

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 11 year track record of returns increasing with market volatility \(including large market falls\).](#)

Solutions for: - [Retiree 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® Australia Index™ 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 eleven years.

Performance (Growth of AUD \$100,000)



Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI
Risk Managed Australian Equity Class C	0.43	1.34	-2.90	-25.94			-29.56
Morningstar® Australia Index™	-9.05	-12.09	-9.75	-6.14			-1.96
Excess Returns	9.48	13.43	6.85	-19.80			-27.60

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

Class 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	1.1% of NAV
Performance fee	15% over Hurdle
Investment minimum	AUD 5,000
Buy/sell spread	0.15%
Liquidity	Daily
Benchmark	Morningstar® Australia Index™
Platforms	Mason Stevens, Netwealth, Powerwrap
Distribution frequency	Quarterly

Return Analytics

Monthly Volatility	4.73%
Sharpe Ratio	-1.62
Drawdown	-31.41%
Sortino Ratio	-1.53
Leverage *	72%

* Ratio defined as margin debt/net assets

Portfolio Analytics

Number of Stocks	3
Average Positive Months	2.20%
Average Negative Months	-4.40%
Beta (ASX200)	0.02
% of Positive Months	33

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 Ltd (ACN 168 737 246), a duly authorised representative of Gyrostat Capital Management Pty Ltd (ACN 138 219 002) (GCM) and One Wholesale Fund Services Ltd (ACN 159 624 585).

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Market Commentary

MONTHLY UPDATE

The Class C NAV at 30 Jun 2022 was \$0.6801, a \$0.1556 distribution was declared with ex-distribution NAV of \$0.5245.

The Class commenced operations on 16 April 2021. The Australian market traded in a range of 11.1% during June (high 7234 on 1 June, low 6433 on 12 May). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets). During June the range was wider with the ASX falling -8.6%.

Market volatility saw falls of -20.7% in June (as measured by the VIX and Australia-VIX). VIX high 34.0 on 13 June, low 26.9 on 27 June. The reduction in the pricing of risk reduces the valuation of protection and is unusual in a falling market.

The 'dynamic hedging' protection was effective with 9.48% outperformance 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.

We also hold stock positions in BHP and WDS as tactical allocations.

FUND OVERVIEW

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

Investment Objectives:

Return: To exceed the benchmark index over rolling 12 months

Income: To match the benchmark index

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

The strategy can be described as Risk Managed Australian Equities ETF, holding ASX200 State Street ETF, and component stocks with risk management overlay. Leverage can be 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 (%)

Jun outperformance was driven by gains from BHP.

TOP GAINS		TOP LOSSES	
BHP	0.54	XJO	-2.84
WDS	0.18	FMG	-0.33

Team Members Experience

INVESTMENT TEAM	GYROSTAT	INDUSTRY
Craig Racine Chief Investment Officer	11	30
Leo Tang Senior Investment Officer	7	30
BUSINESS TEAM		
David Barwise Director	4	30
Damien Hatfield Head of Distribution	1	40+
Andrew Smith Compliance and Risk	8	30+
Peter Clifton Chairman	8	30+
Peter Keating	1	30+

Top Holdings

HOLDING	%
XJO	82.3
BHP	14.2
WDS	3.5

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PDS and application form can be obtained from:
www.gyrostat.com.au/application-forms or
www.oneinvestment.com.au/gyrostat

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RISK MANAGED EQUITY FUNDS

AS AT 30 JUN 2022