

Annual investor newsletter – Financial Year ended 30 June 2024

Dear Investor

We are pleased to advise that your investment in Gyrostat Capital's Risk Managed Equity Fund (ARSN 651 853 799) (Fund) has performed well, consistent with our guidance and investment objectives.

The Leveraged Absolute Return Income Equity Class B Units achieved a 12-month return to 30 June 2024, of +8.41% and Absolute Return Income Equity Class A Units returned +6.47%. The Fund's Class A Units have a 13-year track record of no quarterly downside losses greater than 3 per cent. Target returns, including franking credits for the Fund's Class A Units, are 6% - 8% p.a. in trending markets and greater than 8% p.a. in changing markets. The leveraged Class B Units have a focus on greater returns and less risk protection.

These returns have been generated irrespective of stock price direction (i.e.: non correlated returns) providing robust diversification benefits when incorporated as a building block in your investment portfolio structure.

Gyrostat is designed to meet the needs of lower risk retirement investors. Gyrostat class A has delivered consistent returns of 9.26% annualised over the last 3 years, irrespective of market conditions, significantly lower volatility than the market, with a track record of reliably increasing in value on significant market falls.

Gyrostat class A has a 5 year monthly beta of -0.22 (vs XJO) offering significant portfolio diversification benefits for more stable returns across all market conditions. Many of our competitors have a beta of or near 1.0 with returns very closely correlated with market returns only. As a result they fail to deal with sequencing risk, or the impact of major market falls impacting your 'peace of mind' in retirement.

AT A GLANCE

- Gyrostat delivered a 12 month return of: Class A +6.47% and Class B + 8.41%
- Strong returns are anticipated in the upcoming September quarter. Our forward guidance for 2024-25 returns is at the top of our range. Rising market volatility and our increasing exposure to commodity stocks is the basis for this guidance.
- Protection costs have fallen significantly since September 2023. We have taken advantage of this window of opportunity to extend the duration of protection at significantly lower costs.

Additional investment to re-invest your distribution and to capture expected returns is available online by using your unique investor number.

<http://www.gyrostat.com.au/application-forms/>

PERFORMANCE REVIEW 2023-24

Our uplift in returns was driven by our decision to deploy more capital into the ASX20 large cap resource sector stocks (BHP, Fortescue, Rio Tinto, and Woodside Energy). This sector offers fully franked income yields and has higher potential returns with greater stock price volatility.

OUTLOOK 2024-25 AND BEYOND: CURRENT MARKET VIEWS

Gyrostat believes the market is at the end stages of the long term debt cycle, where market volatility is typically elevated. During this time, we are of the opinion that the risks of major market corrections are elevated. Gyrostat has a structure to mitigate against the risks of the market through our dynamic hedging approach, which protects and gains on the major market falls.

The cost of protection has fallen significantly since September 2023. We expect this to rise as market volatility returns and anticipate a series of significant bear market rallies in a highly uncertain macro environment. As a result, we expect our returns to be at the top of our guidance with gains in both falling and rising markets. Our approach does not rely on predicting the timing of these market corrections.

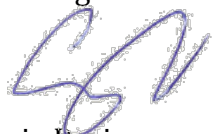
GYROSTAT ROLE IN YOUR PORTFOLIO

Gyrostat has downside protection always in place, regular income, with returns in rising and falling markets including a market crash. Diversification reduces portfolio risk when the portfolio blends investments with risk and returns profile that behave differently from the market (ie: lower correlation). Gyrostat has demonstrated this since our inception in 2010 with non-correlated returns to the market, offering significant diversification benefits to increase risk adjusted portfolio returns.

We also post regular monthly commentary on our website <https://www.gyrostat.com.au/news/> with notifications provided on our LinkedIn and Twitter feeds if you would like to 'follow' us. We welcome any investor referrals you may have.

We thank you for your continued support and would be pleased to answer any questions you have about your investment.

Kind regards



Craig Racine
Managing Director

Gyrostat Capital Management is a specialist boutique investment manager established in November 2010 by Craig Racine, who is the Managing Director and Chief Investment Officer. It is an independent privately-owned company, with the Board and senior management team all being shareholders of the business. The Board and management team hold over 95% of shares in Gyrostat and are substantial investors in the Fund. Further information on Gyrostat is available from <https://www.gyrostat.com.au>

*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**). The information provided in this document was not prepared by OMIFL but prepared by other parties. All of the commentary, statements of opinion and recommendations contain general advice only. This information does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice.*

The content of this document does not constitute an offer or solicitation to subscribe for units in the Funds or an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decision.

Past performance is not a reliable indicator of future performance. Performance comparisons are provided purely for information purposes only and should not be relied upon. The information included in this document may include information that is predictive in character which may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved.

Whilst all care has been taken in preparation of this document, neither OMIFL nor the Investment Manager give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document. Neither OMIFL nor the Investment Manager accepts liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

*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 <https://www.gyrostat.com.au/application-forms> or <https://www.oneinvestment.com.au/gyrostat>.*