

# **Gyrostat Risk Managed Australian Equity (Class C)**

Gyrostat Risk Managed Equity Fund ARSN 651 853 799

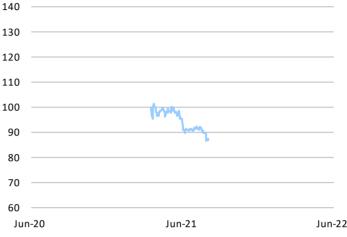
Gyrostat Risk Managed Equity Fund – Address uncertainty through portfolio construction - Volatility is our friend with a 10 year track record of returns increasing with market volatility (including large market falls).

Solutions for: - Equity income (absolute return benchmarks) and Australian and international equities (vs index) with protection always in place against major market falls (sequencing).

Headquartered in Melbourne, Australia, Gyrostat are specialists in delivering diversified low and non correlated investment solutions which address sequencing and portfolio drawdown risk while delivering equity income (derived from dividend pass through and risk management overlay profits).

The Gyrostat Risk Managed Australian Equity Class C is designed to outperform the Morningstar<sup>®</sup> Australia Index<sup>™</sup>over rolling 12 months by mitigating against large losses on major market falls (downside protection always in place.) An Australian equities allocation that 'spins out' the ASX200 State Street ETF with protection always with upside. The strategy builds on the class A track record exceeding ten years.

## Performance (Growth of AUD \$100,000)



Compounded returns are net of fees and including franking credits, cash includes re-investment of interest

Net Investment Performance % #							
	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI
Risk Managed Australian Equity Class C	-5.00	-8.45					-10.33
ASX200 accumulation index	2.50	5.97					7.96
Excess Returns	-7.51	-14.42					-18.28

\* Returns are net of fees and include franking credits. Redemption value is reported NAV less sell spread of -0.15%.

Class C Facts			
Eligibility	Investors who qualify as 'Wholesale Clients'		
Responsible Entity	Columbus Investment Services Ltd		
Investment Manager	Gyrostat Capital Management Advisers Pty Ltd		
Sales & Marketing Manager	Mantis Funds Pty Ltd		
Fund Inception date	16 April 2021		
Strategy Inception date	16 April 2021		
APIR	CIS2863AU		
Base currency	Australian dollars		
Management fee	1.0% of NAV		
Performance fee	15% over Hurdle		
Investment minimum	AUD 5,000		
Buy/sell spread	0.15%		
Liquidity	Daily		
Benchmark	Morningstar <sup>®</sup> Australia Index™		
Platforms	Mason Stevens, Netwealth, Powerwrap		
Distribution frequency	Quarterly		

Return Analytics		
Monthly Volatility	2.49%	
Sharpe Ratio	-2.98	
Drawdown	-10.33%	
Sortino Ratio	-1.79	
Leverage *	0%	
* Ratio defined as margin debt/net assets		

Portfolio Analytics		
Number of Stocks	3	
Average Positive Months	1.40%	
Average Negative Months	-3.01%	
Beta (ASX200)	0.31	
% of Positive Months	20	

The responsible entity for the Gyrostat Risk Managed Equity Fund (ARSN 651 853 799) is Columbus investment Services Limited (ACN 095 162 931) (AFSL221183) (CISL). The investment manager for the fund is Gyrostat Capital Management Advisers Pty

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### **Market Commentary**

#### MONTHLY UPDATE

#### FUND OVERVIEW

#### The Class C NAV at 31 Aug 2021 was 0.8658.

The Class commenced operations on 16 April 2021.

The Australian market traded in a range of 1.8% during August (lows 7491 on 2 August, high 7628 on 13 August). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets)

Market volatility was low and stable in August (as measured by the VIX and Australia-VIX). The volatility fall and narrow market range was the major contribution to the fund losses for the month.

The investment strategy is designed to mitigate against large losses on major market falls (downside protection always in place) and address sequencing risk, particularly for pre and post retiree investors, and is part of an "Australian equities" portfolio allocation.

Gyrostat Risk Managed Australia Equity Class C buys and holds State Street ETF with lowest cost XJO Australian index protection always in place and dynamically managed with market movements.

Investment operations have been refined to include specific stocks as opportunities arise consistent with the Funds investment objectives. Positions in CBA and FMG were entered during the month.

**Purpose**: A risk managed Australian ETF as part of the 'Australian equity' component of a portfolio to de-risk portfolio structure.

#### Investment Objectives:

**Returns**: To exceed Morningstar<sup>®</sup> Australia Index<sup>™</sup> over rolling 12 months

Income: To match the Morningstar<sup>®</sup> Australia Index<sup>™</sup>

**Protection**: Always in place to mitigate losses against large market falls to address sequencing risk

The strategy could be described as a Risk Managed Australian Equities ETF, holding the ASX200 State Street ETF with a risk management overlay. Leverage can also be added up to 100% of class assets.

- It provides liquidity (ASX200 State Street ETF and XJO Australian index exchange traded options for risk management overlay)
- It provides a stable and reliable source of income (from dividends, franking credits, and risk management overlay)
- It provides an opportunity to address sequencing risk

Contributors to Return (Basis Points)			
GAINS	LOSSES		
	STW	-426	
	СВА	-347	
	FMG	-88	

Team Members Experience			
INVESTMENT TEAM	GYROSTAT	INDUSTRY	
Craig Racine Chief Investment Officer	10	30	
Leo Tang Senior Investment Officer	6	30	
BUSINESS TEAM			
David Barwise Director	3	30	
Damien Hatfield Head of Distribution	1	40+	
Andrew Smith Compliance and Risk	7	30+	
Peter Clifton Chairman	7	30+	

Fund Holdings *			
HOLDING	%		
CBA	69.3		
STW	30.5		
FMG	0.2		

\* Based on capital deployed in underlying asset and risk management overlay

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## **Enquiries**

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AS AT 31 AUG 2021