

Annual Investor Newsletter Financial Year Ended 30 June 2025

Dear Investor,

We are pleased to report that your investment in the **Gyrostat Capital Risk Managed Equity Fund (ARSN 651 853 799)** has continued to perform in line with our stated objectives and consistent with our absolute return philosophy.

Since becoming a registered managed investment scheme in July 2021, the Fund has delivered reliable returns in accordance with our guidance, Absolute Return Income Equity Class A Units achieving a **4-year annualised return of 9.40% p.a.** This has been achieved through ongoing enhancements to our strategy and a consistent focus on capital protection and income generation.

For the 12 months to 30 June 2025:

- The **Leveraged Absolute Return Income Equity Class B Units** returned **+10.49%**
- The **Absolute Return Income Equity Class A Units** delivered **+9.80%**

Notably, our Class A Units have maintained a **14-year record of avoiding any quarterly losses exceeding 3% (past 4 years largest quarterly loss -1.53% with gains in 9 of the past 12 quarters)**, underscoring our steadfast approach to downside protection. The Leveraged Class B Units are designed to target higher returns with a reduced level of protection, appealing to investors with higher risk tolerance.

Income is paid quarterly with class A at a minimum currently of 6.59% pa and class B 9.59% pa (based off the BBSW 90 day cash rate) paid all in cash in September, December, and March with cash and/or franking credits attached to the dividends received distributed at 30 June (to minimise the timing impact for you to receive the franking credit rebate in your taxation return.)

Risk Management That Delivers — In All Market Conditions

Our objective is to deliver **financial peace of mind**, regardless of market conditions. In the past year, this differentiated approach has been recognised by FE Analytics with a five crown rating and **industry awards**, including:

- *Most Innovative in Wealth Management – Australia (2025) – Global Financial Market Review*
- *Best Alternative Investment Management Firm Australia 2025 – World Business Outlook*

The Fund's performance is deliberately **non-correlated to broad equity market indices**, offering genuine **diversification benefits**. Protection remains embedded at all times. Our core investment process is designed to not only **preserve capital** in adverse markets but also to **capitalise on volatility**, enabling us to achieve consistent positive returns, including during major market dislocations.

Growing Recognition and Expanding Access

Our approach has gained strong recognition from advisers and industry participants, particularly among **retirees and low-risk investors**. The Fund is now available across a broad range of platforms, making it easier for advisers to incorporate into portfolios.

We experienced **funds under management growth exceeding 77%** over the past year, with further expansion anticipated. Notably, the Fund is now available in the **Superannuation and Pension menus on Hub24**, opening up access to a critical and growing investor segment. We expect further platform availability in the months ahead.

Addressing Sequencing Risk in Retirement

As the population ages, **portfolio construction** must evolve to reduce exposure to significant losses — particularly during the transition from accumulation to retirement. Sequencing risk, the emotional and financial toll of large losses early in retirement, can be mitigated through **diversified portfolio solutions** that perform across a broad range of market conditions.

Portfolio Positioning – A Compelling Case for Allocation

Investors should consider what allocation to the Fund would provide **meaningful downside protection** and improved outcomes during major market downturns. The case for allocation is increasingly compelling, with the Fund having:

- Delivered **non-correlated, absolute returns**
- Paid **regular quarterly income in cash** (September, December, March), with **franking credit distributions in June** to optimise tax outcomes

You can easily top up your investment through our streamlined process:

 [Make Additional Investments – Application Forms](#)

Performance Review FY2024–25

Returns in FY25 were driven by our strategic overweight to the **ASX20 large-cap resource sector**, including BHP, Fortescue Metals, Rio Tinto and Woodside Energy. These positions provide strong income via **fully franked dividends** and capitalise on volatility, particularly in the September and March quarters. The Fund also maintains exposure to the major banks, supporting income during the December and June periods.

Outlook – 2025 and Beyond

We believe that **investor complacency** has led to a mispricing of risk. Despite media headlines, the past 12 months — and indeed the last four years — have exhibited **below-average market volatility**. This calm, however, is unlikely to last.

With equity markets near record highs, we believe this represents an opportunity for investors to **re-balance portfolios** by replacing traditional long-only equity exposures with Gyrostat's Class A Units — adding **diversified, risk-managed exposure** designed to outperform in volatile environments.

Attempting to time market corrections is rarely successful. Instead, a robust allocation to **absolute return strategies** that perform regardless of direction is, in our view, a more prudent approach. As protection remains inexpensive, now is an ideal time to strengthen portfolio resilience.

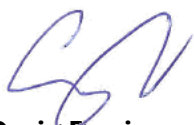
For further insights, we invite you to read our latest market commentary:

 [Market Outlook – Risk, Volatility, and Strategic Positioning](#)

We also encourage you to follow our updates on LinkedIn and welcome any investor referrals you may wish to make.

We sincerely thank you for your continued trust in Gyrostat Capital. Should you have any questions or wish to discuss your investment, please don't hesitate to contact us.

Warm regards,



Craig Racine
Managing Director
Gyrostat Capital