

# Gyrostat Leveraged Absolute Return Income Equity (Class B)

Gyrostat Risk Managed Equity Fund ARSN 651 853 799

Gyrostat Risk Managed Equity Fund – Address uncertainty through portfolio construction - Lower beta with alpha from 'dynamic hedging' with an 12 year track record of returns increasing with market volatility (including large market falls).

Five Classes: - Regular equity income (absolute return benchmarks) and Australian and international equities (index return benchmarks) 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.)

Gyrostat Leveraged Absolute Return Income Equity Class B is designed for **capital growth and income whilst hedging equity market risk to generate equity income of at least BBSW + 6% (paid quarterly) with no quarterly draw-downs to exceed a pre-defined 6% limit.** The strategy builds on the class A track record over 12 years of returns increasing with market volatility.

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



## Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI
Gyrostat Risk Managed Equity Fund Class B	1.17	3.97	3.36	14.60			5.76
BBSW3M + 3%	0.55	1.63	3.19	5.79			4.35
Excess Returns	0.62	2.34	0.17	8.81			1.41

\* Returns are net of fees and include franking credits. .

## Class Facts

Eligibility	Investors who qualify as 'Wholesale Clients'
Responsible Entity	One Managed Investment Funds Limited
Investment Manager	Gyrostat Capital Management Advisers Pty Ltd
Registry Services Provider	One Registry Services Pty Limited
Fund Inception date	13 April 2021
Strategy Inception date	10 December 2010
APIR	CIS3754AU
Base currency	Australian dollars
Management fee	1.4% of NAV
Performance fee	15% over Hurdle
Investment minimum	AUD 5,000
Buy/sell spread	0.15%
Liquidity	Daily
Benchmark	BBSW3M + 3% p.a.
Platforms	Mason Stevens, Netwealth, Powerwrap
Distribution frequency	Quarterly

## Return Analytics

Monthly Volatility	3.98%
Sharpe Ratio	0.37
Drawdown	-17.06%
Sortino Ratio	0.58
Leverage *	66%

\* Ratio defined as margin debt / net assets

## Portfolio Analytics

Number of Stocks	8
Average Positive Months	2.78%
Average Negative Months	-2.52%
Beta (ASX200)	-0.33
% of Positive Months	58

## Unit Value (AUD)

Net Asset Value	\$0.7244
Application Value	\$0.7255
Redemption Value	\$0.7233

The responsible entity for the Gyrostat Risk Managed Equity Fund (ARSN 651 853 799) (Fund) is One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (OMIFL). The investment manager for the Fund is Gyrostat Capital Management Advisers Pty Ltd (ACN 168 737 246), a duly authorised representative of Gyrostat Capital Management Pty Ltd (ACN 138 219 002) (AFSL 452917) (GCM).

The information provided in this document was not prepared by OMIFL but prepared by other parties. All of the commentary, statements of opinion and recommendations contain general advice only. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice.

The content of this document does not constitute an offer or solicitation to subscribe for units in the Funds or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision.

Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

Whilst all care has been taken in preparation of this document, neither OMIFL nor the Investment Manager give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. Neither OMIFL nor the Investment Manager accepts liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

You should obtain and carefully consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund. A copy of the PDS (dated 20 October 2022), TMD and relevant application form may be obtained from <https://www.gyrostat.com.au/application-forms> or <https://www.oneinvestment.com.au/gyrostat>

## Market Commentary

### MONTHLY UPDATE

NAV per unit was \$0.7244. Total NAV of the Fund was \$13.2m.

The Australian market traded in a very narrow range of 3.32% during the month of May (7334.60 high on 1 May, 7091.30 low on 31 May). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets).

Market volatility rose in May by 11.56% (as measured by the VIX) and traded in a narrow band. Month open VIX 1 May 16.08, high 20.09 on 4 May, month end 17.94 on 31 May. Volatility has trended down significant since October 2022 (high 33.57 on 12 Oct). The strategy is designed to outperform the wider the volatility range.

Our performance during the month was driven by gains in WBC, ANZ and NAB with small losses XJO.

We anticipate strong investment performance to continue with volatility favourable to our 'dynamic hedging' risk management approach. We intend to increase our exposure to commodity stocks into the Sep quarter, the next dividend cycle. A more active asset allocation approach, particularly into higher yielding stocks, in the upcoming dividend cycle has been adopted.

For the 12 months to 31 May 2023, Class B achieved an absolute return of +14.60%.

### FUND OVERVIEW

**Strategy:** Designed to produce higher income (compared to an investment in the Class A Units) through the complete investment cycle (downside protection always in place). In contrast to the Class A Units, Class B Units may not necessarily gain from major market falls. Low correlation to the Australian market.

**Purpose:** A global non correlated income fund as part of the 'equity income' component of a portfolio to enhance income in a historically low interest rate environment

#### Investment Objectives:

**Return:** To exceed income distributions over rolling 12 months.

**Income:** > BBSW3M + 6% p.a. from dividends and risk management profits paid quarterly.

**Protection:** 6% quarterly downside risk tolerance.

Distributions may be higher dependent on the Class performance.

Class B buys and holds ASX-20 and International listed equities and options with the relevant exchange as the derivative counterparty. The Class may borrow up to 100% of the Class assets.

Class B is a levered version of Class A to deliver higher income and higher risk tolerance than Class A. Our expectation is that over the cycle we will achieve our income and return objectives while operating with our pre-defined risk parameters.

### Contributors to Return (%)

TOP GAINS		TOP LOSSES	
WBC	1.02	XJO	-0.29
ANZ	0.75	WOW	-0.05
NAB	0.13	FMG	-0.04
BHP	0.09	RIO	-0.02
CBA	0.03		

### 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
Peter Keating Investment Operations	1	30+
Andrew Smith Compliance and Risk	8	30+
Peter Clifton Chairman	8	30+

### Top Holdings

HOLDING	%
FMG	34.4
XJO	20.5
WBC	14.4
ANZ	9.9
BHP	7.7
RIO	5.3
NAB	3.3
WOW	2.9
CBA	0.9
WDS	0.8

### Enquiries

[www.gyrostat.com.au](http://www.gyrostat.com.au)

Michael Baker or James Duck of  
Wayfarer Investment Partners on  
0439 276 484

PDS and application form can be obtained from:

[www.gyrostat.com.au/application-forms](http://www.gyrostat.com.au/application-forms) or

[www.oneinvestment.com.au/gyrostat](http://www.oneinvestment.com.au/gyrostat)

**GYROSTAT**  
RISK MANAGED EQUITY FUNDS

AS AT 31 MAY 2023

### RG240 Disclosure

For the period covered by this report, there were no material changes to any of the following: The Fund's risk profile; the Fund's strategy; and key investment personnel related to the Gyrostat Risk Managed Equity Fund. For information since that date, please refer to [www.gyrostat.com.au](http://www.gyrostat.com.au).