

GCIT Investment Highlights

- Specialist Investment Manager with a proven track record of investment outperformance
- Target income return of RBA Cash + 3.50% (net of fees)
- Monthly distributions
- Key objective of the Fund being capital preservation
- Portfolio diversification – Australian ABS market is a large but specialist component of Australian Fixed Income and is dominated by institutional investors

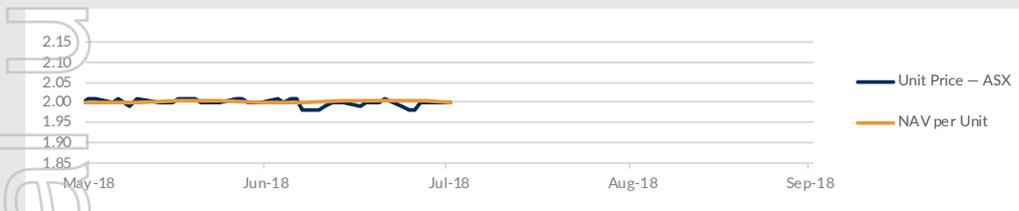
Investment Objective

GCIT is an ASX Listed Trust providing Unitholders with exposure to the Australian securitised fixed income market, a large market (> A\$100 billion) which is dominated by institutional investors. The investment objective of GCIT is to generate attractive risk adjusted returns principally through monthly income distributions with a low risk of capital loss at a portfolio level. Investor's capital is not guaranteed.

GCIT Distribution

GCI announced a 0.48 cents per unit distribution for the month of July 2018. Distribution amounts will increase as portfolio moves to being fully invested.

NAV Unit and Unit Price Performance



Fund Performance

31 July 18	1 Mth	3 Mth	6 Mth	1 Yr	Incep (Ann) ¹
Net Return (%)	0.25	-	-	-	2.57
RBA Cash Rate (%)	0.13	-	-	-	1.50
Distribution (%)	0.24	-	-	-	2.44
Distribution (¢/unit)	0.48	-	-	-	4.84

¹ Inception date – 21 May 2018

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

Market and GCIT Investment Activity

Gryphon Capital continues to focus on identifying those investments which are able to meet the return and risk characteristics outlined in the PDS. We are confident the portfolio will be fully invested with all holdings constituting the core portfolio, within the timeline outlined in the PDS. This will see the running yield at least meet the target distribution, but is likely to exceed our targeted returns over RBA Cash Rate.

From the start of July through to 2 August there were five Australian securitised transactions totalling A\$3.625 billion. These comprised of three Residential Mortgage Back Securities transactions and two ABS transactions.

A combination of factors including AUD funding basis (more expensive for Non AUD investors to hedge currency), credit spread widening in the GBP/Euro ABS markets and the European summer holidays have reduced the demand from northern hemisphere based senior AAA investors and as a consequence the AAA rated bond pricing has softened a little. However there continues to be robust demand for the mezzanine and below investment grade tranches.

Gryphon Capital participated in two primary RMBS transactions issues including a \$1.25 billion Prime RMBS transaction originated by ME Bank. This Prime RMBS had exposure to 8765 mortgage loans which had a weighted average seasoning of 5.3 years, average loan balance of A\$235K (NSW Metro \$255K) with an average Loan to Value Ratio of 57%.

During the month, Gryphon Capital sourced A rated exposure to a number of seasoned Prime RMBS via the secondary markets.

By the end of July, GCIT core portfolio represented approximately 56% of the GCIT NAV.

ABOUT THE MANAGER

Gryphon Capital Investments Pty Ltd ("Gryphon") is a specialist fixed income manager with significant experience in the Australian and Institutional fixed income markets. Gryphon manages individual segregated accounts on behalf of institutional investors and GCIT 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 \$1.9 billion.

GCIT SNAPSHOT

ASX Code	GCI
IPO Date	25 May 2018
Asset	Fixed Income, floating rate
ASX Price	\$2.00
NAV (Unit)	\$2.00
Market Cap	\$175.3m
Distributions	Monthly
Unit Pricing	Weekly

GCIT PORTFOLIO STATISTICS*

No. of Underlying Loans	69,617
Weighted Average Underlying Loan Balance	\$387,007
Weighted Average LVR	63%
Weighted Average Seasoning	39 months
Weighted Average Interest Rate	4.80%
Owner Occupied	68%
Interest Only	19%
30+ Days in Arrears as % of Loans	0.70%

* 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.

RESEARCH

BondAdviser

INDEPENDENT
INVESTMENT RESEARCH

Lonsec

Gryphon Capital Income Trust (GCIT)

ARSN 623 308 850

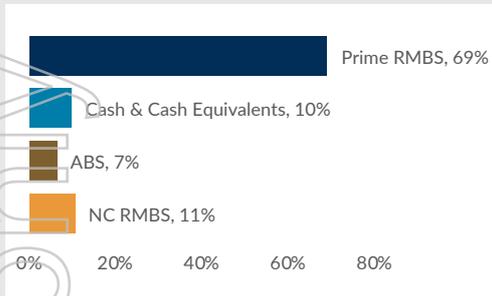
Investment Update as at 31 July 2018



GCIT Portfolio Construction¹

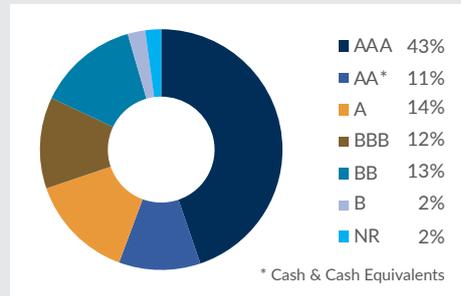
¹ Note as at 31 July 2018.

GCIT Sector Allocations²



² Excludes Manager Loan.

GCIT Rating Breakdown²



² Excludes Manager Loan.

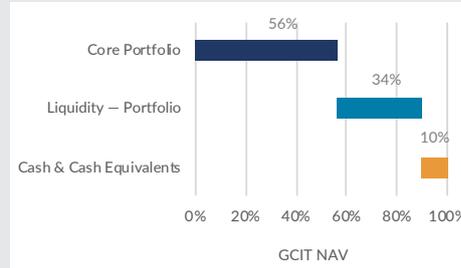
GCIT Characteristics³

Net Running Yield ⁴	3.77%
RBA Cash Rate	1.50%
Interest Rate Duration (yrs)	0.04 years
Credit Spread Duration (yrs)	2.4 years
Number of Bond Holdings	26
Number of Underlying Loans	69,617

³ Annualised.

⁴ The net cash income GCIT would earn over the next year based on existing core and liquidity portfolios and current market conditions if there were no changes to interest rates or GCIT portfolios. It is not an actual return.

Portfolio Investment Information



The AAA rated liquidity RMBS will be recycled into higher yielding RMBS and ABS as the Manager continues to invest in "core securities" for the GCIT portfolio. As described in the PDS, 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.

Net Returns

(%)	Jan	Feb	Mar	Apr	May ⁵	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	0.01	0.23	0.25	-	-	-	-	-	0.49

⁵ Net return calculated from the Allotment date 21 May 2018 to 31 May 2018.

Distributions

(cents/Unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	0.46	0.48	-	-	-	-	-	0.94

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GCIT 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 Wrap	First Wrap
HUB24	Macquarie Wrap
Mason Stevens	MLC
Navigator	Netwealth
North	

FURTHER INFORMATION AND ENQUIRIES

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