

December 2024 Gyrostat briefing - meeting lower-risk investors' needs

Dear Investor

Gyrostat has a suite of unit classes with downside protection always in place, designed to meet the needs of lower risk investors, including retirees.

- Class A and Class B are Australian equity absolute return units.
- Class D Hong Kong equity units (HK\$).
- Class E global equity units (US\$).

All classes are designed to outperform their specific benchmark index over a rolling 12 months whilst mitigating against major losses on large market falls (downside protection always in place).

Our approach is for lower risk investors to replace a portion of their existing equities allocation within each sub asset class of your portfolio with Gyrostat.

Gyrostat Class A and Class B Australian equity absolute return

These classes are designed for lower-risk investors who want financial peace of mind irrespective of stock market outcomes, 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 3 year risk chart to 31 December 2024)
14 year track record no quarterly losses > 3%, 2 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.

At 31 Dec 2024	3 M	1 Yr p.a.	2 Yr p.a.	3 Yr p.a.
Class A	+0.34%	+ 9.55%	+ 7.89%	+ 11.68%
Class B	-0.84%	+ 8.74%	+ 9.05%	+15.32%

For the December quarter returns were less than our benchmarks with generally falling level of volatility (as measured by the VIX) and range bound stocks and markets.

Our 1, 2 and 3 year returns have all exceeded our benchmarks. Gyrostat returns are non-correlated with the Australian market. This increases portfolio diversification with absolute returns in a wider range of market scenarios. Stock market falls are a regular and hazardous feature of the stock market cycle. Predicting the timing and size of falls is difficult.

We pay cash income quarterly at a minimum for Class A of 3% above the bank bill 90 day rate (currently 7.39%), and for Class B of 6% above the bank bill 90 day rate (currently 10.39%) with no investor lock ins and with all investments through the Australian Stock Exchange.

We anticipate more volatile market conditions going forward and are well positioned to achieve our objectives.

Portfolio construction to reduce risk in case of major stock market falls

Many investors misunderstand what is required in portfolio construction to structure a portfolio to meet lower-risk investor needs. Diversification requires assets that do not correlate with each other to be effective. Multiple managers with similar strategies and returns correlated with the market does not maximise diversification benefits.

Class D Hong Kong Equity and Class E Global Equity vs relevant index

We also offer Gyrostat Risk Managed Hong Kong Equity Units (Class D), and Global Equity Units (Class E) designed to outperform their specific benchmark index over a rolling 12 months whilst mitigating against major losses on large market falls (downside protection always in place).

The strategy could be described as a risk managed index fund, holding the benchmark ETF (or component parts), with a risk management overlay (downside protection always in place).

At 31 Dec 2024	3 M	1 Yr p.a.	2 Yr p.a.	Inception 1 July 2022
Class D	+0.15%	+ 21.16%	+ 2.18%	+ 4.30%
Morningstar HK index	-9.84%	-2.77%	-10.14%	- 9.19%
Outperformance	+9.99%	+ 23.93%	+ 12.32%	+ 13.49%

Class D has significantly outperformed the Morningstar HK index over all time periods.

At 31 Dec 2024	3 M	1 Yr p.a.	2 Yr p.a.	3 Yr p.a.
Class E	+0.61%	+18.16%	+11.85%	+ 6.98%
Morningstar global US\$ index	-1.27%	+ 16.81%	+ 19.44%	+ 5.41%
Outperformance	+1.88%	+1.35%	-7.59%	+ 1.57%

Class E has outperformed the Morningstar global US\$ index in all time periods except 2 years.

Please find attached your Distribution Statement, Market Value Statement and Unit Holder Register Report.

Further information:

Monthly performance reports are available at:

<http://www.gyrostat.com.au/investment/performance/>

The latest market value of your investment is available at any time through the One Online investor portal <https://portal.oneregistryservices.com.au>.

Additional investments:

The process of making an additional investment for an existing investor is:

- click on the "Online Application" button on the application page on Gyrostat's website <http://www.gyrostat.com.au/application-forms/>
- The Online Application will then take you to the Olivia 123 Gyrostat Application landing page.
- An investor will need to register with Olivia 123 and then follow the prompts for an existing investor to make an additional investment.
- Assistance with the Olivia 123 Online Application process can be sought by contacting Olivia 123: Ph 02 8022 8494
Email: support@fundmonitors.com

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

Kind regards



Craig Racine
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