

Dear Investor

As a fellow investor in the Fund, I am pleased to advise you of some positive developments in your Fund and to share with you our future plans.

Greater choice in risk managed product offerings

We have expanded our risk managed product offerings to 3 unit classes:

- Absolute Return Income Equity Class – ‘highly defensive’ equity income; sequencing risk
- Leveraged Absolute Return Income Equity Class – ‘equity income’ minimum BBSW+6% objective
- Risk Managed Australian Equity Class – benchmark ASX200 – sequencing risk

Gyrostat intends to add two additional classes over the coming weeks and will issue an updated Information Memorandum.

- Risk Managed Hong Kong Equity Class – benchmark Hang Seng net total return index – sequencing risk
- Risk Managed Global Equity Class – benchmark MSCI All Country World index – sequencing risk

These initiatives will enable investors to more easily achieve their desired risk-return profile.

Enhanced investor services

Gyrostat has appointed external service providers to offer enhanced investor services. This includes:-

- Daily subscription, transfer among classes and withdrawals enabled by daily pricing
- On line access to your investment statements, distribution history etc through the One Registry Services Investor Portal.
- Ease of additional investments or transfers amongst classes with an updated online application service available through the Gyrostat website.

Future plans

Gyrostat intends to move to a registered managed investment scheme with an independent trustee/Responsible Entity to provide investors an expanded compliance and regulatory regime. At that time investments made under the new arrangement through a Product Disclosure Statement (PDS) will incur an increase in management fees.

In appreciation of your support, investors in the Fund prior to the change to a registered investment scheme will retain the current fee arrangements for both their existing and future investments.

Further details of these positive developments are in the attached Quarterly Update.

Yours sincerely



Peter Clifton
Chairman

MARCH 2021 QUARTERLY UPDATE

Expanding investment fund classes and investor support

Risk managed investment philosophy

Gyrostat Capital's investment philosophy is founded on the belief that conventional portfolio design that seeks to generate income and/or capital growth is prone to undesirable volatility and large negative shocks. Gyrostat Capital aims to mitigate and control this volatility, while achieving stable returns with regular income streams over the medium-to-long term. In designing the Fund, Gyrostat Capital seeks to provide solutions for a low interest rate environment and major market corrections. Gyrostat Capital's objective is to deliver a regular and stable income stream with capital security.

A more detailed explanation of the investment strategies is outlined in our February 2021 Gyration publication.

<http://www.gyrostat.com.au/news/gyrations-february-2021-risk-managed-investing-expanded-unit-classes/>

Expanded fund classes

We have expanded our product offerings from 1 March 2021 to 3 unit classes:

- Absolute Return Income Equity Class – 'highly defensive' equity income; sequencing risk
- Leveraged Absolute Return Income Equity Class – 'equity income' minimum BBSW+6% objective
- Risk Managed Australian Equity Class – benchmark ASX200 – sequencing risk

The assets and liabilities of each Class are contractually segregated under the Trust Deed and under contracts with third parties. The recourse of investors in a relevant Class is limited to the assets and liabilities of the relevant Class.

	Absolute Return Income Equity Class	Levered Absolute Return Income Equity Class	Risk Managed Australian Equity Class
Returns objective	6% -8% in trending markets, greater than 8% in changing markets, BBSW 90 + 3% in stable markets	Greater than income distributions over rolling 12 months	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 against large losses
Classification	Alternative Defensive	Equity Income	Australian Equities

Full details are available in our [Information Memorandum](#)

Gyrostat intends to add two additional classes over the coming weeks and we will then issue an updated Information Memorandum.

- Risk Managed Hong Kong Equity Class – benchmark Hang Seng net total return index – sequencing risk
- Risk Managed Global Equity Class – benchmark MSCI All Country World index – sequencing risk

Expanded investor support

Gyrostat has appointed external service providers to offer enhanced investor services. This includes:-

- Daily subscription, transfer among classes and withdrawals enabled by daily pricing. (available each business day)
- On line access to your investment statements, distribution history, is now available through the [Investor Centre - One Registry Services](#). This requires a one off registration with One Registry Services. You will require your account name and number which will be on your quarterly statement at 31 March 2021. The Investor Centre also has administrative forms for advising of changes such as bank account details. Support is available from them at 02 8188 1510.
- Ease of additional investments or transfers amongst classes with an updated online application service available through the Gyrostat website - <https://www.gyrostat.com.au/application-forms/>.

Additional strategic initiatives

We are pleased to be working with Mantis Funds as our preferred distribution partner, whose executive team and board have decades of highly successful fund distribution and strategy development experience.

Gyrostat intends to move to a registered managed investment scheme with an independent trustee/Responsible Entity to provide investors an expanded compliance and regulatory regime. At that time investments made under the new arrangement through a Product Disclosure Statement (PDS) will incur an increase in management fees.

In appreciation of your support, investors in the Fund prior to the change to a registered investment scheme will retain the current fee arrangements for both their existing and future investments.

A summary of the Fund's key service providers:-

Trustee	Gyrostat Capital Management Pty Ltd ACN 138 219 002 AFSL No 452917
Investment Manager	Gyrostat Capital Management Advisers Pty Ltd ACN 168 737 246
Custodian	One Managed Investment Funds Limited ABN 47 117 400 987, AFSL 297042
Fund Administrator	Unity Fund Services Pty Ltd ACN 146 747 122, an affiliate of the One Investment Group
Registry Provider	One Registry Services Pty Ltd ACN 141 757 360, part of the One Investment Group
Preferred distribution partner	Mantis Funds Pty Ltd ABN 77 640 207 021