

Gyrostat Jan 2016 Performance Report

Diversified income with capital stability

We are a “next gen” income fund, offering diversified income with capital stability. Our minimum distribution is paid semi-annually at 3% above the cash rate (currently **5.1% pa.**) We buy and hold high yielding blue chip stocks in the Australian market and pass on the franked dividend. We simultaneously enter the ASX options market to hedge risk. Our top 5 holdings are at multi year lows **providing higher yields**. We are always fully invested with cost effective protection always in place.

Distinctive investment approach

Despite these substantial share price falls, we have a track record for 20 consecutive quarters since our inception of our investors **never** experiencing losses exceeding 2% of their investment at any time.

Throughout the investment cycle we preserve capital when markets fall, and make money in rising markets. We have a track record of capturing 30% - 50% of any upside, and protection in place in case of further falls.

When we make gains, we re-set our protection levels so only a small portion of those gains are at risk.

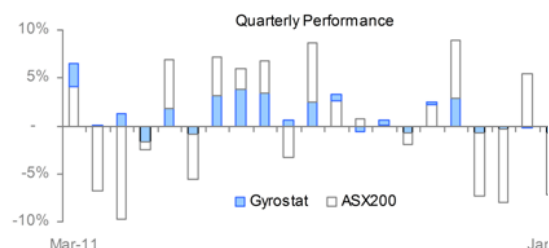
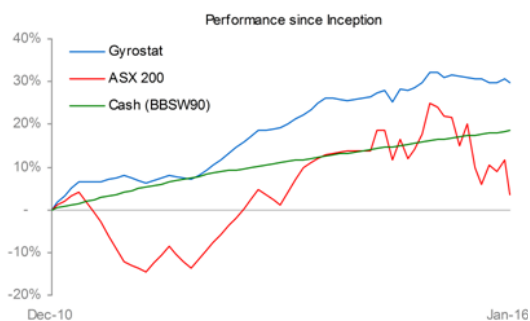
We anticipate **increasing levels of stock market volatility** during 2016 (both up and down) which is **beneficial to our fund**.

We remain well placed to deliver better than our funds benchmark returns over the coming 6 months.

You can download our guide on “Income and Capital Stability – how we do it” by [clicking here](#).

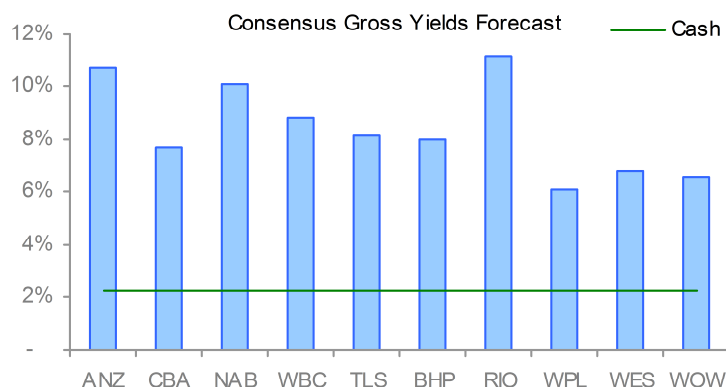
Weekly subscriptions

Take action to “lock in” the dividend yields on offer and participate in any stock price recovery. We accept investments on a weekly basis at the net asset value at close of business each Friday (and end of the month in the final week). This information is available at the HOME page of our web site.



OUR TRACK RECORD

Period	ASX 200	GCSF
Apr 2011 - Aug 2011	-22%	1%
May 2012 - Jun 2012	-10%	0%
May 2013 - Jun 2013	-12%	1%
Aug 2014 - Oct 2014	-10%	-2%
Apr 2015 - Jan 2016	-20%	-1%



The cash rate is at historic lows and is anticipated to stay low for an extended period, while blue-chip stocks have higher yields with recent share price falls.

This presents opportunities for investors seeking yield with downside protection always in place.

We have refreshed our web-site which now includes our newsfeed and Twitter feed – please “follow us” if you wish to keep you up to date with fund performance and our view on market developments.

Yours sincerely

Craig Racine

(Click [here](#) to download Monthly Performance Report)

(Click [here](#) to download Information Memorandum)

(Click [here](#) to download Application Form)

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