

31 December 2024



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

Australian equity absolute return investors, including retirees:

Is there too much risk in your portfolio for financial ‘peace of mind’?

Checklist:

1. Do you fear seeing large falls in the value of your nest egg?
2. Will you be satisfied if you are advised “in the long run” markets recover?
3. Do you pro-actively plan for the inherent volatility in stock markets?

Major stock market falls are a regular and hazardous feature of the stock market cycle.

Predicting the timing and size of falls is difficult



Gyrostat Risk Managed Equity Fund

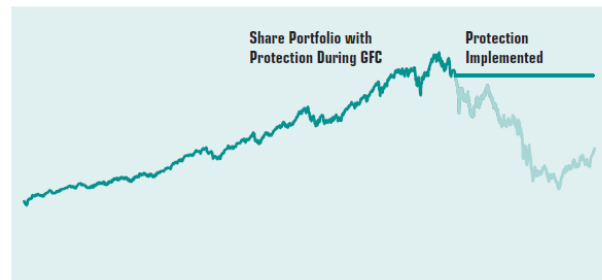
Is there too much risk (a permanent structural mismatch to meet your needs) in your portfolio for financial ‘peace of mind’?

What are the alternatives to meet the needs of Australian equity absolute return investors?

1. Keep the status quo and see your capital rise and fall with the market
2. Move to cash (lower returns with inflation risk)
3. Replace a portion of your Australian equity allocation with Gyrostat

Gyrostat Risk Managed Equity Fund Classes A & B have downside protection always in place, regular income, with returns in rising and falling markets including large market falls.

Everyday Portfolio Protection for SMSFs



The chart above shows an increasing share market until a market crash. Purchasing index put options returns cash to a well-diversified portfolio to help offset the decline in share prices whilst still ensuring the continued benefit of share ownership (dividends, franking credits, etc.)

Gyrostat Risk Managed Equity Fund

Meeting absolute return investor's needs – lowering risk with “downside protection always in place”

Gyrostat Risk Managed Equity Fund Classes A & B have downside protection always in place, regular income, with returns in rising and falling markets including large market falls.

Our Class A flagship fund has 3 key features:

1. Lower risk: 14-year track record no quarterly losses > 3%
2. A track record of increasing in value on major market falls
3. Absolute return with a track record of increasing with market volatility

The leveraged Class B Units have a focus on greater returns and less risk protection.

These returns are non correlated with the market providing diversification benefits as a robust building block in your portfolio

Replace a beta 1 Australian equities allocation with Gyrostat



Income is paid quarterly based upon BBSW 90 days rate

Currently income including cash and franking credits:

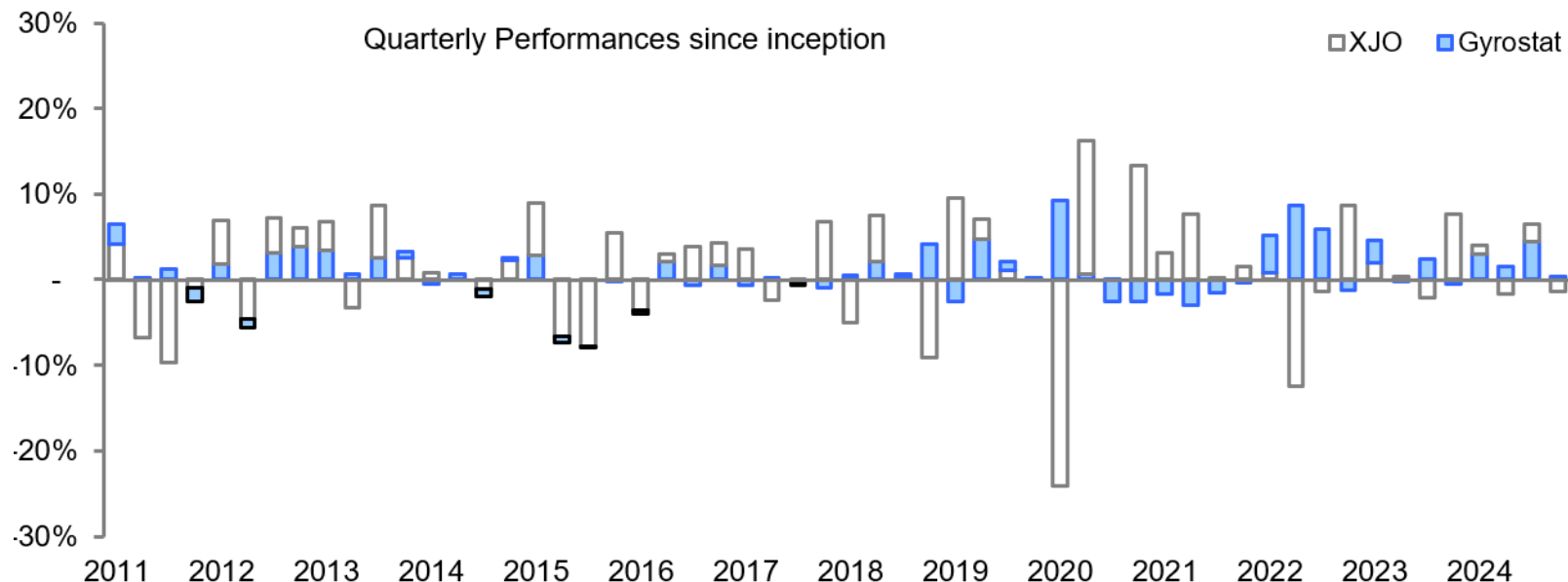
Class A: Minimum 7.39% pa

Class B: Minimum 10.39 % pa

Daily liquidity with no investor lock ins

Gyrostat Risk Managed Equity Fund

Class A quarterly performance since inception – lower risk[#], no quarterly losses > 3%, absolute returns^{##}



Gyrostat Risk Managed Equity Fund

A track record of increasing in value on major market falls

Lower risk investors - Structure your portfolio to reduce risk in case of major stock market falls

Major sell-offs are a regular and hazardous feature of stock markets

Predicting the timing and size of falls is difficult

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

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%

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

Gyrostat Risk Managed Equity Fund

Delivering fund objectives with lower risk and non-correlated returns for portfolio diversification

Our class A flagship fund has 3 key features:

1. Lower risk: 14-year track record no quarterly losses > 3%
2. A track record of increasing in value on major market falls
3. Absolute return with a track record of increasing with market volatility

The leveraged Class B Units have a focus on greater returns and less risk protection.

Returns to 31 December 2024

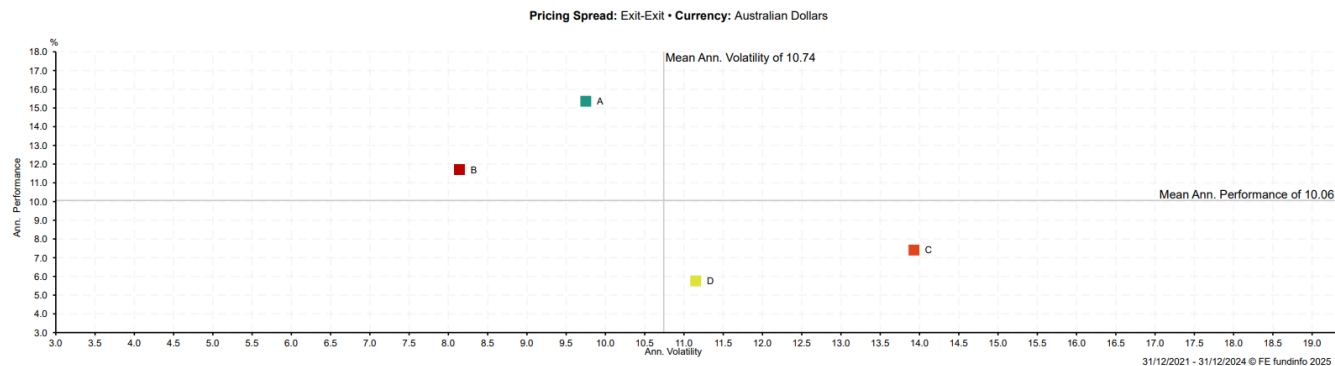
	3 M %	1 Yr % pa	3 Yr % pa
Class A	+0.34	+9.55	+11.68
Class B	-0.84	+8.74	+15.32

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RISK MANAGED EQUITY FUNDS

3 year returns vs risk (annual volatility) to 31 Dec 2024



14 January 2025



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RISK MANAGED EQUITY FUNDS

Gyrostat Risk Managed Equity Fund

Investment cycles – major sell offs a regular and hazardous part of the investment cycle

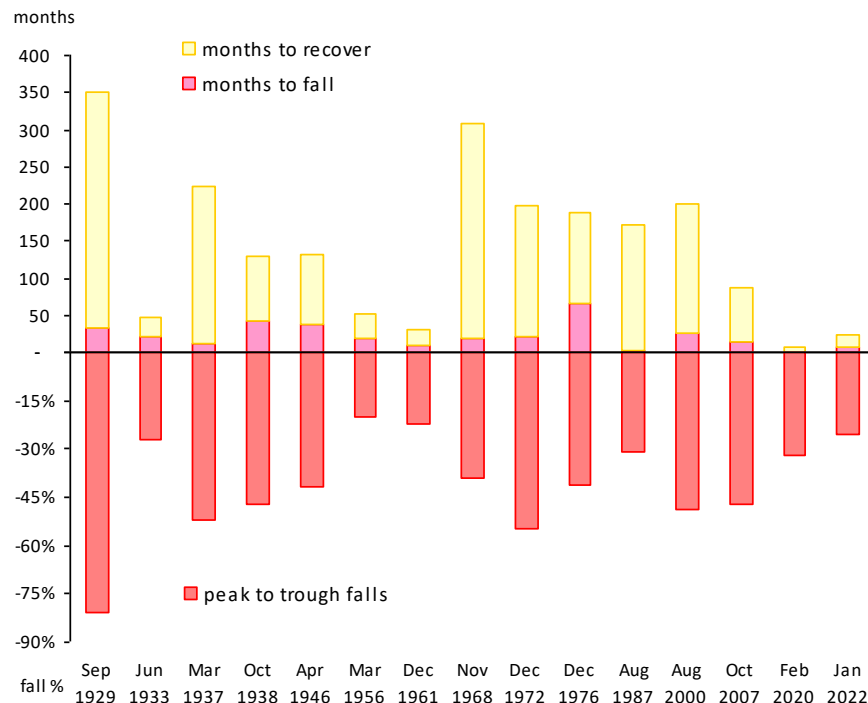
S&P 500 Index - 90 Year Historical Chart: Peak to trough falls > 20%, duration of falls, time to recover to pre fall levels

The graph shows the extent of falls from peak to trough SP500, the duration of the fall, and time taken to recover to pre fall highs.

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

Steve Blumenthal: On My Radar: What 2025 Starting Valuations Tell Us About Future Returns. (January 3 2025)

<https://www.cmgwealth.com/ri/on-my-radar-what-2025-starting-valuations-tell-us-about-future-returns/>



Gyrostat Risk Managed Equity Fund

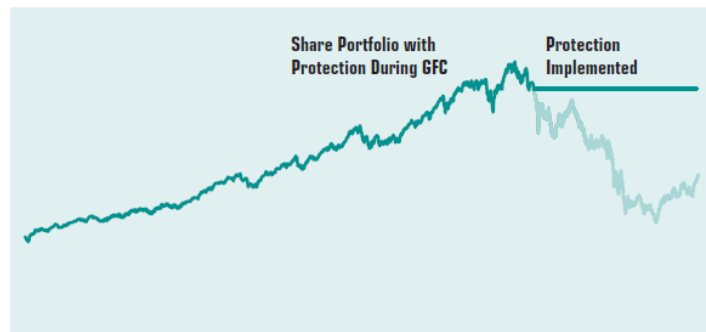
ASX Everyday Portfolio Protection Fact Sheet

As you approach retirement it's prudent that SMSFs consider reducing their exposure to riskier assets like equities and increase exposure in safer assets like cash/ bonds. However with current interest rates and the benefits franking credits provide via shares it is something that is seldom done.

Overweight holdings in shares exposes retirement savings to market corrections, a lesson learned the hard way for many during the GFC.

There is a valid alternative that continues to receive franking credits, benefits from future share price appreciation but protects the portfolio from large market corrections.

Purchasing protection from the options market can help!

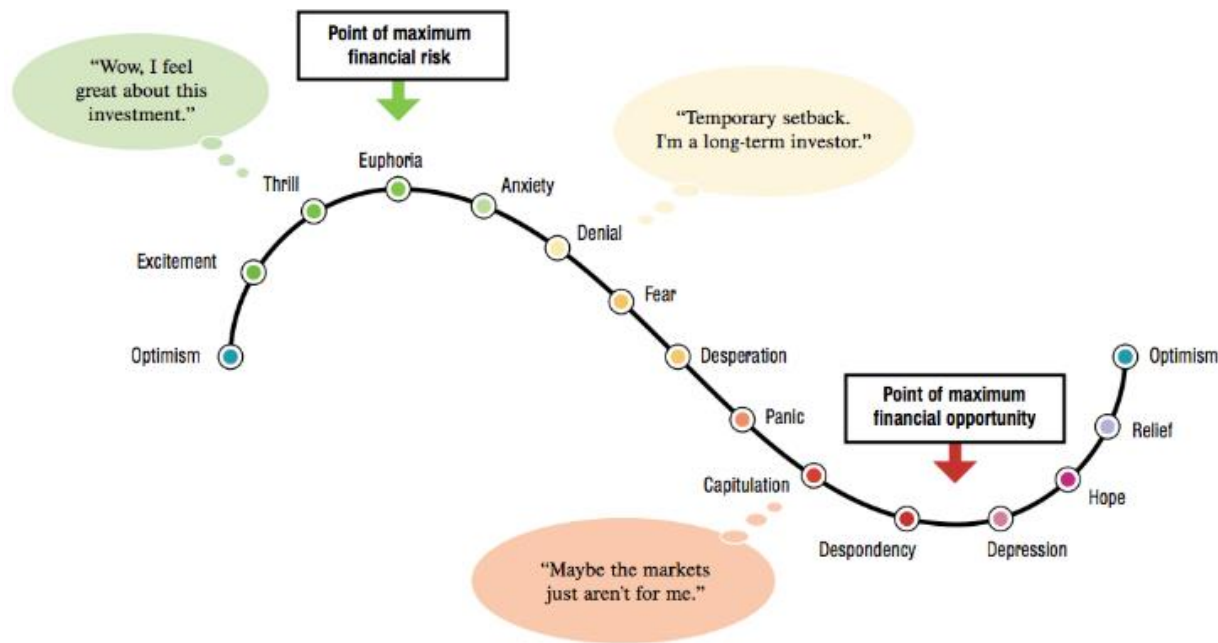


The chart above shows an increasing share market until a market crash. Purchasing index put options returns cash to a well-diversified portfolio to help offset the decline in share prices whilst still ensuring the continued benefit of share ownership (dividends, franking credits, etc.)

Source: [https://www.asx.com.au/content/dam/asx/participants/derivatives-market/equity-derivatives/Everyday Portfolio Protection.pdf](https://www.asx.com.au/content/dam/asx/participants/derivatives-market/equity-derivatives/Everyday%20Portfolio%20Protection.pdf)

Gyrostat Risk Managed Equity Fund

The investment cycle – ‘euphoria’ sentiment identified as the point of maximum financial risk



Source: <https://moderntimesinvestors.com/investing/investor-emotion-cycle/>

Gyrostat Risk Managed Equity Fund

How does Gyrostat construct its Portfolio?

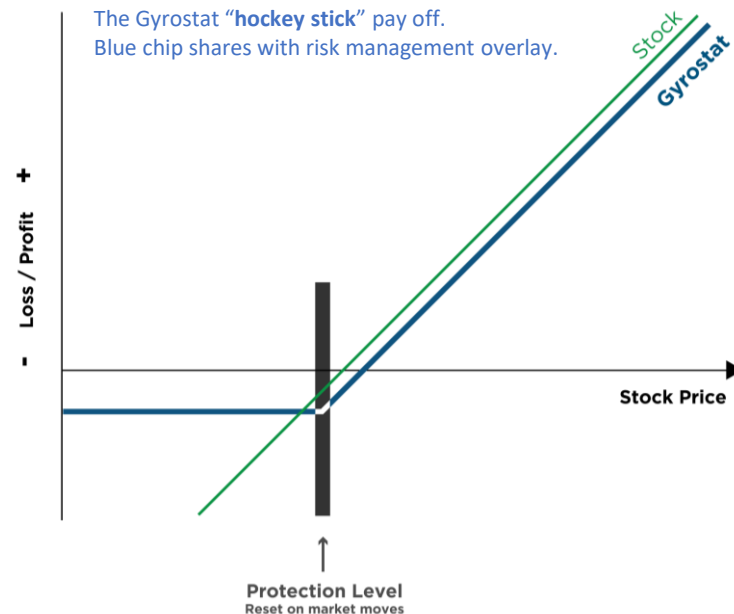
There are 3 steps in our risk management investment approach:

- a. **Buy** ASX20 stocks with protection at the stock specific level
- b. **Set** protection with risk management overlay
- c. **Re-set** protection risk management overlay with market moves

The “gyrostat” rebalances to maintain stock and protection weighting by moving the protection level with market moves

Protection is available expiring in many time periods over the next 2 years +. Using our proprietary systems the lowest cost protection is identified.

Protection reliably increases in value on stock price falls.



Gyrostat Risk Managed Equity Fund

Our edge – predicting market direction not required to meet fund objectives

Our class A flagship fund has 3 key features:

1. Lower risk: 14-year track record no quarterly losses > 3%
2. A track record of increasing in value on major market falls
3. Absolute return with a track record of increasing with market volatility

The leveraged Class B Units have a focus on greater returns and less risk protection.

- With our approach we do not need to predict market movements, it is the differing market predictions and general uncertainty that generates our returns
- Our investment strategy takes advantage of the inherent fluctuations in stock prices
- The price of risk responds to market developments across all time periods
- Our proprietary systems have a direct connection to the Australian Stock Exchange and analyse the data in 'real time' to identify the lowest cost protection

Gyrostat Risk Managed Equity Fund

Outlook: Times are uncertain – Gyrostat believes there are significant market risks

- We're seeing high stock market valuations in a bull market.
- High debt levels provide liquidity to drive momentum but elevate default risks.
- The price of protection remains near historic lows despite rising geopolitical tensions.
- Uncertainty over inflation outlook impacts the timing of interest rate cuts.

Gyrostat Risk Managed Equity Fund

Portfolio construction – lower risk investors scenario planning

Many investors misunderstand what is required in portfolio construction to structure a portfolio to meet lower risk investor needs.

Diversification requires assets that do not correlate with each other to be effective. Multiple managers with similar strategies and returns correlated with the market does not maximise diversification benefits.

Gyrostat returns are non correlated with the Australian market. This increases portfolio diversification with absolute returns in a wider range of market scenarios.

Beta correlation co-efficient
to 31 December 2024:

Source: FE Analytics

	1 Yr	2 Yr	3 Yr
Class A	0.28	-0.03	-0.16
Class B	0.27	0.00	-0.19



Gyrostat Risk Managed Equity Fund

Gyrostat team

Our 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, corporate law and equity research.

The Gyrostat team has extensive experience in deploying capital to generate returns in many scenarios and has been very stable:

- Craig Racine and Leo Tang from inception – December 2010 (4th business venture together)
- 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

Investors we can help

Our Class A and Class B funds are specifically designed for lower taxed investors who can utilise franking credits.

These investors include:

- Adviser dealer group Australian equity absolute return investors including retirees
- Self managed superannuation funds 'SMSFs advised or self-directed
- Family offices intergenerational wealth transfer
- Charities and philanthropic trusts

The Fund is offered to wholesale clients under Product Disclosure Statement dated 20 October 2022.

Gyrostat Risk Managed Equity Fund

In conclusion

Our biggest investment regrets are often our inactions, not our actions, particularly where the consequences of failing to act threaten your lifestyle.

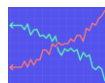
Gyrostat Risk Managed Equity Fund: Classes A & B have:



downside protection always in place



regular income, designed to increase in value on major market falls



returns are non-correlated with the market providing portfolio diversification benefits such as lower risk, higher risk-adjusted returns, and reduced exposure to market shocks



3Yr returns to 31st December 2024 : Class A: + 11.68% pa
Class B: + 15.32% pa –leveraged version of A



Max quarterly loss 3 Yr to 31st December 2024

Class A: -1.26%*

Class B: -0.84%

*14 year track record no quarterly downside losses > 3%

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 dated 20 October 2022 (**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, TMD and relevant application form may be obtained from <https://www.gyrostat.com.au/application-forms> or <https://www.oneinvestment.com.au/gyrostat>.