



GRYPHON
CAPITAL INVESTMENTS

Adding Portfolio diversification for your income sources

OCTOBER 2018

Disclaimer

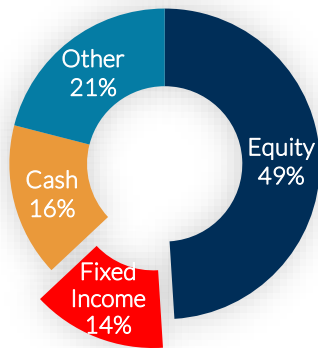
One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) is the responsible entity of the Gryphon Capital Income Trust (ARSN 623 308 850 ("Fund"). Information contained in this document was prepared by Gryphon Capital Investments Pty Ltd (ACN 167 850 535) (GCI). While neither OMIFL nor GCI has any reason to believe the information is inaccurate, the truth or accuracy of the information cannot be warranted or guaranteed. Before making any decision regarding the Fund, investors and potential investors should consider the Product Disclosure Statement (PDS) and other continuous disclosures available on the Australian Securities Exchange ("ASX") website (Disclosure Material). The Disclosure Material contains important information about investing in the Fund and it is important investors obtain and read the Disclosure Material before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. This document contains general information only and is not intended to be financial product advice. It does not take into account any person's (or class of persons') investment objectives, financial situation or particular needs, and should not be used as the basis for making investment, financial or other decisions. Investors should also consult a licensed financial adviser before making an investment decision in relation to the Fund. This document may contain forward-looking statements based on current expectations, estimates, and projections about the Fund's business and the industry in which the Fund invests. Readers are cautioned not to place undue reliance on these forward-looking statements. Neither OMIFL nor GCI undertakes any obligation to revise any such forward-looking statements to reflect events and circumstances after the date of this publication. Past performance is not indicative of future performance. Neither OMIFL or GCI nor any other person associated with the Fund guarantees or warrants the future performance of the Fund, the return on an investment in the Fund, the repayment of capital or the payment of distributions from the Fund. To the extent permitted by law, no liability is accepted by OMIFL, GCI or their respective directors for any loss or damage as a result of any reliance on this information.

Portfolio diversification

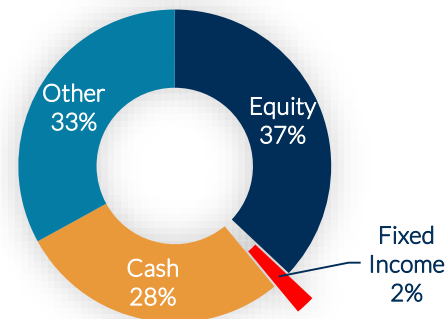
How fixed income fits in a Portfolio

- The importance and benefit of Portfolio diversification is generally well understood.
- The average SMSF hold just under 30% of assets in cash and deposit products, which has been a drag on returns but also provides little diversification benefits.

AVERAGE SUPERANNUATION ASSET ALLOCATION



AVERAGE SMSF ASSET ALLOCATION



Source: Willis Towers Watson, ATO

Portfolio diversification

Why hold fixed income within a Portfolio?

1. Capital preservation with less risk of loss
2. Monthly income
3. Return – outperforms cash and deposit products
4. Reduce volatility – investors looking for an alternative to equity market volatility giving up return to decrease risk
5. Greater Portfolio diversification

ASX listed income alternatives

- In the last 12 months a new ASX listed sector has been established with a focus on income.
- Three different issues totalling \$1.3 billion have been raised each targeting a different segment of the fixed income universe.
- All share a common investment objective
 - Stable income
 - Low risk of loss.
- Allows retail and SMSF investors to access a fixed income asset class that generally has only been available to institutional investors.
- Provides the investment alternative to diversify beyond traditional income sources like cash, deposit products and hybrids whilst maintaining higher levels of income.



GRYPHON
CAPITAL INVESTMENTS

Gryphon Capital Income Trust
Initial Public Offer
Lead Arranger and Joint Lead Manager

A\$175m May 2018

Gryphon Capital Income Trust (GCI)

- Listed Investment Trust – \$175.3 million
- Target income return of RBA Cash + 3.50% (5% – net of fees)
- Monthly distribution
- Key objective of GCI is capital preservation
- Portfolio diversification
- Specialist Investment Manager with a proven track record of investment performance
- Actively managed portfolio of RMBS and ABS, assets typically held by Insurance Companies and Industry Super Funds
- Low fee structure

LIC versus LIT

Listed Investment Company (LIC)	Listed Investment Trust (LIT)	ETF
Active management	Active management	Mostly passive
Fixed pool of investment capital	Fixed pool of investment capital	Growing / shrinking pool of capital
Bid/offer determines price	Bid/offer determines price	Market maker ensures NTA = price
Tax paid within the Company – franked dividends	Pass through vehicle	Pass through vehicle
Board	Responsible entity	Responsible entity

GCI has delivered on all IPO targets

Characteristics	IPO Target	GCI ¹
IPO Offer Size	Minimum subscription - \$100 million	\$175.3 million
Time to become invested	Up to 6 months	Achieved
First Distribution	30 June 2018	Achieved
Target Return	RBA cash rate + 3.50% (5% as at date of IPO)	Achieved ²

Authorised Investments	IPO Target	GCI ¹
Cash	0% - 10%	5%
RMBS	70% - 100%	85%
ABS	0% - 30%	7%

Credit Rating Distribution	IPO Target	GCI ¹
AAA	0%	13%
AA	10%	5%
A	25%	21%
BBB	30%	24%
BB	20%	20%
B	5%	7%
NR	10%	7%

Note 1 - as at Investment Update as at 30 September 2018

Note 2 - The distribution for the month of October onwards (commencing with the distribution to be paid in early November) is expected to deliver in excess of the Target Return of RBA cash rate + 3.50% (5% net of fees).