



GYROSTAT

CAPITAL MANAGEMENT

Gyrostat Risk Managed Equity Fund

Capital growth and income whilst hedging equity market risk

Web: gyrostat.com.au

Tel: 03 8678 1742

ARSN

651 853 799

Eligibility

Investors who qualify as 'Wholesale Clients'

Responsible
Entity

One Managed Investment Funds Limited
(ACN 117 400 987)

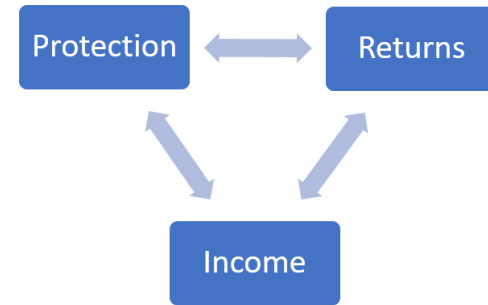
Investment
Manager

Gyrostat Capital Management Advisers Pty Ltd
(ACN 168 737 246)

Gyrostat Risk Managed Equity Fund

Product design – blending protection, returns, income

- Lower risk fund with capital always protected, reliable income, returns in rising and falling markets including in a market crash.
- Product design with 'hard' protection always in place to maximize returns and income by identifying the lowest cost protection (different levels of implied volatility) and adjusting them with market moves (technological advances enable cost effective protection always in place)
- SQM Research 4 stars, Superior, High Investment Grade



Gyrostat Risk Managed Equity Fund

Class A & B purpose

- Lower risk fund with capital always protected, reliable income, returns in rising and falling markets including in a market crash.
 - Capital always protected Hard 3% quarterly limit for 52 consecutive quarters (Class A)
 - Reliable income even when dividends are cut Pass through dividends and risk management overlay
 - Returns in rising and falling markets Lower beta - non correlated returns with alpha (addressing longevity risk)
 - Returns in market crashes Downside tail always in place (addressing sequencing risk)

Class A: Capital defensive – designed to gain on market falls - add to existing portfolios for higher risk adjusted returns

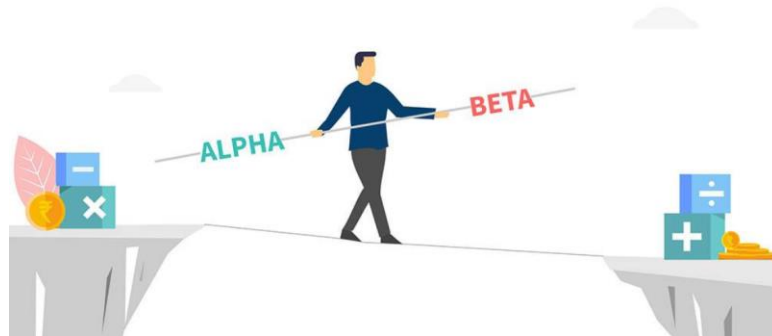
Class B: Leveraged capital defensive - higher income (compared to Class A Units)– add to existing portfolios for higher risk adjusted returns

Competitive advantage: Risk managed investing - [dynamic hedging](#) – [protection adjusted with market moves \(not set and forget\)](#)
Proprietary software systems and processes with direct stock exchange feeds to identify lowest cost protection

Gyrostat Risk Managed Equity Fund

Adding low beta with alpha brings diversification benefits - higher risk adjusted returns

- Portfolio construction – Lower beta with alpha from 'dynamic hedging'
 - Diversification with non-correlated assets (as measured by beta) reduces portfolio risk.
 - Lower volatility as protection always in place avoids large losses
 - 'Dynamic hedging' more reliable non correlated beta than other approaches which can change with different market conditions and may not be a reliable future indicator.
 - Look for “safe haven” assets. Protection reliably increases in value on market falls with class A non-correlated beta since our inception 2010.
 - Alpha from 'dynamic hedging' takes advantages in differences in option prices 'implied volatility'



Gyrostat Risk Managed Equity Fund

Adding low beta with alpha brings diversification benefits - higher risk adjusted returns

- Lower risk units with shares always protected (“dynamic hedging” risk management)
 - ASX blue chip shares [approx. 95% fund] with protection at stock specific level [approx. 5% fund].
 - Dynamic hedging risk – protection adjusted with market moves to maintain approx. 95%/5% ratios.
- Returns generated in rising and falling markets by exploiting major market corrections – non correlated beta returns
 - Class A: Track record of 52 consecutive quarters with no losses exceeding pre-defined ‘hard’ risk limit of 3% per quarter.
 - Class A: Track record includes strong performance in the worst 5 quarters ASX accumulation index.
 - Class A: Downside tail always in place to protect and gain on major market falls.
 - Investment performance as at 30 June 2023

Class A	1Y	2Y(PA)	3Y (PA)	5Y(PA)	SI (PA)
Return (%)	9.11	10.68	3.46	5.93	4.79
Beta XJT	-0.19	-0.19	-0.20	-0.22	-0.08

<https://www.gyrostat.com.au/news/feature-article-portfolio-construction-lower-beta-with-alpha-from-dynamic-hedging/>

Gyrostat Risk Managed Equity Fund

At a glance

- **Gyrostat Absolute Return Income Equity Class A Units – conservative and moderate portfolios**
 - At 30 June 2023: 12 Month +9.11%; Monthly Volatility 1.58%; Beta -0.09
 - At 30 June 2023: 24 Month: +10.68% pa
 - 12 years track record, 52 consecutive quarters no losses exceed pre-defined 3% hard risk parameter

- **Gyrostat Leveraged Absolute Return Income Equity Class B Units – growth and high growth portfolios**
 - At 30 June 2023: 12 Month + 14.28 Monthly Volatility 3.90%; Beta -0.33
 - Leveraged version of Class A

Gyrostat Risk Managed Equity Fund

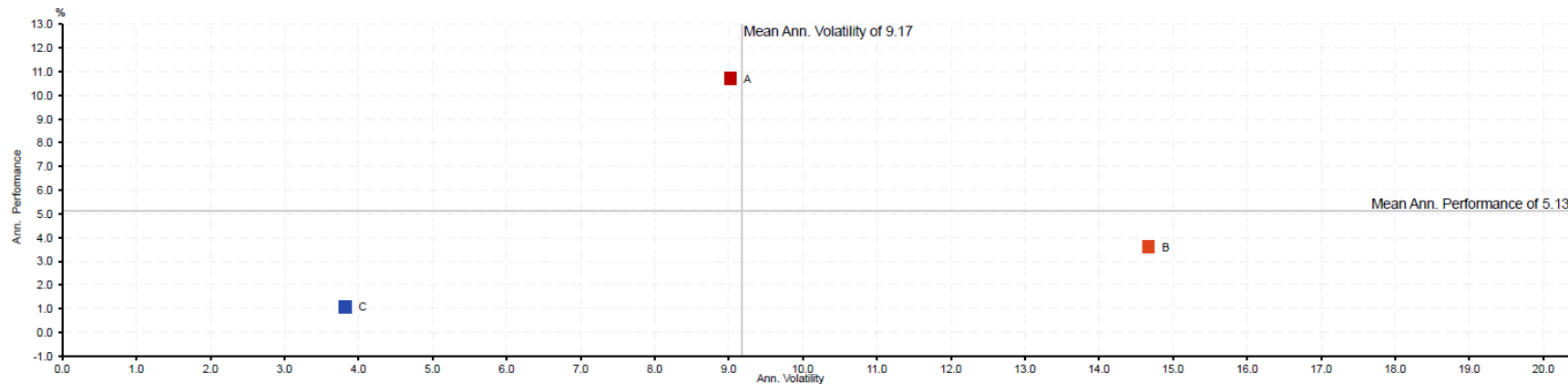
How does Gyrostat compare?

Static Scatter Chart



12 July 2023

Pricing Spread: Exit-Exit • Currency: Australian Dollars



30/06/2021 - 30/06/2023 © FE fundinfo 2023

Key	Name	Annualised Performance	Annualised Volatility
A	Gyrostat - Absolute Return Income Equity Class A TR in AU	10.71	9.02
B	S&P ASX 200 TR in AU	3.61	14.67
C	AMI Absolute Return TR in AU	1.08	3.82

Gyrostat Risk Managed Equity Fund

How does Gyrostat compare?

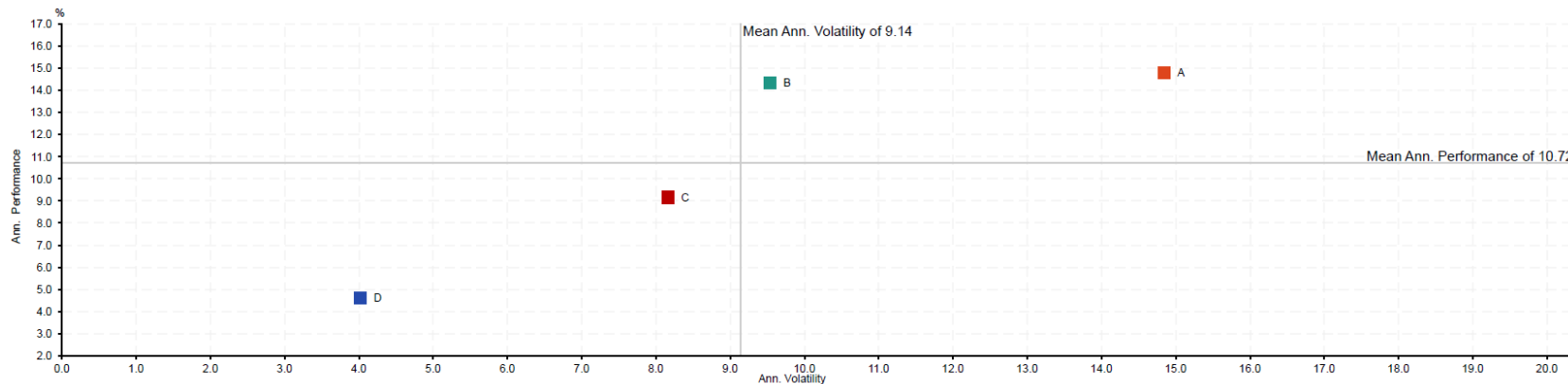
Static Scatter Chart



FE Analytics

12 July 2023

Pricing Spread: Exit-Exit • Currency: Australian Dollars



30/06/2022 - 30/06/2023 © FE fundinfo 2023

Key	Name	Annualise Performance	Annualised Volatility
■ A	S&P ASX 200 TR in AU	14.78	14.84
■ B	Gyrostat - Leveraged Absolute Return Income Equity Class B ATR in AU	14.33	9.54
■ C	Gyrostat - Absolute Return Income Equity Class A TR in AU	9.16	8.16
■ D	AMI Absolute Return TR in AU	4.62	4.02

Gyrostat Risk Managed Equity Fund

Gyrostat Absolute Return Income Equity Class - Class A Units

Blue chip shares with protection (through 'dynamic hedging') for investors seeking to protect and grow capital and quarterly income distributions. Address sequencing risk with reliable gains on major market falls

Returns

Returns in rising and falling markets increasing with volatility (including large market falls)

- 12 Month returns to June 2023: + 9.11%
- Returns have increased with changing markets since January 2022 rising interest rates and geopolitical tensions
- Forward guidance for 2023-24 returns top of range (greater than 8%) – based on continuing market volatility

Income

Generally paid quarterly largely through dividend pass through and risk management overlay profits

- Larger distribution in 4th quarter when 12 Month returns > 8%

Protection

- 12 years no quarter losses > 3% (pre-defined 'hard' limit)
- Downside tail always in place with strong returns in stock market falls

Gyrostat Risk Managed Equity Fund

Performance Class A compared with worst 5 quarters from the ASX accumulation index (since Fund inception December 2010)

Stock specific protection reliably increases in value on share price falls.

Period	ASX accumulation return	Gyrostat Class A return
Apr - Jun 2022	-11.90%	8.70%
Jan - Mar 2020	-23.10%	9.22%
Oct - Dec 2018	-8.24%	4.18%
Jul - Sep 2015	-6.58%	-0.26%
Jul - Sep 2011	-8.17%	1.29%

Gyrostat Risk Managed Equity Fund

Gyrostat Leveraged Absolute Return Income Equity - Class B Units

Classes B focusses on greater returns and less risk protection.

Returns

Forward guidance to exceed income distribution (BBSW90 + 6%) in all market conditions increasing in changing markets.

- 12 Month returns to June 30 2023 +14.28%.

Income

Minimum BBSW90 + 6% pa.

Protection:

No quarterly downside losses to exceed 6%.

Gyrostat Risk Managed Equity Fund

Outlook

We anticipate strong investment performance during the September 2023 quarter (commodity stocks dividend cycle).

We continue to deploy capital to resource stocks and large cap banking stocks and anticipate changing market conditions with higher volatility will generate returns consistent with our objectives.

Volatility has falling significantly since October 2022. This means that protection costs have reduced significantly. Gyrostat is well positioned for benefit from any increases in protection costs.



Gyrostat Risk Managed Equity Fund

Who is in the Gyrostat team and what is their background?

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

The organisation has been very stable:

- Craig Racine and Leo Tang from inception – December 2010
- Peter Clifton and Andrew Smith from 2014
- David Barwise from 2018
- Peter Keating from 2021

Background:

Craig Racine: Investment, business development
Leo Tang: Investment, systems, IT
Peter Keating: Investment operations, finance
Peter Clifton: Governance, strategy
Andrew Smith: Compliance, strategy
David Barwise: Legal, compliance

Distribution: Wayfarer Investment Partners - please contact Michael Baker or James Duck on 0439 276 484.

Gyrostat Risk Managed Equity Fund

Suitable wholesale investors

- Seeking capital preservation and income distributions, such as pre and post retirees; family offices.
- Class A: Lower and moderate risk 'model' portfolios –asset consultants and dealer groups
- Class B: Growth and higher growth 'model' portfolios – asset consultants and dealer groups.
- Wholesale platform availability: Hub24, Netwealth, Mason Stevens, Powerwrap
- Accounting practices with own AFSL.
- Managed Discretionary Account advisers.
- Philanthropic investors: cash rebates directly to your designated charity.
- Self directed investors including SMSF.

The Fund is offered under Product Disclosure Statement dated 20 October 2022. The Fund became a registered scheme on 20 July 2021.

Gyrostat Risk Managed Equity Fund

To summarise

- A lower risk fund with capital always protected (only a little capital at risk) regular income through all the investment cycle, returns increase with volatility that would protect and benefit in a market crash.
- Returns in rising and falling markets which benefits from major market corrections – non correlated beta returns
- Portfolio construction – lower beta with alpha from 'dynamic hedging'
- Competitive advantage: • Risk managed investing - [dynamic hedging – protection adjusted with market moves \(not set and forget\)](#) Proprietary software systems and processes with direct stock exchange feeds to identify lowest cost protection

**SQM Research has awarded the Gyrostat Risk Managed Equity Fund (Class A & B) 4 stars
- Superior, Suitable for inclusion on most APLs, High Investment Grade**

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) (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/qyrostat>.