

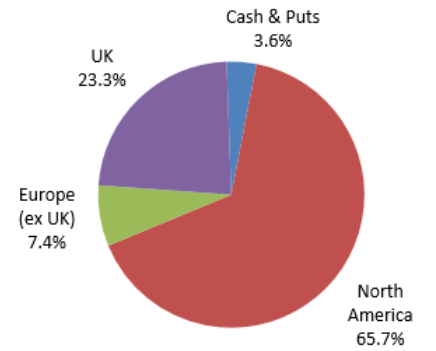


August 2017

Top 10 holdings

- Heineken
- Microsoft
- Visa
- Unilever
- Reckitt Benckiser
- Comcast
- PayPal
- Cognizant Tech Solutions
- eBay
- Oracle

GEOGRAPHIC COMPOSITION



Global Titans Fund commentary

Global stocks finished up just over 1% for the month on the back of investor optimism over improving world economic growth. Economic growth accelerated in the US and appears to be broadening across the euro zone. This has raised questions about the direction of monetary policy, however, markets seem relatively unconcerned.

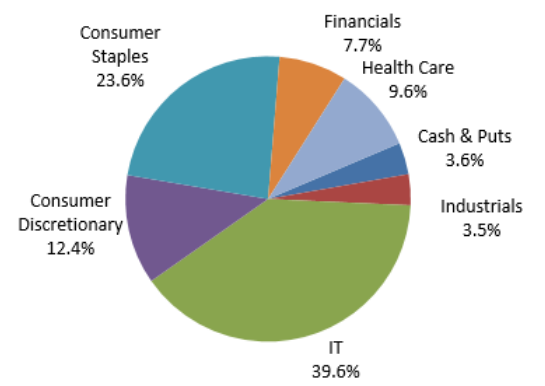
The Fund's unit price increased by 1.0%, after the cost of protection, in August. The performance was driven by positive contributions from our holdings in PayPal, Visa, Microsoft, Diageo and Unilever. The main negative contributors were Stryker Corp, Reckitt Benckiser, Medtronic, Walt Disney Co and Priceline.com Inc.

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.

The major new buys during the month were Stryker and Accenture. Stryker is a leading global medical technology company that offers a diverse portfolio of reconstructive joint, spine, medical, surgical and neurovascular products. We believe the company is particularly well positioned for the growth in robotically assisted orthopaedic surgery. Accenture is a global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. It is a major beneficiary of the global megatrend in digitisation.

Our only outright sell during the month was Nestle based on valuation. We have held the stock since the inception of the fund.

INDUSTRY COMPOSITION



insync Fund Managers									
Global Titans Fund Performance									
August 2017									
Measure	Five year Rolling Objective	Latest Month	3 month*	6 month*	1 year*	3 year*	5 year*	7 year*	Since Inception (7 Oct 2009)
Return after fees before protection	14.71%	1.22%	-2.45%	10.90%	10.99%	12.31%	14.52%	12.58%	11.29%
Benchmark MSCI ex AUS	14.44%	1.06%	-2.83%	5.63%	10.92%	11.72%	16.63%	12.23%	10.62%
Net Return after Protection (unit price)	12.57%	1.02%	-2.80%	9.74%	8.20%	9.25%	10.93%	10.76%	9.42%

Our skill in up and down markets going well.			
Insync risk and return capture	Score	# Monthly observation	Participation compared to MSCI positive/negative markets
Upside Participation	0.73	60	Higher score = Better
Downside participation	0.46	35	Lower score = Better
Capture Ratio	1.58	95	Higher towards 2 = Better

Remember the net after protection return reflects the insurance investors held against catastrophe (circa 1.5-2% cost). Fund investors participated in 73% of the outperformance of equities and avoided 54% of the downside beating both targets with the catastrophe protection still in place.

Your investment after fees & before cost of protection exceeded its benchmark over all time periods above-bar one, including its stated target over 5 year rolling periods.

10.90% return over 6 months (compared to benchmark of 5.63%). After cost of protection a net healthy 9.74%. Patience pays off!

Benefitting from the cloud and artificial intelligence megatrend



Oracle's products are often mission-critical to the operations of its 400,000 customers, which include some of the largest companies and governments in the world. Oracle's comprehensive portfolio of applications, platform and infrastructure technologies is designed to address an organization's IT environment needs including business process, infrastructure and development requirements.

Oracle's is an extremely profitable "razor and blades" business model. In addition to 70% (and growing over time) of its earnings coming from the recurring revenue businesses of software support, hardware support and cloud software, Oracle's massive size gives it a large competitive advantage with respect to staying at the forefront of technology. As an example of this will be the company shortly releasing the world's first fully autonomous database. We believe that Oracle's artificial intelligence and machine learning business is poised to have a significant impact in the enterprise market.

If there's one thing that strikes us whenever we hear Chairman Larry Ellison and co-CEOs Mark Hurd and Safra Catz speak on earnings calls and at Financial Analyst Meetings, it's their passion for Oracle and their desire to win. Oracle has one of the most experienced and highly incentivized management teams in the industry.

One of the reasons why Oracle continues to remain attractively valued is because it was considered to be relatively late to transitioning to the cloud. Oracle's cloud transition model is starting to work as evidenced by growth in cloud subscriptions now more than offsetting the license revenue declines, even organically, marking it a key milestone. If Oracle is successful in defending its large installed base of customers and migrating them to the cloud, this could result in meaningful upside to revenues and earnings. The stock continues to trade at an attractive free cash flow yield of 6.7%.

PORTFOLIO CHARACTERISTICS	
Average market cap	A\$149bn
WAVG ⁴ forecast dividend yield	1.53%
Wt AVG forecast PE ratio	20.6x
WAVG ROE	20.6%
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.
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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USEFUL LINKS

- [Unit Prices](#)
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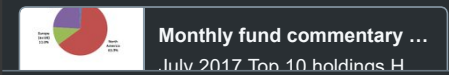
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