GYROSTAT
RISK MANAGED EQUITY FUNDS

Why Gyrostat?

Given the issues of:

- historically **low interest rates**.
- **highly leveraged global economy** with a high likelihood significant debt defaults.
- economic and stock valuation uncertainties with **risks of major falls**.

And **investors** need to:

- generate sufficient income,
- protect against major market falls

When **most portfolios aren't 'diversified non-correlated'** - a consequence of being 'late cycle' in the long-term debt cycle, with debt at historically elevated levels resulting in a low interest rate environment. In recent financial crises the value of both stocks and bonds have moved together.

By **adding Gyrostat to portfolio** as a 'highly defensive' fund:

- lowers portfolio risk.
- increases income.
- improves returns through investment cycle
- enables model portfolio outperformance vs peers.

Gyrostat is **highly defensive** – 10 year track record maximum drawdown -2.2%

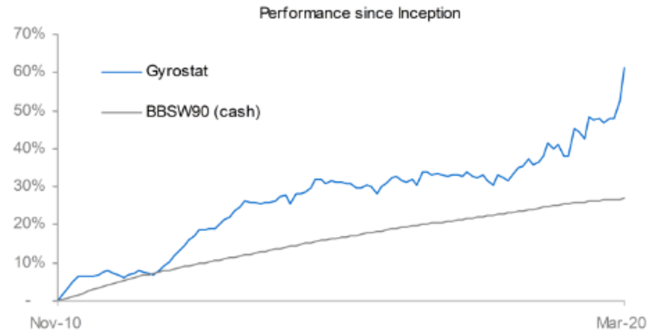
- reliable pay-off for general environment – **not predicting.**
- **higher income and returns** than other 'defensive' assets.
- addresses **sequencing risk**.
- highly liquid, transparent, counterparties stock exchange, no credit risk or duration risk
- track record of returns increasing with market volatility (both up and down)

Gyrostat **investment approach**:

- Approximately 20 assets including **ASX20 stocks** and S&P ASX 200 index, **international** (including SP500, Nasdaq, Hang Seng, MSCI Developed and Emerging markets).
- Each asset is **protected** at stock or index specific level with 2 dimensional pay off (either downside, neutral, or upside bias) with **minimal capital always at risk**.
- Returns increase with market volatility: Downside 'left' tail, upside 'right' tail, specific stocks and indexes with sector/country rotations

Can be **progressively added through the complete investment cycle** within established processes

- **Pre and post retirees**: At Statement of Advice review more conservative portfolio structure as move from growth to defensive assets with ageing
- **Growth portfolios**: Investors seek higher returns from their defensive assets
- **Self directed investor** currently has cash and seeks lower risk investments for income and returns



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