

MARCH PERFORMANCE UPDATE

2ND APRIL 2020

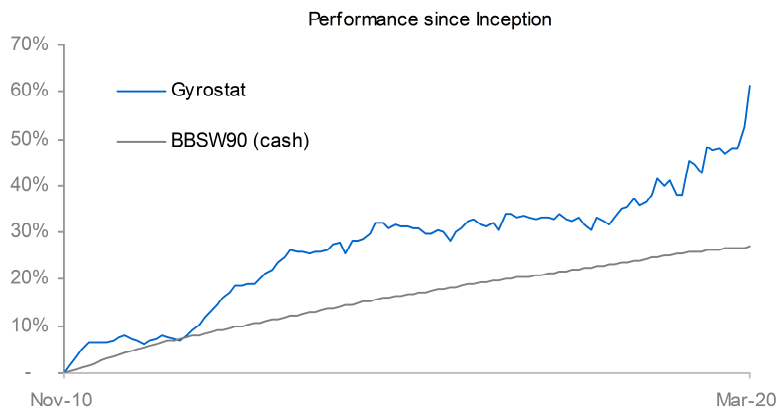
Dear Fellow Investors,

We are pleased to advise your investment in our Fund has performed well in the current more volatile market conditions, in accordance with our guidance.

Performance update at 31 March 2020.

Our 12 month return is now + 16.94% with maximum drawdown of -2.2% in any circumstances for 37 consecutive quarters.

- Track record of returns increasing with market volatility: 1 month + 5.78%. 12 month + 16.94%. Since inception: + 61.40%



Portfolio structure - Diversified non-correlated assets

It is well recognised that traditional diversification approaches are not effective in preserving capital in 'late cycle' market conditions.

Instead, an approach that has been well recognised to work for all market conditions is to construct a portfolio with diversified non-correlated assets.

Ray Dalio is the founder, co-Chief Investment Officer and co-Chairman of Bridgewater Associates, which is a global macro investment firm, the world's largest hedge fund.

His brief explanation on portfolio construction is available at:

<https://www.youtube.com/watch?v=Nu4lHaSh7D4&t=85s>

Gyrostat positioning in your portfolio – ‘highly defensive’

Our objective has remained unchanged since our inception in 2010. We are a ‘highly defensive’ fund, protecting wealth whilst delivering regular income, with a track record of returns increasing with market volatility.

We achieve this with our distinctive investment risk management approach which is to always have the lowest cost protection in place. We have operated for 37 consecutive quarters within a ‘hard’ pre-defined risk parameter always in place (no more than 3% capital at risk with a track record of maximum draw-down -2.2% in any quarter).

Our complete monthly return table since our inception in 2010 is detailed in the attached Monthly Performance Report. ***You will note that there have been no capital draw-downs exceeding -2.2% in any circumstances.*** The table demonstrates our Funds returns are not correlated with the stock market. Our best returns have been in rising and falling stock markets. Many funds are highly correlated to the market - that is they increase with market rises and decrease on market falls.

In order to offer our investors a broader range of non correlated assets with significant scale potential, we have expanded our international assets within the Fund to include SP500, Nasdaq, FANGS, Nikkei, Hang Seng, MSCI China, MSCI Developed and Developing markets.

We are an attractive defensive asset as most alternatives offer either a historically low rate of interest (some with credit default risk) or are illiquid. Gyrostat positions are highly liquid and externally valued marked to market by the relevant stock exchanges, who are also our counter-party for all trades.

Our investors receive regular income from a non correlated range of diversified domestic and international assets.

At various stages of the cycle, particularly in more volatile conditions, we help you address sequencing risk by generating higher returns on your defensive assets.

We have outperformed the ASX20 total return (accumulation) index across all of these timeframes since our inception in 2010 (as at 31 March 2020.)

	Month to Date	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	Inception
Fund net (TR)*	5.8%	9.1%	11.7%	16.9%	6.6%	4.1%	5.3%
S&P/ASX 20 (TR) #	-19.2%	-20.0%	-19.3%	-11.9%	-0.5%	0.1%	5.2%
S&P/ASX 200 (TR) #	-20.7%	-23.1%	-20.7%	-14.4%	-0.6%	1.4%	5.3%
S&P/ASX 200	-21.2%	-24.0%	-23.3%	-17.9%	-4.7%	-2.9%	0.7%

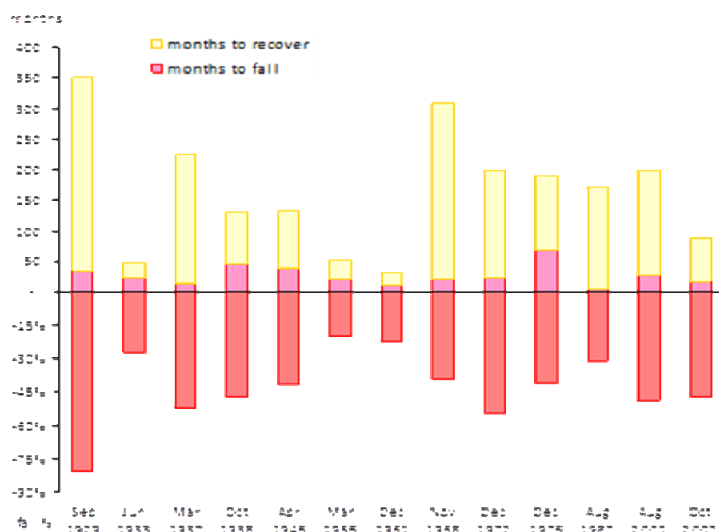
* TR total return is compound annual growth rate as defined by Financial Services Council # TR - total return indices published by S&P/ASX also known as accumulation indices

Your portfolio positioning

A question to consider (perhaps with your advisor) is whether you have non-correlated assets within your portfolio.

If your portfolio only contains correlated assets, it is likely to continue to experience wide fluctuations in value, including the risk of further significant falls.

Through history, the extent of peak to trough falls on SP500 since 1929 is shown below. As at 31 March 2020 the SP500 has fallen 33.9% peak to trough, ***significantly less than has been experienced in other corrections.***



Current market conditions and global uncertainty suggests that significant additional falls are a distinct possibility. You may therefore wish to address this in your portfolio.

Additional investments

For your convenience, we have moved to online applications via the Olivia123 system, widely used by boutique fund managers within Australia.

<https://www.gyrostat.com.au/application-forms/>

Your distinctive investor number is contained on your attached statement. By entering this number, and the amount you wish to invest (and transferring funds to our Custodians account) units will be issued to you at the certified net asset value by our Fund Administrator.

If you require any additional information please do not hesitate to contact me.

Yours sincerely,

Craig Racine

Chief Investment Officer