

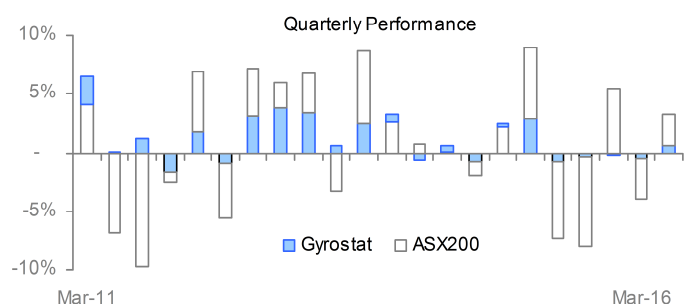
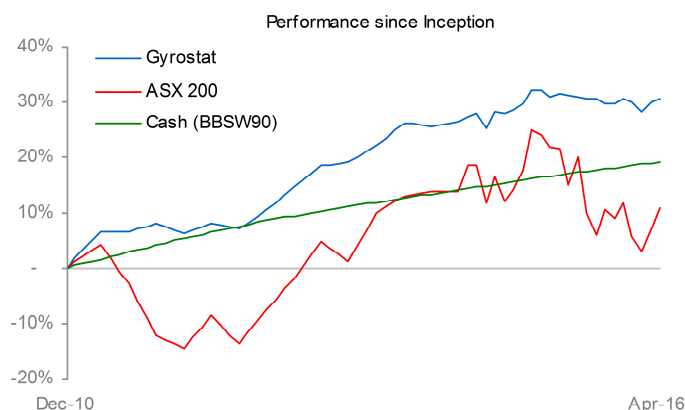
GYROSTAT CAPITAL STABILITY INCOME FUND

30 APRIL 2016

We are a **risk managed equity income fund with capital stability** – delivering **income** greater than cash returns (minimum 3% above the cash rate, currently 5.3% pa paid semi-annually). We are always fully invested with a **risk-return profile at all times to participate in share price upside with minimal capital at risk**. 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. Throughout the investment cycle we protect capital when markets fall and have a track record of capturing 30%-50% of stock upside. Our strategy **benefits** from increasing stock market **volatility**.

Key Features

- Minimum distribution **cash rate + 3%** paid semi-annually (currently 5.3% pa)
- Cost effective protection **always** in place; participate in upside
- **21 consecutive quarters of no losses exceeding 2%**
- Compound returns of **31%** since inception in December 2010



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 Apr 2016	0.89488	-	5,252
31 Mar 2016	0.88929	-	5,083
31 Dec 2015	0.89363	0.02373	5,296
30 Sep 2015	0.91905	-	5,022
30 Jun 2015	0.92143	0.02762	5,459

Return vs. Risk	Gyrostat	BBSW 90	ASX 200
1 Yr Total Return *	-0.2%	2.2%	-9.3%
2 Yr Total Return	2.0%	2.5%	-1.3%
3 Yr Total Return	3.2%	2.6%	1.8%
Inception Return	5.1%	3.3%	1.9%
Max Drawdown	-2.1%		-22.3%
% Qtr below -2%	0%		38%
Sharpe Ratio	0.67		-0.04
Annual Deviation	2.75%		12.53%

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

Commentary

- We offer **diversified income with capital stability**. A distribution of \$ 0.02373 was paid on 31 December with our distribution paid semi-annually at **3% above the cash rate** (currently 5.3% p.a.) We buy and hold blue chip stocks and pass on the franked dividend.
- The Fund NAV at the end of April was **\$ 0.89488**, providing capital stability where the ASX200 has fallen 4% year to date. The falls have been more substantial in the high yielding blue chip stocks in which we invest. We have a track record of 21 consecutive quarters of no losses exceeding 2% and capturing 30% - 50% of share price upside throughout the quarterly investment cycle.
- Cash rates have fallen to 2.3% and are anticipated to stay low for an extended period. Following the large share price falls new investments benefit from the increasing fully franked dividend yields, particularly in blue chip high yielding shares which we invest.

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.