We are pleased to report that both the Insync funds significantly outperformed the benchmark again in May. We continue holding companies exposed to Megatrends that our work shows will deliver sustainable profitable growth in a *post pandemic* environment. Insync is a broad-based global equity fund exposed to 16 such global Megatrends with each business delivering very high levels of profitability (ROIC), and are on the *right side* of disruption. Beneficiaries extend well beyond technology, the Amazon's and the Alphabet's of the world, and into areas like pet nutrition, animal diagnostics, medical devices businesses, beauty and athleisure.

The **Global Capital Aware** fund delivered in excess of **+19%** *over* the benchmark for the year, benefitting from the downside protection and strong focus on quality businesses. Oure long-only **Global Quality Equity** fund was **+14%** *over* benchmark. Both consistently outperformed in both rising and falling markets over the past 5 months through some of the most volatile times in a century.

	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	Since Incep#
Insync Global Capital Aware Fund*	7.40%	9.02%	13.19%	29.61%	20.81%	17.32%	12.32%	13.15%	12.13%
Insync Global Quality Equity Portfolio ^	7.39%	4.99%	6.86%	24.49%	18.48%	16.73%	13.78%	15.25%	14.32%
MSCI ACWI (ex AUS) NTR (AUD)~	2.91%	-2.75%	-3.91%	10.46%	9.07%	9.40%	8.43%	11.14%	10.84%
Global Capital Aware Active Performance	4.49%	11.77%	17.11%	19.15%	11.74%	7.92%	3.89%	2.01%	1.29%
Global Quality Active Performance	4.48%	7.74%	10.77%	14.03%	9.40%	7.33%	5.35%	4.11%	3.49%

Source: Insync Funds Management - Past Performance is not a reliable indicator of future performance. *Represents net of fees and costs performance, assumes all distributions reinvested. ^Returns prior to July 2018 represent the underlying Insync Global portfolio (including cash) inclusive of a 0.98% p.a. MER. ~ MSCI All Country World ex-Australia Net Total Return Index in Australian Dollars. # Inception date 9/10/2009

Both funds continue to have a portion of the underlying US dollar exposure hedged back to the Australian dollar which we first implemented when the Australian dollar was trading towards the low end of its long-term trading range in March. We adopt a rules-based process in managing currencies, implemented from a risk management perspective.

Our view is positive for the companies we own over the mid to longer-term recognising that there will be ongoing price volatility in the near term.

Why Insync doesn't care much about the 'shape' of the recovery…

Whilst many commentators focus on the shape of the recovery (with the whole alphabet seemingly used to describe their crystal ball forecasts), Insync has recognised that this is a thankless task and has a high degree of forecasting error.

Instead we resolutely focus on global Megatrends. They have a lot less sensitivity to the economic cycle, are durable and almost unstoppable in nature. This alternative approach provides long term visibility of what a good company operating in them can expect (even in recessionary times). This means we can confidently invest and take advantage of significant market opportunities as others continue to fret about the shape of the recovery, the recession and the present.

Insync is presently invested in 32 stocks across 16 megatrends. Thus our investors receive diversification benefits reducing the risk of potentially misjudging one or two Megatrends. The outperformance of the 14 remaining Megatrends will continue to drive strong performance.

This can be seen in our **Batting Average of 75%** over the past year- a very high score indeed. It means we don't rely on just a few star stocks to provide outperformance. We have a significant portion of our stocks contributing to the 'quality' of our performance; one beyond most peers.

A big part of Insync's edge is our enate understanding of disruption. Today the world of the **GE** type company is finished, whereas in the world of the **Adobe** company it's accelerating. **The physical economy has just taken the largest economic hit outside World War II**, yet at the same time, the digital/virtual economy has accelerated as a result of the pandemic.

Covid-19 simply brought forward the demise of many businesses that were already in structural decline or on shaky financial ground. In contrast many of the businesses tied to our Megatrends have seen acceleration in their underlying sales, financials and future prospects.

Whilst most are bearish about the global economy there are positive trends taking place that Insync uses. **Cherry-picking companies within these Megatrends is what we do.**

Adobe, **Domino's Pizza** and **Facebook** as examples, are seeing strong growth in new customers and increased usage of their products because of their leadership in *innovation*.

Cloud infrastructure companies are an example in businesses that can scale rapidly with profits growing faster than revenues. This is why these companies already had some of the highest profitability metrics even before demand skyrocketed from Covid19.

Non-technology companies that rapidly pivoted to the digital world are also growing fast. Importantly, many of the winning companies have little to no debt and massive operating margins. They will not only endure this recession but will likely boom.

GE imagination at work

Domino's

A tale of two giants……

Then there are those that failed to see it coming or to adapt fast enough. The poster child of the old-world is General Electric. 3 CEO's in 3 years reflects the magnitude of the structural challenges GE is facing. They were all quality CEO's with great track-records but the **pace of disruption was too fast** for them to handle.

GE is bricks and Mortar, factories and machinery, massive sales forces and all the things you don't want in today's fast changing environment with physical overcapacity and what we call **demand destruction** in their underlying businesses. And GE is saddled with massive amounts of debt.

They didn't foresee **renewable energy** so quickly reducing (disrupting) demand for gas powered turbines. Following the collapse in earnings in their gas turbine business GE is now heavily reliant on the aviation industry for its earnings, with **GE Aviation** being its largest profit centre. With the airline industry being decimated, as a result of the crisis, this is not only going to hit GE's industrial cash flow generation hard but it's also going to hit **GE Capital** as well. **GECAS**, its aircraft leasing business, is the main profit generator at GE Capital and by far its most valuable business. It looks like a great business when aviation is soaring and airlines need planes, but when the market turns sour leasing companies are severely exposed. The severe shock of Covid-19 on airlines means the downside can only be worse (defaults and future sales).

The pandemic is not the cause of disruption, just a big nudge to its pace. The gap between winning and losing companies will widen dramatically.

Our stocks are in the slip stream of many Megatrends, are well managed and financially very strong. It's why we are bullish. The pandemic and the recession are accelerating the growth rates of some megatrends. Outside of technology, the secular growth in the 'Food prepared away from home' market is a great example.

It's driven by increased urbanisation, the increasing number of women in the workforce, and the demographic shift towards millennials. In the US, since 2012, the value of food consumed by households that was prepared *away from home* has exceeded that of food prepared *at home*. Major food chains are big beneficiaries. The pandemic has pushed these trends with some of the large food chains experiencing accelerated growth rates.

One leader rapidly shifting its business model from the physical world to the digital has been **Domino's Pizza Inc**, listed on the NYSE. They pioneered fast home delivery.

Domino's have built a two-story, 33,000-square-foot facility, next to its headquarters on the Domino's Farm campus in Ann Arbor, Michigan. It houses multifunction teams working on new technologies (voice automation, autonomous delivery, GPS driver tracking) and other strategies the company hopes will quickly find their way into more locations. The pandemic increased growth rates in the business with comps for the U.S. business improving from +7.1% for the 4 weeks ended April 19, to +20.9% for the 4 weeks ended May 17. These impressive growth numbers are in the middle of the second worst decline in global GDP.

As we move into a more restrictive social environment with perhaps social distancing becoming the norm, Domino's will disproportionately benefit. In contrast smaller local competitors will struggle even more to survive, thus handing Dominoes even more sales.

Whilst many investors continue to position their portfolio depending on their view on the economy and second guessing where it will be in a years' time, Insync instead focuses on investing in highly profitable businesses benefitting from global Megatrends, like Domino's Pizza. In many instances they are experiencing *accelerating growth* independent of the economy. Invest with us.

Insync Funds Management – Monthly Update

May 2020

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Insync Global Capital Aware Fund*	7.40%	9.02%	13.19%	29.61%	20.81%	17.32%	12.32%	13.15%	12.13%
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Risk Measures – Global Quality Portfolio^

	1 Year	3 Years	5 Years
Standard Deviation	16.07%	13.16%	12.76%
Tracking Error	7.09%	5.98%	5.77%
Information Ratio	1.98	1.23	0.93
Sharpe Ratio	1.47	1.18	0.96
Batting Average	75.00%	63.89%	58.33%

Risk Measures – Global Capital Aware Fund*

	1 Year	3 Years	5 Years
Standard Deviation	13.42%	11.72%	11.38%
Tracking Error	8.78%	7.07%	6.85%
Information Ratio	2.18	1.12	0.57
Sharpe Ratio	2.15	1.37	0.95
Batting Average	75.00%	55.56%	55.00%

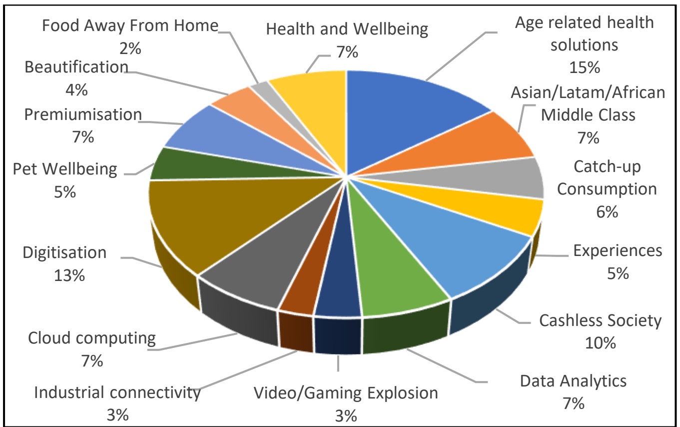
Capture Ratios – Global Quality Portfolio^

	3 Years	Since Incep#
# Index Positive Months	22	81
# Index Negative Months	14	47
Up Market Capture	1.16	0.96
Down Market Capture	0.73	0.60
Capture Ratio	1.58	1.59

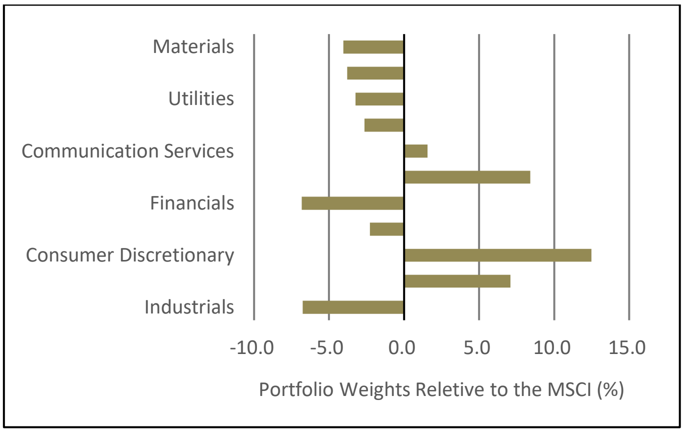
Capture Ratios– Global Capital Aware Fund*

	3 Years	Since Incep#
# Index Positive Months	22	81
# Index Negative Months	14	47
Up Market Capture	1.06	0.82
Down Market Capture	0.52	0.51
Capture Ratio	2.03	1.60

Megatrend Exposures



Portfolio Sector Weights vs MSCI



Top 10 Holdings

Stock	%
Paypal	4.7%
Adobe	4.1%
JD Sports Fashion	4.1%
S&P Global	3.6%
Dominos	3.6%
Facebook	3.5%
Accenture	3.5%
Zoetis	3.3%
Bristol-Myers Squibb	3.3%
Booking Holdings	3.2%

Key Portfolio Analytics

	Portfolio	Index
Forward PE	33.80	29.02
ROIC	47.48	12.33
Market Cap (USD avg)	110.38	23.00
Market Cap (USD median)	67.10	10.00
Std deviation (ex ante)	13.90	14.00
Net Debt to Equity	65.37	79.35
Total Debt to Ebitda	2.60	4.38

Key Fund Information

	Insync Global Quality Fund^	Insync Global Capital Aware Fund*
Portfolio Managers	Monik Kotecha and John Lobb	
Inception Date	1 July 2018	7 October 2009
Management Fee	0.98%p.a. of the NAV	1.3%p.a. of the NAV
Performance Fee	Nil	Nil
Buy/Sell Spread	0.20% / 0.20%	0.20% / 0.20%
Distribution Frequency	Annually	Annually
APIR Code	ETL5510AU	SLT0041AU
Trustee	Equity Trustees Limited	Equity Trustees Limited