

# Gyrostat Risk Managed Hong Kong Equity (Class D)

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 a 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 Risk Managed Hong Kong Equity Class D is designed to outperform the Morningstar® Hong Kong Index™ over rolling 12 months by mitigating against large losses on major market falls (downside protection always in place.) A Hong Kong equities allocation that 'spins out' the Tracker Fund of Hong Kong ETF with protection always with upside. The strategy builds on the class A track record over 12 years.

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



## Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI (PA)
Risk Managed Hong Kong Equity Class D	-5.02	-5.67	-11.76	6.68			-2.79
Morningstar® Hong Kong Index™	-5.32	-10.13	-15.56	-2.10			-16.24
Excess Returns	0.30	4.46	3.80	8.78			13.45

\* 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	1 July 2022
Strategy Inception date	1 July 2022
APIR	CIS7391AU
Base currency	Hong Kong dollars
Management fee	1.1% of NAV
Performance fee	15% over Hurdle
Investment minimum	HKD 50,000
Buy/sell spread	0.15%
Liquidity	Weekly
Benchmark	Morningstar® Hong Kong Index™
Platforms	
Distribution frequency	Quarterly

## Return Analytics

Monthly Volatility	9.18%
Sharpe Ratio	-0.05
Drawdown	-18.50%
Sortino Ratio	-0.28
Leverage *	62%

\* Ratio defined as margin debt / net assets

## Portfolio Analytics

Number of Stocks	1
Average Positive Months	7.00%
Average Negative Months	-5.88%
Beta (Morningstar HK)	0.84
% of Positive Months	47

## Unit Value (HKD)

Net Asset Value	\$7.2104
Application Value	\$7.2212
Redemption Value	\$7.1996

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 \$7.2104. Total NAV of the Fund was A\$12.5m.

The Class commenced operations on 1 Jul 2022 having previously operated under mandate for over 2 years. The Morningstar® Hong Kong Markets Index™ traded in a range of 5.69% during September (18,884 high on 4 September; 17,809 low on 28 September). Our investment strategy is designed to outperform our benchmark 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.

The investment strategy is designed to mitigate large losses on major market falls (downside protection always in place) and address sequencing risk, particularly for pre and post retiree investors, and is part of an overseas equities portfolio allocation to Hong Kong (including mainland Chinese firms included in the Hong Kong Markets Index).

The Class buys and holds the Tracker Fund with the lowest cost Hang Seng Index protection always in place dynamically managed. For the 12 months to 31 September 2023, the Class outperformed the benchmark index by +8.78%. Since our inception in July 2022 the Class has outperformed the benchmark index by +13.45%

### FUND OVERVIEW

**Strategy:** Designed outperform the Morningstar® Hong Kong Index™ over rolling 12 months whilst mitigating against major losses on large Hong Kong market falls (downside protection always in place).

**Purpose:** A risk managed global ETF as part of the 'global equity' component of a portfolio to de-risk portfolio structure.

**Investment Objectives:**

**Returns:** 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 could be described as Risk Managed Hong Kong ETF, holding Tracker Fund of Hong Kong with a risk management overlay. Leverage can also be added up to 100% of class assets.

- It provides liquidity (Tracker Fund of Hong Kong and Hang Seng Index exchange traded options for risk management overlay)
- It provides a stable and reliable source of income (from dividends and risk management overlay)
- It provides an opportunity to address sequencing risk

### Contributors to Return (%)

TOP GAINS		TOP LOSSES	
		HSI	-4.27

### 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	%
HSI	100.0

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### Enquiries

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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 30 SEP 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).