



Investment Objective

Gryphon Capital Income Trust (GCI) set itself 3 strategic objectives at IPO:

1. Sustainable monthly cash income



2. Highest risk adjusted return

3. Capital Preservation

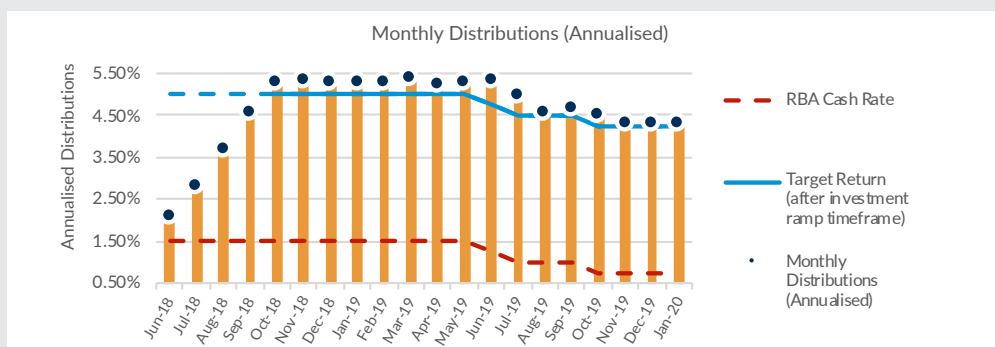
GCI continues to generate attractive and sustainable monthly income with highest risk adjusted returns through investments in a defensive asset class with a track record of low capital price volatility ensuring Capital Preservation.

Investment Highlights

Income¹	Sustainable monthly cash income. Current 12-month distribution yield at 4.88% (net).
Large, institutional fixed income market	Australian ABS market >A\$110 billion is double the size of the corporate bond market
Security, capital preservation	Defensive asset class with a track record of low capital price volatility No investor has ever lost a \$ of principal investing in Australian Prime RMBS
Portfolio diversification	Allows retail and SMSF investors to access a fixed income asset class that generally has only been available to institutional investors
Investment Manager	Exposure to a specialist investment manager with a proven track record of investment outperformance

Distribution

GCI announced a 0.73 cents per unit distribution for the month of January, generating a distribution yield for the 12 months to January 2020 of 4.88% (net)¹.



Fund Performance as at 31 January 2020

	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ²
Net Return (%)	0.38	1.15	2.37	5.42	5.03
RBA Cash Rate (%)	0.06	0.19	0.42	1.11	1.28
Net Excess Return (%)	0.32	0.96	1.94	4.26	3.70
Distribution ¹ (%)	0.36	1.08	2.24	4.88	4.61
Distribution (¢/unit)	0.73	2.16	4.45	9.58	9.06

¹ Actual distribution as % of NTA, assuming distribution reinvestment.

² Inception date – 21 May 2018

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

continued overleaf...

ABOUT THE MANAGER

Gryphon Capital Investments Pty Ltd (“Gryphon”) is a specialist fixed income manager with significant experience in the Australian and International fixed income markets. Gryphon manages individual segregated accounts on behalf of institutional investors and GCI on behalf of wholesale and retail investors seeking opportunities in fixed income credit markets including RMBS and ABS. Gryphon currently manages funds in excess of \$2.1 billion.

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.05
Market Cap	\$422.6m
NTA/Unit	\$414.0m/\$2.01
Investment Management Fee³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Distributions (12m)⁴	4.88%
RBA Cash Rate	0.75% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.76 years
Number of Bond Holdings	90
Number of Underlying Mortgage Loans	109,541

⁴ Actual distribution for the 12 months to 31 January, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH



Lonsec

WEBSITE

www.gcainvest.com/gcit/overview



Market and GCI Investment Activity

It has been a relatively busy start to the new year with three securitized transactions launched and priced in January, including a \$2.75 billion funding-only RMBS transaction by Westpac ("funding-only" means the Issuer is only offering to the market the AAA rated notes with all other notes retained on the balance sheet of the Issuer) and two ABS issues from non-banks totaling \$900 million.

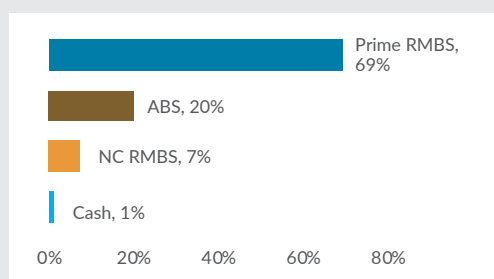
While Westpac's pricing for the AAA RMBS was a little generous, continued strong investor demand for short-dated, higher-yielding bonds with robust investor protections, resulted in the mezzanine bonds of the ABS transactions being many times oversubscribed. Global fixed income investors are recognizing the quality of the embedded risk-adjusted returns that reside in the Australian securitized markets.

Due to a combination of GCI portfolio optimisation and relative value considerations, the Gryphon Capital Investment Committee elected not to participate in any of these three transactions. We were however, able to successfully invest the balance of the proceeds raised in the recent Entitlement and Shortfall Offer in a previously identified targeted opportunity that delivered a risk/return profile consistent with the Trust's Investment Strategy.

Portfolio Construction¹

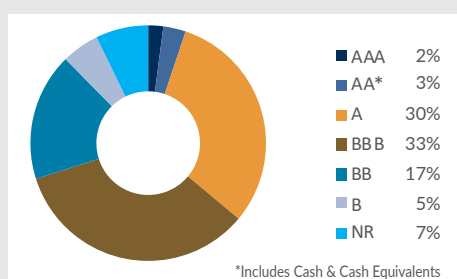
¹ As at 31 January 2020.

Sector Allocations²



² Excludes Manager Loan.

Rating Breakdown²



² Excludes Manager Loan.

Portfolio Underlying Residential Mortgage Loan Statistics³

	Total	Prime	Non-conforming ⁴
No. of Underlying Loans	109,541	103,775	5,766
Weighted Average Underlying Loan Balance	\$479,317	\$465,807	\$620,926
Weighted Average LVR	65%	65%	67%
Weighted Average Seasoning	27 months	27 months	29 months
Weighted Average Interest Rate	4.00%	3.87%	5.37%
Owner Occupied	66%	66%	68%
Interest Only	26%	26%	23%
90+ Days in Arrears as % of Loans	0.30%	0.20%	1.32%
% Loans > \$1.5m Balance	1.17%	0.97%	3.24%

³ Please note that although the values in this Investment Report are accurate portfolio statistics, the return and performance of actual credit instruments invested in are assessed individually.

⁴ Non-conforming loans are residential mortgage loans that would not typically qualify for a loan from a traditional prime lender and are generally not eligible to be covered by LMI. Borrowers may not qualify due to past credit events, non-standard income (self employed) or large loan size.

PARTIES

Responsible Entity

One Managed Investment Funds Limited
ACN 117 400 987 AFSL 297042

Manager

Gryphon Capital Investments Pty Ltd
ACN 187 850 535 AFSL 454552

AVAILABLE PLATFORMS INCLUDE:

Asgard	BT Panorama
BT Super Wrap	BT Wrap
First Wrap	HUB24
Macquarie Wrap	Mason Stevens
MLC	Navigator
Netwealth	North

FURTHER INFORMATION AND ENQUIRIES

Gryphon Capital Income Trust
www.gcainvest.com/gcit/overview

General

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Boardroom (Unit Registry)

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ASX release date: 10 February 2020

Authorised for release by One Managed Investment Funds Limited, the responsible entity of Gryphon Capital Income Trust.

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