

Gyrostat Absolute Return Income Equity (Class A)

Gyrostat Risk Managed Equity Fund ARSN 651 853 799

Gyrostat Risk Managed Equity Fund – [Address uncertainty through portfolio construction - Volatility is our friend with an 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 flagship Gyrostat Absolute Return Income Equity Class A is designed for **retiree income with downside protection**. Returns are designed to increase with market volatility and reliably increase in value on major market falls (downside tail always in place). It has a track record exceeding twelve years with no quarterly drawdown greater than a pre-defined 3% limit.

Performance (Growth of AUD \$100,000)



Net Investment Performance %

	1M	3M	6M	1YR	3YR (PA)	5YR (PA)	SI (PA)
Gyrostat Risk Managed Equity Fund Class A	0.75	-2.37	5.39	14.71	4.36	5.41	4.59
BBSW3M + 3%	0.51	1.54	2.99	4.92	3.74	4.14	5.21
Excess Returns	0.24	-3.91	2.40	9.79	0.62	1.27	-0.62

* 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	10 December 2010
Strategy Inception date	10 December 2010
APIR	GYC6212AU
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	BBSW3M + 3% p.a.
Platforms	Mason Stevens, Netwealth, Powerwrap
Distribution frequency	Quarterly

Return Analytics

Monthly Volatility	1.56%
Sharpe Ratio	0.49
Drawdown	-11.82%
Sortino Ratio	1.02
Leverage *	24%

* Ratio defined as margin debt / net assets

Portfolio Analytics

Number of Stocks	10
Average Positive Months	1.20%
Average Negative Months	-0.79%
Beta (ASX 200)	-0.09
% of Positive Months	59

Unit Value (AUD)

Net Asset Value	\$0.6844
Application Value	\$0.6854
Redemption Value	\$0.6834

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).

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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/gyrostat>

Market Commentary

MONTHLY UPDATE

NAV per unit was \$0.6844. Total NAV of the Fund was \$12.7m.

The Australian market traded in a range of 4.41% during the month of Feb (7558 high on 3 Feb, 7224 low on 27 Feb). Our investment strategy is designed for returns to increase the larger the market range (in either trending, falling, or rising markets).

Market volatility rose in Feb by 15.83% (as measured by the VIX) and traded in a relatively narrow band. Month open VIX 1 Feb 17.87, high 22.87 on 21 Feb, month end 20.70 on 28 Feb. The strategy is designed to outperform the wider the volatility range.

Our performance during the month was driven by gains in FMG and QQQ offset by small losses in BHP and the XJO index.

We anticipate strong investment performance to continue with volatility favourable to our 'dynamic hedging' risk management approach and our increased exposure to resource stocks. We plan to maintain our exposure to commodity stocks into the March quarter, the next dividend cycle. A more active asset allocation approach, particularly into higher-yielding stocks, in the upcoming dividend cycle has been adopted.

For the 12 months to 28 Feb 2023, Class A achieved an absolute return of +14.71%.

FUND OVERVIEW

Strategy: Designed to increase in value on major Australian market falls (downside protection always in place) with regular income through the complete investment cycle. Low correlation to the Australian market.

Purpose: A highly defensive global non correlated income fund that reliably increases in value on large market falls (12 YR, max quarterly drawdown < 3%)

Investment Objectives:

Return: 6% - 8% p.a. in trending markets,
> 8% p.a. in volatile markets,

Income: > BBSW3M + 3% p.a. from dividends and risk management profits paid quarterly.

Protection: 3% quarterly downside risk tolerance with tail risk hedge for gains on large market falls.

Distributions may be higher dependent on the Class performance.

Class A buys and holds ASX-20 and International listed equities and options with the relevant exchange as the derivative counterparty. The Class may borrow up to 30% of the Class assets

Leverage is achieved through margin lending such that asset and debt liquidity are matched.

Contributors to Return (%)

TOP GAINS		TOP LOSSES	
FMG	1.41	BHP	-0.21
QQQ	0.10	XJO	-0.19
NCM	0.09	SPX	-0.08
CBA	0.08	WOW	-0.02
RIO	0.07	WBC	-0.02

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	%
BHP	31.3
XJO	18.7
FMG	16.6
RIO	8.6
WDS	7.0
ANZ	4.8
WBC	3.2
NCM	2.9
NAB	2.8
SPX	2.2

Enquiries

www.gyrostat.com.au

PDS and application form can be obtained from:

www.gyrostat.com.au/application-forms or

www.oneinvestment.com.au/gyrostat

GYROSTAT
RISK MANAGED EQUITY FUNDS

AS AT 28 FEB 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.