

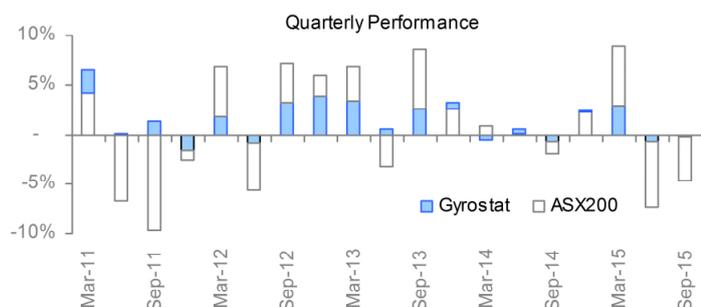
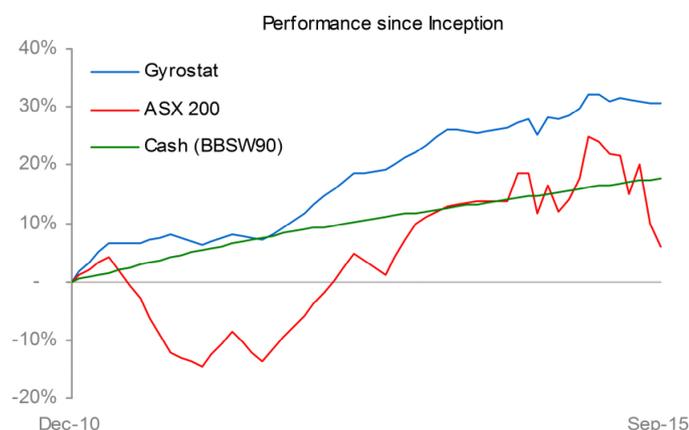
GYROSTAT CAPITAL STABILITY INCOME FUND

30 SEPTEMBER 2015

We are a “next gen” income fund, offering **both income** greater than cash returns **and capital stability** with cost effective downside protection always in place. We buy and hold blue chip stocks and pass on the franked dividend. We simultaneously enter the Australian Securities Exchange (“ASX”) options market to hedge risk. We are well placed to deliver better than our funds benchmark returns over the coming 6 months.

Key Features

- Cost effective protection always in place
- 19 consecutive quarters of no losses exceeding 2%
- Compound returns of 32% since inception in December 2010
- Minimum distribution cash rate + 3% paid semi-annually (currently 5.1% pa)



Further details can be found in our Information Memorandum

Portfolio Inception	December 2010
Minimum Investment	AUD 50,000
Management Fee	1% per annum
Performance Fee	15% of excess return
Hurdle Rate	BBSW 90 + 3%
High Water Mark	quarterly
Distribution (paid semi-annual)	≥ BBSW 90 + 3%
Access	Wholesale Investors

NAV vs. Index	Gyrostat	Distribute	ASX 200
30 Sep 2015	0.91905	-	5,022
31 Aug 2015	0.91899	-	5,207
31 Jul 2015	0.92094	-	5,699
30 Jun 2015	0.92143	0.02762	5,459

Return vs. Risk	Gyrostat	BBSW 90	ASX 200
1 Year CAGR	4.4%	2.5%	-5.1%
2 Year CAGR	3.4%	2.6%	-1.9%
3 Year CAGR	5.8%	2.7%	4.6%
Inception CAGR	5.7%	3.4%	1.2%
Max Drawdown	-2.1%		-22.3%
% Qtr below -2%	0%		33%
Sharpe Ratio	0.88		-0.11
Annual Deviation	2.65%		12.54%

Commentary

- The Fund NAV at end of September was **\$ 0.91905**, a stable monthly performance in a volatile month in which the market fell 3.6%. In the 6 month period in which the market fell 16% we protected our investors’ capital.
- Since inception we have achieved 5.7% pa returns, compared with the cash rate of 3.4% pa. Cash rates have fallen to 2.2% and are anticipated to stay low for an extended period. We have a track record of capturing 30% - 50% of share price upside.
- New investments will benefit from the increasing fully franked dividend yields available following from recent falls in the bank share prices. **We are always fully invested with minimal capital at risk.**
- It is our view that **ongoing China and Euro-zone instability** on your portfolio is a **long term issue**, and share market volatility is likely to increase, consistent with market consensus. Historically low volatility periods tend to be rather short-lived and around 4 years duration. The current period commenced in 2012 and is into its fourth year. Increasing volatility is **beneficial** to our Fund.

Business Model - how it is done



Meet Our Team

Broad experience in a wide range of disciplines, particularly in finance and the financial markets in the Asia Pacific region.

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CRAIG RACINE
Managing Director
Chief Investment Officer



PETER CLIFTON
Chairman
Board of Directors



ANDREW SMITH
Compliance & Risk Management



LEO TANG
Senior Investment Officer



SHELLEY RACINE
Company Secretary



GEMMA MALONE
Office Manager

Our team has extensive experience domestically and globally, as investors, as non-executive directors, and as senior management in funds management, private equity, industry, investment banking, and equity research.

Disclaimer

This information is limited to information about the Fund, is general advice only and does not take into account your particular circumstances, your personal investment or financial planning objectives, your investment knowledge, needs and requirements, including taxation implications that may result from investing in the Fund.

There are references to past performance in this document. Past performance is no guarantee of future performance. Gyrostat or any of its officers, advisers, agents or associates do not in any way guarantee the performance of the Fund.

Investors should download and review the Information Memorandum available at www.gyrostat.com.au before making an investment in the Fund.