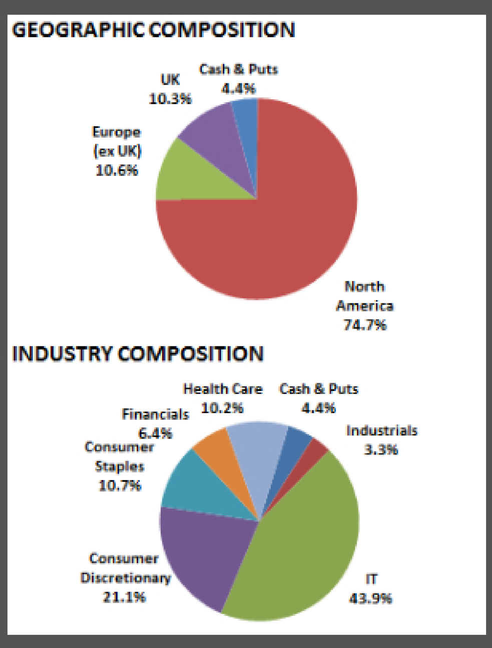
GLOBAL TITANS SURGES AHEAD

STRONG APPROACH TO RISK MANAGEMENT SEES RETURNS OUTPERFORMING

A stellar **12.39**% AFTER fees and protection over rolling 5 year periods.



Year end April 30th

More market volatility in April and continued strong results for the fund. 2.06% for the month, AFTER fees and protection. 13.5% return for the year end April, AFTER fees and protection, outdoing the benchmark by 21 bps. Considering that investors enjoy protection with this result and not with the index, this is a solid outcome.

For the last 6 months the result was 6.44% compared to the benchmark of just 5.25%. 108 bps out-performance.

Global Titans continues to perform well as markets return to their more usual gyrations.

How we do it

The really big threat to investor portfolios ahead......

Its not, Trump, China, commodity prices, interest rates or the usual line-up when you take a 5-10 year view. It's creative destruction. Its happening NOW creating carnage just under the surface of this bull market.

Disruption is a natural part of business but this time its the **pace and acceleration** of creative destruction that John and I have not seen in our last 27 years managing money.

Take Retail. A record number of retail unit closings higher even than in the GFC. M&S just announced 200 store closings just in the UK. Macys gone. ToysRUs gone. More to come. Another, Consumer Packaging where Gillette dominated over decades at 70%+ share in razors + blades. Now just 54% in the last 6 years. New upstarts without much capital or existing supply agreements came out of nowhere with technology led abilities never seen before. Media where disruption in traditional pay-tv media companies is going to be similar to what we have seen in the print industry. Its Sky TV versus Netflix! Many large well known companies today forming the backbone of many investment portfolios are likely to generate disappointing returns over the next 5-10 years.

Our focus on disruptive forces is keeping us alert to potential **value traps.** Traditional quality businesses having fallen in price that may *appear* to represent good value can in fact be facing serious structural challenges. Understanding the winners and losers from disruption will be one of the key drivers to future investment performance.

Insync's unique Megatrends approach keeps us focused on the future winners and avoiding value-traps. Examples; **Stryker** which is benefiting from the ageing population and the move to robotic surgery, disrupting the orthopedic market. Accenture, another which is a leader in enabling Fortune 100 companies digitise their businesses.

The month that was........

Global stocks rose modestly driven by solid corporate earnings reports, particularly in the US which is exceeding expectations. This offsets concerns around the *global synchronised recovery* which appears to be faltering as survey data points to a slowdown in parts of Europe. A resurgent U.S. dollar and higher interest rates weighed on emerging markets. The US 10-year Treasury yield briefly touched 3% for the first time in over four years with growing concerns around increasing inflationary risks.

As noted in the March Quarterly Update we have added new stocks to the portfolio within the Demographic Megatrend cluster of the 'global travel explosion'. Within the same cluster we exited the profitable 'consumer goods' trend as fundamental conditions impacting this had changed. Both these moves added positively to the month's returns.

Most sectors advanced, but energy was by far the strongest. Technology, industrials and consumer staples were laggards.

Quality Style • Bottom Up • High Conviction • Benchmark Unaware • Downside Protected Equities

Monik Kotecha
CIO

TOP 10 HOLDINGS	
Microsoft	Heineken
Stryker Corp	Visa
Cognizant Tech Solutions	Alphabet
Booking Holdings	Zoetis
Accenture	eBay

John Lobb
Portfolio Manager

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stryker®

This month's stock ups and downs......

Performance was driven by positive contributions from our holdings in Visa, Booking Holdings and Stryker. The main negative contributors were TE Connectivity, eBay and Charter Communications.

Global Titans continues with no foreign currency hedging in place as Insync belives the main risks to the Australian dollar to be on the downside. Utilisation of index put options to buffer sharp falls in equity markets remains.

Global Titans Fund Detailed Facts & Figures

Click on images, buttons and headings to delve deeper to learn more.

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