights of security holders

Through the Unit Registry the Responsible Entity will give Unitholders the option to receive communications from the Responsible Entity and the Manager electronically. The Manager's website will be the main tool for communicating information about the Trust and Unitholders are encouraged to check it regularly.

Principle 7: Recognise and manage risk

Both the Responsible Entity and the Manager have risk management systems designed to manage the risks inherent in the areas of the Trust's management they are responsible for. However, neither entity has a dedicated risk management committee nor internal audit function. The Responsible Entity has a compliance committee which is responsible for the oversight of the Responsible Entity's policies and procedures that cause it to meet its obligations under the financial services laws.

Neither the Responsible Entity nor the Manager consider the Trust has any material exposure to economic, environmental or social sustainability risks.

Principle 8: Remunerate fairly and responsibly

The fees payable to the Responsible Entity and the Manager are fully disclosed in Section 6.

No director or employee of the Responsible Entity is directly remunerated from the Trust or in connection with the Trust's performance. The Responsible Entity receives management fees from the Trust based on the size of the value of the gross assets of the Trust (subject to certain minimums being achieved). Directors and staff are remunerated from this. No director or staff member receives bonus payments based on the performance of the Trust.



8.3 Securities trading policy

The Responsible Entity has a securities trading policy which it seeks to restrict the dealing in certain financial products (including Units) by its directors and staff.

This policy is designed to provide protection to the Responsible Entity, its directors and staff by restricting dealings in financial products during certain times, or when individuals are in possession of certain types of information. It is also designed to preserve the reputation of the Responsible Entity, its directors and staff in public markets.

The policy provides that relevant persons must not deal in the Units:

- (a) when they are in possession of inside information;
- (b) on a short-term trading basis; or
- (c) outside a permitted period (except in exceptional circumstances).

Otherwise trading will only be allowed during a permitted period after first obtaining pre-clearance.

The Manager has adopted a securities dealing policy on similar terms to the above for its directors and employees to ensure that public confidence is maintained in the reputation of the Trust and the Manager and to assist in maintaining market confidence in the integrity of dealings in the Units.

8.4 Compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Trust with ASIC. The compliance plan describes the procedures used by the Responsible Entity to comply with the Corporations Act, the Constitution and the Listing Rules. The matters covered in detail in the compliance plan include:

- (a) promotion of the Trust and respective disclosures;
- (b) information technology;
- (c) the Constitution;
- (d) AFSL requirements;
- (e) corporate governance and compliance agents and external service providers;
- (f) education, training and recruitment;
- (g) complaints handling;
- (h) record keeping;
- (i) custody;
- (j) investment management;
- (k) fees and Trust performance;
- (l) investment risks;
- (m) valuation of Trust assets; and
- (n) applications, redemptions and distributions.

An audit of the compliance plan is carried out on an annual basis by the compliance plan auditor and an audit report is lodged with ASIC providing an opinion on whether the Responsible Entity has complied with the compliance plan throughout the year and if the compliance plan continues to comply with the requirements of the Corporations Act and other relevant laws.

Copies of the compliance plan are available, free of charge, on request from the Responsible Entity.



9. Financial information

9.1 Introduction

The Trust was established on 7 December 2017 and has not undertaken any trading activities. As at the date of this PDS, the Trust has 10 Initial Units on issue. Refer to Section 4 and 12.1(g) for further information.

This Section contains a summary of the financial information of the Trust, which includes:

- (a) The unaudited pro forma statements of financial information as at the date of issue of Units under the Offer (the "Pro Forma Financial Information") (see Section 9.2).
- (b) Directors' material assumptions used in the preparation of the Pro Forma Financial Information (see Section 9.3).
- (c) Capital structure of the Trust on completion of the Offer (see Section 9.4).
- (d) Pro forma cash of the Trust (see Section 9.5).
- (e) Manager Loan receivable (see Section 9.6).
- (f) Significant accounting policies of the Trust (see Section 9.7).

The Pro Forma Financial Information has, except as otherwise noted, been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (AASBs), although it is presented in an abbreviated form insofar as it does not include all the disclosures, statements and comparative information required by AASBs applicable to annual financial reports prepared in accordance with the Corporations Act. All amounts disclosed in this Section are presented in Australian dollars.

The Pro Forma Financial Information has been reviewed by Pitcher Partners, which has provided an Investigating Accountant's Report on the Pro Forma Financial Information in Section 11.

The information in this Section should also be read in conjunction with the Risk Factors set out in Section 7 and other information contained in this PDS.

9.2 Unaudited Pro Forma Statements of Financial Information

The Pro Forma Financial Information set out below has been prepared to illustrate the financial position of the Trust following completion of the Offer and provision of a loan to the Manager as if such events had occurred as at date of issue. The Pro Forma Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer. The Pro Forma Financial Information has been prepared in accordance with the principles and significant accounting policies set out in Section 9.7.

Pro Forma	Minimum Subscription (\$100 million) (\$'000)	Subscription (\$200 million) (\$'000)	Maximum Subscription (\$350 million) (\$'000)
Assets			
Cash	96,500	193,800	339,700
Manager Loan receivable	3,500	6,200	10,300
Total Assets	100,000	200,000	350,000
Liabilities			
Total Liabilities (excluding net assets attributable to unitholders)	–	–	–
Unitholder Equity			
Subscription for Units	100,000	200,000	350,000
Net Assets attributable to unitholders – liability	100,000	200,000	350,000



9.3 Directors' material assumptions in preparation of the Pro Forma Financial Information

The Pro Forma Financial Information has been prepared on the basis of the following assumptions by the Directors of the Responsible Entity:

- application of the significant accounting policies set out in Section 9.7;
- the column headed "Minimum Subscription \$100,000,000", has been prepared on the basis of subscriptions for 50 million Units by Applicants under this PDS at an issue price of \$2.00 per Unit;
- the column headed "Subscription \$200,000,000", has been prepared on the basis of subscriptions of 100 million Units by Applicants under this PDS at an issue price of \$2.00 per Unit;
- the column headed "Maximum Subscription \$350,000,000", has been prepared on the basis of subscriptions of 175 million Units by Applicants under this PDS at an issue price of \$2.00 per Unit;
- Expenses of the Offer are to be paid by Gryphon Group; and
- For the purpose of the Manager Loan Receivable to the Trust in the pro forma statements of financial position, the Gryphon Group has estimated their intended drawdown.

9.4 Capital structure

Set out below is the anticipated capital structure of the Trust on completion of the Offer under the different indicated subscription amounts.

	Minimum Subscription (\$100 million)	Subscription (\$200 million)	Maximum Subscription (\$350 million)
Units	50,000,000	100,000,000	175,000,000
NAV per Unit ¹	\$2.00	\$2.00	\$2.00

9.5 Pro forma cash

Set out below is a reconciliation of the Pro Forma cash balance under the different indicated subscription amounts

	Minimum Subscription (\$100 million) (\$'000)	Subscription (\$200 million) (\$'000)	Maximum Subscription (\$350 million) (\$'000)
Proceeds of Offer	100,000	200,000	350,000
Receivable – Loan drawdown	(3,500)	(6,200)	(10,300)
Estimated net cash position	96,500	193,800	339,700

9.6 Manager Loan receivable

The Responsible Entity will lend out of the Trust property an amount estimated below under the different indicated subscription amounts.

	Minimum Subscription (\$100 million) (\$'000)	Subscription (\$200 million) (\$'000)	Maximum Subscription (\$350 million) (\$'000)
Loan drawdown	3,500	6,200	10,300

1. NAV is calculated as the Trust's net assets position attributable to unitholders in the Pro Forma Financial Information in Section 9.2 divided by the corresponding indicated subscription amounts.



9.7 Significant accounting policies

A summary of significant accounting policies that have been adopted in the preparation of the unaudited Pro Forma Financial Information set out in Section 9.2, and which will be adopted prospectively in preparation of the financial statements of the Trust for the financial year ending 30 June each year, is set out as follows.

The unaudited Pro Forma Financial Information has been prepared in accordance with Australian Accounting Standards and interpretations and other authoritative pronouncements of the Accounting Standards Board (AASB), and the Corporations Act.

Australian Accounting Standards set out an accounting framework that the AASB have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the unaudited pro forma statements of financial position and notes also comply with the recognition and measurement requirements of International Financial Reporting Standards.

The financial information presented in this PDS is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards. The unaudited pro forma statements of financial position have been prepared on the basis of assumptions outlined in this Section 9.3.

All amounts disclosed in this Section are presented in Australian dollars.

Basis of measurement

The Pro Forma Financial Information has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Functional and Presentation Currency

The Pro Forma Financial Information is presented in Australian dollars, which is the Trust's functional currency.

Use of Estimates and Judgements

The preparation of the Pro Forma Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Financial Instruments

Classification

The category of financial assets and financial liabilities comprises:

Financial instruments designated at fair value through profit or loss upon initial recognition

Financial assets are classified in this category if acquired principally for the purpose of selling in the short term.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed, and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

The Trust's policy is to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

Financial instruments designated at fair value through other comprehensive income (long-term investments)

Long term investments comprise holdings in marketable securities which are intended to be held for the long term.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in trade and other receivables within the Balance sheet.

Recognition/Derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Trust has transferred substantially all risks and rewards of ownership.

Measurement**Financial assets and liabilities held at fair value through profit and loss.**

At initial recognition, the Trust measures a financial instrument at its fair value. Transaction costs of financial assets and liabilities held at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Financial assets and liabilities held at fair value through other comprehensive income

Long-term investments are recognised initially at cost and the Trust elects to present subsequent changes in the fair value of the investments in the statement of other comprehensive income.

Loans and receivables

Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Trust's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Trust sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Other financial assets and liabilities

Management considers that the carrying amount of cash and cash equivalents and other receivables approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost.



Fair value measurement principles

When a financial asset is measured at fair value for recognition or disclosure purposes the fair value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets measured at fair value are classified, into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability on the balance sheet.

Investment Income

Interest income is recognised in the statement of comprehensive income for all interest bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts. Trust distributions (including distributions from cash management trusts) are recognised on a present entitlements basis. Other income is brought to account on an accruals basis.

Realised and unrealised gains and losses arising from changes in fair values are included in the Statement of Financial Performance in the period in which they arise.

Expenses

All expenses, including Manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

Interest expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Income Tax

Under current legislation, the Trust is not subject to income tax provided unitholders are presently entitled and taxable income including assessable capital gains is fully distributed to unitholders.

Distributions

In accordance with the Constitution and applicable legislation, the Trust fully distributes its distributable income to the unitholders by way of cash or reinvestment into the Trust.

Distributions are recognised in the statement of comprehensive income as finance cost attributable to unitholders.



Goods and Services Tax (GST)

The Trust will be registered for GST. The issue or redemption of Units in the Trust and, where applicable, the receipt of any interest will not be subject to GST. The Trust may be required to pay GST on management and other fees, charges, costs and expenses incurred by the Trust. However, the Trust may be entitled to input tax credits and reduced input tax credits in respect of the GST incurred.

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Units

Units are classified as debt. Incremental costs directly attributable to the issue of Units are recognised as a deduction from debt, net of any tax effects.

10. Taxation

10.1 Australian Taxation Implications

The comments in this Section 10 are based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999 and the relevant stamp duties legislation as at the date of this PDS.

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the taxation laws as at the date of this PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

10.2 Australian Taxation Treatment of the Trust

(a) General

The income tax treatment of the Trust and its Unitholders will depend on whether the Responsible Entity is eligible, and elects to apply the Attribution Managed Investment Trust (AMIT) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (MIT) that provide for flow-through taxation to Unitholders. Where the Trust qualifies as a MIT for income tax purposes, the Responsible Entity may seek to make an election to treat the disposal of covered assets (including units) on capital account. Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Trust. While the AMIT provisions are not expected to materially change the way in which Unitholders would be taxed (as compared to the ordinary trust taxation provisions provided that the Trust does not control any trading business and derives income solely from eligible investment business), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Trust and its Unitholders.

The Responsible Entity intends for the Trust to elect into the AMIT regime.

If the Trust cannot or does not elect into the AMIT rules, the general taxation rules on trusts will continue to apply to the Trust. If this is the case, it is intended that investors will be presently entitled to all of the income of the Trust for each financial year such that no taxation liability will accrue to the Responsible Entity.

**(b) Attribution Managed Investment Trusts**

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITs. Trusts that meet the eligibility criteria and that have made an irrevocable election may apply the AMIT rules. The Responsible Entity is considering making an irrevocable election to apply the new AMIT provisions and therefore if this election is made, the following will apply:

(i) Fair and reasonable attribution

Each year, the Trust's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be attributed to Unitholders on a "fair and reasonable" basis, having regard to their income and capital entitlements in accordance with constituent documents.

(ii) Unders or overs adjustments

Where the Trust's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

(iii) Cost base adjustments

Where the distribution made is less than (or more than) certain components attributed to Unitholders, then the cost base of a Unitholder's units may be increased (or decreased). Details of net annual tax cost base adjustments will be included on a Unitholder's annual tax statement, referred to as an AMIT Member Annual Statement (AMMA).

(iv) Multi-class AMITs

A choice is available to elect to treat separate classes of units as separate AMITs, where applicable. The purpose of this election is to quarantine the income tax calculation on a class by class basis. This can allow income, deductions and tax losses referable to a class of Units to be quarantined in that class, so that they are not spread to Unitholders holding other classes of Units. In the absence of the Trust being an AMIT and having made the multi-class election, the tax treatment of each Unitholder may differ significantly (see below).

(v) Non-AMIT provisions

On the basis that Unitholders are presently entitled to all of the Trust's distributable income (which is the Responsible Entity's intention) and the Trust is not a public trading trust, the Trust should be treated as a flow-through trust for tax purposes. This means that Unitholders should be taxed on their share of the Trust's net taxable income, and the Trust should not be subject to Australian income tax.

(vi) Multi-class non-AMITs

In the absence of an AMIT multi-class election being made, the Trust is treated as a single taxpayer. As the classes are not treated as separate taxpayers, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class.

(vii) Public trading trust rules

The Trust does not intend to derive income other than from an "eligible investment business". Accordingly, it should not be subject to tax as a public trading trust. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities.

(viii) Losses

In the case where the Trust makes a loss for Australian tax purposes, the Trust cannot distribute the tax loss to Unitholders. However, the tax loss may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

(ix) Taxation of Financial Arrangements (TOFA)

The TOFA rules may apply to financial arrangements held by the Trust when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Trust for tax purposes and will also treat relevant gains and losses as being on revenue account.



10.3 Australian Taxation of Australian Resident Unitholders

(a) Distributions – AMIT

The AMIT provisions require the taxable income of the Trust to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Unitholders, entitlements to income and capital, as well as cash distributions made to such Unitholders during the relevant period. Under the AMIT provisions, a Unitholder may be taxable on their share of the Trust's taxable income prior to receiving distributions from the Trust.

(b) Distributions – Non-AMIT

Provided that the Trust is treated as a flow-through vehicle, Unitholders will be assessed on the taxable income derived by the Trust, based on their proportionate share of the annual income of the Trust that is distributed to them in that income year. The Trust's Unitholders will be required to include their share of taxable income in their tax return.

(c) Capital gains

If a Unitholder's share of the taxable income of the Trust includes an amount that consists of discount capital gains derived by the Trust, the Unitholder needs to first 'gross up' the discount capital gain (by multiplying it by 2). However, (after grossing up any discount capital gains) Unitholders may be able to reduce the capital gains distributed by the Trust by any capital losses which are available to them. Furthermore, after applying any loss, individual, trust, and complying superannuation fund, Unitholders may then be entitled, in determining the net capital gain that is to be included in their assessable income, to discount that capital gain by 50% for individuals and trusts and 33.3% for complying superannuation funds.

(d) Non-assessable distribution payments – AMIT

Under the AMIT provisions, a Unitholder's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Unitholder in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Unitholders after year-end.

(e) Disposal of Units by Australian resident Unitholders

If an Australian resident Unitholder transfers or redeems their units in the Trust, this will constitute a disposal for tax purposes.

Where a Unitholder holds their Units in the Trust on capital account, a capital gain or loss on the disposal may arise and each Unitholder should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Trust have been held for 12 months or more. No CGT discount is available to corporate Unitholders.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unitholder may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

(f) Goods and Services Tax (GST)

The Trust will be registered for GST. The acquisition and disposal of units in the Trust by Unitholders should not be subject to GST. Similarly, the distributions paid by the Trust should not be subject to GST. GST is payable on some ongoing expenses, however the Trust may be able to claim a reduced input tax credit (RITC) of at least 55% of the GST paid, depending on the precise nature of the expenses incurred. All fees and expenses are quoted inclusive of GST.

(g) Duty

The issue or redemption of Units should not attract any duty. Unitholders should confirm the duty consequences of transferring units with their taxation adviser.



(h) Tax File Number (TFN) and Australian Business Number (ABN)

As the Trust will be an investment body for income tax purposes, the Trust will be required to obtain a TFN or ABN in certain cases from its Unitholders.

It is not compulsory for a Unitholder to quote their TFN or ABN. If a Unitholder is making this investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. Failure by a Unitholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

(i) Annual Investment Income Report (AIIR)

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Unitholder identity details and investment income paid to Unitholders for the relevant financial year.

10.4 Taxation Implications for New Zealand resident Unitholders

The Trust will be a foreign investment fund (FIF) for New Zealand tax purposes. Therefore, New Zealand tax resident Unitholders (each a “New Zealand Unitholder”) will need to apply the FIF rules to establish the New Zealand tax treatment that will apply to the Units they hold.

If a New Zealand Unitholder’s Units are an “attributing interest” under the FIF rules, the Unitholder will be required to pay New Zealand tax on the unrealised gains they are deemed (under the FIF rules) to have obtained over the period they hold the Units. Any realised amounts they actually receive in relation to their Units (including ongoing distributions and proceeds from the sale of their Units) will not be separately taxed.

For many New Zealand Unitholders their Units are likely to be an attributing interest for the purposes of the FIF rules. There are, however, various legislative exclusions where FIF interests are expressly excluded from being attributing interests under the FIF rules. New Zealand Unitholders will need to consider these exclusions carefully. Different tax rules will apply if a New Zealand Unitholder’s Units are not an attributing interest.

If a New Zealand Unitholder’s Units are not an attributing interest under the FIF rules, the Unitholder will be taxed on a realisation basis. Any ongoing distributions they receive in relation to their Units will generally be taxable as dividends when they are received. However, as New Zealand does not have a formal capital gains tax, any amounts a New Zealand Unitholder receives from disposing of their Units will generally not be subject to New Zealand income tax unless the Unitholder holds their Units on “revenue account”. A New Zealand Unitholder will hold their Units on revenue account if they hold their Units as part of a share dealing business, the Units were acquired with a dominant purpose of disposal, or the Units are being disposed of as part of a profit-making undertaking or scheme.

New Zealand resident Unitholders will not be subject to Australian CGT on a capital gain (or loss) on the disposal of Units in the Trust unless:

- The New Zealand resident holds more than 10% of the Units in the Trust or has held more than 10% for at least 12 months in the prior two years; and
- Broadly, more than 50% of the Trust’s assets (by market value) are represented by “taxable Australian real property”.

Distributions received by New Zealand resident Unitholders from the Trust would be subject to Australian withholding tax. New Zealand Unitholders should seek their own professional advice regarding the taxation implications of investing in the Trust.



11. Investigating Accountant's Report



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Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

6 March 2018

The Directors
One Managed Investment Funds Limited
as responsible entity for the
Gryphon Capital Income Trust
Level 11, 20 Hunter Street
SYDNEY NSW 2000

Dear Directors

PART 1: INDEPENDENT LIMITED ASSURANCE REPORT ON GRYPHON CAPITAL INCOME TRUST PRO FORMA HISTORICAL FINANCIAL INFORMATION

11.1 INTRODUCTION

The Directors of One Managed Investment Funds Limited, on behalf of the Trust have engaged Pitcher Partners to report on the pro forma historical financial information of the Trust.

We have prepared this Independent Limited Assurance Report (**Report**) to be included in the PDS dated on or about 6 March 2018 and relating to the Offer of up to 175 million fully paid Units at an offer price of \$2.00 per unit.

The Minimum Subscription is 50,000,000 fully paid Units. The Offer is not underwritten.

Under the Offer, there will be no options attached to the Units.

Unless stated otherwise, expressions defined in the PDS have the same meaning in this Report and section references are to sections of the PDS.

The nature of this report is such that it can only be issued by an entity which holds an AFSL under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

11.2 BACKGROUND

The Trust was established on 7 December 2017 and has not traded. As at the date of this Report, the Trust has 10 Units on issue and has net assets of \$10.

Pitcher Partners Sydney Corporate Finance Pty Ltd, ABN 77 122 561 184, is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd, AFS License No. 336950, ABN 85 135 817 766. A member of Pitcher Partners, a national association of independent firms. Liability limited by a scheme approved under Professional Standards Legislation.





11.3 SCOPE

This Report deals with the pro forma financial information included in section 9 of the PDS (*"Financial Information"*). The Financial Information consists of the pro forma statements of financial positions as at 6 March 2018 and related notes as set out in section 9 of the PDS.

The unaudited pro forma statements of financial position in section 9.2 have been prepared to illustrate the financial position of the Trust on completion of the Offer and have been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events to which the pro forma assumptions relate, as described in section 9.3 of the PDS, as if those events had occurred as at 6 March 2018. Due to its nature, the pro forma historical financial information does not represent the Trust's actual or prospective financial position.

The pro forma statements of financial position are presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the financial information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full PDS and has been prepared for inclusion in the PDS.

11.4 DIRECTOR'S RESPONSIBILITIES

The Directors of the Responsible Entity for the Trust are responsible for the preparation and presentation of the pro forma statements of financial position including the selection and determination of pro forma assumptions, accounting policies and the notes included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

11.5 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the pro forma historical financial information included in section 9 of the PDS based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the pro forma historical financial information of the Trust.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any financial information used as a source of the financial information.



PITCHER PARTNERS

11.6 CONCLUSION

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma historical financial information (being the pro forma statements of financial position of the Trust) are not presented fairly, in all material respects, on the basis of the assumptions described in section 9.3 of the PDS and in accordance with the recognition and measurement principles described under Australian Accounting Standards, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Trust as described in section 9.7 of the PDS. Further, based on our review nothing has come to our attention which causes us to believe the assumptions do not provide reasonable grounds for the purposes of preparing the financial information, and nothing has come to our attention which causes us to believe the financial information itself is unreasonable.

11.7 RESTRICTION ON USE

Without modifying our conclusions, we draw attention to section 9 of the PDS, which describes the purpose of the financial information, being for inclusion in the PDS. As a result, the financial information may not be suitable for use for another purpose.

Investors should consider the statement of investment risks set out in section 7 of the PDS.

11.8 LEGAL PROCEEDINGS

The Trust is a newly established trust which has not conducted any business to date. The Trust is not and has not been, since its establishment to the date of this PDS, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Trust.

As far as the Directors are aware, no such proceedings are threatened against the Trust.

11.9 SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Trust have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

11.10 SOURCES OF INFORMATION

Pitcher Partners has made enquiries of the Directors, selected management of the Responsible Entity, members of the Gryphon Group and other parties as considered necessary during the course of our analysis of the pro forma historical financial information of the Trust. We have also referred to the PDS and material documents which relate to the proposed operations of the Trust.

We have no reason to believe the information supplied is not reliable.

**11.11 INDEPENDENCE OR DISCLOSURE OF INTEREST**

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Pitcher Partners Sydney Corporate Finance Pty Ltd, Pitcher Partners Sydney Wealth Management Pty Ltd, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

11.12 LIABILITY

The liability of Pitcher Partners is limited to the inclusion of this Report in the PDS. Pitcher Partners has not authorised the issue of the PDS. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from, the PDS.

11.13 FINANCIAL SERVICES GUIDE

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

11.14 CONSENT TO USE

We consent to the inclusion of this Report in the PDS in the form and context in which it is included. As at the date of this Report, this consent has not been withdrawn.

Yours faithfully

Pitcher Partners Sydney Corporate Finance Pty Ltd

Scott Whiddett
Director



PART 2 - FINANCIAL SERVICES GUIDE

1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd ("**Pitcher Partners**") is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd ("**Licence Holder**") in relation to Australian Financial Services Licence No. 336950.

Pitcher Partners may provide the following financial services to wholesale and retail clients as an authorised representative of the Licence Holder:

- Financial product advice in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, deposit and payment products, life products, retirement savings accounts and superannuation (collectively "**Authorised Financial Products**"); and
- Applying for, varying or disposing of a financial product on behalf of another person in respect of Authorised Financial Products.

2. Financial Services Guide

The Corporations Act 2001 requires Pitcher Partners to provide this Financial Services Guide ("**FSG**") in connection with its provision of an Investigating Accountant's Report ("**Report**") which is included in the PDS provided by One Managed Investment Funds Limited as responsible entity for the Gryphon Capital Income Trust (the "**Entity**").

3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence ("**AFSL**") to assist you in this assessment.

4. Remuneration

Pitcher Partners' client is the Entity to which it provides the Report. Pitcher Partners receives its remuneration from the Entity. Our fee for the Report is based on a time cost or fixed fee basis. This fee has been agreed in writing with the party who engaged us. Neither Pitcher Partners nor its Directors and employees, nor any related bodies corporate (including the Licence Holder) receive any commissions or other benefits in connection with the preparation of this Report, except for the fees referred to above.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of

Pitcher Partners or related entities but any bonuses are not directly connected with any assignment and in particular not directly related to the engagement for which our Report was provided.

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connections with the reports that we are licensed to provide.

5. Independence

Pitcher Partners is required to be independent of the Entity.

Neither Pitcher Partners, Pitcher Partners Sydney Wealth Management Pty Ltd, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of \$42,000 (excluding GST) will be received. No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, their Directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the PDS should not be directed to Pitcher Partners which is not responsible for that document.

Both Pitcher Partners and the Licence Holder may be contacted as follows:

- By phone: (02) 9221 2099
- By fax: (02) 9223 1762
- By mail: GPO Box 1615
SYDNEY NSW 2001

If you have a complaint about Pitcher Partners' Report or this FSG you should take the following steps:

1. Contact the Enquiries and Complaints Officer of the Licence Holder on (02) 9221 2099 or send a written complaint to the Licence Holder at Level 22, MLC Centre 19 Martin Place, Sydney NSW 2000. We will try and resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Industry Complaints Service at PO Box 579 Collins St West, Melbourne, Victoria 8007 or call on 1300 78 08 08. We are a member of this scheme.
3. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

The Licence Holder, as holder of the AFSL, gives authority to Pitcher Partners to distribute this FSG.



12. Material contracts

12.1 Constitution

The Trust has been registered by ASIC as a managed investment scheme pursuant to Chapter 5C of the Corporations Act. The rights and obligations of both the Responsible Entity and Unitholders are determined by the Constitution and the Corporations Act, together with any relief issued by ASIC and the general law relating to trusts. If you invest in the Trust, then you agree to be bound by the terms of the Constitution. The Constitution is a lengthy and complex document. Set out below is a brief summary, however investors should confirm all information by reference to the Constitution itself, a copy of which is available free of charge from the Responsible Entity. Investors are advised to seek advice from a legal or financial adviser and obtain a copy of the Constitution.

(a) Units

The beneficial interest in the Trust is divided into Units. A Unit confers on the Unitholder an undivided beneficial interest in the Trust as a whole, subject to trust liabilities. No single Unitholder has a claim on any specific asset of the Trust. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit. Units may be issued at a price determined by the Responsible Entity, subject to the provisions of the Corporations Act and any ASIC relief.

The Constitution gives a power to the Responsible Entity to issue new Units, subject to the terms and conditions of the Constitution, including by placement, rights offers, unit purchase plan or distribution reinvestment plan.

(b) No redemption of Units

While the Trust is listed on ASX, Units are not able to be redeemed. However, the Responsible Entity may, at its discretion, elect to buy back Units subject to the requirements of the Corporations Act and Listing Rules. Any Units which are the subject of a buy back will be immediately cancelled as required by the Corporations Act.

(c) Liability of Unitholders

The liability of each Unitholder is limited to its invested equity in the Trust. Unitholders are not required to indemnify the Responsible Entity or a creditor of the Responsible Entity against any liability in respect of the Trust, however, this type of provision has not been tested by the courts.

(d) Powers of the Responsible Entity

The Responsible Entity has all the powers in respect of the Trust it is possible under the law to confer on a natural person or corporation as though it was the absolute and beneficial owner of the Assets of the Trust acting in its personal capacity. These include the power to invest in any property (whether real or personal) located in any jurisdiction, to borrow or raise money, grant a security interest over the Trust assets, enter into underwriting arrangements, to give guarantees and incur liabilities and obligations of any kind. The Responsible Entity may also authorise any person to act as its agent or delegate.

(e) Responsible Entity remuneration and recovery of expenses

The Constitution makes provision for the maximum fees payable to the Responsible Entity (see Section 6.4(i)). However, the Responsible Entity has agreed to charge the fees set out in Section 6.4(c) and 6.4(d). The Responsible Entity may (only with the written consent of the Manager) change the fees without consent of the Unitholders provided the fees remain below the maximum fee. The Responsible Entity will provide at least 30 days' notice if it intends to increase the fees in those circumstances. In addition, all costs, charges, expenses and outgoings reasonably and properly incurred by the Responsible Entity in the proper performance of its duties may be payable or reimbursable out of the Trust Assets (see Section 6.4(e)).

(f) Responsible Entity's liability

Except in the case of fraud, negligence or breach of trust, the Responsible Entity is indemnified out of the Trust Assets for any liability (including tax liability) properly incurred by it or through any agent, manager, adviser or delegate in relation to the Trust. This indemnity is in addition to any indemnity under law.

**(g) Initial Units**

To establish the Trust the Responsible Entity has issued 10 Initial Units. Initial Units are subject to the following rights, obligations and restrictions:

- (i) The application price of a single Initial Unit is \$1.00.
- (ii) Holders of Initial Units will not have an interest in or be entitled to share in any distributions.
- (iii) The redemption price of a single Initial Unit is \$1.00.
- (iv) Holders of Initial Units are not entitled to receive notices of or attend general meetings of holders of Units. Additionally, Initial Units will have no voting rights.
- (v) On winding up of the Trust, a holder of Initial Units is only entitled to \$1.00 per Initial Unit.

Initial Units will be redeemed upon listing of the Units under the Offer.

- (h)** The Constitution includes provisions which regulate the calling, holding and voting at meetings of Unitholders. The Constitution includes provision for the Responsible Entity to permit 'direct voting' (or electronic voting) at its discretion. It also confirms the quorum for a meeting is two Unitholders who hold or represent at least 20 percent of the Units in issue.

12.2 Investment Management Agreement

(a) Services

The Manager agrees to invest and manage the Trust's Portfolio in accordance with the Investment Objective, Investment Strategy and the terms of the Investment Management Agreement. The Manager agrees to provide other ancillary services, including (without limitation) the following:

- (i) Assist and co-ordinate advice for the benefit of the Trust.
- (ii) Keep proper records and books of account in relation to the Trust's Portfolio.
- (iii) Provide all necessary information in relation to the Trust's Portfolio to assist the Responsible Entity in preparation of reports.
- (iv) Provide all necessary information to assist in the calculation on income distributions from the Trust, payment of taxes and the Trust's fees and expenses.
- (v) Provide all necessary information and assistance to service providers appointed by the Responsible Entity in connection with preparing periodic statements, valuations of the Trust's Portfolio and other matters in relation to the administration of the Trust.
- (vi) Promote and market the Trust.
- (vii) Assist the Responsible Entity with drafting announcements required to ensure the Responsible Entity complies with its obligations under the Listing Rules.

(b) Manager term and termination rights

The initial term is five years with automatic extensions such that there is always at least five years remaining unless terminated earlier in accordance with its terms. However the Responsible Entity has sought ASX relief to enable the initial term of the Investment Management Agreement to be increased from five years to 10 years with automatic extensions such that there is always at least 10 years remaining unless terminated earlier in accordance with its terms. If the waiver application is refused, the initial term of the Investment Management Agreement will remain five years.

The Investment Management Agreement gives the Responsible Entity certain termination rights including if:

- (i) the Investment Manager becomes insolvent;
- (ii) the Investment Manager breaches its obligations under the Investment Management Agreement in a material respect and such breach cannot be rectified or is not remedied within 30 days after receiving notice of that breach;
- (iii) the Investment Manager ceases to carry on business;
- (iv) the Investment Manager no longer holds an AFSL which permits it to act as an investment manager;
- (v) the Investment Manager sells or transfers all or part of its business other than to a related party or a party other than an appropriately experienced professional investment manager without the prior consent of the Responsible Entity; or
- (vi) the Manager Loan is terminated prior to repayment of the Manager Loan (for example, GCM defaults in repayment of the loan).



The Responsible Entity may also terminate the Investment Management Agreement without cause following the initial five year term (or if ASX relief is granted, then the initial 10 years) on three months' notice if Unitholders pass an ordinary resolution directing the Responsible Entity to terminate the Manager's appointment.

The Responsible Entity agrees it will not call a meeting of Unitholders to consider an ordinary resolution to terminate the Investment Management Agreement unless it has received written notice from unitholders of the Fund representing no less than 40 percent of Units on issue.

If the Responsible Entity terminates the Investment Management Agreement without cause, then it must pay to the Manager a fee equal to the aggregate management fee paid to the Manager in the 12-month period up to the date of termination. Furthermore, subject to the consent of the Responsible Entity (not to be unreasonably withheld), the Manager may appoint a replacement manager within the three month notice period provided the nominated replacement:

- (i) holds an AFSL with appropriate authorisations; and
- (ii) is an established investment manager with a substantially similar level of expertise that has demonstrated an ability to professionally and competently perform duties required by the Investment Management Agreement.

The Manager may at any time give notice in writing to the Responsible Entity terminating the Investment Management Agreement to take effect 3 months after the date of the notice.

Following termination, the Responsible Entity must take all reasonable steps to facilitate the transfer of the Portfolio from the Manager.

(c) Exclusivity

The Manager is appointed on an exclusive basis and the Responsible Entity agrees not to appoint another Manager to manage the Trust during the term of the Investment Management Agreement.

The Manager may from time-to-time perform similar investment and management services for itself and other persons similar to the services performed for the Trust, provided the Manager does not prejudice or otherwise derogate its responsibilities.

(d) Fees

The Manager is entitled to receive a management fee calculated as a percentage of the net asset value of the Trust. The management fee is calculated and accrued daily and paid monthly in arrears from the Trust's assets. See Section 6 for further information about fees and costs.

If the Investment Management Agreement is terminated by the Responsible Entity, then the Responsible Entity must, within 90 days, cause the name of the Fund to be changed to a name that does not imply an association with the Gryphon Group or its business.

If the Trust's name has not been changed within 90 days of the date of termination, then the Manager will grant a licence to use the "Gryphon" name for so long as the Trust's name includes the word "Gryphon" in return for a licence fee equal to 1.0% per annum of the net value of the Portfolio.

(e) Amendment

The Investment Management Agreement may be amended by the written agreement of the Responsible Entity and the Manager.

(f) Powers and discretions

Subject to the Corporations Act, the Listing Rules and any guidelines issued by the Responsible Entity from time-to-time, the Manager has the powers necessary to invest money in or available to the Trust, and make, hold, realise and dispose of investments in the Trust's Portfolio, on behalf of the Trust.

(g) Delegation

The Manager must not delegate any of its duties, responsibilities, functions and powers, or appoint any other person to perform the services listed in Section 12.2(a) without the prior written consent of the Responsible Entity.

(h) Management of potential conflicts

The Manager will manage all conflicts in accordance with its conflicts of interest policy, described in Section 13.4.



(i) **Other material terms**

(i) *Manager indemnity*

The Responsible Entity indemnifies the Manager against any liabilities incurred by the Manager arising out of, or in connection with the Manager or any of its officers or agents properly acting under the Investment Management Agreement except to the extent that any liability is caused by the negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or agents or the Manager's breach of the Investment Management Agreement, the Manager's failure to meet the prescribed standard of care or any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust.

(ii) *Responsible Entity indemnity*

The Manager indemnifies and holds harmless the Responsible Entity, both as responsible entity of the Trust and personally, and any of its officers, employees or agents against any liabilities reasonably incurred by the Responsible Entity and the Trust arising out of, or in connection with, any negligence, fraud, default or dishonesty of the Manager or any of its officers, employees or agents, the Manager's breach of the Investment Management Agreement or failure to meet the prescribed standard of care, the Responsible Entity properly performing its obligations under the Investment Management Agreement or any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust.

12.3 Offer Management Agreement

The Responsible Entity, Manager and Gryphon Capital Partners Pty Ltd ACN 167 843 129 have entered into the Offer Management Agreement with the Joint Arrangers under which the Joint Arrangers have been appointed to arrange, manage and act as sole bookrunner to the Offer. A summary of the key terms of the offer management agreement are set out below.

(a) **Fees and expenses**

Gryphon Group will pay:

- (i) the Joint Arrangers a joint lead arranger fee equal to 0.20% plus GST of the total amount raised under the Offer;
- (ii) the Joint Arrangers a management fee equal to 0.75% plus GST of the total amount raised under the Offer; and
- (iii) to any broker who has been allocated Units under the Broker Firm Offer, a fee of 1.25% plus GST of the total amount raised by that broker under the Broker Firm Offer.

The Joint Arrangers are also entitled to be reimbursed for all reasonable expenses incurred in connection with the Offer Management Agreement, this PDS and the Offer.

(b) **Indemnity**

The Responsible Entity and the Manager jointly and severally indemnify the Joint Arrangers, their Related Bodies Corporate, and the directors, employees, agents and advisers of the Joint Arrangers and their Related Bodies Corporate (Indemnified Parties) against any liabilities they incur in relation to the Offer, this PDS or the Offer Management Agreement, except to the extent that such liability arises out of, or in connection with an Indemnified Party's fraud, wilful misconduct or gross negligence.

(c) **Warranties and representations**

The Offer Management Agreement contains customary warranties and representations to be provided by the Responsible Entity, the Manager and the Joint Arrangers, such as having the necessary corporate power and authority to enter into the agreement. The Responsible Entity and the Manager provide additional representations and warranties, including that this PDS complies with the requirements of the Corporations Act and the Listing Rules.

(d) **Termination**

The Offer Management Agreement contains a number of customary and usual events under which the agreement may be terminated, such as the Minimum Subscription is not achieved, any non-compliance of any aspect of the Offer in respect of the Corporations Act or the Listing Rules, or a member of the GCI Investment Team is removed or replaced.



12.4 Manager Loan

A portion of the funds raised from the Offer will be invested in the Manager Loan. The Manager Loan is an unsecured loan advanced to GCM which is part of the Gryphon Group. GCM may use the funds as working capital. For example, it may be used to provide ongoing services to the Fund including but not limited to investor relations, capital management, to facilitate future fundraisings and to fund the costs of the Offer.

The following is a summary of the key details of the Manager Loan. It is expected the Manager Loan will be approximately 3% of the total funds raised under the Offer. The precise amount will not be known until after the Offer is finalised. See Section 9 for the Responsible Entity's best estimate of the size of the Manager Loan based on various subscription amounts.

Loan amount	See Section 9
Interest rate	5% per annum, payable monthly in arrears. If the borrower is in default, then the interest rate is 7% per annum.
Term	10 years.
Principal repayments	Repayable monthly in instalments during the term of the loan such that the loan is fully amortised within the Term. The borrower may repay principal early in full or in part without penalty. Any early repayments may not be re-drawn.
Security	The Manager Loan is unsecured. This means it will rank behind any secured debt of GCM.

GCM will be liable to repay the Manager Loan, even if Gryphon Capital Investments Pty Ltd is removed as investment manager of the Trust.

13. Additional information

13.1 Current capital structure

The issued capital of the Trust as at the date of this PDS is set out in the table below. Initial Units will be redeemed upon listing the Units under the Offer.

Class of Units	No. of units
Initial Units	10

13.2 Proposed capital structure

	Minimum subscription (\$100 million)	Maximum subscription (\$350 million)
Units	50,000,000	175,000,000
NAV per Unit	\$2.00	\$2.00

13.3 Disclosure of interests

Other than as set out in this PDS, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Responsible Entity was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest. The Investment Management Agreement and other material contracts have been entered into on arm's length terms between the Responsible Entity and the Manager.



13.4 Conflicts of interests and related party transactions

The Responsible Entity and the Manager may from time-to-time face conflicts between their duties to the Trust as the responsible entity or the manager, their duties to other funds they manage (if applicable) and their own interests. For example, the Manager currently holds mandates for institutional clients to invest funds held in separately managed accounts. It is possible some of the mandates for institutional clients will be similar to the investment mandate of the Trust. The Manager has developed an allocation policy (see Section 4.11) and a conflict of interest policy to provide reasonable assurance that investments will be allocated appropriately and fairly among its clients.

The Responsible Entity and Manager each maintain and comply with a written policy on related party transactions, including the assessment and approval processes for such transactions and arrangements to manage conflicts of interest. The policy ensures that any actual or potential conflicts of interest are identified and appropriately dealt with.

The Responsible Entity and Manager may from time-to-time enter into other transactions with related entities. All transactions will be effected at market rates or at no charge, and in accordance with the Corporations Act. By investing in the Trust, to the maximum extent permitted by law, Unitholders will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflict of interest.

13.5 Interests of experts and advisers

Except as disclosed in this PDS, no amounts of any kind have been paid or agreed to be paid to any expert, stockbroker, promotor or any other person named in this PDS as performing a function in a professional capacity in connection with the preparation and distribution of the PDS, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated, for services rendered by that person in connection with the formation or promotion of the Trust or the Offer under this PDS.

- (a) Pitcher Partners – has acted as the Australian Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report on the unaudited Pro-Forma Financial Information in section 9. In respect of these services, the Manager will pay approximately \$42,000 (plus GST and disbursements) to Pitcher Partners.
- (b) Morgans and NAB have been appointed as the Joint Arrangers to the offer. In accordance with the Offer Management Agreement, the Gryphon Group will pay the following:
 - (i) the Joint Arrangers a joint lead arranger fee equal to 0.20% plus GST of the total amount raised under the Offer;
 - (ii) the Joint Arrangers a management fee equal to 0.75% plus GST of the total amount raised under the Offer; and
 - (iii) to any broker who has been allocated Units under the Broker Firm Offer, a fee of 1.25% plus GST of the total amount raised by that broker under the Broker Firm Offer.
- (c) McMahon Clarke – has acted as the Trust's legal advisers and in that capacity has been involved in undertaking due diligence enquiries for the preparation of this PDS and providing legal advice to the Trust in relation to the Offer. In respect of this work, the Manager will pay approximately \$150,000 (plus GST and disbursements) for services in relation to this PDS. Further amounts may be paid to McMahon Clarke for other services in accordance with its normal time-based charges.

13.6 Offer expenses

The Gryphon Group will pay the costs and expenses associated with the Offer.

If the Offer proceeds, the total estimated costs and expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees) are estimated to be \$3.2 million (net of recoverable GST) assuming the Minimum Subscription is achieved. If the Maximum Subscription is achieved the total estimated costs and expenses in connection with the Offer will be \$9.4 million (net of recoverable GST).



13.7 Consents

Each of the parties referred below has given and not, before lodgment of this PDS with ASIC, withdrawn its written consent to the inclusion of the statements in this PDS that are specified below in the form and content in which the statements appear:

- (a) GCI – the Manager of the Trust.
- (b) Mainstream Fund Services – Administrator for the Trust.
- (c) Boardroom Pty Limited – Unit registry.
- (d) Pitcher Partners – Investigating Accountant.
- (e) McMahon Clarke – solicitor to the Offer.
- (f) Morgans – as Joint Arranger to the Offer.
- (g) NAB – as Joint Arranger to the Offer.

Each of the above parties has only been involved in the preparation of that part of the PDS where they are named. Except to the extent indicated above, none of the above parties have authorised or caused the issue of the PDS and takes no responsibility for its contents. Each of the Joint Arrangers has consented to being named as specified above, but does not make any statement in this PDS, nor is any statement in this PDS based on any statement by that Joint Arranger.

13.8 Legal proceedings

As at the date of this PDS the Trust is not engaged in any litigation, and as far as the Responsible Entity is aware, no litigation involving the Trust is pending or threatened.

13.9 Environmental and ethical considerations

Whilst the Responsible Entity and Manager each intend to conduct their affairs in an ethical and sound manner, the Trust's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations when making or realising an investment of the Trust.

13.10 Complaints handling

The Responsible Entity takes complaints seriously and aims to resolve all complaints as quickly as possible. In the first instance, if you have a complaint, then you should notify the Responsible Entity immediately using the following contact details:

Address Level 11, 20, Hunter Street
Sydney NSW 2000

Post Complaints Officer
PO Box R1471
Royal Exchange NSW 1225

Phone 02 8277 0000

Email complaints@oneasset.com.au

Once the Responsible Entity receives a complaint, the Responsible Entity will acknowledge it as soon as practicable and investigate the complaint with a view to resolving it and responding as soon as possible.

If you are not satisfied with the Responsible Entity's response, then you can refer your complaint to the Financial Ombudsman Service, an external complaints handling body of which we are a member. The role of this body is to provide an independent assessment of your complaint. The Financial Ombudsman Service can be contacted as follows:

Post Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Phone 1800 367 287 or +61 3 9613 7366

Fax +61 3 9613 6399

Email info@fos.org.au



13.11 Your Privacy

In applying to invest and completing an Application Form, you are providing the Registry, Administrator and the Responsible Entity with certain personal details (your name, address, etc.). The Registry, Administrator and Responsible Entity use this information to establish and manage that investment for you.

The Responsible Entity and the Manager may also use your personal information to tell you about other products and services offered by the Responsible Entity or the Manager or other related bodies corporate.

Under the Privacy Act 1988 (Cth), you can access personal information about you that is held by us, except in limited circumstances. Please let us know if you think the information is inaccurate, incomplete, or out of date. You can also tell us by written communication, at any time, not to pass-on your personal information.

If you do not provide your contact details and other information, then your Application Form may not be able to be processed.

Under various laws and regulatory requirements, we may have to pass-on certain information to other organisations, such as the ATO, or AUSTRAC.

By applying to invest, you give us permission to pass-on information we hold about you to other companies which are involved in helping us administer the Trust, or where they require it for the purposes of compliance with AML/CTF law.

A copy of the Responsible Entity's Privacy Policy and the APP is available on the Responsible Entity's website www.oneinvestment.com.au or by contacting the Responsible Entity on 02 8277 0000.

13.12 Anti-money laundering law and counter terrorism financing (AML/CTF)

Australia's AML/CTF Laws require the Responsible Entity to adopt and maintain an Anti-Money Laundering and Counter Terrorism Financing program. A fundamental part of the AML/CTF program is that Responsible Entity knows certain information about investors in the Trust.

To meet this legal requirement, the Responsible Entity is required to collect certain identification information and documentation (KYC Documents) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with the AML/CTF Laws. Processing of Applications or withdrawals will be delayed or refused if investors do not provide the KYC Documents when requested.

Under the AML/CTF Laws, the Responsible Entity may be required to submit reports to AUSTRAC. This may include the disclosure of your personal information. The Responsible Entity may not be able to tell you when this occurs and, as a result, AUSTRAC may require the Responsible Entity to deny you (on a temporary or permanent basis) access to your investment. This could result in loss of the capital invested, or you may experience significant delays when you wish to transact on your investment.

Neither the Responsible Entity nor the Manager is liable for any loss you may suffer because of compliance with the AML/CTF Laws.

13.13 Foreign tax compliance disclosure

The Foreign Account Tax Compliance Act (FATCA) is United States (US) legislation that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. The OECD Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS) is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Trust will comply with its FATCA and CRS obligations by collecting, retaining and reporting about certain investors to the ATO.

13.14 Indemnity

The Responsible Entity is indemnified out of the Trust against all liabilities incurred by it in properly performing or exercising any of its powers in the proper performance of its duties in relation to the Trust. This indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity. Subject to the law, the Responsible entity may retain or pay out from the assets of the Trust any sum necessary to affect such an indemnity.



14. Glossary

\$	Australian dollars. All amounts in this PDS are in Australian dollars unless otherwise stated.
ABS	Asset backed security.
ADI	Authorised deposit-taking institution.
Administrator	Mainstream Fund Services ACN 118 902 891 AFSL 303 253.
AFSL	Australian financial services licence.
AEST	Australian Eastern Standard Time.
Allotment Date	The date on which the Units are allocated under the Offer.
AML/CTF	Anti-Money Laundering Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity.
APP	Australian Privacy Principles.
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this PDS and who has an Australian or New Zealand residential address.
Application	An application for Units under this PDS.
Application Amount	Money submitted by Applicants under the Offer in cleared funds.
Application Form	The application form attached to or accompanying or provided with this PDS for investors to apply for Units under the Offer.
APRA	The Australian Prudential Regulation Authority.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates (Australian Securities Exchange), as the context requires.
ASX Principles	The ASX Corporate Governance Principles and Recommendations 3rd Edition (2014) of the ASX Corporate Governance Council as at the date of this PDS.
ATO	Australian Taxation Office.
AUSTRAC	The Australian Transaction Reports and Analysis Centre.
Authorised Investment	An investment in which the Trust may invest as described in Section 4.6.
Board	The board of Directors of the Responsible Entity.
Broker	Any ASX participating organisation selected by the Joint Arrangers in consultation with the Responsible Entity and the Manager to act as a broker to the Offer.
Broker Firm Offer	Has the meaning given to that term in Section 2.3.
Broker Firm Offer Closing Date	27 April 2018.
Business Day	A day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney, Australia.
CHESS	Clearing House Sub-register System which is the Australian settlement system for equities and other issued products traded on ASX.
Closing Date	The date that the Offer closes, which is 2 May 2018.
Constitution	The constitution of the Trust as amended from time to time.



Corporations Act	The Corporations Act 2001 (Cth) for the time being in force together with the regulations.
CPI	Consumer Price (All Groups) Index.
CRS	Common Reporting Standard.
Custodian	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.
Exposure Period	The seven day period after the date of lodgement of the PDS with ASIC (as extended by ASIC (if applicable)).
FATCA	U.S. income tax laws commonly referred to as the Foreign Account Tax Compliance Act.
GCI Investment Committee	Steven Fleming and Ashley Burtenshaw.
GCI Investment Team	Steven Fleming, Ashley Burtenshaw, Shane Stanton and Sergey Podzorov.
GCM	Gryphon Capital Management Pty Ltd ACN 168 316 103.
General Offer	Has the meaning given to that term in Section 2.4.
Gryphon Group	Gryphon Capital Partners Pty Ltd ACN 167 843 129 or one of its Related Bodies Corporate.
GST	Goods and Services Tax.
Initial Unit	A class of units issued to establish the Trust, the terms of which are summarised in Section 12.1.
Institutional Investor	An Applicant to whom offers or invitations in respect of Units can be made without the need for a lodged public disclosure statement (or other formality, other than a formality which the Trust is willing to comply with) and excluding a retail client within the meaning of section 761G of the Corporations Act.
Investigating Accountant	Pitcher Partners.
Investigating Accountant's Report	The report by the Investigating Accountant in Section 11.
Investment Grade	A BBB- rating or higher provided by an institutionally recognised rating agency such as Standard & Poors, Moodys or FitchRatings.
Initial Units	An initial unit in the Trust which carries the rights, obligations and restrictions set out in Section 12.1(g).
Investment Guidelines	The investment guidelines of the Trust as set out in Section 4.6.
Investment Management Agreement	The agreement between the Trust and the Manager, a summary of which is included in Section 12.2.
Investment Objective	The objectives that the Trust seeks to achieve through its investments, as set out in Section 4.5.
Investment Strategy	The investment strategy of the Trust, as set out in section 4.
Joint Arrangers	Morgans and NAB.
Listing Rules	The official Listing Rules of the ASX as amended or waived from time to time.
LMI	Lenders mortgage insurance. See Section 3.9.
LTV	Loan to value which is a measure of the size of the principal outstanding on the loan relative to the value of the underlying security supporting the loan.
Manager	Gryphon Capital Investments Pty Ltd ACN 167 850 535 AFSL 454552.
Manager Loan	A loan provided by the Trust to GCM the terms of which are summarised at Section 12.4.
Maximum Subscription	\$350,000,000.
Minimum Subscription	\$100,000,000.



Morgans	Morgans Financial Limited ABN 49 010 669 726 AFSL 235410.
NAB	National Australia Bank Limited ABN 12 004 044 937 AFSL 230686.
Net Asset Value or NAV	The value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities, which includes declared but unpaid distributions and unpaid management fees earned, as calculated in accordance with the Listing Rules.
Net Tangible Asset Backing	The value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities, which includes declared but unpaid distributions and unpaid management fees earned, as calculated in accordance with the Listing Rules.
Non-Conforming	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 or large loan size.
Offer	The offer of Units to raise up to \$350 million.
Offer Management Agreement	An agreement between the Responsible Entity, the Manager and the Joint Arrangers, which is summarised in Section 12.3.
Offer Period	The period during which investors may subscribe for Units under the Offer.
OIG	The One Investment Group of companies.
Opening Date	The date the Offer opens, which is 20 March 2018.
Originator	In respect of a securitisation, the originator is the party who originally held the assets which form the collateral (or security) for the bond issue.
PDS	This product disclosure statement, dated 6 March 2018 for the Offer.
Pitcher Partners	Pitcher Partners Sydney Corporate Finance Pty Ltd ACN 122 561 184.
Portfolio	The portfolio of investments of the Trust from time to time.
RBA Cash Rate	The interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis as published by the Reserve Bank of Australia.
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
Responsible Entity	One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042.
Retail Investor	An Applicant who is not an Institutional Investor.
RITC	Reduced input tax credits.
RMBS	Residential mortgaged backed security.
Subscription Price	The amount payable by Applicants for the issue of Units under the Offer being \$2.00 per Unit.
Target Return	RBA Cash Rate plus 3.50% per annum net of fees, through the economic cycle.
TFN	Tax file number.
Trust	The Gryphon Capital Income Trust ARSN 623 308 850.
Unit	An ordinary unit in the Trust.
Unitholder	A registered holder of a Unit.
Unit Registry	Boardroom Pty Limited ACN 003 209 836.



15. Application Forms

Gryphon Capital Income Trust

ARSN 623 308 850

General Offer Application Form

This is an Application Form for Units in the Gryphon Capital Income Trust (**the Trust**) on the terms set out in the accompanying product disclosure statement dated 6 March 2018 (**Product Disclosure Statement**) issued by One Managed Investment Funds Limited (**Responsible Entity**). Defined terms in the Product Disclosure Statement have the same meaning in this Application Form. You must apply for a minimum of 2,500 Units. This Application Form and your cheque, bank draft or BPAY payment must be received by **5.00pm (Sydney Time) on 2 May 2018** (subject to change).

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Product Disclosure Statement contains information relevant to a decision to invest in Units and you should read the entire Product Disclosure Statement carefully before applying for Units.

The Registry's Privacy Policy (Privacy Policy) also sets out important information relating to the collection, use and disclosure of all personal information that you provide to in relation to your investment in the Trust. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website <http://www.boardroomlimited.com.au/Privacy.html>

This Application Form must not be distributed to another person unless included in, or accompanied by, the Product Disclosure Statement. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Product Disclosure Statement. During the Offer Period the Responsible Entity will send you a free paper copy of the Product Disclosure Statement if you have received an electronic Product Disclosure Statement and you ask for a paper copy before the Closing Date.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A. Number of Units you are applying for

x \$2.00 per Unit =

B. Total amount payable

Minimum of 2,500 Units must be applied for

C. Full name/Company name (see reverse for instructions)

Applicant #1

Name of Applicant #2 or <Account Designation>

Name of Applicant #3 or <Account Designation>

D. Postal address

Number/Street

Suburb

State

Postcode

Country

E. CHESS participant – Holder Identification Number (HIN)

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Important please note: If the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Units issued as a result of your Application will be held on the Issuer Sponsored subregister.

F. Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G. Cheque payment details

PIN CHEQUE(S) HERE. Cheques to be made payable to Gryphon Capital Income Trust – Unit Offer. Please enter cheque details below. **Alternatively you can apply online at www.gcainvest.com/GCI and pay by BPAY.**

Name of drawer of cheque

Cheque no.

BSB no.

Account no.

Cheque Amount A\$

H. Contact details

Contact telephone number (daytime/work/mobile)

Contact Name

E-mail Address



Declaration

By submitting this Application Form with your Application Amount, I/we declare that I/we:

- ✓ have received a copy of, and read and understood, the Product Disclosure Statement in full, including the risks;
- ✓ have received this Application Form in accordance with the Product Disclosure Statement;
- ✓ have completed the Application Form in accordance with the instructions on the form and in the Product Disclosure Statement;
- ✓ declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Responsible Entity collecting, holding, using and disclosing my/our personal information in accordance with the Product Disclosure Statement;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Responsible Entity;
- ✓ acknowledge my/our Application Form may not be withdrawn;
- ✓ apply for the number of Units set out in this Application (or a lower number allocated in a manner allowed under the Product Disclosure Statement);
- ✓ acknowledge that my/our Application may be rejected by the Responsible Entity in its absolute discretion;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the Constitution;
- ✓ authorise the Responsible Entity and its respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Units to be allocated to me/us;
- ✓ acknowledge that neither the Responsible Entity nor any person or entity guarantees any particular rate of return on the Units, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ✓ represent, warrant and agree that I/we have not received this Product Disclosure Statement outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand.

Guide to the Application Form

YOU SHOULD READ THE PRODUCT DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. Insert the **number** of Units for which you wish to subscribe at Item A (not less than 2,500 Units representing a minimum investment of \$5,000.00). Multiply by A\$2.00 to calculate the total Application Amount for Units and enter the **A\$ amount** at Item B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Responsible Entity will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus Medicare levy.
- G. Complete **cheque details** as requested. Make your cheque payable to "Gryphon Capital Income Trust – Unit Offer". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia. **Alternatively you can apply online at www.gcainvest.com/GCI and pay by BPAY. If you apply online, you do not need to complete a paper Application Form. See below.**
- H. Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Amount.

Payment by BPAY

You may apply for Units online and pay your Application Amount by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form attached to the electronic version of the Product Disclosure Statement available at www.gcainvest.com/GCI and follow the instructions on the online Application Form. When completing your BPAY payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN, your Application will not be recognised as valid. It is your responsibility to ensure payment is received by 5:00pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither Boardroom Pty Limited nor One Managed Investment Funds Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Units. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Responsible Entity. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Trust	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

Mailing address:
One Managed Investment Funds Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Delivery address:
One Managed Investment Funds Limited
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5:00 p.m. (Sydney Time) on 2 May 2018, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

One Managed Investment Funds Limited advises that Chapter 2C of the Corporations Act requires information about the Trust's unitholders (including names, addresses and details of Units held) to be included in the Trust's unit register. Information is collected to administer your unitholding and if some or all of the information is not collected then it might not be possible to administer your unitholding. Your personal information may be disclosed to the Trust. To obtain access to your personal information or more information on how the Responsible Entity collects, stores, uses and discloses your information please contact the Trust at the address or telephone number shown in the Product Disclosure Statement.



Gryphon Capital Income Trust

ARSN 623 308 850



Broker Firm Application Form

This is an Application Form for Units in the Gryphon Capital Income Trust (**Trust**) on the terms set out in the accompanying product disclosure statement dated 6 March 2018 (**Product Disclosure Statement**) issued by One Managed Investment Funds Limited (**Responsible Entity**). Defined terms in the Product Disclosure Statement have the same meaning in this Application Form. You must apply for a minimum of 2,500 Units. This Application Form and your cheque(s) or bank draft must be received by 5.00pm (Sydney Time) on 27 April 2018.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Product Disclosure Statement contains information relevant to a decision to invest in the Units and you should read the entire Product Disclosure Statement carefully before applying for Units.

The Registry's Privacy Policy (**Privacy Policy**) also sets out important information relating to the collection, use and disclosure of all personal information that you provide in relation to your investment. Please ensure that you and all relevant individuals have read the Privacy Policy carefully before submitting this Application Form. The Privacy Policy can be found on the website <http://www.boardroomlimited.com.au/Privacy.html>

This Application Form must not be distributed to another person unless included in, or accompanied by the Product Disclosure Statement. A person who gives another person access to this Application Form must, at the same time and by the same means, give the other person access to the Product Disclosure Statement. During the Offer Period the Responsible Entity will send you a free paper copy of the Product Disclosure Statement if you have received an electronic Product Disclosure Statement and you ask for a paper copy before the Closing Date.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

A. Number of Units you are applying for

x \$2.00 per Unit =

B. Total amount payable

 \$

Minimum of 2,500 Units must be applied for

C. Full name/Company name (see reverse for instructions)

Applicant #1

Name of Applicant #2 or <Account Designation>

Name of Applicant #3 or <Account Designation>

D. Postal address

Number/Street

Suburb

State

Postcode

Country

E. CHESS participant – Holder Identification Number (HIN)

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Important please note: If the name and address details above in sections C and D do not match exactly with your registration details held at CHESS, any Units issued as a result of your Application will be held on the Issuer Sponsored subregister.

F. Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G. Cheque payment details

PIN CHEQUE(S) HERE. Cheque to be made in accordance with the instruction from your broker. If payment is made by cheque, enter cheque details below.

Name of drawer of cheque

Cheque no.

BSB no.

Account no.

Cheque Amount A\$

H. Contact details

Contact telephone number (daytime/work/mobile)

Contact Name

E-mail Address



Declaration

By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have received a copy of, and read and understood, the Product Disclosure Statement in full, including the risks;
- ✓ have received this Application Form in accordance with the Product Disclosure Statement;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Product Disclosure Statement;
- ✓ declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Responsible Entity collecting, holding, using and disclosing my/our personal information in accordance with the Product Disclosure Statement;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Responsible Entity;
- ✓ acknowledge my/our Application Form may not be withdrawn;
- ✓ apply for the number of Units set out in this Application Form (or a lower number allocated in a manner allowed under the Product Disclosure Statement);
- ✓ acknowledge that my/our Application may be rejected by the Responsible Entity in its absolute discretion;
- ✓ authorise the Responsible Entity and its respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Units to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the Constitution;
- ✓ acknowledge that neither the Responsible Entity nor any person or entity guarantees any particular rate of return on the Units, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ✓ represent, warrant and agree that I/we have not received this Product Disclosure outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand.

Guide to the Application Form

YOU SHOULD READ THE PRODUCT DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. Insert the **number** of Units for which you wish to subscribe at Item A (not less than 2,500 Units representing a minimum investment of \$5,000.00). Multiply by A\$2.00 to calculate the total Application Monies for Units and enter the **A\$ amount** at Item B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Responsible Entity will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESS account exactly.**
- F. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus Medicare levy.
- G. Applicants pay their Application Amount to their Broker in accordance with the relevant Broker's directions. Please contact your broker for further instructions.
- H. Enter your **contact details, including name, phone number and e-mail address**, so we may contact you regarding your Application Form or Application Amount.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the Units. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Responsible Entity. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Trust	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail your completed Application Form with your cheque(s) or bank draft attached to your broker, and complete the broker details below:

Broker Contact Number

Broker Name

The Offer closes at 5:00 p.m. (Sydney Time) on 27 April 2018, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

One Managed Investment Funds Limited advises that Chapter 2C of the Corporations Act requires information about the Trust's unitholders (including names, addresses and details of Units held) to be included in the Trust's unit register. Information is collected to administer your unitholding and if some or all of the information is not collected then it might not be possible to administer your unitholding. Your personal information may be disclosed to the Manager. To obtain access to your personal information or more information on how the Responsible Entity collects, stores, uses and discloses your information please contact the Responsible Entity at the address or telephone number shown in the Product Disclosure Statement.

