

Gyrostat Leveraged Absolute Return Income Equity (Class B)

Gyrostat Risk Managed Equity Fund ARSN 651 853 799

Gyrostat Risk Managed Equity Fund – [Address uncertainty through portfolio construction - Lower beta with alpha for diversification benefits](#) with a 13 year track record of returns increasing with market volatility (including large market falls).

5 classes: - Regular equity income (absolute return benchmarks) and Australian and international equities (index return benchmarks) with protection always in place against major market falls (sequencing).

Headquartered in Melbourne, Australia, Gyrostat are specialists in delivering diversification benefits through low and non correlated investment solutions which address sequencing and portfolio drawdown risk while delivering equity income (derived from dividend pass through and risk management overlay profits).

The flagship Gyrostat Absolute Return Income Equity Class A has a track record exceeding thirteen years with no quarterly drawdown greater than a pre-defined 3% limit.

Class B has a greater focus on returns and may not necessarily gain from major market falls. Low correlation to the Australian market.

Performance (Growth of AUD \$100,000)



Net Investment Performance %

| | 1M | 3M | 6M | 1YR | 2YR (PA) | 3YR (PA) | SI (PA) |
|----------------|------|------|------|-------|----------|----------|---------|
| GRMEF Class B | 7.85 | 5.61 | 5.93 | 11.54 | 9.08 | 11.93 | 7.69 |
| BBSW3M + 3% | 0.62 | 1.88 | 3.74 | 7.55 | 7.15 | 5.95 | 5.55 |
| Excess Returns | 7.23 | 3.73 | 2.19 | 3.99 | 1.93 | 5.98 | 2.14 |

* Returns are net of fees and include franking credits.

MONTHLY UPDATE

Cum NAV per unit was \$0.6323 and cash distribution per unit was \$0.0159. Total NAV of the Fund was \$14.1m.

The Australian market traded higher in September and remains near 52W and all-time highs. The price of risk has fallen significantly since October 2022 level of 32.02, reducing the cost of protection. During September the price of risk and protection as measured by the VIX increased modestly from 15.00 to 16.73.

Our portfolio diversification benefits of lower risk, higher risk-adjusted returns, and reduced exposure to market shocks are more apparent in volatile markets (wider trading range, increasing cost of protection).

With our approach we do not need to engage in debates about market direction, it is the differing market predictions and general uncertainty that generate our returns, as these causes changes in stock prices and the price of risk.

Strong gains from FMG, BHP and RIO delivered a significant NAV increase for the month, resulting in strong quarterly returns of 5.61%.

We anticipate strong investment performance to continue with volatility favorable to our 'dynamic hedging' risk management approach. A more active asset allocation approach, particularly into higher yielding stocks, in the upcoming dividend cycle has been adopted. The next dividend cycle is in banking stocks in October/November.

CLASS OVERVIEW

Strategy: Designed to produce higher income (compared to an investment in the Class A Units) through the complete investment cycle (downside protection always in place). In contrast to the Class A Units, Class B Units has a greater focus on returns and may not necessarily gain from major market falls. Low correlation to the Australian market.

Purpose: 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

Investment Objectives:

Return: To exceed income distributions over rolling 12 months.

Income: > BBSW3M + 6% p.a. from dividends and risk management profits paid quarterly.

Protection: 6% quarterly downside risk tolerance.

Distributions may be higher dependent on the Class performance.

Class B buys and holds ASX-20 and International listed equities and options with the relevant exchange as the derivative counterparty. The Class may borrow up to 100% of the Class assets.

Class B is a levered version of Class A to deliver higher income and higher risk tolerance than Class A. Our expectation is that over the cycle we will achieve our income and return objectives while operating with our pre-defined risk parameters.

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) (AFSL 452917) (**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 www.gyrostat.com.au/application-forms or www.oneinvestment.com.au/gyrostat

| Class Facts | |
|----------------------------|--|
| Eligibility | Investors who qualify as 'Wholesale Clients' |
| Responsible Entity | One Managed Investment Funds Limited |
| Investment Manager | Gyrostat Capital Management Advisers Pty Ltd |
| Registry Services Provider | One Registry Services Pty Limited |
| Inception date | 13 April 2021 |
| APIR | CIS3754AU |
| Base currency | Australian dollars |
| Management fee | 1.4% of NAV |
| Performance fee | 15% over Hurdle |
| Investment minimum | AUD 5,000 |
| Buy/sell spread | 0.15% |
| Liquidity | Daily |
| Benchmark | BBSW3M + 3% p.a. |
| Platforms | Mason Stevens, Netwealth, Powerwrap, Hub24 |
| Distribution frequency | Quarterly |

| Unit Value (AUD) | |
|-------------------|--------|
| Net Asset Value | 0.6323 |
| Application Price | 0.6332 |
| Redemption Price | 0.6314 |

| Team Members Experience | | |
|--|----------|----------|
| INVESTMENT TEAM | GYROSTAT | INDUSTRY |
| Craig Racine Chief Investment Officer | 13 | 30 |
| Leo Tang Senior Investment Officer | 13 | 30 |
| | | |
| BUSINESS TEAM | | |
| David Barwise Director | 5 | 30 |
| Peter Keating Investment Operations | 3 | 30+ |
| Andrew Smith Compliance and Risk | 9 | 30+ |
| Peter Clifton Chairman | 9 | 30+ |
| | | |

| Return Analytics | |
|-------------------|---------|
| Annual Volatility | 11.91% |
| Sharpe Ratio | 0.47 |
| Drawdown | -17.06% |
| Sortino Ratio | 0.78 |
| Leverage * | 85% |

* Ratio defined as margin debt / net assets

| Portfolio Analytics | |
|-------------------------|--------|
| Number of Stocks | 8 |
| Average Positive Months | 2.70% |
| Average Negative Months | -1.78% |
| Beta (ASX 200) | -0.23 |
| % of Positive Months | 55 |

| Contributors to Return (%) | |
|----------------------------|-------|
| TOP GAINS | |
| FMG | 4.97 |
| BHP | 1.80 |
| RIO | 1.76 |
| WDS | 0.32 |
| WBC | 0.18 |
| TOP LOSSES | |
| XJO | -0.16 |
| CSL | -0.15 |
| | |
| | |

| Top Holdings | |
|--------------|------|
| HOLDING | % |
| RIO | 31.4 |
| FMG | 22.2 |
| XJO | 15.0 |
| CSL | 12.4 |
| BHP | 12.0 |
| WDS | 3.3 |
| WBC | 2.1 |
| NAB | 1.4 |
| CBA | 0.1 |
| WOW | 0.1 |

Enquiries

www.gyrostat.com.au

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0439 276 484

PDS and application form can be obtained from:

www.gyrostat.com.au/application-forms or

www.oneinvestment.com.au/gyrostat

GYROSTAT
RISK MANAGED EQUITY FUNDS

AS AT 30 SEP 2024

RG240 Disclosure

For the period covered by this report, there were no material changes to any of the following: The Fund's risk profile; the Fund's strategy; and key investment personnel related to the Gyrostat Risk Managed Equity Fund. For information since that date, please refer to www.gyrostat.com.au.