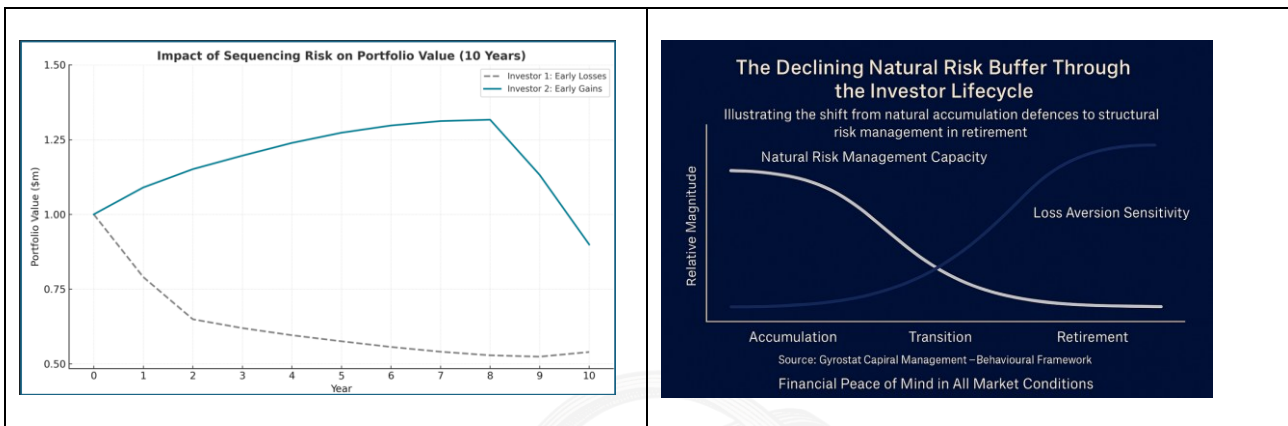


For lower risk investors who want financial peace of mind in all market conditions

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)
15-year track record, no quarterly losses > 3%, 3 Yr max qtr loss -0.52%
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 15-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 6.74% pa);
Class B pays a minimum quarterly cash distribution of BBSW3M + 6% (currently 9.74%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/corporate-presentation-at-31-12-2025/>

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

Appendix:

Gyrostat – Publications in Global Financial Market Review (GFMR)

Gyrostat December Outlook: The Market Does The Work

Date: Tuesday, 23 December 2025

<https://www.gfmreview.com/markets/gyrostat-december-outlook-the-market-does-the-work>

Harnesses Natural Volatility for Consistent Returns

The Blind Spot: Why Advisers Must Scenario-Plan Both The Bubble and The Bust

Date: Tuesday, 16 December 2025

<https://www.gfmreview.com/markets/gyrostat-capital-management-why-advisers-must-scenario-plan-both-the-bubble-and-the-bust>

In financial markets, uncertainty is a constant. But in retirement portfolios, uncertainty carries asymmetrical consequences

The Hidden Architecture Of Consequences

Date: Wednesday, 3 December 2025

<https://www.gfmreview.com/markets/gyrostat-capital-management-the-hidden-architecture-of-consequences>

In portfolio construction, risk is rarely where we look for it

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

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.

Gyrostat Capital Management prepared this document and it is intended only for Australian residents who are wholesale clients (as defined in the Corporations Act 2001). To the extent any part may be perceived as financial product advice, it is general advice only and has been prepared without taking into account of the reader's investment objectives, financial situation or needs. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should consider the Product Disclosure Statement (PDS) relevant to the Fund before making any decision to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042, is the responsible entity of the Fund but did not prepare the information contained in this document. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information in this document cannot be warranted or guaranteed.

