

# GYROSTAT

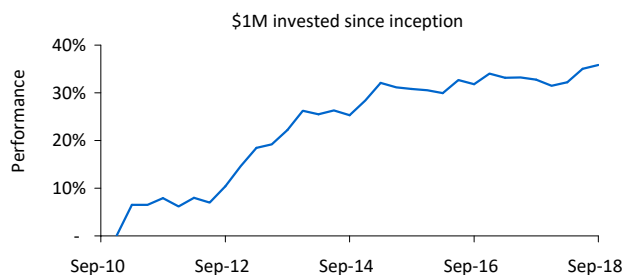
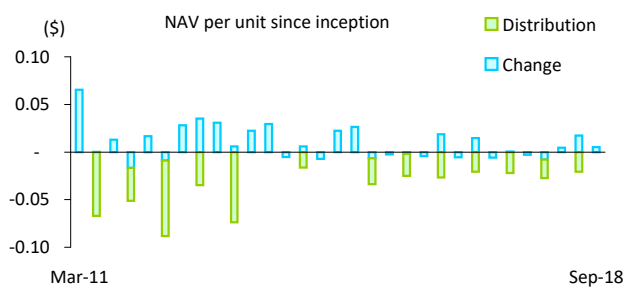
## RISK MANAGED EQUITY FUNDS

- Investors – Pre and post retirees (sequencing risk), industry associations, intergenerational wealth transfer
- Absolute return alternative – stable and rising absolute returns with regular income
- Distinctive risk management – protection always in place with upside
- Making money when others don't – capital growth in trending and volatile markets (including down markets)
- Complements short term bonds in a portfolio
- Proven strategy over 7 years

### Expected returns - Investment cycle

Market conditions	Volatility	Returns
Trending Market	Medium	6 - 8% p.a.
Stable Market	Low	Short term bonds
Volatile Market	High	> 8% p.a.

Financial Year	Market type	Period return	Cumulative return
Jun-11	trending	6.5%	6.5%
Jun-12	stable	0.4%	4.4%
Jun-13	volatile	11.4%	7.1%
Jun-14	trending	6.0%	6.8%
Jun-15	stable	3.8%	6.1%
Jun-16	stable	1.2%	5.2%
Jun-17	stable	0.4%	4.5%
Jun-18	stable	1.3%	4.1%



Qtr End	Open NAV	Change	Distribute	Close NAV	Invested (\$)	Open Value	Change	Distribute	Close Value
Mar-11	1.00000	0.06527	-	1.06527	1,000,000	1,000,000	65,270	-	1,065,270
Jun-11	1.06527	0.00010	(0.06732)	0.99805	-	1,065,270	100	(67,320)	998,050
Sep-11	0.99805	0.01290	-	1.01095	67,320	1,065,370	13,770	-	1,079,140
Dec-11	1.01095	(0.01659)	(0.03500)	0.95936	-	1,079,140	(17,709)	(37,361)	1,024,070
Mar-12	0.95936	0.01678	-	0.97614	37,361	1,061,431	18,565	-	1,079,996
Jun-12	0.97614	(0.00901)	(0.07954)	0.88759	-	1,079,996	(9,969)	(88,003)	982,025
Sep-12	0.88759	0.02811	-	0.91570	88,003	1,070,028	33,888	-	1,103,916
Dec-12	0.91570	0.03508	(0.03500)	0.91578	-	1,103,916	42,290	(42,194)	1,104,012
Mar-13	0.91578	0.03079	-	0.94657	42,194	1,146,206	38,537	-	1,184,743
Jun-13	0.94657	0.00587	(0.07411)	0.87833	-	1,184,743	7,347	(92,757)	1,099,333
Sep-13	0.87833	0.02230	-	0.90063	92,757	1,192,090	30,266	-	1,222,356
Dec-13	0.90063	0.02943	-	0.93006	-	1,222,356	39,943	-	1,262,300
Mar-14	0.93006	(0.00517)	-	0.92489	-	1,262,300	(7,017)	-	1,255,283
Jun-14	0.92489	0.00583	(0.01655)	0.91417	-	1,255,283	7,913	(22,462)	1,240,733
Sep-14	0.91417	(0.00735)	-	0.90682	22,462	1,263,195	(10,156)	-	1,253,039
Dec-14	0.90682	0.02250	-	0.92932	-	1,253,039	31,090	-	1,284,129
Mar-15	0.92932	0.02639	-	0.95571	-	1,284,129	36,466	-	1,320,595
Jun-15	0.95571	(0.00666)	(0.02762)	0.92143	-	1,320,595	(9,203)	(38,165)	1,273,227
Sep-15	0.92143	(0.00238)	-	0.91905	38,165	1,311,392	(3,387)	-	1,308,005
Dec-15	0.91905	(0.00169)	(0.02373)	0.89363	-	1,308,005	(2,405)	(33,773)	1,271,827
Mar-16	0.89363	(0.00430)	-	0.88933	33,773	1,305,600	(6,282)	-	1,299,317
Jun-16	0.88933	0.01872	(0.02716)	0.88089	-	1,299,317	27,350	(39,681)	1,286,987
Sep-16	0.88089	(0.00554)	-	0.87535	39,681	1,326,668	(8,344)	-	1,318,324
Dec-16	0.87535	0.01469	(0.02111)	0.86893	-	1,318,324	22,124	(31,793)	1,308,655
Mar-17	0.86893	(0.00579)	-	0.86314	31,793	1,340,448	(8,932)	-	1,331,516
Jun-17	0.86314	0.00040	(0.02251)	0.84103	-	1,331,516	617	(34,725)	1,297,408
Sep-17	0.84103	(0.00291)	-	0.83812	34,725	1,332,133	(4,609)	-	1,327,524
Dec-17	0.83812	(0.00806)	(0.01975)	0.81031	-	1,327,524	(12,766)	(31,283)	1,283,475
Mar-18	0.81031	0.00455	-	0.81486	31,283	1,314,757	7,383	-	1,322,140
Jun-18	0.81486	0.01721	(0.02092)	0.81115	-	1,322,140	27,924	(33,943)	1,316,120
Sep-18	0.81115	0.00519	-	0.81634	33,943	1,350,064	8,638	-	1,358,702
Total		0.28666	(0.47032)		1,593,460		358,702	(593,460)	

## Distribution Policy

After Gyrostat received its AFSL in July 2014, the Board adopted a formal distribution policy. Prior to this time the policy was designed to meet the specific cash flow requirements of a select group of investors. Minimum distribution is based on the 90 day bank bill swap rate (BBSW90) + 3% p.a., paid semi annually. This is currently at 4.9% p.a. Dependant upon the performance of the Fund, the Board will pay out higher than minimum distribution.

BBSW90 is to be determined at the commencement of the quarter prior to the payment of the distribution. The net income of the fund is its dividends (cash and franking credits) from shares less its expenses and cost of protection.

Investment funds are fully invested through the investment cycle. We pass through dividends and franking credits.

Performance	Gyrostat total return	BBSW 90 total return	
1 month	0.4%	0.2%	
3 months	0.8%	0.5%	
1 Year	3.1%	2.0%	
3 Years	1.7%	2.0%	
5 Years	2.2%	2.2%	
Inception	4.0%	2.8%	

\* total return is compound annual growth rate as defined by Financial Services Council

<u>FY19</u>	<u>Open NAV</u>	<u>Change</u>	<u>Distribute</u>	<u>Close NAV</u>	<u>Invested (\$)</u>	<u>Open Value</u>	<u>Change</u>	<u>Distribute</u>	<u>Close Value</u>
Jul-18	0.81115	0.00152	-	0.81267	1,000,000	1,000,000	1,874	-	1,001,874
Aug-18	0.81267	0.01252	-	0.82519	-	1,001,874	15,435	-	1,017,309
Sep-18	0.82519	(0.00885)	-	0.81634	-	1,017,309	(10,910)	-	1,006,398
Oct-18	0.81634	0.00322	-	0.81956	-	1,006,398	3,970	-	1,010,368
Total		0.00841	-		1,000,000		10,368	-	

<u>FY18</u>	<u>Open NAV</u>	<u>Change</u>	<u>Distribute</u>	<u>Close NAV</u>	<u>Invested (\$)</u>	<u>Open Value</u>	<u>Change</u>	<u>Distribute</u>	<u>Close Value</u>
Jul-17	0.84103	(0.00317)	-	0.83786	1,000,000	1,000,000	(3,769)	-	996,231
Aug-17	0.83786	0.00629	-	0.84415	-	996,231	7,479	-	1,003,710
Sep-17	0.84415	(0.00603)	-	0.83812	-	1,003,710	(7,170)	-	996,540
Oct-17	0.83812	(0.00307)	-	0.83505	-	996,540	(3,650)	-	992,890
Nov-17	0.83505	0.00432	-	0.83937	-	992,890	5,137	-	998,026
Dec-17	0.83937	(0.00931)	(0.01975)	0.81031	-	998,026	(11,070)	(23,483)	963,473
Jan-18	0.81031	(0.00682)	-	0.80349	23,483	986,956	(8,307)	-	978,650
Feb-18	0.80349	0.01749	-	0.82098	-	978,650	21,303	-	999,953
Mar-18	0.82098	(0.00612)	-	0.81486	-	999,953	(7,454)	-	992,498
Apr-18	0.81486	(0.00351)	-	0.81135	-	992,498	(4,275)	-	988,223
May-18	0.81135	0.00790	-	0.81925	-	988,223	9,622	-	997,845
Jun-18	0.81925	0.01282	(0.02092)	0.81115	-	997,845	15,615	(25,481)	987,980
Total		0.01079	(0.04067)		1,023,483		13,460	(48,964)	

<u>FY17</u>	<u>Open NAV</u>	<u>Change</u>	<u>Distribute</u>	<u>Close NAV</u>	<u>Invested (\$)</u>	<u>Open Value</u>	<u>Change</u>	<u>Distribute</u>	<u>Close Value</u>
Jul-16	0.88089	(0.00614)	-	0.87475	1,000,000	1,000,000	(6,970)	-	993,030
Aug-16	0.87475	(0.00274)	-	0.87201	-	993,030	(3,110)	-	989,919
Sep-16	0.87201	0.00334	-	0.87535	-	989,919	3,792	-	993,711
Oct-16	0.87535	(0.01053)	-	0.86482	-	993,711	(11,954)	-	981,757
Nov-16	0.86482	0.02468	-	0.88950	-	981,757	28,017	-	1,009,774
Dec-16	0.88950	0.00054	(0.02111)	0.86893	-	1,009,774	613	(23,964)	986,423
Jan-17	0.86893	(0.00726)	-	0.86167	23,964	1,010,387	(8,442)	-	1,001,945
Feb-17	0.86167	0.00253	-	0.86420	-	1,001,945	2,942	-	1,004,887
Mar-17	0.86420	(0.00106)	-	0.86314	-	1,004,887	(1,233)	-	1,003,655
Apr-17	0.86314	(0.00350)	-	0.85964	-	1,003,655	(4,070)	-	999,585
May-17	0.85964	0.00312	-	0.86276	-	999,585	3,628	-	1,003,213
Jun-17	0.86276	0.00078	(0.02251)	0.84103	-	1,003,213	907	(26,175)	977,945
Total		0.00376	(0.04362)		1,023,964		4,120	(50,139)	

# GYROSTAT

## RISK MANAGED EQUITY FUNDS

<u>FY16</u>	<u>Open NAV</u>	<u>Change</u>	<u>Distribute</u>	<u>Close NAV</u>	<u>Invested (\$)</u>	<u>Open Value</u>	<u>Change</u>	<u>Distribute</u>	<u>Close Value</u>
Jul-15	0.92143	(0.00049)	-	0.92094	1,000,000	1,000,000	(532)	-	999,468
Aug-15	0.92094	(0.00195)	-	0.91899	-	999,468	(2,116)	-	997,352
Sep-15	0.91899	0.00006	-	0.91905	-	997,352	65	-	997,417
Oct-15	0.91905	(0.00725)	-	0.91180	-	997,417	(7,868)	-	989,549
Nov-15	0.91180	(0.00109)	-	0.91071	-	989,549	(1,183)	-	988,366
Dec-15	0.91071	0.00665	(0.02373)	0.89363	-	988,366	7,217	(25,753)	969,830
Jan-16	0.89363	(0.00391)	-	0.88972	25,753	995,583	(4,356)	-	991,227
Feb-16	0.88972	(0.01257)	-	0.87715	-	991,227	(14,004)	-	977,223
Mar-16	0.87715	0.01214	-	0.88929	-	977,223	13,525	-	990,748
Apr-16	0.88929	0.00559	-	0.89488	-	990,748	6,228	-	996,976
May-16	0.89488	0.01185	-	0.90673	-	996,976	13,202	-	1,010,178
Jun-16	0.90673	0.00132	(0.02716)	0.88089	-	1,010,178	1,471	(30,259)	981,389
Total		0.01035	(0.05089)		1,025,753		11,648	(56,012)	

<u>FY15</u>	<u>Open NAV</u>	<u>Change</u>	<u>Distribute</u>	<u>Close NAV</u>	<u>Invested (\$)</u>	<u>Open Value</u>	<u>Change</u>	<u>Distribute</u>	<u>Close Value</u>
Jul-14	0.91417	0.00645	-	0.92062	1,000,000	1,000,000	7,056	-	1,007,056
Aug-14	0.92062	0.00539	-	0.92601	-	1,007,056	5,892	-	1,012,947
Sep-14	0.92601	(0.01919)	-	0.90682	-	1,012,947	(20,989)	-	991,959
Oct-14	0.90682	0.02043	-	0.92725	-	991,959	22,348	-	1,014,307
Nov-14	0.92725	(0.00100)	-	0.92625	-	1,014,307	(1,097)	-	1,013,209
Dec-14	0.92625	0.00307	-	0.92932	-	1,013,209	3,363	-	1,016,572
Jan-15	0.92932	0.00984	-	0.93916	-	1,016,572	10,764	-	1,027,336
Feb-15	0.93916	0.01631	-	0.95547	-	1,027,336	17,841	-	1,045,178
Mar-15	0.95547	0.00024	-	0.95571	-	1,045,178	263	-	1,045,440
Apr-15	0.95571	(0.00766)	-	0.94805	-	1,045,440	(8,379)	-	1,037,061
May-15	0.94805	0.00309	-	0.95114	-	1,037,061	3,380	-	1,040,441
Jun-15	0.95114	(0.00209)	(0.02762)	0.92143	-	1,040,441	(2,286)	(30,213)	1,007,942
Total		0.03488	(0.02762)		1,000,000		38,155	(30,213)	