

MID YEAR REVIEW 2018-2019

Our purpose is to assist you to **protect and grow your investments** and **benefit from times of uncertainty**.

- Protection is always in place with upside
- Riding out the storm
- Making money when others don't

If you act now, you won't be at risk of large losses on share market falls.



We consider our solution a best in class for equity income in retirement, with our risk managed investing approach combining **protection, income** and **returns** through all stages of the investment cycle (including large market falls).

Gyrostat buys and holds ASX 'Blue chip' shares with **lowest cost protection always in place with upside**. We have an 8 year track record of no quarterly draw-downs exceeding 2%, cumulative returns of 42% and regular income.

Returns have increased with the more volatile market conditions, consistent with our guidance. We anticipate these **conditions will continue** during the coming years, with historical cycles of approximately 5 years volatile, and 5 years of stable conditions.



Returns: 7.7% pa (12M); cumulative 42% (8 years)

Income: 5.0% pa

Protection: No quarterly draw-downs exceed 2%

Also includes 'tail hedge' for gains on large market falls

We prefer changing markets (more trending and volatile conditions, particularly large 'one off' market falls.)

During 2018-19 our investment view remains that stock market volatility will increase – both up and down. Global interest rates and inflation are rising, valuations remain expensive by historical standards, and Central Banks are adjusting QE policies. However, corporate earnings in the USA have been above consensus.

Risk managed investing is particularly important during high PE periods/late stage bull markets. The risk of a major correction is elevated; ***hence our approach to offer peace of mind to our investors with lowest cost protection always in place to protect and benefit from changing markets (including large market falls.)***

We are now in the longest bull market since WW2. Most large correction occurs within 8 years, we are now at year 11, with the longest on record 13 years.

Thank you for your support for our Fund. We are very appreciative of the 'follow on' investments from existing investors and referrals we have been receiving. For ease of explanation the video link, along with 'follow on' investment form, is attached.

A video with brief slides outlining of our investment approach and track record is available at:

Gyrostat Absolute Return Income Equity Fund - in depth guide

Current state of the market: "Incredible risks yet bullish trend persists"

Investment features:

- Protection always in place with upside (participate in the upside in rising market)
- Make money in changing markets (prefer more volatile conditions, especially if large 'one off' market falls)
- Proven strategy over 7 years – our innovation is the investment risk management of equities
- An Absolute return Income Equity fund is a conservative asset with the potential for capital growth in rising and falling markets

[Download PDF for more information](#)



<http://www.gyrostat.com.au/news/gyrostat-absolute-return-income-fund-in-depth-guide/>

If you require any additional information please do not hesitate to contact me.

Yours sincerely

Craig Racine