

# 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	-0.25	-0.74	1.51	-22.36			-30.38
Morningstar® Australia Index™	1.26	-2.45	0.99	-2.63			5.16
Excess Returns	-1.51	1.71	0.52	-19.73			-35.54

\* 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	4.46%
Sharpe Ratio	-1.58
Drawdown	-31.41%
Sortino Ratio	-1.42
Leverage *	96%

\* Ratio defined as margin debt/net assets

## Portfolio Analytics

Number of Stocks	3
Average Positive Months	2.20%
Average Negative Months	-3.76%
Beta (ASX200)	0.05
% of Positive Months	29

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 31 Aug 2022 was \$0.5184.

The Australian market traded in a range of 2.4% during August (low 6962 on 23 August, high 7128 on 17 August). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets). During August the range was narrow with the ASX rising 0.07%.

Market volatility (as measured by VIX and A-VIX) increased 34.2% in Aug. VIX low 19.53 on Aug 12, high 26.21 on Aug 29. The increase in the pricing of risk increases the valuation of protection.

Our underperformance during the month was driven by the very narrow market range which offset impacts of rising implied volatility.

We anticipate strong investment performance during the September quarter (resource stocks dividend cycle). We continue to increase exposure to resource stocks in particular BHP and anticipate that the higher yields and volatility in this sector will generate returns consistent with our objectives.

### 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 (%)

TOP GAINS		TOP LOSSES	
BHP	0.16	XJO	-0.32
WDS	0.01		

### 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	52.2
BHP	47.2
WDS	0.6

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PDS and application form can be obtained from:  
[www.gyrostat.com.au/application-forms](http://www.gyrostat.com.au/application-forms) or  
[www.oneinvestment.com.au/gyrostat](http://www.oneinvestment.com.au/gyrostat)

**GYROSTAT**  
RISK MANAGED EQUITY FUNDS

AS AT 31 AUG 2022