

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

Five Classes: - Regular equity income (absolute return benchmarks) and Australian and international equities (index return benchmarks) 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 over 12 years.

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



## Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI (PA)
Risk Managed Australian Equity Class C	3.29	6.51	10.91	9.48			-13.26
Morningstar® Australia Index™	6.41	9.71	10.32	12.67			7.85
Excess Returns	-3.12	-3.20	0.59	-3.19			-21.11

\* Returns are net of fees and include franking credits.

## Class Facts

Eligibility	Investors who qualify as 'Wholesale Clients'
Responsible Entity	One Managed Investment Funds Limited
Investment Manager	Gyrostat Capital Management Advisers Pty Ltd
Registry Services Provider	One Registry Services Pty Limited
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	Weekly
Benchmark	Morningstar® Australia Index™
Platforms	
Distribution frequency	Quarterly

## Return Analytics

Monthly Volatility	4.52%
Sharpe Ratio	-0.87
Drawdown	-31.41%
Sortino Ratio	-0.81
Leverage *	98%

\* Ratio defined as margin debt/net assets

## Portfolio Analytics

Number of Stocks	3
Average Positive Months	2.75%
Average Negative Months	-3.69%
Beta (ASX200)	0.18
% of Positive Months	41

## Unit Value (AUD)

Net Asset Value	\$0.5582
Application Value	\$0.5590
Redemption Value	\$0.5574

The responsible entity for the Gyrostat Risk Managed Equity Fund (ARSN 651 853 799) (Fund) is One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (OMIFL). 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) (AFSL 452917) (GCM).

The information provided in this document was not prepared by OMIFL but prepared by other parties. All of the commentary, statements of opinion and recommendations contain general advice only. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice.

The content of this document does not constitute an offer or solicitation to subscribe for units in the Funds or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision.

Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

Whilst all care has been taken in preparation of this document, neither OMIFL nor the Investment Manager give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. Neither OMIFL nor the Investment Manager accepts liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

You should obtain and carefully consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund. A copy of the PDS (dated 20 October 2022), TMD and relevant application form may be obtained from <https://www.gyrostat.com.au/application-forms> or <https://www.oneinvestment.com.au/gvostat>

## Market Commentary

### MONTHLY UPDATE

NAV per unit was \$0.5582. Total NAV of the Fund was \$12.6m.

The Australian market traded in a range of 7.88% during the month (6946 low on Jan 3, 7494 high on Jan 27). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets).

Market volatility fell in Jan by 10.47% (as measured by the VIX) and traded in a relatively narrow band. Month open VIX 1 Jan 21.67, high 22.90 on 3 Jan, low 18.51 on 27 Jan. The strategy is designed to outperform the wider the volatility range.

The investment strategy is designed to mitigate 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.

We anticipate strong investment performance to continue with volatility favorable to our 'dynamic hedging' risk management approach, and our increased exposure to BHP into the dividend capture cycle in February/March.

For the 12 months to 31 Jan 2023, Class C underperformed the benchmark index by -3.19%.

### FUND OVERVIEW

**Strategy:** Designed outperform the Morningstar® Australia Index™ over rolling 12 months whilst mitigating against major losses on large Australian market falls (downside protection always in place).

**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	
XJO	2.80	WDS	-0.01
BHP	0.99		

### Team Members Experience

INVESTMENT TEAM	GYROSTAT	INDUSTRY
Craig Racine Chief Investment Officer	12	30
Leo Tang Senior Investment Officer	7	30
BUSINESS TEAM		
David Barwise Director	4	30
Peter Keating Investment Operations	1	30+
Andrew Smith Compliance and Risk	8	30+
Peter Clifton Chairman	8	30+

### Top Holdings

HOLDING	%
XJO	52.1
BHP	46.6
WDS	1.3

The Class C Units of the Gyrostat Risk Managed Equity Fund are not sponsored, endorsed, sold or promoted by Morningstar Australasia Pty Ltd. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranty, express or implied, to the owners of the Class C Units, the Class D Units and the Class E Units of the Gyrostat Risk Managed Equity Fund or any member of the public regarding the advisability of investing in listed equities, exchange traded options, risk managed products or index-linked products generally or in the Class C Units, the Class D Units and the Class E Units of the Gyrostat Risk Managed Equity Fund in particular or the ability of the Morningstar® Australia Index™, the Morningstar® Hong Kong Index™ and the Morningstar® Global Markets Index™ to track general equity and option market performance in the Australian market (in the case of the Class C Units), the Hong Kong market (in the case of the Class D Units) and the global market (in the case of the Class E Units). THE MORNINGSTAR ENTITIES DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE MORNINGSTAR® AUSTRALIA INDEX™, THE MORNINGSTAR® HONG KONG INDEX™ AND THE MORNINGSTAR® GLOBAL MARKETS INDEX™ OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR ENTITIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

### Enquiries

[www.gyrostat.com.au](http://www.gyrostat.com.au)

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 JAN 2023

### RG240 Disclosure

For the period covered by this report, there were no material changes to any of the following: The Fund's risk profile; the Fund's strategy; and key investment personnel related to the Gyrostat Risk Managed Equity Fund. For information since that date, please refer to [www.gyrostat.com.au](http://www.gyrostat.com.au).