

# GRYPHON

CAPITAL INCOME TRUST

Market Update

June 2023

# Disclaimer

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# GCI objective is to deliver

*1. Sustainable  
monthly cash income*

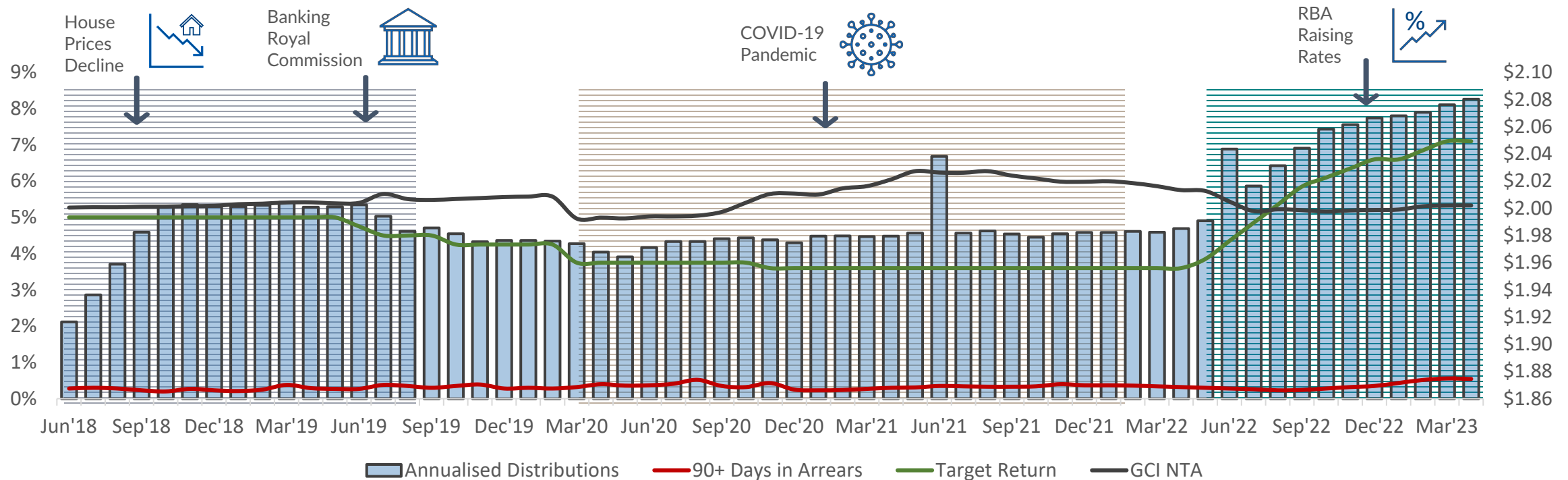


*2. High risk-adjusted  
return*

*3. Capital Preservation*

# GCI - The Investment Case

*GCI historically generated sustainable monthly income through all market conditions*



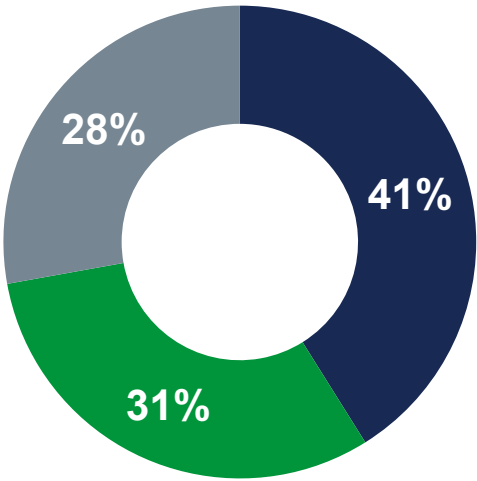
As of 30 April 2023, Source: Gryphon.  
A positive yield does not imply a positive return of the Fund.

# Barings Acquisition



- On 31<sup>st</sup> March 2023, Barings, one of the world’s leading asset managers, acquired 100% equity interest of Gryphon
- Gryphon team has joined the Global Structured Finance (“GSF”) team at Barings, which consists of over thirty investment professionals
- Steven Fleming and Ashley Burtenshaw will continue to serve as portfolio managers for GCI and have executed long-term employment contracts with Barings.
- Steven and Ashley’s remuneration is linked to the performance of the Gryphon business unit within Barings

Global External AUM by Region <sup>1</sup>



■ Americas ■ Asia Pacific ■ EMEA

### Circa AUD\$12.4B of external Australian investors AUM

- Acquired Altis Property Partners in 2022
- Acquired Gryphon in 2023
- Investment teams for private credit, real estate, structured finance
- 3 offices in Sydney, Melbourne and Brisbane
- 68 employees
- Established 2008

Source: Barings. All figures are as of March 31, 2023 unless otherwise indicated.  
 1. Assets shown are denominated in USD.  
 External AUM by region includes third party, external AUM only.

**US\$362+ B**

**ASSETS UNDER MANAGEMENT <sup>1</sup>**

**1,200+**

**EXTERNAL CLIENTS**

**1,800+**

**PROFESSIONALS GLOBALLY**

# Global Structured Finance

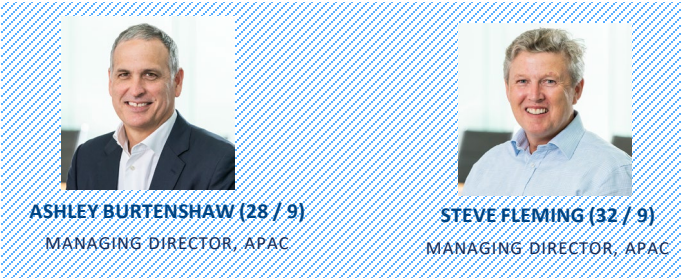
- Global team located in Charlotte, NC, Brisbane AU and London, UK <sup>1</sup>
- Consolidated group AUM US\$10.4B <sup>2</sup>



**WILLIAM AWAD III, CFA (34 / 21)**  
HEAD OF GLOBAL STRUCTURED FINANCE



**BURAK CETIN, PH.D. (14 / 4)**  
MANAGING DIRECTOR, N.A., EMEA



**ASHLEY BURTENSHAW (28 / 9)**  
MANAGING DIRECTOR, APAC

**STEVE FLEMING (32 / 9)**  
MANAGING DIRECTOR, APAC



**JON HIGGINS (23 / 6)**  
MANAGING DIRECTOR, N.A., EMEA

GLOBAL PORTFOLIO MANAGEMENT

PRODUCT & PLATFORM MGMT

UNDERWRITING & ORIGATION

RESEARCH & STRUCTURING

PLATFORM & GOVERNANCE

**North America**  
3 Seniors  
3 Juniors

**Europe**  
1 Senior  
1 Junior

**Asia Pacific**  
Steven Fleming (32/9)  
Ashley Burtenshaw (28/9)

**North America**  
4 Seniors  
4 Juniors

**Europe**  
1 Senior

**Asia Pacific**  
Shane Stanton (18/9)  
Luke Vecchi (4/2)  
Piers de Putron (25/2)  
Christian Larney (14/1)  
Thomas Biggs (4/1)  
Alex Bradford (2/2)  
Jeff Wu (4/1)

**North America / EMEA**  
2 Seniors  
1 Junior

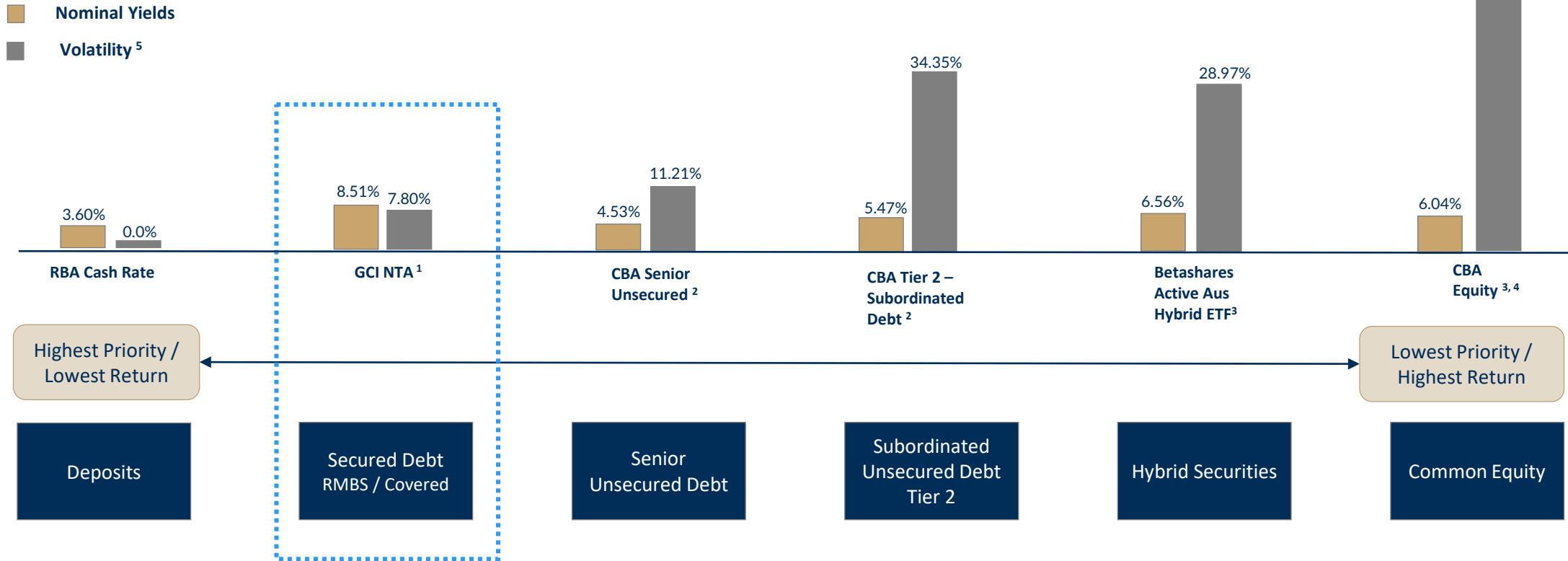
**Asia Pacific**  
Michael Groom (26/9)  
Emmanuel Tumini (22/5)



1. Industry / Firm experience in years  
2. AUM figures as of 31 March 2023.

# GCI Overview Risk (LT Volatility) vs Current Yield

Attractive risk adjusted returns provides a compelling investment case<sup>6,7</sup>



1. Yield: current yield (GCI Apr 2023 distribution as % of 28 April 2023 unit price, annualised). Volatility: GCI NTA. Source - GCI.  
 2. Yield: calculated YTM as at 30 Apr 2023. Source - Bloomberg  
 3. Yield: most recent gross dividend, annualised. Source - Bloomberg.  
 4. Volatility: daily closing ASX price. Source - Bloomberg.  
 5. Unless otherwise indicated, annualised volatility of daily clean price time series since GCI listing – 25th May 2018.  
 6. Past performance is not indicative of future performance.  
 7. Table is not to scale

# Portfolio Construction

*Gryphon Investment Committee continues defensive bias to protect portfolio against NTA volatility*

	30 Apr 2023	30 Apr 2022	30 Apr 2021	30 Apr 2020	30 Apr 2019
<b>Portfolio Construction</b>					
# of Bond Holdings	104	108	92	90	39
Credit Spread Duration	0.78	1.45	1.41	1.92	1.90
< BB rated	8%	12%	11%	13%	10%
<b>Portfolio Residential Loan Statistics</b>					
No. of Underlying Loans	77,815	98,612	101,349	103,978	67,119
Weighted Average Underlying Loan Balance	\$363,031	\$369,089	\$332,129	\$312,864	\$327,539
Weighted Average LVR	64%	66%	67%	65%	65%
Weighted Average Indexed CLVR <sup>1</sup>	61%	59%	64%	62%	67%
Weighted Average Seasoning <sup>2</sup>	31	27	26	30	28
Weighted Average Interest Rate	6.58%	3.19%	3.40%	3.76%	5.16%

Source: Gryphon in AUD  
 1.Current Loan to Value  
 2.Loan age since origination



# Borrowers Remain Resilient

*Arrears remain low, supported by strong labour market*

## Loan Performance

	30 Apr 2023	30 Apr 2022	30 Apr 2021	30 Apr 2020	30 Apr 2019
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### Prime

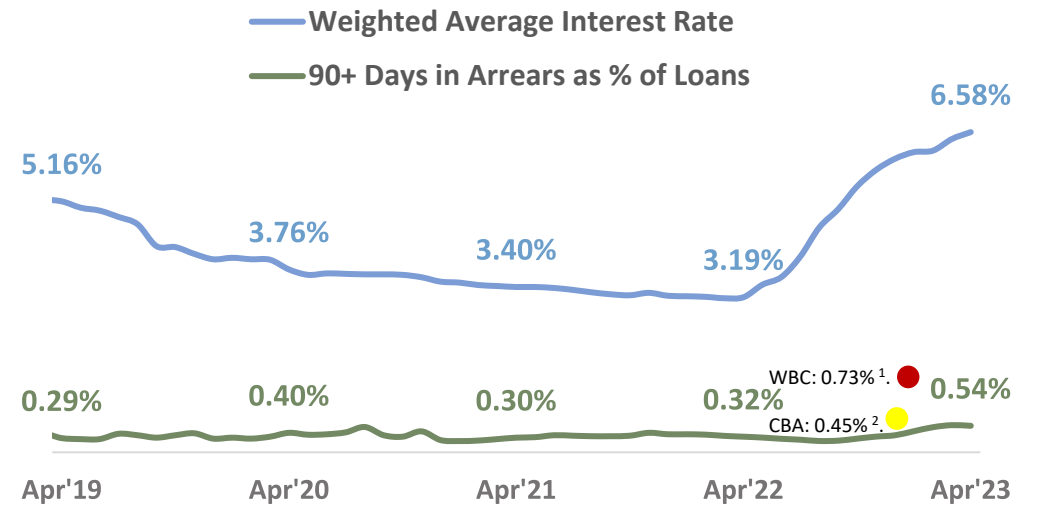
Weighted Average Prime Interest Rate (%)	6.40%	3.04%	3.20%	3.61%	4.56%
90+ Days in Arrears (%)	0.42%	0.24%	0.31%	0.31%	0.24%

### Non-Conforming

Weighted Average Non-Conforming Interest Rate (%)	7.35%	3.82%	4.57%	5.16%	6.31%
90+ Days in Arrears (%)	1.14%	0.57%	0.20%	1.63%	0.77%

### Negative Equity Loans

Negative Equity Loans (%)	0.35%	0.02%	0.07%	0.16%	0.95%
Negative Equity Loans (#)	80	21	80	147	140
90+ Arrears (# Loans)	2	5	4	20	8



Source: Gryphon

- 90+ day arrears (Mar'23). Westpac Group 2023 Interim Results Presentation
- 90+ day arrears (Dec'22). CBA Results Presentation Dec 2022

# GCI Investor Engagement

*Gryphon's objective is best in class investor engagement*



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OUR IMPACT

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**GRYPHON**  
CAPITAL INCOME TRUST

**Barings to acquire GCI  
Investment Manager**

To read the ASX announcement,  
please click here



ASX Code  
**GCI**

Latest Unit Price  
**\$1.93**

Market Capitalisation  
**\$473 million**

Listed  
**May 2018**

Latest NTA Per Unit  
**\$2.01**

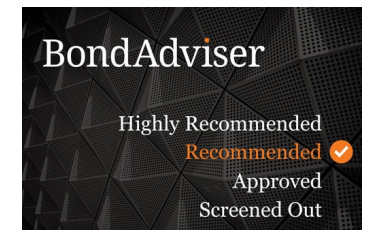
Distribution p.a.\*  
**8.26%**

\* Apr 2023, annualised

## External Ratings – ASX: GCI



**Lonsec**



Source: GCI Website, as of 6 June 2023.