

# **Gyrostat Risk Managed Australian Equity (Class C)**

Gyrostat Risk Managed Equity Fund ARSN 651 853 799

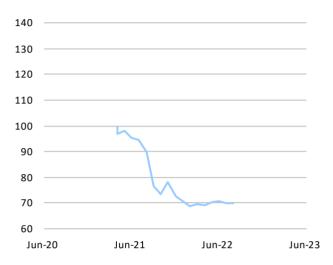
Gyrostat Risk Managed Equity Fund – Address uncertainty through portfolio construction - Volatility is our friend with a 11 year track record of returns increasing with market volatility (including large market falls).

Solutions for: - Retiree equity income (absolute return benchmarks) and Australian and international equities (vs index) with protection always in place against major market falls (sequencing).

Headquartered in Melbourne, Australia, Gyrostat are specialists in delivering diversified low and non correlated investment solutions which address sequencing and portfolio drawdown risk while delivering equity income (derived from dividend pass through and risk management overlay profits).

The Gyrostat Risk Managed Australian Equity Class C is designed to outperform the Morningstar<sup>®</sup> Australia Index<sup>™</sup> over rolling 12 months by mitigating against large losses on major market falls (downside protection always in place.) An Australian equities allocation that 'spins out' the ASX200 State Street ETF with protection always with upside. The strategy builds on the class A track record exceeding eleven years.

## Performance (Growth of AUD \$100,000)



Net Investment Performance %							
	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI
Risk Managed Australian Equity Class C	-0.25	-0.74	1.51	-22.36			-30.38
Morningstar <sup>®</sup> Australia Index™	1.26	-2.45	0.99	-2.63			5.16
Excess Returns	-1.51	1.71	0.52	-19.73			-35.54

\* Returns are net of fees and include franking credits. Redemption value is reported NAV less sell spread of -0.15%.

Class Facts			
Eligibility	Investors who qualify as 'Wholesale Clients'		
Responsible Entity	Columbus Investment Services Ltd		
Investment Manager	Gyrostat Capital Management Advisers Pty Ltd		
Sales & Marketing Manager	Mantis Funds Pty Ltd		
Fund Inception date	16 April 2021		
Strategy Inception date	16 April 2021		
APIR	CIS2863AU		
Base currency	Australian dollars		
Management fee	1.1% of NAV		
Performance fee	15% over Hurdle		
Investment minimum	AUD 5,000		
Buy/sell spread	0.15%		
Liquidity	Daily		
Benchmark	Morningstar <sup>®</sup> Australia Index™		
Platforms	Mason Stevens, Netwealth, Powerwrap		
Distribution frequency	Quarterly		

ation-forms or www.oneinvestment.com.au/gyrostat.

www.gvrostat.com.au/a

Return Analytics			
Monthly Volatility	4.46%		
Sharpe Ratio	-1.58		
Drawdown	-31.41%		
Sortino Ratio	-1.42		
Leverage *	96%		
* Ratio defined as margin debt/net assets			

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Portfolio Analytics			
Number of Stocks	3		
Average Positive Months	2.20%		
Average Negative Months	-3.76%		
Beta (ASX200)	0.05		
% of Positive Months	29		

The responsible entity for the Gyrostat Risk Managed Equity Fund (ARSN 651 853 799) is Columbus Investment Services Limited (ACN 095 162 931) (AFSL221183) (CISL). The investment manager for the fund is Gyrostat Capital Management Advisers Pty

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### **Market Commentary**

#### MONTHLY UPDATE

#### The Class C NAV at 31 Aug 2022 was \$0.5184.

The Australian market traded in a range of 2.4% during August (low 6962 on 23 August, high 7128 on 17 August). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets). During August the range was narrow with the ASX rising 0.07%.

Market volatility (as measured by VIX and A-VIX) increased 34.2% in Aug. VIX low 19.53 on Aug 12, high 26.21 on Aug 29. The increase in the pricing of risk increases the valuation of protection.

Our underperformance during the month was driven by the very narrow market range which offset impacts of rising implied volatility.

We anticipate strong investment performance during the September quarter (resource stocks dividend cycle). We continue to increase exposure to resource stocks in particular BHP and anticipate that the higher yields and volatility in this sector will generate returns consistent with our objectives. **Purpose**: A risk managed Australian ETF as part of the 'Australian equity' component of a portfolio to de-risk portfolio structure.

FUND OVERVIEW

#### Investment Objectives:

- Return: To exceed the benchmark index over rolling 12 months
- **Income**: To match the benchmark index
- Protection: Always in place to mitigate losses against large market falls to address sequencing risk

The strategy can be described as Risk Managed Australian Equities ETF, holding ASX200 State Street ETF, and component stocks with risk management overlay. Leverage can be up to 100% of class assets.

- It provides liquidity (ASX200 State Street ETF and XJO Australian index exchange traded options for risk management overlay)
- It provides a stable and reliable source of income (from dividends, franking credits, and risk management overlay)
- It provides an opportunity to address sequencing risk

Contributors to Return (%)			
TOP GAINS		TOP LOSSES	
ВНР	0.16	OIX	-0.32
WDS	0.01		

Team Members Experience			
INVESTMENT TEAM	GYROSTAT	INDUSTRY	
Craig Racine Chief Investment Officer	11	30	
Leo Tang Senior Investment Officer	7	30	
BUSINESS TEAM			
David Barwise Director	4	30	
Damien Hatfield Head of Distribution	1	40+	
Andrew Smith Compliance and Risk	8	30+	
Peter Clifton Chairman	8	30+	
Peter Keating	1	30+	

Top Holdings			
HOLDING	%		
XJO	52.2		
BHP	47.2		
WDS	0.6		

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## **Enquiries**

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AS AT 31 AUG 2022