

Global Titans Fund

Manager Commentary

Global stocks pushed higher in February against a strengthening macroeconomic backdrop. In the US, a measure of jobless claims fell to its lowest level since 1973, while European inflation moved further into positive territory—a promising departure from the deflationary pressures of 2016. Investor sentiment remained optimistic despite rising political uncertainty as election season approaches in Europe.

The Fund's unit price increased by 2.1% in February. Performance was driven by positive contributions from our holdings in Unilever, Heineken, Visa, Medtronic and eBay. The main negative contributors were Zimmer Holdings, Microsoft Corp and Comcast. The Fund continues to have no foreign currency hedging in place as Insync consider the main risks to the Australian dollar to be on the downside. Over 50% of the Fund is currently protected using our put protection strategy.

We took advantage of the substantial rotation out of quality, into cyclical and financials stocks, to add to existing holdings at lower prices and initiated two new holdings. During the month holdings were increased in the following positions:

Reckitt Benckiser - after they announced a takeover offer for Mead Johnson Nutrition which will be highly accretive to earnings;

Heineken - we are attracted to the company's exposure to some of the fastest growing demographics in Latin America, Asia and Africa;

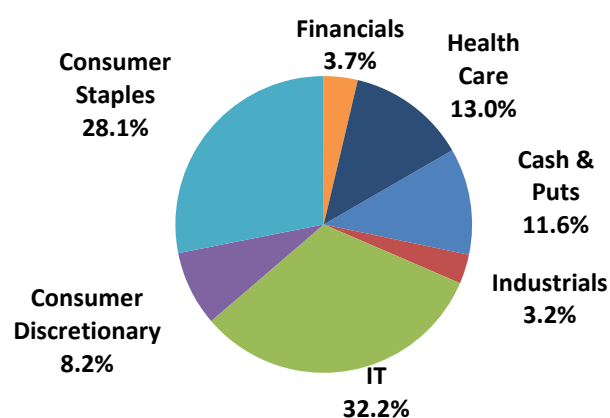
Unilever - after the aborted bid by Kraft Heinz Company, highlighting the significant potential for unlocking value.

Sold Gilead Sciences, Roche.

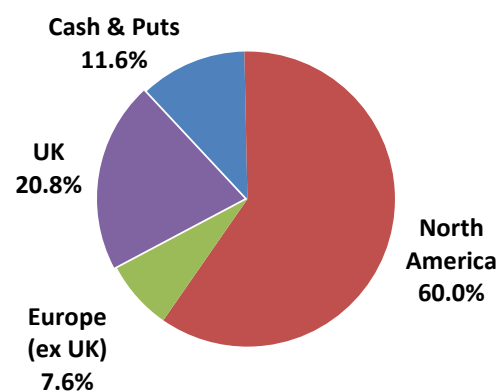
TOP 10 HOLDINGS

Medtronic	Comcast
Microsoft	PayPal
Visa	Cognizant Tech Solutions
BAT	eBay
Zimmer	Oracle

INDUSTRY COMPOSITION



GEOGRAPHIC COMPOSITION



PERFORMANCE ¹	1 mth (%)	3 mths (%)	6 mths (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	SI (% p.a.)	SI (% total)
Fund	2.1	3.9	-1.4	0.4	4.9	11.7	8.7	85.6
MSCI World ex- AUS ²	1.5	3.6	5.0	13.2	10.4	16.0	10.6	110.1
Cash Benchmark ³	0.1	0.4	0.9	2.0	2.3	2.7	3.3	27.5

¹ Returns are calculated net of management fees and expenses but before tax and adviser fees (if applicable) with all distributions re-invested. Inception date for the Insync Global Titans Fund is 7 October 2009.

² MSCI All Country World ex-Australia Net Total Return Index in \$A.

³ Bloomberg AusBond Bank Bill Index

New Portfolio Stock – RELX

Beneficiary of the digitisation and 'big data' megatrends



RELX was founded in the late 19th century and is a leading provider of professional information solutions in the science, medical, risk, legal and business sectors. Simplistically the business help scientists make new discoveries, lawyers win cases, doctors save lives and insurance companies offer customers lower prices. RELX has some incredibly valuable B2B content in insurance, legal and scientific data. The company has transformed in the past decade into a technology, content and analytics company from a publisher of journals.

An incredible 16% of the world's scientific articles are published by a RELX journal. Its importance as a facilitator and disseminator of pioneering knowledge and discovery is huge. The company is a beneficiary of 2 powerful megatrends; digitisation and big data analytics. Having been a 50% print business as recently as 2005, RELX's revenues are now derived from over 80% digital. The Group's open source big data technology, known as HPCC Systems (High Performance Computing Cluster), allows users to leverage structured and unstructured data, opening up possibilities for their customers.

RELX represents an interesting opportunity in the recent sell off in the more predictable business models towards the cyclical and traditional financials. The company trades on a free cash flow yield of 5.7% which is attractive on an absolute basis for a high quality business.

⁴ Weighted average

PORTFOLIO CHARACTERISTICS

Average market cap	A\$176.9bn
Wt. Avg ⁴ forecast dividend yield	1.77%
Wt. Avg forecast PE ratio	19.3x
Wt. Avg ROE	16.2%
Current FX hedging position	0% overseas exposure hedged back into \$A
Current put protection	50%
Benchmark	Unconstrained

KEY INFORMATION

APIR code	SLT0041AU
ASX mFund code	INS01
Distributions paid	Annually, as at 30 June
Unit pricing	Daily
Minimum initial investment	\$10,000
Applications & redemptions	Each Sydney business day
Entry & exit fee	Nil
Buy/Sell spread	0.20%/0.20%
MER	1.3% (plus GST) p.a.

Performance fee 15% (plus GST)

Of any performance above the RBA cash rate plus 2% based on annual performance, with high water mark protection for investors

Investment style

Concentrated, large cap global equity fund, incorporating active currency management and downside protection strategies

Investment objectives

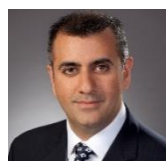
To provide long term capital growth and some income through investment in listed global securities. Insync believes that a strong focus on capital preservation will lead to superior relative and absolute returns over time

How to apply

Online or via application form at www.insyncfm.com.au

ASX mFund

Platform – Macquarie, Colonial FirstWrap, Hub24, Mason Stevens, Onevue, Multiport and Powerwrap



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