

Gyrostat Absolute Return Income Equity (Class A)

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.)

The flagship Gyrostat Absolute Return Income Equity Class A is designed for **capital growth and income whilst hedging equity market risk**. Returns are designed to increase with market volatility and reliably increase in value on major market falls (downside tail always in place). It has a track record exceeding twelve years with no quarterly drawdown greater than a pre-defined 3% limit.

Performance (Growth of AUD \$100,000)



Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI (PA)
Gyrostat Risk Managed Equity Fund Class A	3.27	2.43	2.16	5.49	5.22	6.30	4.89
BBSW3M + 3%	0.61	1.85	3.55	6.76	4.46	4.37	5.29
Excess Returns	2.66	0.58	-1.39	-1.27	0.76	1.93	-0.40

* 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	10 December 2010
Strategy Inception date	10 December 2010
APIR	GYC6212AU
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	BBSW3M + 3% p.a.
Platforms	Mason Stevens, Netwealth, Powerwrap, Hub24
Distribution frequency	Quarterly

Return Analytics

Monthly Volatility	1.58%
Sharpe Ratio	0.52
Drawdown	-11.82%
Sortino Ratio	1.10
Leverage *	21%

* Ratio defined as margin debt / net assets

Portfolio Analytics

Number of Stocks	12
Average Positive Months	1.26%
Average Negative Months	-0.78%
Beta (ASX 200)	-0.10
% of Positive Months	58

Unit Value (AUD)

Net Asset Value	\$0.6416
Application Value	\$0.6426
Redemption Value	\$0.6406

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).

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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

Cum NAV per unit was \$0.6416, \$0.0115 distribution was declared, ex NAV per unit was \$0.6301. Total NAV of the Fund was \$12.5m.

The Australian market traded in a narrow range of 4.01% during the month of September (7318.8 high on 4 September, 7024.8 low on 28 September). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets).

Market volatility increased in September by 4.43 (as measured by the VIX) and traded in a moderate band. Month open 13.09, high VIX 26 September 18.94, low 12.82 on 14 September, month close 17.52. Volatility has trended down significantly since October 2022 (high 33.57 on 12 Oct) with a modest uplift in September. The strategy is designed to outperform the wider the volatility range.

Our gains during the month was driven by FMG and BHP with small losses in XJO and SPX.

We anticipate strong investment performance to continue with volatility favorable to our 'dynamic hedging' risk management approach. We intend to increase our exposure to banking stocks into the December 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 September 2023, Class A achieved an absolute return of +5.49%. The 24 month return is + 12.89% pa.

FUND OVERVIEW

Strategy: Designed to increase in value on major Australian market falls (downside protection always in place) with regular income through the complete investment cycle. Low correlation to the Australian market.

Purpose: A highly defensive global non correlated income fund that reliably increases in value on large market falls (12 YR, max quarterly drawdown < 3%)

Investment Objectives:

Return: 6% - 8% p.a. in trending markets,
> 8% p.a. in volatile markets,

Income: > BBSW3M + 3% p.a. from dividends and risk management profits paid quarterly.

Protection: 3% quarterly downside risk tolerance with tail risk hedge for gains on large market falls.

Distributions may be higher dependent on the Class performance.

Class A 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 30% of the Class assets

Leverage is achieved through margin lending such that asset and debt liquidity are matched.

Contributors to Return (%)

TOP GAINS		TOP LOSSES	
FMG	1.87	XJO	-0.35
BHP	1.80	SPX	-0.16
RIO	0.15	WOW	-0.03
WDS	0.06	CSL	-0.01
WBC	0.01	NAB	-0.01

Team Members Experience

INVESTMENT TEAM	GYROSTAT	INDUSTRY
Craig Racine Chief Investment Officer	12	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	%
BHP	36.6
FMG	27.6
XJO	18.3
WDS	9.9
RIO	3.2
WOW	1.6
NAB	1.1
WBC	0.8
ANZ	0.4
CBA	0.4

Enquiries

www.gyrostat.com.au

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Wayfarer Investment Partners on
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PDS and application form can be obtained from:

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

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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.

AS AT 30 SEP 2023