



Investment Objective and Strategy

The GCI strategy aims to provide monthly income (Target Return equal to RBA Cash Rate plus 3.50%) whilst preserving capital through investing in a defensive asset class with a track record of low capital price volatility and capital preservation. The Australian securitisation market consisting of Residential Mortgage-Backed Securities (RMBS) and Asset Backed Securities (ABS) is a key pillar of the Australian fixed income market.

GCI's 3 strategic objectives

1. Sustainable monthly cash income
2. High risk-adjusted return
3. Capital Preservation

Fund Performance

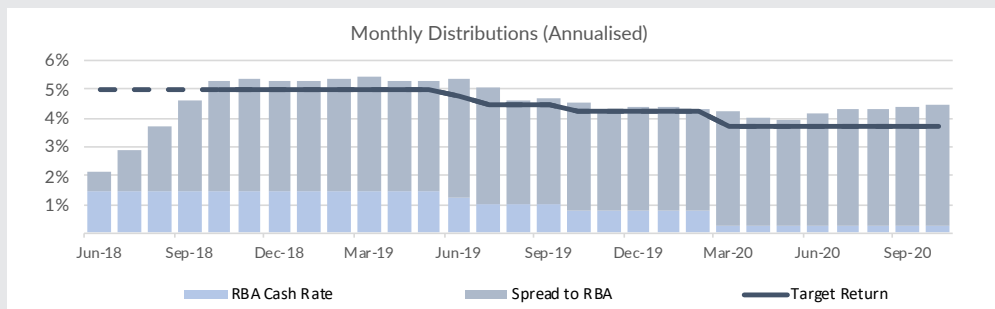
	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.71	1.60	2.69	4.13	4.69
RBA Cash Rate (%)	0.02	0.06	0.13	0.43	0.98
Net Excess Return (%)	0.69	1.53	2.56	3.69	3.67
Distribution ¹ (%)	0.37	1.09	2.13	4.29	4.50
Distribution (¢/unit)	0.74	2.17	4.21	8.41	8.84

¹ Inception date – 21 May 2018

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

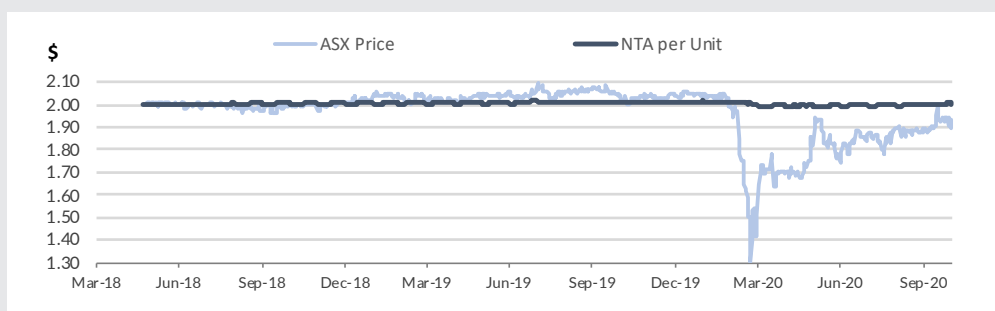
Distribution

GCI announced a 0.74 cents per unit distribution for the month, generating a trailing 12-month distribution return of 4.29% (net)².



² Actual distribution as % of NTA, assuming distribution reinvestment.

Net Tangible Asset (NTA) / Unit and ASX Price Performance



continued overleaf...

ABOUT THE MANAGER

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

SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
Market Cap/Unit	\$397.8m/\$1.93
NTA/Unit	\$413.1m/\$2.00
Investment Management Fee ³	0.72%
Performance Fee	None
Distributions	Monthly
Unit Pricing	Daily

³ Includes GST, net of reduced input tax credits

CHARACTERISTICS

Current Yield ⁴	4.61%
Distributions (12m) ⁵	4.29%
RBA Cash Rate	0.25% pa.
Interest Rate Duration	0.04 years
Credit Spread Duration	1.81 years
Number of Bond Holdings	96
Number of Underlying Mortgage Loans	114,467

⁴ October 2020 distribution as % of unit price, annualised.

⁵ Actual distribution for the 12 months to 31 October, as a % of NTA, assuming distribution reinvestment.

RESEARCH

BondAdviser

INDEPENDENT INVESTMENT RESEARCH



Lonsec

WEBSITE

www.gcapinvest.com/gcit/overview



Market and GCI Investment Activity

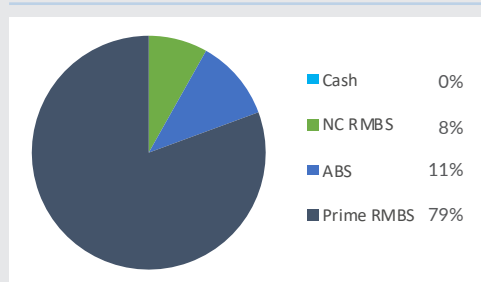
September was a bumper month for new issues with five primary RMBS transactions totalling \$4.3 billion; three Prime RMBS transactions, one Non-Conforming RMBS and an RMBS transaction secured over home loans to non-resident borrowers. Additionally, there were five ABS transactions including three consumer loan ABS transactions, a small ticket CMBS transaction and another backed by Auto loans. Due to a combination of credit, relative value and portfolio optimisation considerations, the Gryphon Capital investment committee elected to participate in only one RMBS transaction for the GCI portfolio.

In early November, CoreLogic released its Hedonic Home Value Index report for October showing an increase in national dwelling values as well as a broad-based lift in home values for each capital city excluding Melbourne. The investment committee has been leaning towards a constructive outlook on the housing market and the CoreLogic data only reinforces this bias. Stability in the housing market is great news for the 90 or so RMBS bonds in the GCI portfolio as all the RMBS are secured on Australian dwellings. In our Investment Updates we outline some statistics on the loans underlying the RMBS in the portfolio. For example, the average loan balance of \$469,389 and the average home value of approximately \$722,000 means the average borrower's equity in their home is over \$250,000. This borrower's equity is one of the key reasons why no Australian RMBS investor has ever lost capital when the RMBS bond is held to maturity.

Further good news from a credit perspective – last month we pointed out that the number of COVID affected loans in the GCI portfolio declined substantially. This trend has continued in October.

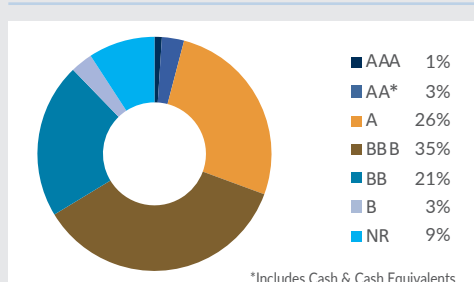
Portfolio Construction

Sector Allocations¹



¹ Excludes Manager Loan.

Rating Breakdown¹



Portfolio Underlying Residential Mortgage Loan Statistics²

	Total	Prime	Non-conforming ³
No. of Underlying Loans	114,467	106,145	8,322
Weighted Average Underlying Loan Balance	\$469,389	\$458,284	\$581,269
Weighted Average LVR	65%	65%	68%
Weighted Average Seasoning	31 months	31 months	27 months
Weighted Average Interest Rate	3.65%	3.52%	5.00%
Owner Occupied	65%	65%	69%
Interest Only	23%	23%	22%
90+ Days in Arrears as % of Loans	0.32%	0.28%	0.73%
% Loans > \$1.5m Balance	0.91%	0.76%	2.50%

² Please note that although the values in this Investment Report are accurate portfolio statistics, the return and performance of actual credit instruments invested in are assessed individually.

³ Non-conforming loans are residential mortgage loans that would not typically qualify for a loan from a traditional prime lender and are generally not eligible to be covered by LMI. Borrowers may not qualify due to past credit events, non-standard income (self employed) or large loan size.

continued overleaf..

INVESTMENT HIGHLIGHTS

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

PARTIES

Responsible Entity

One Managed Investment Funds Limited
ACN 117 400 987 AFSL 297042

Manager

Gryphon Capital Investments Pty Ltd
ACN 167 850 535 AFSL 454552

AVAILABLE PLATFORMS INCLUDE:

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

FURTHER INFORMATION AND ENQUIRIES

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

General

Email info@gcainvest.com

Boardroom (Unit Registry)

Phone 1300 737 760

Email enquiries@boardroomlimited.com.au



SME Portfolio Statistics

Sub sector	%	A	BBB	BB	B
ABS SME	11.0%	2.0%	5.3%	2.1%	1.6%

SME Portfolio Underlying Mortgage Loan Statistics¹

No. of Underlying Loans	5,202	Borrower Type	
Weighted Average Underlying Loan Balance	\$493,817	SMSF	64.3%
Weighted Average LVR	58.4%	Company	18.1%
% > 80% LVR	0.42%	Individual	17.6%
Weighted Average Borrowers' Equity	\$353,957	Property Type	
90+ Days in Arrears as % of Loans	0.32%	Residential	37.4%
% > \$1.5m Current Balance	1.58%	Commercial	61.3%
		Mixed	1.3%

¹ 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.

Distributions (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	0.36	0.34	0.36	0.33	0.33	0.34	0.36	0.36	0.36	0.37	-	-	3.55
2019	0.44	0.40	0.45	0.42	0.44	0.43	0.42	0.38	0.38	0.38	0.35	0.36	4.96
2018	-	-	-	-	-	0.23	0.24	0.31	0.37	0.44	0.43	0.44	2.48

Fund Returns (Net)² (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2020	0.38	0.34	(0.45)	0.36	0.30	0.41	0.36	0.39	0.49	0.71	-	-	3.34
2019	0.50	0.42	0.49	0.43	0.42	0.45	0.74	0.43	0.35	0.41	0.38	0.39	5.54
2018	-	-	-	-	0.02	0.24	0.25	0.31	0.39	0.44	0.45	0.45	2.58

Total Unitholder Returns⁴ (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ³
2020	0.85	(2.60)	(16.7)	3.12	7.76	(3.75)	8.15	1.45	(0.94)	3.33	-	-	(1.76)
2019	2.43	(0.10)	(1.03)	0.42	2.43	0.91	2.35	(1.54)	1.34	(1.56)	0.34	0.36	6.42
2018	-	-	-	-	0.50	(0.27)	0.24	0.06	(0.88)	1.97	(1.07)	2.48	3.01

² Fund Return reflects compounded movements in the NTA.

³ Assuming monthly compounding.

⁴ Total Unitholder Returns comprises compounded distributions plus compounded movements in the listed price of ASX:GCI.

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MLC	Navigator
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FURTHER INFORMATION AND ENQUIRIES

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www.gcapinvest.com/gcit/overview

General

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ASX release date: 18 November 2020

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

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