

3 July 2019

Dear Unitholder

Gryphon Capital Income Trust Entitlement Offer—Notice to Ineligible Unitholders

On 21 June 2019, One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 (**Responsible Entity**) as responsible entity for the Gryphon Capital Income Trust ARSN 623 308 850 (**Trust**) (**ASX:GCI**) announced it was conducting a pro rata non-renounceable offer to Eligible Unitholders of 1 new fully paid unit in the Trust (**New Units**) for every 2 existing units held (**Entitlement Offer**), together with a shortfall offer to new investors (**Shortfall Offer**), both at the offer price of \$2.00 per New Unit (**Offer Price**), to raise up to \$108.03 million. The record date for the Entitlement Offer is 7.00pm (AEST) on Friday, 28 June 2019 (**Record Date**).

This letter is to inform you that you are classified as an Ineligible Unitholder, and as such will not be eligible to participate in the Offer. Please refer to the eligibility criteria below.

This letter is not an offer to issue New Units to you, nor an invitation for you to apply for New Units. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer of which you should be aware.

The Entitlement Offer is being made by the Responsible Entity under a replacement product disclosure statement dated 26 June 2019 (**PDS**) prepared in accordance with the requirements of Part 7.9 of the Corporations Act 2001 (Cth) (**Act**). The PDS was lodged with the Australian and Securities Investments Commission and released on the Australian Securities Exchange (**ASX**).

Entitlement Offer

The Entitlement Offer is a pro rata non-renounceable entitlement offer to Eligible Unitholders inviting them to subscribe for 1 new fully paid unit in the Trust for every 2 existing Units held on the Record Date. Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlement at the Offer Price (**Oversubscription Facility**).

New Units and Additional New Units not subscribed for by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) will be offered to new Retail Investors and Institutional Investors under the Shortfall Offer.

Shortfall Offer

The Responsible Entity intends to—

- offer any New Units not taken up by Eligible Unitholders under the Entitlement Offer (including the Oversubscription Facility) (**Shortfall**) at the Offer Price under the PDS, and
- offer New Units up to the number which represents the Trust's available placement capacity under ASX Listing Rule 7.1 (**Placement Capacity**) at the Offer Price under the PDS.

Together, the Shortfall and Placement Capacity constitutes the Shortfall Offer.

As at the date of the PDS, the Trust may issue up to 7,236,500 New Units under its Placement Capacity without the requirement to obtain any Unitholder approval.

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

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

The Entitlement Offer and the Shortfall Offer together comprise the **Offer** and are being made pursuant to the PDS.

Use of proceeds

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

- Provide additional scale to expand the Trust's participation in the RMBS/ABS market, thereby diversifying the Portfolio.
- Expand the Trust's investor base, providing greater liquidity for Unitholders.
- Reduce the operating costs of the Trust on a cost per Unit basis.

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

Eligibility Criteria

Eligible Unitholders are Unitholders that—

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

Ineligible Unitholders

The Responsible Entity has determined, in accordance with section 9A of the Act and ASX Listing Rule 7.7.1(a) that it would be unreasonable to extend the Entitlement Offer to Unitholders that have a registered address on the Trust's register outside of Australia or New Zealand due to—

- the small number of Unitholders in countries other than Australia and New Zealand
- the small number of existing Units held by Unitholders in countries other than Australia and New Zealand, and
- the costs of complying with the legal requirements, and requirements of regulatory authorities, in places other than Australia and New Zealand.

On this basis, the Responsible Entity has determined that you do not satisfy the eligibility criteria for an Eligible Unitholder, and in accordance with ASX Listing Rule 7.7.1(b), the Responsible Entity wishes to advise you that it will not be extending the Entitlement Offer to you and will you not be eligible to subscribe for New Units under the Entitlement Offer.

You will not be sent the documents relating to the Entitlement Offer and you will not receive any value for the New Units to which you would otherwise have been entitled.

As the Entitlement Offer is non-renounceable, entitlements in respect of the New Units you would have been entitled to if you were an Eligible Unitholder will lapse and you will not receive any payment or value for your entitlements in respect of any New Units that would have been offered to you if you had been eligible. New Units equivalent to the number of New Units you would have been entitled to if you were an Eligible Unitholder may be allocated to other Eligible Unitholders who subscribe for New Units in excess of their entitlement under the Entitlement Offer.

You are not required to do anything in response to this letter

For further information on the Entitlement Offer or if you believe that you are an Eligible Unitholder, you can call the Trust's Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (International) from 9.00am to 5.00pm (AEST) Monday to Friday during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

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

Sincerely



Sarah Wiesener

Director

One Managed Investment Funds Limited as Responsible Entity

Important notice:

One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 (OMIFL) is the responsible entity of the Gryphon Capital Income Trust ARSN 623 308 850 (Trust). Information contained in this document was prepared by Gryphon Capital Investments Pty Ltd ACN 167 850 535 (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 Trust, 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 Trust and it is important investors obtain and read the Disclosure Material before making a decision about whether to acquire, continue to hold or dispose of units in the Trust. This document contains general information only and is not intended to be financial product advice. It does not take into account any person's (or class of persons') investment objectives, financial situation or particular needs, and should not be used as the basis for making investment, financial or other decisions. Investors should also consult a licensed financial adviser before making an investment decision in relation to the Trust. This document may contain forward-looking statements based on current expectations, estimates, and projections about the Trust's business and the industry in which the Trust 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 Trust guarantees or warrants the future performance of the Trust, the return on an investment in the Trust, the repayment of capital or the payment of distributions from the Trust. To the extent permitted by law, no liability is accepted by OMIFL, GCI or their respective directors for any loss or damage as a result of any reliance on this information. Information in this document is current as at 3 July 2019.