

Gryphon Capital Income Trust (GCI)
ARSN 623 308 850
Appendix 4E
For the year ended 30 June 2024

Details of Reporting Period

Current: Year ended 30 June 2024

Previous corresponding: Year ended 30 June 2023

GCI is a registered managed investment scheme that was constituted on 7 December 2017, registered on 20 December 2017, commenced operations on 21 May 2018 and its units commenced trading on the Australian Securities Exchange (ASX: GCI) on 25 May 2018.

The directors of One Managed Investment Funds Limited, the responsible entity of the Gryphon Capital Income Trust (the "Trust") announce the audited results of the Trust for the year ended 30 June 2024 as follows:

Results for announcement to the market

Extracted from financial statements for the year ended 30 June 2024.

	Movement	Movement %	\$'000
Revenue for the year from ordinary activities	Up	35.77%	53,656
Profit(loss) for the year	Up	38.94%	48,872
Total comprehensive income/(loss) for the year	Up	38.94%	48,872

Details of distributions

During the year, monthly distributions totalling 17.08 cents per ordinary unit were paid or declared which amounted to \$46,568,601.

On 1 August 2024 a distribution of 1.43 cents per ordinary unit which amounted to \$4,798,535 was approved and was paid on 8 August 2024.

Details of distribution reinvestment plan

N/A

Net Tangible Assets

	As at 30 June 2024	As at 30 June 2023
Total Net Tangible Assets attributable to unitholders (\$'000)	673,885	486,782
Units on issue	335,561,923	243,161,923
Net Tangible Assets attributable to unitholders per unit (\$)	2.01	2.00

Control gained or lost over entities during the year

The Trust did not gain or lose control over entities during the year.

Details of associates and joint venture entities

The Trust did not have any interest in associates and joint venture entities during the year.

Independent audit report

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

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Gryphon Capital Income Trust (GCI)

ARSN 623 308 850

Annual Report

For the year ended 30 June 2024

Gryphon Capital Income Trust (GCI)

ARSN 623 308 850

Annual Report

For the year ended 30 June 2024

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The financial statements cover the Gryphon Capital Income Trust as an individual entity.

The responsible entity of the Gryphon Capital Income Trust is One Managed Investment Funds Limited (ABN 47 117 400 987, AFSL 297 042).

The Responsible Entity's registered office is:
Level 16, Governor Macquarie Tower, 1 Farrer Place
Sydney NSW 2000

Directors' report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987, AFSL 297 042) ("OMIFL" or "the Responsible Entity"), the responsible entity of the Gryphon Capital Income Trust ("GCI" or "the Trust"), present their report together with the financial statements of the Trust for the year ended 30 June 2024 and the auditor's report thereon.

Principal activities

The Trust is a registered managed investment scheme that was constituted on 7 December 2017, registered on 20 December 2017, commenced operations on 21 May 2018 and its units commenced trading on the Australian Securities Exchange (ASX: GCI) on 25 May 2018.

The Trust's investment strategy is to invest in a diversified portfolio of residential mortgage backed securities ("RMBS") and asset backed securities ("ABS") with Australian domiciled issuers in accordance with the Trust's investment guidelines and the provisions of the Trust's constitution.

Gryphon Capital Investments Pty Ltd (AFSL 454 552) is the investment manager of the Trust ("Investment Manager").

The Trust did not have any employees during the year.

Directors and Senior Management

The following persons held office as directors and company secretaries of the Responsible Entity during the year and up to the date of this report:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

Units on issue

Units on issue in the Trust at the end of the year are set out below:

	As at 30 June 2024 Units	As at 30 June 2023 Units
Units on issue	335,561,923	243,161,923

Review and result of operations

During the year, the Trust invested in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provision of the Trust's Constitution ("Trust's Constitution").

In March and June 2024, the Trust successfully raised \$184.8 million through a combination of an Entitlement and Shortfall Offer to existing and new unitholders and two placements to wholesale investors. The new capital raised aims to provide the following benefits to existing unitholders:

- 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.

The performance of the Trust, as represented by the results of its operations, was as follows:

	Year ended 30 June 2024	Year ended 30 June 2023
Operating profit for the year (\$'000)	48,872	35,174
Distribution paid and payable (\$'000)	46,569	35,927
Distribution (cents per unit)	17.08	14.77

During the year, monthly distributions totalling 17.08 cents per ordinary unit were paid or declared which amounted to \$46,568,601.

Total Assets

As at 30 June 2024 the total assets of the Trust were \$679,100,290 (2023: \$490,730,963). Please refer to the Statement of Financial Position for further details.

Directors' report (continued)

Significant changes in state of affairs

In response to identified investment opportunities and strong demand for investment in the Trust, the Responsible Entity completed the following capital raises during the financial year.

- On 1 March 2024, a \$28.6 million entitlement offer (14,279,645 units at \$2.00 per unit)
- On 8 March 2024, a \$68.7 million shortfall offer (34,352,739 units at \$2.00 per unit) and a \$37.7 million private placement (18,867,616 units at \$2.00 per unit)
- On 5 June 2024, a \$49.8 million private placement (24,900,000 units at \$2.00 per unit)

The Trust's total issued capital at 30 June 2024 is approximately \$672 million.

In the opinion of the directors, there were no other changes in the state of affairs of the Trust that occurred during the financial year.

Events subsequent to reporting date

On 1 August 2024 a distribution of 1.43 cents per ordinary unit which amounted to \$4,798,535 was approved and was paid on 8 August 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the operations of the Trust in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with its investment objectives and guidelines and the provisions of the Trust's constitution.

The results of the Trust's operations will be affected by a number of factors, including the performance of investment markets in which the Trust invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of directors, officers and auditors

During or since the financial year, the Trust has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Trust or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Trust. In addition, the Trust has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Trust.

Indemnification of auditor

The auditor of the Trust is not indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Trust property during the year are disclosed in Note 16 to the financial statements.

No fees were paid out of the Trust property to the directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 to the financial statements.

Directors' report (continued)

Interests in the Trust

The movement in units on issue in the Trust during the year is disclosed in Note 8 to the financial statements.

The value of the Trust's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Trust are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts

The Trust is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This Directors' report is signed in accordance with a resolution of directors of One Managed Investment Funds Limited, the Responsible Entity.



Frank Tearle
Director
One Managed Investment Funds Limited

Sydney
28 August 2024

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Auditor's Independence Declaration

As lead auditor for the audit of Gryphon Capital Income Trust for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Paul Collins", written over a light grey horizontal line.

Paul Collins
Partner
PricewaterhouseCoopers

Brisbane
28 August 2024

Statement of profit or loss and other comprehensive income

	Notes	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Investment income			
Interest income from financial assets at fair value through profit or loss		49,810	39,213
Interest income from receivables/loans at amortised cost		1,546	867
Net gains/(losses) on financial assets at fair value through profit or loss	5	2,300	(560)
Total net investment income		53,656	39,520
Expenses			
Responsible Entity fees	16(h)	217	207
Investment Management fees	16(h)	3,852	3,500
Administrative expenses		426	385
Other expenses		289	254
Total operating expenses		4,784	4,346
Operating profit for the financial year	8	48,872	35,174
Other comprehensive income		-	-
Total comprehensive income for the financial year		48,872	35,174
Earnings per unit for profit attributable to unitholders of the Trust			
Basic and diluted earnings per unit (cents)	10	18.36	14.47

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Assets			
Cash and cash equivalents	11	71,980	22,696
Other receivables	13	2,787	2,101
Financial assets at fair value through profit or loss	6	597,777	457,937
Loans at amortised cost	7,16(k)	6,556	7,997
Total assets		679,100	490,731
Liabilities			
Distributions payable	9	4,664	3,550
Payables	14	551	399
Total liabilities		5,215	3,949
Net assets attributable to unitholders - equity	8	673,885	486,782

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Total equity at the beginning of the financial year		486,782	487,535
Comprehensive income for the financial year			
Profit for the year		48,872	35,174
Total comprehensive income for the financial year		48,872	35,174
Transactions with unitholders			
Applications	8	184,800	-
Distributions to unitholders	8	(46,569)	(35,927)
Total transactions with unitholders		138,231	(35,927)
Total net assets attributable to unitholders - equity at the end of the financial year		673,885	486,782

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Cash flows from operating activities			
Interest income received from cash deposits and loans at amortised cost		1,339	832
Interest income from financial assets at fair value through profit or loss		49,347	38,602
Proceeds from sale of financial assets		54,100	77,098
Receipt of principal repayments on financial assets		46,067	23,188
Purchase of financial assets		(237,707)	(87,948)
Responsible Entity fees paid		(214)	(207)
Investment Management fees paid		(3,746)	(3,501)
Administrative expenses paid		(424)	(408)
Other expenses paid		(264)	(262)
Net cash inflow/(outflow) from operating activities	12(a)	(91,502)	47,394
Cash flows from investing activities			
Repayment of loan		1,441	1,375
Net cash inflow/(outflow) from investing activities		1,441	1,375
Cash flows from financing activities			
Proceeds from applications by unitholders	8	184,800	-
Distributions paid to unitholders	8	(45,455)	(35,052)
Net cash inflow/(outflow) from financing activities		139,345	(35,052)
Net increase/(decrease) in cash and cash equivalents		49,284	13,717
Cash and cash equivalents at the beginning of the year		22,696	8,979
Cash and cash equivalents at the end of the year	12(b)	71,980	22,696
Non-cash financing activities	12(c)	-	-

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

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1 General information

The financial statements cover the Gryphon Capital Income Trust (the "Trust") as an individual entity. The Trust was constituted on 7 December 2017, registered on 20 December 2017, commenced operations on 21 May 2018 and its units commenced trading on the Australian Securities Exchange (ASX: GCI) on 25 May 2018. The Trust is domiciled in Australia.

The responsible entity of the Trust is One Managed Investment Funds Limited (ABN 47 117 400 987, AFSL 297 042) (the "Responsible Entity"). The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

The investment manager of the Trust is Gryphon Capital Investments Pty Ltd (a Barings company) (AFSL 454 552) (the "Investment Manager").

The assets of the Trust are held by One Managed Investment Funds Limited and its appointed custodian BNY Mellon.

The Trust's investment strategy is to invest in a diversified portfolio of residential mortgage backed securities ("RMBS") and asset backed securities ("ABS") with Australian domiciled issuers in accordance with the Trust's investment guidelines and the provisions of the Trust's constitution.

The financial statements were authorised for issue by the directors of the Responsible Entity on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The general purpose financial statements have been prepared in accordance with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The financial statements are presented in Australian dollars, which is the Trust's functional currency.

The financial statements are presented on a going concern basis.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets, loans at amortised cost (i.e. manager loans) and net assets attributable to unitholders. The amount to be recovered or settled in relation to these balances remain subject to the performance of the Trust and its operations in accordance with the Trust's constitution. Investors in the Trust have no rights to redeem and can only sell units on the ASX. However, the Responsible Entity may undertake a buy-back of units provided it complies with the *Corporations Act 2001* and ASX Listing Rules.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Trust also comply with IFRS as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Trust

The Trust has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Trust.

2 Summary of material accounting policies (continued)

(b) Going concern basis

These annual financial statements have been prepared on a going concern basis.

(c) Financial instruments

(i) Classification

In accordance with AASB 9 *Financial Instruments: Recognition and Measurement*, the Trust's investments are categorised in one of three categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The Trust classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

Certain debt securities may be held within a business model whose objective is achieved by collecting the contractual cash flows, which represent solely payments of principal and interest (SPPI), as well as selling them. Such debt securities are classified as fair value through other comprehensive income.

The remaining debt securities are classified at fair value through profit or loss on the basis their contractual cash flows do not represent SPPI.

The Trust's other financial assets including the manager loan which is held for collection and is classified at amortised cost.

All financial assets held in the Trust are managed by the Investment Manager in accordance with the Trust's investment guidelines.

(ii) Recognition/derecognition

The Trust recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

(iii) Measurement

At initial recognition, the Trust measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the statement of profit or loss and other comprehensive income.

Financial assets and liabilities

- Financial assets and liabilities at fair value through other comprehensive income

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through other comprehensive income are amortised in the statement of profit or loss and other comprehensive income using the effective interest method.

Subsequent to initial recognition, gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through other comprehensive income' category are recognised in the other comprehensive income in the period in which they arise, and they are reclassified to profit or loss when they are derecognised. For further details on how the fair values of financial instruments are determined, please see Note 4 to the financial statements.

- Financial assets and liabilities at fair value through profit or loss

At initial recognition, the Trust measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income in the period in which they arise. For further details on how the fair values of financial instruments are determined, please see Note 4 to the financial statements.

2 Summary of material accounting policies (continued)

(c) Financial instruments (continued)

Debt instruments

Loan assets ("the Manager Loan") are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Trust shall measure the loss allowance on loans at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Trust shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Subsequent measurement of debt instruments depends on the Trust's business model for managing the asset and cash flow characteristics of the asset. The Trust classifies its debt instruments into one of three categories:

- Amortised cost: Assets that are held for collection of contractual cashflows where those cashflows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a loan receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Trust has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(d) Net assets attributable to unitholders - equity

Units in the Trust are listed on the ASX, traded by unitholders and are therefore classified as equity. The units can be traded on the ASX for cash based on listed price. While a listed investment trust, liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available.

2 Summary of material accounting policies (continued)

(d) Net assets attributable to unitholders - equity (continued)

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Trust classifies the net assets attributable to unit holders as equity as they satisfy the following criteria:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Trust's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Trust's main income generating activity.

(f) Investment income

(i) Interest income

The Trust generates interest income from its investments in financial assets, loans, and cash investments. Interest income is recognised daily as it accrues, taking into account the actual interest rate on the financial asset and is recognised in the statement of profit or loss and other comprehensive income.

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate.

(g) Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Trust is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised net capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains in future years. If realised capital gains exceed realised capital losses, the excess will be classified within unitholders' equity.

(i) Distributions

The Trust may distribute its distributable income, in accordance with the Trust's constitution, to unitholders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

(j) Other receivables

Receivables may include amounts for interest earned by the Trust. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

2 Summary of material accounting policies (continued)

(k) Payables

Payables include liabilities, accrued expenses owed by the Trust and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

(l) Applications and redemptions

The Trust is a closed-end vehicle in that there are no redemptions by unitholders. Instead, while the Trust is listed, unitholders wishing to exit their investment will be able to do so via the ASX. From time to time, the Trust may raise additional capital through the issue of additional units in the Trust which are represented by applications and are disclosed in the statement of changes in equity of the Trust.

(m) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Trust by third parties such as audit fees, custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for reduced input tax credits at a rate of at least 55% hence investment management fees, custodial fees and other expenses have been recognised in the statement of profit or loss and other comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis. Accounts payable are inclusive of GST.

(n) Use of estimates and judgment

The Trust makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

The Trust's investments are fair valued using external valuation techniques which are validated and reviewed by the Responsible Entity in conjunction with the Investment Manager.

For certain other financial instruments, including other receivables and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

In accordance with AASB 9, the Trust applies an expected credit loss (ECL) impairment model, which has not materially impacted the Trust. Please see Note 3 for more information on credit risk.

(o) Rounding of amounts

The Trust is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

3 Financial risk management

The Trust's activities expose it to a variety of financial risks including market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Trust's overall risk management programme focuses on ensuring compliance with the Trust's investment guidelines. It also seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance. The Trust's policy allows it to use derivative financial instruments in managing its financial risks.

All securities investments present a risk of loss of capital. The maximum loss of capital on long RMBS and ABS is limited to the fair value of those positions.

The investments of the Trust, and associated risks, are managed by the Investment Manager under an Investment Management Agreement ("IMA") approved by the Responsible Entity, and containing the investment strategy and guidelines of the Trust.

3 Financial risk management (continued)

The Investment Manager has deliberately positioned the Trust's investments with significant protections against market stress. The Investment Manager undertakes regular stress testing of the bondholder protections (using the APRA '1 in 200-year catastrophic event' scenario) and ongoing surveillance and monitoring of the investment's performance and underlying collateral, to ensure the continued robustness of these protections.

The Trust uses different methods to measure and manage different types of risk to which it is exposed. These methods are explained below.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of investments will change as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all instruments in the market. Changes to the fair value of an investment will impact the Trust's net asset value. The Investment Manager manages this risk through the daily review of the carrying value of each of the assets held by the Trust.

All Trust fixed income investments are independently priced on a daily basis by a leading third party security pricing provider. Australian fixed income securities, including RMBS and ABS, are largely traded 'over-the-counter' and are not priced or traded via an exchange. The market pricing for such securities is driven by observable secondary market trades or the pricing of comparable new issues.

The Trust is an investor (not a trader), and as such, short-term fluctuations in bond values do not shape investment decisions nor does the Trust rely on short-term trading profits to meet its targeted investment returns. Additionally, unrealised gains and losses do not impact the Trust's ability to pay monthly distributions.

(ii) Interest rate risk

Interest rate risk is the risk that a financial asset's value will fluctuate as a result of changes in market interest rates.

The Trust's assets are primarily invested in floating rate RMBS and ABS whose interest rates reset monthly. Absolute returns on floating rate RMBS and ABS therefore rise and fall largely in correlation with the RBA Cash Rate.

The table below summarises the Trust's exposure to interest rate risk at 30 June 2024 and 30 June 2023.

	Floating interest rate \$'000	Fixed interest \$'000	Non-interest bearing \$'000	Total \$'000
As at 30 June 2024				
Financial Assets				
Cash and cash equivalents	71,980	-	-	71,980
Other receivables	-	-	2,787	2,787
Financial assets at fair value through profit or loss	597,777	-	-	597,777
Loans at amortised cost	-	6,556	-	6,556
Total assets	669,757	6,556	2,787	679,100
Financial Liabilities				
Distributions payable	-	-	(4,664)	(4,664)
Payables	-	-	(551)	(551)
Total liabilities	-	-	(5,215)	(5,215)
Net exposure	669,757	6,556	(2,428)	673,885

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Floating interest rate \$'000	Fixed interest \$'000	Non-interest bearing \$'000	Total \$'000
As at 30 June 2023				
Financial Assets				
Cash and cash equivalents	22,696	-	-	22,696
Other receivables	-	-	2,101	2,101
Financial assets at fair value through profit or loss	457,937	-	-	457,937
Loans at amortised cost	-	7,997	-	7,997
Total assets	480,633	7,997	2,101	490,731
Financial Liabilities				
Distributions payable	-	-	(3,550)	(3,550)
Payables	-	-	(399)	(399)
Total liabilities	-	-	(3,949)	(3,949)
Net exposure	480,633	7,997	(1,848)	486,782

The table at Note 3(b) summarises the impact of an increase/(decrease) of interest rates on the Trust's operating profit and net assets attributable to unitholders through changes in fair value of changes in future cash flows. The analysis is based on the assumption that the interest rates changed by +/- 100 basis points from the year end rates with all other variables held constant.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to market risks. The reasonably possible movements in the risk variables have been determined based on the Investment Manager's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and the historical correlation of the Trust's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unitholders	
	Interest rate risk	
	+100bps \$'000	-100bps \$'000
As at 30 June 2024	(293)	294
As at 30 June 2023	(164)	164

The Trust has no foreign exchange exposure.

3 Financial risk management (continued)

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Investment Manager manages credit risk by undertaking a detailed due diligence process prior to entering into transactions with counterparties and ongoing daily monitoring of the credit exposures.

The initial due diligence process is detailed in the investment process of the Investment Manager and addresses aspects relevant to an assessment of the credit risk and includes risk assessments of both a qualitative and quantitative nature.

The Investment Manager further seeks to mitigate credit risk by adhering to the investment parameters of the Trust which have been designed in a manner that seeks to mitigate credit risk by ensuring the portfolio is diversified.

The Investment Manager determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. The Investment Manager considers both historical analysis and forward looking information in determining any expected credit loss. The Investment Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Trust.

(i) Debt Securities

The Trust invests in RMBS and ABS which may be rated or credit assessed by one or more of S&P Global, or Fitch Ratings or an independent, third party consultant that applies credit rating criteria consistent with the credit rating criteria of S&P Global's, Moody's or Fitch's Ratings. The Trust's investment guidelines require at least 50% of the financial assets to be rated investment grade (BBB- rating or higher).

An analysis of debt by rating is set out in the table below.

Rating	30 June 2024	%	30 June 2023	%
Asset Backed Securities				
AAA	6,500		1,530	
AA	9,960		3,923	
A	188,283		124,679	
BBB	214,752		175,429	
Total Investment Grade	419,495	70%	305,561	67%
BB	147,860		115,641	
B	9,330		13,449	
NR	21,092		23,286	
Total Non-Investment Grade	178,282	30%	152,376	33%
Total	597,777		457,937	

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as all counterparties are investment grade Australian Authorised Deposit Institutions and all funds are placed on an 'at call' basis.

(iii) Manager Loan

The Trust's investment in the Manager Loan measured at amortised cost is considered to have low credit risk. The loss allowance on the Manager Loan is not deemed material as it has a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

(iv) Other

The Trust is not materially exposed to credit risk on other financial assets.

(v) Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

3 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors the Trust's cash flow requirements and undertakes cash flow forecasts including capital budgeting on a daily basis. Cash flow reconciliations are undertaken daily to ensure all income and expenses are managed in accordance with contracted obligations.

The key aspects of liquidity management for the Trust are:

- It is a closed-end fund so it does not require liquidity to fund unitholder redemptions
- Unitholder distributions and Trust expenses are funded out of interest income
- The Trust receives monthly interest on its investment portfolio
- RMBS and ABS investments have structural protections to reduce liquidity risk for investors

(i) Maturities of non-derivative financial liabilities

The table below analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at 30 June 2024	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
Payable for securities					
Distributions payable	4,664	-	-	-	4,664
Payables	551	-	-	-	551
Contractual cash flows (excluding derivatives)	5,215	-	-	-	5,215
As at 30 June 2023	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
Payable for securities					
Distributions payable	3,550	-	-	-	3,550
Payables	399	-	-	-	399
Contractual cash flows (excluding derivatives)	3,949	-	-	-	3,949

4 Fair value measurements

The Trust measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Trust has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Observable prices from an independent pricing provider in markets which are not defined as active (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Trust values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. The Trust's investments in RMBS and ABS are classified as financial assets and the Trust relies on daily security pricing provided by a specialist, independent fixed income pricing provider for the valuation of its financial assets.

4 Fair value measurements (continued)

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on last traded prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

RMBS and ABS are issued to and invested by institutional investors over the counter and are not listed on any exchange. Although all financial assets invested in by the Trust are priced daily using mid-market prices provided by a specialist, independent fixed income pricing provider, it is deemed that transactions are not conducted with sufficient frequency for these financial assets to be classified as fair value in an active market (Level 1).

The Trust relies on information provided by an independent pricing service for the valuation of its level 2 investments.

Recognised fair value measurements

The tables below set out the Trust's financial assets measured at fair value according to the fair value hierarchy:

At 30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Residential mortgage backed securities and asset backed securities	-	597,777	-	597,777
Total financial assets at fair value through profit or loss	-	597,777	-	597,777
Total financial assets	-	597,777	-	597,777

At 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss				
Residential mortgage backed securities and asset backed securities	-	457,937	-	457,937
Total financial assets at fair value through profit or loss	-	457,937	-	457,937
Total financial assets	-	457,937	-	457,937

5 Net gains/(losses) on financial assets at fair value through profit or loss

	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Financial assets		
Net gain/(loss) on financial assets as at fair value through profit or loss	2,300	(560)
Total net gains/(losses) on financial assets at fair value through profit or loss	2,300	(560)

6 Financial assets at fair value through profit or loss

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Residential mortgage backed securities and asset backed securities	597,777	457,937
Total financial assets at fair value through profit or loss	597,777	457,937

7 Loans at amortised cost

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Loan to Gryphon Capital Management Pty Ltd - Manager loan	6,556	7,997
Total loans at amortised cost	6,556	7,997

Refer to Note 16(k) for further details of these loans.

8 Net assets attributable to unitholders - equity

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	Year ended 30 June 2024		Year ended 30 June 2023	
	Units	\$'000	Units	\$'000
Opening balance	243,161,923	486,782	243,161,923	487,535
Applications	92,400,000	184,800	-	-
Distributions to unitholders	-	(46,569)	-	(35,927)
Profit for the year	-	48,872	-	35,174
Closing balance	335,561,923	673,885	243,161,923	486,782

As stipulated within the Trust's constitution, each unit represents a right to an individual interest in the Trust and does not extend to a right to the underlying assets of the Trust. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trust.

Capital risk management

The Trust considers its net assets attributable to unitholders as capital. There is minimal capital risk movement as redemptions are not allowed back to the Trust.

9 Distributions to unitholders

The following distributions were paid/payable during the year:

	Year ended 30 June 2024		Year ended 30 June 2023	
	\$'000	Cents per unit	\$'000	Cents per unit
Distributions				
31 July	3,575	1.47	2,359	0.97
31 August	3,599	1.48	2,578	1.06
30 September	3,477	1.43	2,675	1.10
31 October	3,550	1.46	2,967	1.22
30 November	3,429	1.41	2,918	1.20
31 December	3,647	1.50	3,088	1.27
31 January	3,648	1.50	3,112	1.28
28 February	3,404	1.40	2,845	1.17
31 March	4,411	1.31	3,234	1.33
30 April	4,536	1.35	3,185	1.31
31 May	4,629	1.38	3,416	1.40
30 June (payable)	4,664	1.39	3,550	1.46
Total distributions	46,569	17.08	35,927	14.77

10 Earnings per unit

Earnings per unit amounts are calculated by dividing operating profit attributable to unitholders before distributions by the weighted average number of units outstanding during the year.

	Year ended 30 June 2024	Year ended 30 June 2023
Operating profit attributable to unitholders (\$'000)	48,872	35,174
Weighted average number of units on issue	266,228,474	243,161,923
Basic and diluted earnings per unit (cents)	18.36	14.47

11 Cash and cash equivalents

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Cash at bank	71,980	22,696
Total cash and cash equivalents	71,980	22,696

12 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		
Profit for the year	48,872	35,174
Proceeds from sale of financial assets	54,100	77,098
Repayment of principal of financial assets	46,067	23,188
Purchase of financial assets	(237,707)	(87,949)
Net change in financial assets at fair value through profit or loss	(2,300)	560
Net change in receivables	(686)	(652)
Net change in accounts payable	152	(25)
Net cash inflow/(outflow) from operating activities	(91,502)	47,394

(b) Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash and cash equivalents	71,980	22,696
	71,980	22,696

(c) Non-cash financing activities

During the year, there were no non-cash financing activities.

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13 Other receivables

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Interest receivable	2,692	2,022
GST receivable	95	79
Total other receivables	2,787	2,101

14 Payables

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Responsible Entity fees payable	20	17
Management fees payable	394	288
Administrative expenses payable	57	55
Other payables	80	39
Total payables	551	399

15 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Trust:

	Year ended 30 June 2024 \$	Year ended 30 June 2023 \$
PricewaterhouseCoopers Australian Firm		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	68,054	63,357
Total remuneration for audit and other assurance services	68,054	63,357
<i>Non-audit services</i>		
Investigating accountant and tax services	55,000	-
PDS tax review (for capital raise)	7,000	-
Tax compliance services	6,000	5,550
Total remuneration for non-audit services	68,000	5,550
Total remuneration of PricewaterhouseCoopers Australian Firm	136,054	68,907
Ernst & Young		
<i>Audit and other assurance services</i>		
Audit of compliance plan	5,000	4,350
Total remuneration for audit and other assurance services	5,000	4,350
Total remuneration of Ernst & Young	5,000	4,350

The auditor's remuneration is borne by the Trust. Fees are stated exclusive of GST.

16 Related party transactions

(a) Responsible Entity

The Responsible Entity of the Trust is One Managed Investment Funds Limited (ABN 47 117 400 987, AFSL 297 042). Accordingly, transactions with entities related to One Managed Investment Funds Limited are disclosed below.

(b) Key management personnel

(i) Responsible Entity

Key management personnel of the Responsible Entity are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

(ii) Investment Manager

The Investment Manager Gryphon Capital Investments Pty Ltd is a wholly owned subsidiary of Barings LLC. Key management personnel of the Investment Manager are:

Name	Title
Steven Fleming	Portfolio Manager
Ashley Burtenshaw	Portfolio Manager

(c) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

(d) Key management personnel unit holdings

A related entity of Steven Fleming held 150,000 units in the Trust as at 30 June 2024 (30 June 2023: 100,000 units).

Ashley Burtenshaw held 140,000 units in the Trust as at 30 June 2024 (30 June 2023: 57,246 units).

16 Related party transactions (continued)

(e) Key management personnel of the Responsible Entity and Investment Manager compensation

Payments made from the Trust to the Responsible Entity and the Investment Manager do not include any amounts directly attributable to key management personnel remuneration.

(f) Key management personnel loans

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting year other than as disclosed in Note 16(k).

(g) Other transactions with the Trust

Apart from those details disclosed in this Note, no key management personnel have entered into a material contract with the Trust during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

(h) Responsible Entity and Investment Manager's fees and other transactions

(i) Responsible Entity fee

This fee is charged by the Responsible Entity for managing the Trust and making it available to investors. It is calculated and accrued daily and paid monthly in arrears from the Trust's assets. The fee is calculated on the Trust's gross assets as follows:

- (i) 0.06% per annum up to \$200 million;
- (ii) 0.04% per annum from \$200 million to \$300 million;
- (iii) 0.02% per annum from \$300 million;

This fee is subject to a minimum monthly fee of \$5,827.77. All minimum fees payable to the Responsible Entity are subject to annual CPI increases.

(ii) Management fee

The Investment Manager is entitled to receive a management fee at the rate of 0.70% p.a. of the Trust's net asset value. The management fee is calculated and accrued daily and paid monthly in arrears from the Trust's assets.

(iii) Custodian fee

This fee is charged by the Responsible Entity for performing custodial services for the Trust. It is calculated and accrued daily and paid monthly in arrears from the Trust's assets. The fee is calculated at the rate of 0.01% p.a. of the Trust's gross assets (subject to a minimum monthly fee of \$2,814 and annual CPI increases).

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Trust, the Responsible Entity and the Investment Manager were as follows:

	Year ended 30 June 2024 \$	Year ended 30 June 2023 \$
Investment management fees for the year	3,851,607	3,500,133
Total fees payable to the Investment Manager at year end	393,708	287,914
Responsible Entity fees for the year	217,496	206,682
Custodian fees for the year	54,318	50,773
Total fees payable to the Responsible Entity at year end	24,265	20,490

(i) Related party unit holdings

Parties related to the Trust (including the Responsible Entity, its related parties and other schemes managed by the Responsible Entity and the Investment Manager) held no units in the Trust as at 30 June 2024 (30 June 2023: Nil) except for key management personal unit holding outlined in Note 16(d).

(j) Investments in unlisted funds managed by the Responsible Entity

The Trust did not hold any investments in the Responsible Entity or its related parties during the year.

16 Related party transactions (continued)

(k) Manager Loan

The Manager Loan is an unsecured loan advanced to Gryphon Capital Management Pty Ltd ("GCM") a subsidiary of Barings LLC. GCM may use the Manager Loan for working capital purposes, such as the provision of ongoing services to the Trust including but not limited to investor relations, capital management, to facilitate future fundraisings and pay costs of the offer of units in the Trust. GCM is required to pay both principal and interest on the Manager Loan in regular instalments over the 10-year term of the Manager Loan, at an interest rate of 5% per annum. GCM may repay the Manager Loan early at its absolute discretion, and must repay the Manager Loan in full regardless of whether the Investment Manager remains the Manager of the Trust.

There were no additional drawdowns on the Manager Loan in the 2024 financial year (2023: Nil).

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Loan to Gryphon Capital Management Pty Ltd	6,556	7,997
Accrued interest on loan	17	24
Interest received	371	438

17 Segment information

The Trust is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia.

18 Events occurring after the reporting period

On 1 August 2024 a distribution of 1.43 cents per ordinary unit which amounted to \$4,798,535 was approved and was paid on 8 August 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the operations of the Trust in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Trust in future financial years.

19 Significant events

In response to identified investment opportunities and strong demand for investment in the Trust, the Responsible Entity completed the following capital raises during the financial year.

- On 1 March 2024, a \$28.6 million entitlement offer (14,279,645 units at \$2.00 per unit)
- On 8 March 2024, a \$68.7 million shortfall offer (34,352,739 units at \$2.00 per unit) and a \$37.7 million private placement (18,867,616 units at \$2.00 per unit)
- On 5 June 2024, a \$49.8 million private placement (24,900,000 units at \$2.00 per unit)

No other significant events have occurred since the reporting period which would impact on the financial position of the Trust disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Trust for the year ended on that date.

20 Contingent assets and liabilities and commitments

There are no other outstanding contingent assets or liabilities or commitments as at 30 June 2024 and 30 June 2023.

Directors' declaration

In the opinion of the directors of One Managed Investment Funds Limited, the Responsible Entity of Gryphon Capital Income Trust:

- (a) the financial statements and notes set out on pages 6 to 26 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its performance for the year ended on that date, as represented by the results of its operations and cash flows;
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (c) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (d) The directors have been given by the Executive Director and Chief Financial Officer the declarations for the year ended 30 June 2024 required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Frank Tearle
Director
One Managed Investment Funds Limited

Sydney
28 August 2024

For personal use only



Independent auditor's report

To the unitholders of Gryphon Capital Income Trust

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Gryphon Capital Income Trust (the Trust) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2024
- the statement of profit or loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Trust, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Trust made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit approach reflects the nature of the investments held by the Trust and consideration of the work undertaken by third party service organisations. The key third party service organisations relevant to our audit were the administrator who maintains the accounting records of the Trust, the custodian who provides custodian services for the Trust's investments and the Trust's external pricing expert who values the Trust's investments.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matter to the directors of the Responsible Entity (the directors).

Key audit matter	How our audit addressed the key audit matter
<p>Valuation and existence of financial assets at fair value through profit or loss: \$597,777,000</p> <p><i>Refer to note 2 (Summary of material accounting policies) and note 4 (fair value measurements)</i></p> <p>Investments in financial assets at fair value through profit or loss were comprised of investments in residential mortgage backed securities and asset backed securities.</p> <p>The valuation and existence of financial assets at fair value through profit or loss was a key audit matter because they are the most significant item in the statement of financial position, accounting for approximately 89% of the Trust's net assets attributable to unitholders.</p>	<p>Valuation procedures</p> <p>The Trust obtains fair values of financial assets recognised at fair value through profit and loss from an external pricing expert.</p> <p>In relation to the fair values provided by that external pricing expert, we:</p> <ul style="list-style-type: none"> - Independently obtained a confirmation from that external pricing expert of the fair values of all financial assets at fair value through profit or loss as at balance sheet date and compared those amounts to the fair values used by the Trust; and - Along with PwC valuation experts, understood and evaluated the valuation methodology, data and significant assumptions used by that external pricing expert.

Key audit matter	How our audit addressed the key audit matter
<p>A misstatement in the valuation or existence of financial assets at fair value through profit or loss could cause the net assets attributable to unitholders to be materially misstated and would also impact the performance of the Trust because financial assets at fair value through profit or loss are the main driver of movements in profit of the Trust.</p>	<p>For a sample of those financial assets at fair value through profit and loss, we:</p> <ul style="list-style-type: none"> - Independently calculated their fair values and compared those amounts to the fair values used by the Trust; or - We obtained fair values from external pricing services, other than the external pricing expert used by the Trust, and compared those amounts to the fair values used by the Trust; or - Obtained the actual prices of transactions close to the balance sheet date and compared those amounts to the fair values used by the Trust. <p>For all financial assets at fair value through profit or loss sold during the year, we compared their sales prices to the previous day's fair values recognised by the Trust.</p> <p>We performed tests over key controls operating at the investment manager of the Trust in relation to their monitoring and evaluation of daily prices provided by the Trust's external pricing expert.</p> <p>We assessed the design and operating effectiveness of relevant controls at the Trust's service organisations by inspecting the most recent internal control reports provided to the Trust's Responsible Entity on fund administration and custody services. These reports outlined the controls in place at the service organisations and included audit opinions over the design and operating effectiveness of those controls.</p> <p>We assessed the reports by:</p> <ul style="list-style-type: none"> - developing an understanding of the control objectives and associated control activities relevant to the valuation of the Trust's financial assets at fair value through profit or loss; and - evaluating the tests undertaken by the auditors of the Trust's administrator and custodian, the results of those tests and the conclusions formed by their auditors on the design and operational effectiveness of controls to the extent relevant to our audit of the Trust. <p>Existence procedures</p> <p>We obtained an independent confirmation of investment holdings at year end from the Trust's custodian and compared this to the holdings per the Trust's accounting records.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

A stylized, handwritten signature of PricewaterhouseCoopers in a dark grey or black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Paul Collins in a dark grey or black ink.

Paul Collins
Partner

Brisbane
28 August 2024

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Gryphon Capital Income Trust (GCI)
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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 12 August 2024 unless otherwise indicated.

A. Distribution of units

There were 335,561,923 ordinary units held by 8,895 unitholders.

The number of unitholders, by size of holding are:

	No Of Holders	Total Units	Percentage
1 - 1,000	196	83,442	0.02%
1,001 - 5,000	1,058	3,692,198	1.10%
5,001 - 10,000	1,533	12,247,642	3.65%
10,001 - 100,000	5,758	173,028,497	51.56%
100,001 and over	350	146,510,144	43.67%
	8,895	335,561,923	100.00%

There were no unmarketable parcels of units.

B. 20 largest unitholders

The names of the 20 largest unitholders, as 12 August 2024, are:

Unitholder	No. of Units	Percentage
1 HSBC Custody Nominees (Australia) Limited	20,362,222	6.068%
2 Netwealth Investments Limited <Wrap Services A/C>	16,184,698	4.823%
3 BNP Paribas Nominees Pty Ltd <Hub24 custodial Serv Ltd>	15,838,129	4.720%
4 IOOF Investment Services Limited <IOOF Idps A/C>	6,101,291	1.818%
5 J P Morgan Nominees Australia Pty Limited	5,980,281	1.782%
6 Netwealth Investments Limited <Super Services A/C>	5,763,133	1.717%
7 CITICORP Nominees Pty Limited	2,045,558	0.610%
8 Geat Incorporated <Geat-Preservation Fund A/C>	1,715,129	0.511%
9 The Corporation Of The Trustees Of The Order Of The Sisters Of Mercy In QLD <Congregation A/C>	1,498,756	0.447%
10 Elizikat Investments Pty Ltd <Doughan Investment A/C>	1,446,633	0.431%
11 Aurisch Investments Pty Ltd	1,297,512	0.387%
12 Asia Union Investments Pty Limited	1,000,000	0.298%
13 Elev Pty Ltd	987,475	0.294%
14 Bciff (QLD) <Strategic Reserve A/C>	951,000	0.283%
15 IOOF Investment Services Limited <Ips Superfund A/C>	751,221	0.224%
16 A&M Forestieri Holdings Pty Ltd	750,000	0.224%
17 Moneybourne Pty Ltd <Logan Family A/c>	726,300	0.216%
18 Zacob Pty Ltd <R&L Biancardi S/F A/C>	639,000	0.190%
19 Mercy Partners <The Nudgee A/C>	624,378	0.186%
20 Sisters Of The Perpetual Adoration Of The Blessed Sacrament Ltd <Perpetual Adoration A/C>	600,000	0.179%

C. Substantial unitholders

There are no substantial unitholders who have notified the Trust in accordance with section 671B of the *Corporations Act 2001*.

D. Voting rights

All units issued are fully paid. The voting rights attaching to each fully paid unit are:

- (i) on a show of hands each unitholder has one vote; and
- (ii) on a poll, each unitholder has one vote for each dollar of the value of the total interests they have in the Trust.

E. Buy-back

There is no current on-market buy-back of units in the Trust.

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ASX ADDITIONAL INFORMATION

F. Investments held at 30 June 2024

Security Code	Security Name	Current Face Value \$'000	Fair Value \$'000
AU3FN0035994	MEDL 2017-1 C	841	851
AU3FN0042669	REDS Trust 2018-1 Class D Mtge	1,047	1,074
AU3FN0042958	Liberty Warehouse Trust No.1 Class B Mtg	13,300	13,300
AU3FN0042974	Liberty Warehouse Trust No.1 Class C Mtg	21,400	21,400
AU3FN0043006	Liberty Warehouse Trust No.1 Class D Mtg	22,600	22,600
AU3FN0035671	Harvey Trust Series 2017-1 C Mtge	203	208
AU3FN0043840	SMHL 2018-2 D Mtge	323	325
AU3FN0043857	SMHL 2018-2 E Mtge	754	758
AU3FN0044210	Pepper Prime Mortgage Wharehouse tRust	14,000	14,000
AU3FN0044228	Pepper Prime Mortgage Wharehouse Trust N	8,900	8,900
AU3FN0046017	RESIMAC TRIOMPHE TRUST No 6 Class C	8,300	8,300
AU3FN0046025	RESIMAC TRIOMPHE TRUST No 6 Class D	4,700	4,700
AU3FN0046033	RESIMAC TRIOMPHE TRUST No 6 Class E	3,000	3,000
AU3FN0044129	National RMBS 2018-2 Class D	1,811	1,878
AU3FN0039301	MEDL 2017-2 D Mtge	1,625	1,684
AU3FN0040663	NRMBS 2018-1 D Mtge	1,413	1,455
AU3FN0038824	FirstMac Mortgage Funding Trust No.4 ANZ	8,000	8,000
AU3FN0038832	Firstmac Mortgage Funding Trust No 4 ANZ	4,000	4,000
AU3FN0048112	SMHL 2019-1 C Mtge	15,600	15,600
AU3FN0048120	SMHL 2019-1 D Mtge	6,100	6,100
AU3FN0048138	SMHL 2019-1 E Mtge	3,700	3,700
AU3FN0048146	SMHL 2019-1 F Mtge	5,700	5,700
AU3FN0048526	SMHL 2019-1 E Mtg 15/07/2051	256	263
AU3FN0048534	SMHL 2019-1 F Mtg 15/07/2051	252	254
AU3FN0048385	TORR 2019-1 E Mtg 12/09/2050	236	244
AU3FN0048591	KINGF 2019-1 D Mtg 19/05/2050	861	893
AU3FN0048609	KINGF 2019-1 E Mtg 19/05/2050	861	899
AU3FN0038816	FMACB FMFT-4 CR	11,000	11,000
AU3FN0050183	LBRTY CH-1 C 19/08/2027	10,000	10,000
AU3FN0050191	LBRTY CH-1 D 19/08/2027	25,000	25,000
AU3FN0050209	LBRTY CH-1 E 19/08/2027	15,000	15,000
AU3FN0051264	TORR 2019-2 E Mtge15/05/2051	2,246	2,325
AU3FN0039780	FMACB FMFT-2 D Mtg	8,000	8,000
AU3FN0039798	FMACB FMFT-2 E Mtg	5,000	5,000
AU3FN0039772	FMACB FMFT-2 CR	15,000	15,000
AU3FN0051991	FMACB 2019-4 D	872	897
AU3FN0052007	FMACB 2019-4 E	1,351	1,413
AU3FN0052049	AFG WH10-1 C	10,500	10,500
AU3FN0052056	AFG WH10-1 D	8,500	8,500
AU3FN0052064	AFG WH10-1 E	5,000	5,000
AU3FN0084372	LBRTY 2024-1 D Mtge	1,000	1,008
AU3FN0084349	LBRTY 2024-1 E Mtge	5,000	5,028
AU3FN0084356	LBRTY 2024-1 F Mtge	1,125	1,138
AU3FN0053682	FMACB 2020-1 D	1,098	1,158
AU3FN0055778	LBRTY 2020-1 SME E	2,555	2,563
AU3FN0055653	Lion Trust 2020-1 E Mtge	1,243	1,322
AU3FN0057618	Resimac 2020-3 F Mtge	517	519
AU3FN0057600	RESI 2020-3 E Mtge	905	915
AU3FN0058020	Resimac WH-1 D Mtge	6,300	6,300
AU3FN0058038	Resimac WH-1 E Mtge	4,800	4,800
AU3FN0058582	FMACB 2021-1PP E	3,263	3,466
AU3FN0058780	THINK W05 D	8,000	8,000
AU3FN0058798	THINK W05 E	7,000	7,000
AU3FN0058335	PEPAU 2021-1 F Mtge	437	438
AU3FN0058673	FMACB WH15 D Mtge	8,000	8,000
AU3FN0058681	FMACB WH15 E Mtge	5,000	5,000

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F. Investments held at 30 June 2024 (continued)

Security Code	Security Name	Current Face Value \$'000	Fair Value \$'000
AU3FN0059796	RESI WH-1NC D Mtge	23,000	23,000
AU3FN0059804	RESI WH-1NC E Mtge	15,750	15,749
AU3FN0062055	TORR 2021-2 D Mtge	444	443
AU3FN0062063	TORR 2021-2 E Mtge	444	439
AU3FN0062071	TORR 2021-2 F Mtge	444	441
AU3FN0061990	PEPAU 2021-2 F Mtge	1,040	1,041
AU3FN0063111	LBRTY CH-1 F 19/08/2027	5,000	5,000
AU3FN0063632	RESI 2021-2NC D	2,055	2,060
AU3FN0063640	RESI 2021-2NC E	1,363	1,362
AU3FN0058012	Resimac WH-1 C Mtge	12,000	12,000
AU3FN0067864	LBRTY 2022-1P D	1,782	1,795
AU3FN0067872	LBRTY 2022-1P E	2,673	2,714
AU3FN0067880	LBRTY 2022-1P F	2,227	2,234
AU3FN0067898	LBRTY 2022-1P G	3,118	3,138
AU3FN0063806	AFG WH10-1S6 D	5,000	5,000
AU3FN0063814	AFG WH10-1S6 E	2,500	2,500
AU3FN0083721	LBRTY BA-2 B Mtge	16,000	16,000
AU3FN0083739	LBRTY BA-2 C Mtge	19,000	19,000
AU3FN0083747	LBRTY BA-2 D Mtge	10,000	10,000
AU3FN0061834	PEPAU 30 E Mtge	914	920
AU3FN0061842	PEPAU 30 F Mtge	359	359
AU3FN0061826	PEPAU 30 D Myge	1,617	1,624
AU3FN0058772	THINK W05 C	4,000	4,000
AU3FN0063798	AFG WH10-1S6 C	6,000	6,000
AU3FN0026415	Harvey Trust 2015-1 C	368	371
AU3FN0077699	LBRTY 2023-1AUT F Mtge	3,070	3,101
AU3FN0057980	RESI WH-1 A2 Mtge	5,000	5,000
AU3FN0058004	RESI WH-1 B Mtge	1,100	1,100
AU3FN0058590	FMACB 2021-1PP F Mtge	3,183	3,295
AU3FN0059788	RESI WH-1NC C Mtge	17,500	17,499
AU3FN0066304	PEPAU 2022-1 F mtge	3,346	3,373
AU3FN0063772	AFG WH10-1S6 AB Mtge	1,500	1,500
AU3FN0067104	PEPAU 32 F mortgage	1,690	1,697
AU3FN0074415	Resimac Asset Finance Trust Warehouse Se	5,000	5,000
AU3FN0074423	Resimac Asset Finance Trust Warehouse Se	5,000	5,000
AU3FN0072260	LBRTY 2022-1SME D	13,300	13,763
AU3FN0079455	REDS 2023-1 D Mtge	2,100	2,235
AU3FN0079463	REDS 2023-1 E Mtge	2,175	2,260
AU3FN0085577	FAFTJPM C Mtge	8,000	8,000
AU3FN0085585	FAFTJPM D Mtge	7,000	7,000
AU3FN0085593	FAFTJPM E Mtge	5,000	5,000
AU3FN0085940	RESI WH-4NC B Mtge	8,000	8,000
AU3FN0085957	RESI WH-4NC C Mtge	11,400	11,400
AU3FN0085965	RESI WH-4NC D Mtge	7,600	7,600
AU3FN0085973	RESI WH-4NC E Mtge	4,750	4,750
AU3FN0085817	RESI 2024-1NC E Mtge	2,250	2,251
AU3FN0085825	RESI 2024-1NC F Mtge	1,494	1,495
AU3FN0088266	NRMBBS 2024-1 E Mtge	4,000	4,000
AU3FN0088340	LBRTY 2024-1A E Mtge	2,500	2,500
AU3FN0088357	LBRTY 2024-1A F Mtge	1,750	1,750
AU3FN0089322	FMACB EAGL-3PP F Mtge	4,750	4,935
AU3FN0088696	FMACB 2024-3PP E Mtge	2,707	2,707
		595,758	597,777

Management fees have been reported in Note 16 to the financial statements.

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ASX ADDITIONAL INFORMATION

G. Transactions in securities

There were a total of 106 transactions in securities during the year ended 30 June 2024. Total brokerage paid by the Trust on those transactions was nil.

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Gryphon Capital Income Trust (GCI) Directory

Directors:	Frank Tearle Sarah Wiesener Michael Sutherland
Company Secretaries:	Sarah Wiesener Frank Tearle
Investment Manager:	Gryphon Capital Investments Pty Ltd
Auditor:	PricewaterhouseCoopers 480 Queen Street BRISBANE QLD 4000
Country of Registration:	Australia
Responsible Entity:	One Managed Investment Funds Limited
Registered Office:	Level 16, Governor Macquarie Tower 1 Farrer Place SYDNEY NSW 2000 Ph: 612 8277 0000
Unit Registry:	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street SYDNEY NSW 2000 Ph: 1300 737 760
ASX Code :	GCI
ARSN:	623 308 850
Website:	https://gcainvest.com/our-lit/
Corporate Governance Statement:	https://gcainvest.com/cmsb/uploads/gci_corporate-governance-statement.pdf