

Global Titans Fund

COMMENTARY

Global stocks rose strongly in April, supported by improving world economic growth and following the French primary election, which signalled a lower potential for an anti-EU candidate to win the upcoming run-off. The weaker Australian dollar also helped drive returns in international markets. Quality stocks continued to perform well.

The Fund's unit price increased by 5.2%, after the cost of protection, in April. The performance was driven by positive contributions from our holdings in PayPal, Heineken, Comcast Corp, Unilever and Microsoft Corp. There were no negative contributors during the month. 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.

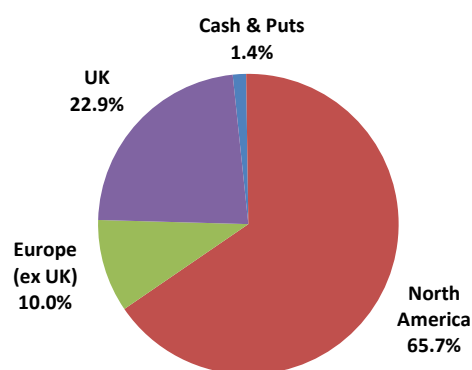
Insync's focus on global megatrends, which are trends that we consider to be at least over 10 years in duration, led to two new positions in the portfolio during the month. Both companies are exposed to the travel megatrend where research shows that consumers are spending an increasing amount on experiences providing a long runway of growth for companies exposed to the trend.

Priceline is the leading online travel company in the world which is benefitting from the increasing spend on travel and growing penetration of bookings online. Amadeus is the leading global distribution system provider to airlines with a high level of recurring earnings, the potential to grow into new markets, such as the hotel industry, and create a similar highly profitable business model to what they have in the airline industry. Both businesses are industry leaders generating high returns on invested capital trading on attractive free cash flow yields.

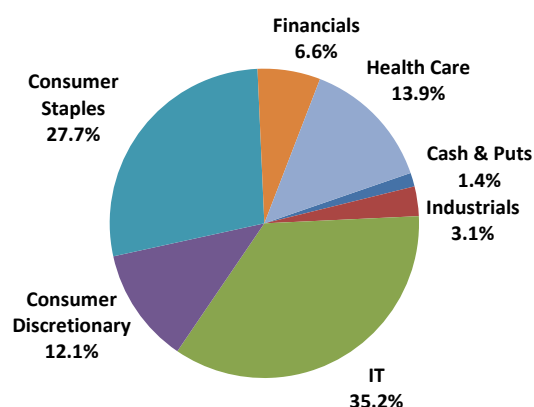
TOP 10 HOLDINGS

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

GEOGRAPHIC COMPOSITION



INDUSTRY COMPOSITION



PERFORMANCE ¹	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	SI (% p.a.)	SI (% Total)
Fund	5.2	9.9	12.3	12.0	9.0	11.8	9.6	99.9
MSCI World ex-AUS ²	3.7	7.3	13.7	17.4	13.3	16.6	11.1	122.1
Cash Benchmark ³	0.2	0.4	0.9	1.9	2.3	2.6	3.3	27.9

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 UBS Australia Bank Bill Index.



London Stock Exchange (LSE) – Don't let the name fool you!

LSE is one of the oldest stock exchanges founded in 1801. Whilst stock exchanges were highly profitable monopolies in the past their original core business has now been commoditised with the matching of buyers and sellers not very profitable and not having great prospects. Today, LSE is not really a stock exchange any more. The business has been transformed with the bulk of its business no longer based on shares nor on trading but on other securities and activities.

One of its biggest operations is clearing — taking care of the contracts after trades are done. Its SwapClear division now clears 95 per cent of the global market in over-the-counter interest rate swaps (private interest rate contracts reached by banks). This is less exciting or visible than equity trading but bigger and more profitable; SwapClear often clears \$1 trillion of swaps daily.

Over the past 5+ years LSE's management has transformed the group from a mostly commoditized, cyclically driven business to a highly attractive, structurally growing business with pricing power and high barriers to entry. Through a series of acquisitions the business mix has shifted from being more than 50% exposed to equity capital markets activity towards close to 80% of profits being generated from mission critical market infrastructure and indices. Whilst the cash equities and listings business has been flat for the past 5 years, the market data, connectivity and the clearing business have been growing at double digit rates.

Insync's focus is to invest in highly profitable businesses with structural growth drivers that are good allocators of capital. In the most recent half yearly results LSE announced a dividend increase of 20% on the prior corresponding period and a 200m pound buyback.

⁴ Weighted average

PORTFOLIO CHARACTERISTICS

Average market cap	A\$187.9bn
WAVG ⁴ forecast dividend yield	1.76%
Wt AVG forecast PE ratio	19.6x
WAVG ROE	28%
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

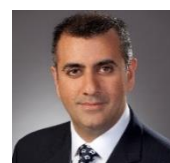
Concentrated, large cap global equity fund, incorporating active currency management and downside protection strategies

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
Platform – Macquarie, Colonial FirstWrap, Mason Stevens, Onevue ASX mFund



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