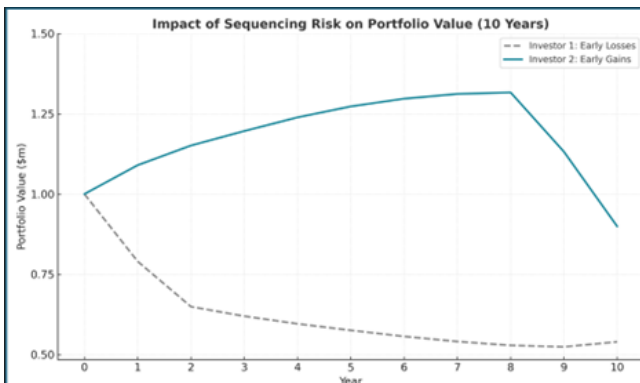


## For lower risk investors who want financial peace of mind in all market conditions

### Protection always: A structured path from accumulation to retirement through portfolio construction

Lower-risk retirees want peace of mind in all market conditions. Yet one of the most dangerous and overlooked threats is sequencing risk: the impact of early losses in retirement, when withdrawals magnify declines and recovery is limited. Traditional diversification often fails here — correlations rise in falling markets, and dollar-cost averaging is no longer available.



Full article: Sequencing risk: The Hidden Retirement Threat available at:

<https://www.gyrostat.com.au/news/> as published in Global Financial Markets Review.

#### Key points:

- **Needs:** Lower-risk investors, especially retirees, want peace of mind in all markets
- **Problem:** Sequencing risk – losses early in retirement have lasting impact
- **Solution:** Diversify by market scenario: falling, volatile, stable, rising
- **Proof:** Absolute Return Income Equity Funds with protection always in place

Market corrections are inevitable and dangerous, but sequencing risk can be managed through scenario planning and by replacing part of a long-only allocation with absolute return income equity funds that carry permanent risk overlays.

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:

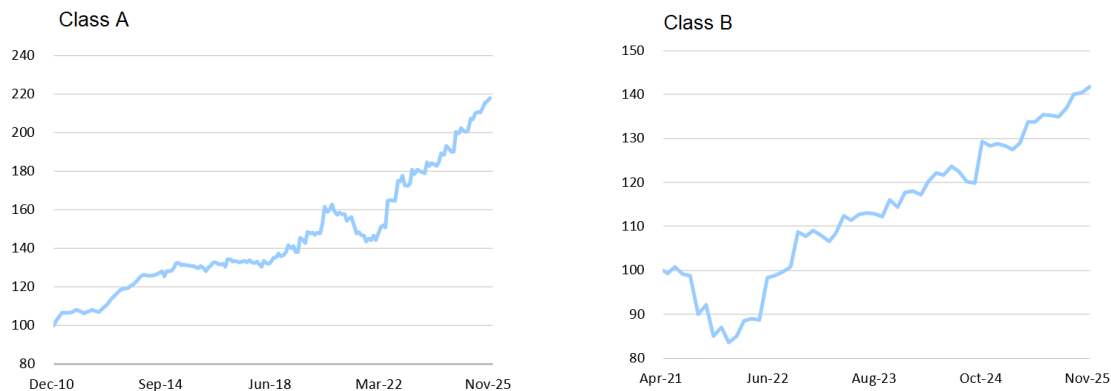
1. Lower risk than ASX 200 (source: FE Analytics)  
14-year track record no quarterly losses > 3%, 3 Yr max qtr loss -1.26%
2. A track record of increasing in value on major market falls
3. Absolute returns with a track record of increasing with market volatility

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

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

Our approach is for lower risk investors to replace a portion of their existing equities allocation with the applicable Gyrostat risk managed class.

Just look at how consistent and smooth the returns are over a 14-year track record.



And best of all, Gyrostat's strategy is designed to increase in value when share markets are falling. 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%

Income: Class A pays a minimum quarterly cash distribution of BBSW3M + 3% (currently 6.61% pa); Class B minimum distribution of BBSW3M + 6% (currently 9.61%pa)

Diversify by market scenario in portfolio construction by blending investment approaches.

## *Diversification for All Market Scenarios*

Strategy	Key Attributes	Falling Market (Inc. Large Market Falls)	Volatile Market	Stable Market	Rising Market
Diversify risk – Conservative/Growth Mix	Relies on correlation spread across asset classes	Unfavorable – Correlation often rises in crisis	Unfavorable – Capital losses	Favorable	Favorable
Occasional Protection via Predictions	Requires accurate timing to be effective	Unfavorable – Exposed if wrong	Unpredictable – Gains/Losses	Favorable	Favorable (May be Capped)
Protection Always in Place – Absolute Return (Gyrostat)	Non-correlated beta with embedded put protection; thrives on volatility	Very favorable (Class A), favorable (Class B)	Favorable (Class A), very favorable (Class B)	Less Favorable (Lower Return)	Favorable (Mitigated Upside)

A comprehensive analysis is available in our Risk Managed Investing Guide: A structured path from accumulation to retirement <https://www.gyrostat.com.au/news/risk-managed-investing/>

Corporate presentation: <https://www.gyrostat.com.au/news/gyrostat-risk-managed-equity-fund-corporate-presentation-at-30-september-2025/>

We expand upon these themes in our regular contributions to Global Financial Market Review (GFMR). These articles are published at <https://www.gyrostat.com.au/news/> and Gyrostat LinkedIn

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## **Appendix:**

### **Gyrostat – Publications in Global Financial Market Review (GFMR)**

#### **Gyrostat November Outlook: The Rising Cost Of Doing Nothing**

Date: Wednesday, 26 November 2025

<https://www.gfmreview.com/markets/gyrostat-november-outlook-the-rising-cost-of-doing-nothing>

*This November, rising protection costs and elevated volatility serve as a clear reminder: retirees cannot afford accumulation-era thinking in a decumulation-era world.*

#### **Blending Managers - From Style Diversification To Scenario Diversification**

Date: Monday, 10 November 2025

<https://www.gfmreview.com/markets/blending-managers-from-style-diversification-to-scenario-diversification>

*Today's challenge is not simply to hold a variety of managers, but to ensure that each one performs a when markets change regime.*

#### **Gyrostat October Outlook: Beneath The Calm, The Cost Of Protection Rises**

Date: Tuesday, 28 October 2025

<https://www.gfmreview.com/markets/gyrostat-october-outlook-beneath-the-calm-the-cost-of-protection-rises>

*Even as global equity indices remain near record highs, the pricing of risk is shifting quietly beneath the surface.*

#### **The Behavioural Crossover: Why risk management fades when we need it most**

Date: Thursday, 23 October 2025

<https://www.gfmreview.com/markets/gyrostat-capital-management-why-risk-management-fades-when-we-need-it-most>

*Advisers now face a paradox: encouraging patience no longer works because patience is no longer protective. The solution must therefore move from behavioural coaching to structural risk design.*

#### **Solving the Nastiest Problem in Finance: Retirement Income and Sequencing Risk**

Date: Wednesday, 8 Oct 2025

<https://www.gfmreview.com/markets/gyrostat-capital-management-solving-the-nastiest-problem-in-finance>

*Explores Gyrostat's structural solution to the retirement income challenge – delivering stable income without sacrificing liquidity or capital preservation.*

## **Gyrostat September Outlook: Tranquil Markets, Rising Case For Resilience**

Date: Tuesday, 30 Sep 2025

<https://www.gfmreview.com/markets/gyrostat-september-outlook-tranquil-markets-rising-case-for-resilience>

*Highlights the calm facade in markets and Gyrostat's case for maintaining resilient portfolio structures amid low volatility and narrowing risk premia.*

## **Gyrostat Capital Management: A Structural Solution for Liquidity, Defence and Income**

Date: Monday, 22 Sep 2025

<https://www.gfmreview.com/markets/gyrostat-capital-management-a-structural-solution-for-liquidity-defence-and-income>

*Explores how structural portfolio design can provide investors with liquidity, downside defence, and income resilience in all market regimes.*

## **Beyond Prediction: Portfolio Resilience in the Age of AI**

Date: Wednesday, 03 Sep 2025

<https://www.gfmreview.com/markets/beyond-prediction-portfolio-resilience-in-the-age-of-ai>

*Explores how AI-driven forecasting models can fail during late-cycle, high-volatility regimes, and argues for resilience-focused portfolio design over predictive approaches.*

## **Gyrostat August Outlook: Calm Endures, Yet Conviction For Protection Grows**

Date: Tuesday, 26 Aug 2025

[www.gfmreview.com/markets/gyrostat-august-outlook-calm-endures-yet-conviction-for-protection-grows](https://www.gfmreview.com/markets/gyrostat-august-outlook-calm-endures-yet-conviction-for-protection-grows)

*Volatility subdued and markets elevated; argues for proactive protection while costs remain low.*

## **Flawed Foundations: Why Traditional Risk Assumptions Undermine Retirement Portfolios**

Date: Wednesday, 13 Aug 2025

<https://www.gfmreview.com/markets/flawed-foundations-why-traditional-risk-assumptions-undermine-retirement-portfolios>

*Challenges accumulation-era assumptions for retirees; advocates structured, risk-managed design.*

## **Sequencing Risk: The Hidden Retirement Threat**

Date: Friday, 01 Aug 2025

<https://www.gfmreview.com/markets/sequencing-risk-the-hidden-retirement-threat-1>

*Explains sequencing risk and how absolute return equity income funds can defend against it.*

## **Gyrostat July Outlook: A Calm That May Not Last**

Date: Wednesday, 23 Jul 2025

<https://www.gfmreview.com/markets/gyrostat-july-outlook-a-calm-that-may-not-last>

*Warns that low protection costs and rising complacency warrant risk-managed positioning.*

## **Protection As A Portfolio Constant**

Date: Tuesday, 01 Jul 2025

<https://www.gfmreview.com/markets/protection-as-a-portfolio-constant-1>

*Why downside protection matters more in retirement; embeds resilience beyond traditional mixes.*



## **Gyrostat Risk Managed Market Outlook: Uncertainty And Anticipated Volatility**

Date: Friday, 13 Jun 2025

<https://www.gfmreview.com/markets/gyrostat-risk-managed-market-outlook-uncertainty-and-anticipated-volatility>

*Highlights policy/market uncertainty and the value of protection when volatility is mispriced.*

## **Protection Always: A Structured Path From Accumulation To Retirement**

Date: Friday, 30 May 2025

<https://www.gfmreview.com/markets/protection-always-a-structured-path-from-accumulation-to-retirement>

*Details the 'always-on' protection overlay and dynamic hedging approach ('behaves like a gyrostat').*

## **Gyrostat Market Overview**

Date: Wednesday, 14 May 2025

<https://www.gfmreview.com/markets/gyrostat-market-overview-1>

*Argues for protection in low-volatility regimes; outlines macro stress arenas and risk cues.*

## **Accumulation To Retirement Phase: Constructing Portfolios For Lower Risk Investors**

Date: Wednesday, 07 May 2025

<https://www.gfmreview.com/markets/accumulation-to-retirement-phase-constructing-portfolios-for-lower-risk-investors>

*Designing portfolios for retirees; addresses SMILE threats and features needed for income stability.*

A comprehensive analysis is available in our Risk Managed Investing Guide: A structured path from accumulation to retirement

<https://www.gyrostat.com.au/news/risk-managed-investing/>

## **Features & Press (GFMR)**

### **Gyrostat Capital Management: Innovating Risk-Managed Portfolios For Australian Investors (Leaders InFocus)**

Date: Wednesday, 02 Apr 2025

<https://www.gfmreview.com/leaders-infocus/gyrostat-capital-management-innovating-risk-managed-portfolios-for-australian-investors>

*Interview feature on Gyrostat's strategy, risk overlay, and recognition for innovation.*

### **Gyrostat Capital Management Wins Most Innovative in Wealth Management Australia 2025 (Press Release)**

Date: Tuesday, 18 Mar 2025

<https://www.gfmreview.com/press-release/gyrostat-capital-management-wins-most-innovative-in-wealth-management-australia-2025>

*Award announcement recognising Gyrostat's leadership in risk-managed wealth strategies.*