

GYROSTAT

CAPITAL MANAGEMENT

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Gyrostat Risk Managed Equity Fund

	Gyrostat Absolute Return Income Equity Class	Gyrostat Leveraged Absolute Return Income Equity Class	Gyrostat Risk Managed Australian Equities Class
Returns objective	6% -8% in trending markets, greater than 8% in changing markets, BBSW 90 + 3% in stable markets	Greater than income	Outperform ASX200 accumulation index over rolling 12 months
Income objective	Minimum BBSW 90 + 3%	Minimum BBSW 90 + 6%	ASX200 accumulation index
Protection objective	No quarterly Net Asset Value draw-downs exceeding 3%	No quarterly Net Asset Value draw-downs exceeding 6%	Protection always in place
Benchmark	BBSW 90 + 3%	BBSW 90 + 3%	ASX200 accumulation index
Leverage	The Class may borrow up to 30% of the Class Unit's assets (measured at the time of debt incurrence) on a secured or unsecured basis.	The Class may borrow up to 100% of the Class Unit's assets (measured at the time of debt incurrence) on a secured or unsecured basis.	The Class may borrow up to 100% of the Class Unit's assets (measured at the time of debt incurrence) on a secured or unsecured basis.
Distribution policy	Minimum distribution: the 90 day bank bill swap rate (BBSW90) + 3% pa paid quarterly.	Minimum distribution: the BBSW90 + 6% pa. Paid quarterly.	To match the ASX200 accumulation index
Sub-Fund	Absolute Return Income Equity	Leveraged Absolute Return Income Equity	Risk Managed Australian Equities
Classification	Alternative Defensive	Equity Income	Australian Equities

Gyrostat Risk Managed Equity Fund

Competitive advantage – dynamic hedging

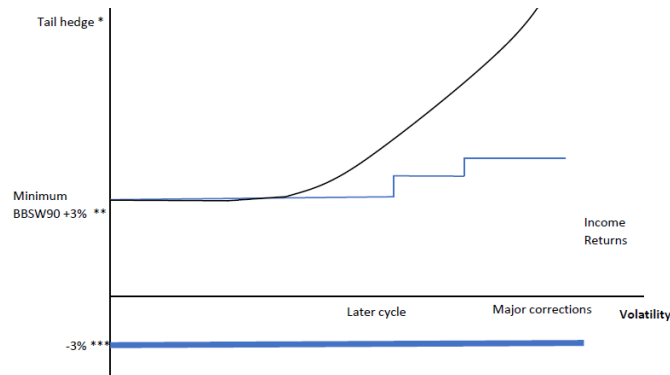
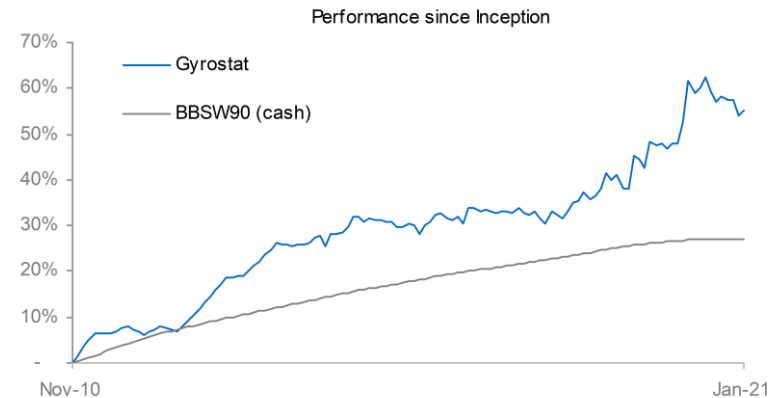
Proprietary systems identify volatility skews for lowest cost protection within defined risk parameter always in place

Gyrostat Absolute Return Income Equity Class

- 10 year track record no quarterly downsides exceed -3% (predefined risk tolerance)
- Reliable income even if dividends are cut
- Returns increase with volatility (track record)

1 Feb 2020 to 31 March 2020: Gyrostat + 9.1% ASX200 – 26.8%

Note: ASX systems outages in Nov-Dec 2020 limited ability to implement dynamic hedging strategies, with less upside capture than previous 10 years.



* Tail hedge always in place for large gains on large market falls
** Funded by pass through of ASX20 dividends
*** Hard risk parameter, no quarterly capital drawdowns exceed 3%

Gyrostat Risk Managed Equity Fund

Broadening the product offering – specific investor solutions

What is the drawdown risk embedded in your portfolio

Our solutions reduce portfolio drawdown risk whilst increasing equity income

3 investment strategies to suit your portfolio structure and your market outlook

Absolute Return:	Add to existing portfolios for non correlated equity income (downside tail always in place from additional bought puts). Quarterly risk tolerance 3%
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Solution for: sequencing risk and income – highly defensive

Leveraged Absolute Return:	“Equity income” allocation, levered version; minimum yield BBSW + 6%, quarterly risk tolerance 6% Reliable income even if dividends are cut
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Solution for: sequencing risk and income – levered ‘equity income’

Risk Managed Australian Equities	“Australian equities” allocation; objective to outperform the ASX200 accumulation index over rolling 12 months; adds additional upside capture through State Street ASX200 ETF; income same as ASX200 ETF
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Solution for: sequencing risk – large losses from major market falls

Gyrostat Risk Managed Equity Fund

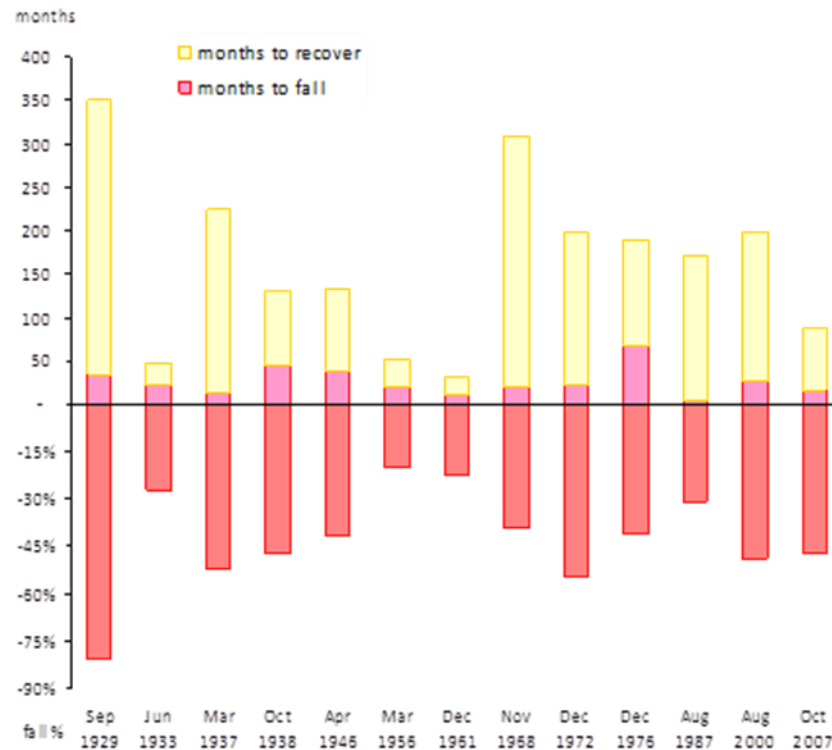
Investment cycles – how will the Central Bank QE experiment end?

The graph shows the extent of falls from peak to trough, the duration of the fall, and time taken to recover to pre fall highs.

Most corrections occur within 8 years, now at year 13, longest on record is 13 years

S&P 500 Index - 90 Year Historical Chart: Peak to trough falls > 20%, duration of falls, time to recover to pre fall levels

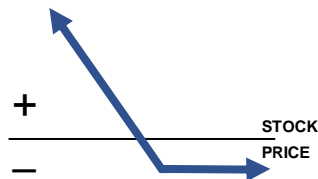
Source: <http://www.macrotrends.net/2324/sp-500-historical-chart-data>



Gyrostat Risk Managed Equity Fund

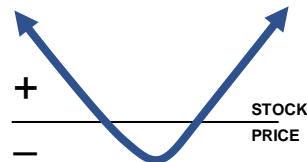
How we make money – class A and class B units

Stocks are ranked based on fundamental and technical analysis
Stock risk-return profile is re-set to match view



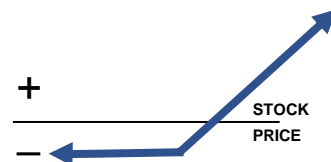
Large falls

- Options extra protection sold
- 'Conviction' short at a defined cost with large upside



Range bound

- Option trading from re-setting protection levels
- Buy options 'low' and 'sell' high



Rising trend

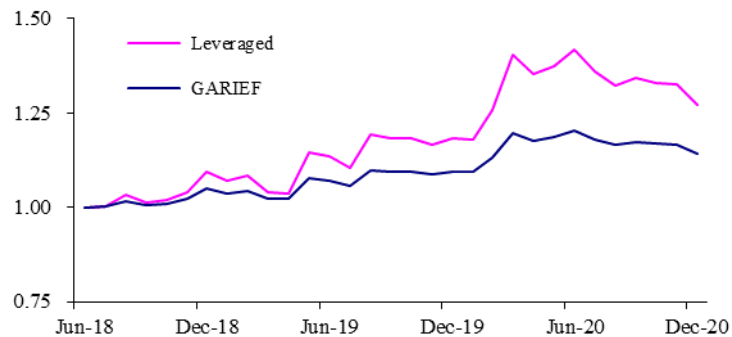
- Stock price gains
- Re-set protection level high to 'lock in' gains

Gyrostat Risk Managed Equity Fund

Gyrostat Leveraged Absolute Return Income Equity Class “pro forma” returns based on 50:50 leverage of Gyrostat Absolute Return Income Equity Class

Indicative income yield

Financial year	Absolute Return	Leveraged Absolute Return
2018-19	4.9%	9.4%
2019-20	5.4%	9.5%
Income Objective	Min BBSW90 + 3%	Min BBSW90 + 6%



Gyrostat Risk Managed Equity Fund

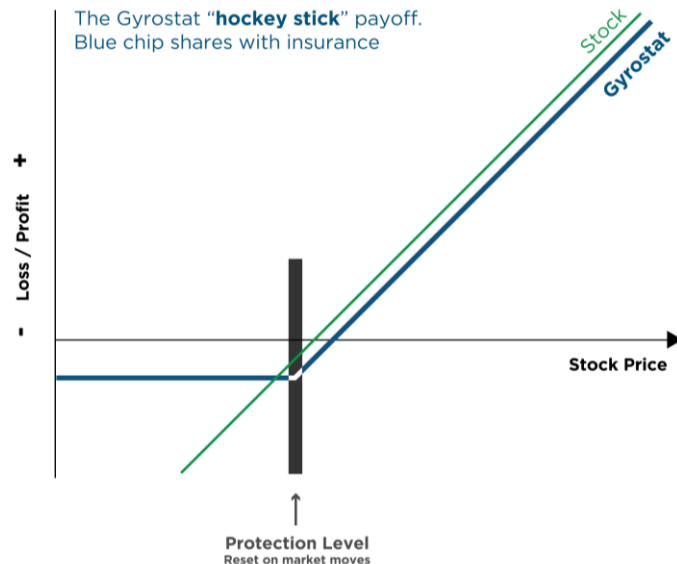
Gyrostat Risk Managed Australian Equities Class

Adds additional State StreetASX200 ETF to 10 year track record with objective to outperform the ASX200 accumulation index over rolling 12 months. Key feature is protection always in place with upside. Addresses sequencing risk.

Buy and hold blue chip shares with protection on the Australian Stock Exchange (and international exchanges).

Set amount of protection - to always participate in the upside with minimal capital at risk.

Reset the protection level on market moves for risk-return profile to match stock view - if the share price rises, increase protection level, on falls reduce protection level.



Our maximum quarterly NAV drawdown is 2.2% since our inception in December 2010

Gyrostat Risk Managed Equity Fund

Suitable Investors

- Pre and post retirees
- Lower and moderate risk 'model' portfolios – wholesale asset consultants and dealer groups
- Wholesale platform availability: Netwealth, Powerwrap, Mason Stevens, Hub 24, Macquarie Wrap
- Accounting practices with own AFSL - private label
- Managed Discretionary Account advisers: through our MDA partner
- Philanthropic investors: cash rebates directly to your designated charity
- SMSF: online investment without the need for any forms in most cases

Key Personnel

The senior management team of Gyrostat Capital has extensive experience domestically and globally, as investors, as non-executive directors, and as senior management in funds management, private equity, industry, investment banking, and equity research.

Craig Racine- Managing Director, Chief Investment Officer

BCom, LLB, MAppFin, PGDip (Int Fin)

Craig Racine has over 25 years experience, at senior executive and directors' roles, within finance and business development. He has been an investor for the past 12 years, and is the founder of Gyrostat Capital Management. Previously his senior management experience includes Executive Director at The Asian Infrastructure Trust (Hong Kong) with lead investors International Finance Corporation, Asian Development Bank, Soros Funds Management, Frank Russell Investments, and AMP Capital. He was a Managing Director at ING Barings (Asia). He has extensive domestic and international experience, having held senior executive positions in private equity, investment banking, equity research and industry. He began his career in the chartered accounting industry. He has held Board positions in multi-national companies in China, India, Indonesia, The Philippines, Pakistan, and globally.

Peter Clifton BE, MBA, MIEAust, MAICD-

Chairman, Board of Directors

Peter Clifton has over 30 years experience, both within Australia and internationally, at senior executive and director roles, primarily in the information technology and telecommunications field. He has advised a wide range of companies including Leightons, KPMG, the Asian Infrastructure Trust (Hong Kong), ING Barings (Hong Kong) and the Victorian Government. He has helped establish a number of start-up companies and was on the Board of the ASX 300 listed company Amcom Telecommunications 1999 - 2015. Previously he has held Board positions in companies in India, Sri Lanka, the Philippines, Saudi Arabia and Poland.

Andrew Smith • B.Ec.

Director and Chairman Compliance Committee

Andrew's business career has focussed on finance and the financial markets in the Asia Pacific and the United Kingdom. Utilising the experience gained in his working career, he now holds a number of non-executive and consulting positions. Andrew is also Chairman of Eagle Health Holdings Ltd; Chairman of Aobo Environmental Technology Ltd, Responsible Manager and Chairman of the Project Control Group of Goal Property Group Pty Ltd; and Responsible Manager of Dennis AFSL Pty Ltd.

He was formerly the Managing Director and Chief Executive of the Stockbroking and Corporate Finance group Intersuisse Ltd (now Phillip Capital) between 2000 to 2010. Prior to that, Andrew was Chairman of the Sedgwick Group in the Asia Pacific between 1995 to 2000 and a member of the Group Executive Committee in London. Andrew was also Chairman of XPD Soccer Gear Group Ltd (ASX: XPD) and on the Boards of Elk OrthoBiologics Ltd, Zheng He Global Capital Ltd and on the Board of Advice of Aon Risk Services.

David Barwise • LLB, LLM

Director

David Barwise has over 20 years legal, regulatory and compliance experience within the legal industry in Australia, Europe and Asia (with a focus on managed funds, structured finance, capital markets, banking, asset management and trust and agency services). He was a partner in a leading global law firm for 15 years, a member of its European management board, held a variety of product, client and regional management positions and acted as the relationship partner for a number of global investment and regional banks. He has worked in Australia, London and Singapore. He also holds a variety of post graduate qualifications in law, business, accounting, finance and corporate governance.

Leo Tang, BEng, MSc

Senior Investment Officer

Leo Tang has extensive experience within investment banking, private equity and industry. Previously, he worked as regional analyst in equity research with ING Barings Securities Asia, and in the investment deal team with Asian Infrastructure Fund Advisers, as well as strategic planning specialist with Motorola Asia Pacific.

He is skilled in business analysis, financial modelling, and operational management.

Gyrostat Risk Managed Equity Fund

To summarise

- Portfolio construction to address uncertainty and avoid regret
- Specific solutions can be tailored depending upon the composition of your existing portfolio
- Adapt to the changing 'late cycle' investment climate -highly indebted - historic low interest rates - heightened geopolitical uncertainty

"You've spent so much time putting it all together – what's the point if it is going to fall apart on major market falls.

"You can do *nothing*, or you can do *something*" – Ben Feldman

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