

**Insync Global Titans Fund**  
ARSN 165 786 390  
**Annual report**  
**For the year ended 30 June 2018**

# **Insync Global Titans Fund**

ARSN 165 786 390

## **Annual report**

### **For the year ended 30 June 2018**

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This annual report covers Insync Global Titans Fund as an individual entity.

The Responsible Entity of Insync Global Titans Fund is EQT Responsible Entity Services Ltd (ABN 94 101 103 011) (AFSL 223721).

The Responsible Entity's registered office is:  
Level 1, 575 Bourke Street  
Melbourne, VIC 3000.

## Directors' report

The directors of EQT Responsible Entity Services Ltd, the Responsible Entity of Insync Global Titans Fund ("the Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2018.

### Principal activities

The Fund invests in shares of companies listed on stock exchanges around the world. The Fund may also hold cash, derivatives (for example futures, options, swaps), currency contracts, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs). The Fund may also invest in various types of international pooled investment vehicles in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	EQT Responsible Entity Services Ltd *
Investment Manager	Insync Funds Management Pty Limited
Custodian	BNP Paribas Securities Services
Administrator	Mainstream Fund Services Pty Ltd
Statutory Auditor	Pitcher Partners Sydney

\* On 29 March 2018 EQT Holdings Limited acquired OneVue RE Services Limited, the Responsible Entity of the Trust. On 3 April 2018 OneVue RE Services Limited changed its name to EQT Responsible Entity Services Ltd.

### Directors

The following persons held office as directors of OneVue RE Services Limited from 1 July 2017 to 29 March 2018.

Nigel Cameron Stokes  
Karen Nita Gibson  
Alexander Wise  
Vincent Leo Plant

The following persons held office as directors of EQT Responsible Entity Services Ltd from 29 March 2018 and up to the date of this report.

Philip D Gentry	Chairman
Harvey H Kalman	
Travis R Goudie	

### Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 17.25% (net of fees) for the year ended 30 June 2018.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2018	30 June 2017
Operating profit/(loss) for the year (\$'000)	4,535	2,627
Distributions paid and payable (\$'000)	2,449	655
Distributions (cents per unit)	15.9688	4.0572

### Significant changes in state of affairs

The Fund has amended its Constitution to change the obligation to distribute trust income to unit holders effective 1 July 2017 as part of a process to become eligible to elect into the new Attribution Managed Investment Trust ("AMIT") tax regime.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

## Directors' report (continued)

### Matters subsequent to the end of the financial year

The existing class of units within the Insync Global Titans Fund has been renamed as the Global Capital Aware Fund and a second class of units has been issued in July 2018 under a separate PDS named the Global Quality Equity Fund.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Fund in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Fund in future financial years.

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of EQT Responsible Entity Services Ltd. So long as the officers of EQT Responsible Entity Services Ltd act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

### Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

### Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 15 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 15 to the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 8 of the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

### Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations 2001 (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the directors of EQT Responsible Entity Services Ltd through a delegated authority given by the EQT Responsible Entity Services Ltd's Board.



Philip D Gentry  
Chairman

Melbourne  
26 September 2018

**Auditor's Independence Declaration  
To the Directors of EQT Responsible Entity Services Ltd  
As Responsible Entity of Insync Global Titans Fund  
ARSN 165 786 390**

In relation to the audit of the financial report of Insync Global Titans Fund for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.



C I Chandran  
Partner

Pitcher Partners  
Sydney

26 September 2018

**Insync Global Titans Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2018**

**Statement of comprehensive income**

	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Investment income</b>			
Interest income		3	4
Dividend and distribution income		326	476
Net foreign exchange gain/(loss)		(104)	393
Net gains/(losses) on financial instruments held at fair value through profit and loss	5	4,858	2,442
Other income		3	-
<b>Total investment income/(loss)</b>		<b>5,086</b>	<b>3,315</b>
<b>Expenses</b>			
Management fees	15	368	422
Performance fees	15	-	160
Custody and administration fees		10	-
Withholding taxes		27	46
Transaction costs		63	54
Legal and professional expenses		78	5
Other operating expenses		5	1
<b>Total expenses</b>		<b>551</b>	<b>688</b>
<b>Operating profit/(loss) for the year</b>		<b>4,535</b>	<b>2,627</b>
<b>Finance costs attributable to unit holders</b>			
Distributions to unit holders *	9	-	(655)
(Increase)/decrease in net assets attributable to unit holders	8	-	(1,972)
<b>Profit/(loss) for the year</b>		<b>4,535</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>4,535</b>	<b>-</b>

\* Net assets attributable to unit holders are reclassified from liabilities to equity from 1 July 2017. As a result, the Fund's distributions are no longer classified as finance costs in the statement of comprehensive income, but rather as distributions paid and payable in the statement of changes in equity. Refer to Note 1 and Note 8 for further detail.

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Statement of financial position**

	Note	As at	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Assets</b>			
Cash and cash equivalents	10	97	717
Receivables	12	7	23
Due from brokers - receivable for securities sold		1,843	-
Financial assets held at fair value through profit or loss	6	30,197	28,099
<b>Total assets</b>		<b>32,144</b>	<b>28,839</b>
<b>Liabilities</b>			
Distributions payable	9	2,449	655
Payables	13	68	193
Due to brokers - payable for securities purchased		903	-
<b>Total liabilities (30 June 2017: excluding net assets attributable to unit holders)</b>		<b>3,420</b>	<b>848</b>
<b>Net assets attributable to unit holders - liability*</b>	8	-	27,991
<b>Net assets attributable to unit holders - equity*</b>	8	<b>28,724</b>	<b>-</b>

\*Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further detail.

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Insync Global Titans Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2018**

**Statement of changes in equity**

	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Total equity at the beginning of the financial year</b>		-	-
Reclassification due to AMIT tax regime implementation*	8	27,991	-
<b>Comprehensive income for the year</b>			
Profit/(loss) for the year		4,535	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>4,535</u>	-
<b>Transactions with unit holders</b>			
Applications	8	3,969	-
Redemptions	8	(5,366)	-
Reinvestment of distributions	8	44	-
Distributions paid and payable	8	(2,449)	-
<b>Total transactions with unit holders</b>		<u>(3,802)</u>	-
<b>Total equity at the end of the financial year*</b>		<u><u>28,724</u></u>	-

\*Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer to Note 1 for further detail. As a result, equity transactions, including distributions have been disclosed in the above statement for the year ended 30 June 2018.

*The above statement of changes in net assets attributable to unit holders should be read in conjunction with the accompanying notes.*



**Statement of cash flows**

	Note	Year ended	
		30 June 2018 \$'000	30 June 2017 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		17,470	16,389
Purchase of financial instruments held at fair value through profit or loss		(15,650)	(13,948)
Net gains/(losses) on foreign exchange activities		(108)	351
Interest income received		3	4
Dividends and distributions received		313	435
Other income received		3	-
Management fees paid		(333)	(425)
Performance fees paid		(160)	-
Custody and administration fees paid		(10)	(5)
Legal and professional expenses paid		(78)	(5)
Other expenses paid		(66)	(61)
<b>Net cash inflow/(outflow) from operating activities</b>	11 (a)	<b>1,384</b>	<b>2,735</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unit holders		3,969	5,696
Payments for redemptions by unit holders		(5,366)	(12,059)
Distributions paid to unit holders		(611)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(2,008)</b>	<b>(6,363)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		717	4,301
Effect of foreign currency exchange rate changes on cash and cash equivalents		4	43
<b>Cash and cash equivalents at end of the year</b>	10	<b>97</b>	<b>717</b>
<b>Non-cash operating and financing activities</b>			
Issue of units under the distribution reinvestment plan	11(b)	44	-

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

**Notes to the financial statements**

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## 1 General information

These financial statements cover Insync Global Titans Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 31 August 2009 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is EQT Responsible Entity Services Ltd (ABN 94 101 103 011) (AFSL 223271) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in shares of companies listed on stock exchanges around the world. The Fund may also hold cash, derivatives (for example futures, options, swaps), currency contracts, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs). The Fund may also invest in various types of international pooled investment vehicles in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see Note 8 for further information.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### (a) Basis of preparation

These general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board (AASB), and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purposes of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

#### (i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

#### (ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### (iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

## 2 Significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### (iii) New standards and interpretations not yet adopted (continued)

- AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

### (b) Financial instruments

#### (i) Classification

The Fund's investments are classified as held at fair value through profit or loss. They comprise of:

- Financial instruments held for trading

These are investments in derivative financial instruments such as futures and options. The Fund does not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and liabilities that are not held for trading purposes and which may be sold. These are investments in listed equity securities.

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

Financial assets and liabilities designated at fair value through profit or loss at inception are those managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy as outlined in the Product Disclosure Statement. The Fund's policy is for the Investment Manager to evaluate information about these financial instruments on a fair value basis together with other related financial information.

Fixed deposits are initially recognised at fair value and then carried at amortised cost using the effective interest method.

#### (ii) Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

#### (iii) Measurement

- *Financial assets and liabilities held at fair value through profit or loss*

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise. This also includes dividend expenses on short sales of securities, which have been classified at fair value through profit of loss.

For further details on how the fair value of financial instruments is determined please see Note 3(e) to the financial statements.

- *Loans and receivables*

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

## **2 Significant accounting policies (continued)**

### **(b) Financial instruments (continued)**

#### *(iii) Measurement (continued)*

If evidence of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss previously recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

#### *(iv) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

### **(c) Net assets attributable to unit holders**

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders.

The units can be put back to the Fund at any time for cash based on the redemption price.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation* :

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unit holders are classified as a financial liability. Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity as they satisfied all the above criteria.

### **(d) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represent the Fund's main income generating activity.

### **(e) Investment income**

#### *(i) Interest income*

Interest income on cash and cash equivalents is recognised in the statement of comprehensive income on an accruals basis. Interest income on financial assets held at fair value through profit and loss is recognised using the effective interest method. Other changes in fair value of such financial instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

## 2 Significant accounting policies (continued)

### (f) Investment income (continued)

#### (ii) Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

Trust distributions are recognised on an entitlement basis.

### (f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

### (g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders.

### (h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of changes in equity.

### (i) Increase/(decrease) in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Where the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

### (j) Foreign currency translation

#### (i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates. Such fluctuations are included with the net gains/(losses) on financial instruments at fair value through profit or loss.

### (k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by year end. Trades are recorded on trade date, and normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, and the probability that the broker will enter into bankruptcy or financial reorganisation and default in payments.

#### (i) Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

## 2 Significant accounting policies (continued)

### (m) Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

### (n) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

### (o) Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### (p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated refer to Note 4 to the financial statements.

### (q) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

### (r) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

## 3 Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity securities and unit trusts is limited to the fair value of those positions. The maximum loss of capital on long futures and forward currency contracts is limited to the notional contract values of those positions. On equities sold short, the maximum loss of capital can be unlimited.

The investments of the Fund, and associated risks, are managed by the Investment Manager, Insync Funds Management Pty Limited, under an Investment Management Agreement (IMA) that contains the investment strategy and guidelines of the Fund consistent with those stated in the Product Disclosure Statement.

### 3 Financial risk management (continued)

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### (a) Market risk

##### (i) Price risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain.

Price risk is managed by the Investment Manager uses the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including the historical correlation of the Fund's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the assumption that the markets in which the Fund invests moves by +/- 10% (2017: +/-10%).

##### (ii) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets dominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by the Investment Manager as a part of price risk, and measured using reasonably possible movements approach.

The table below summarises the fair value of the Fund's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	USD	GBP	EUR	All other currencies
	A\$'000	A\$'000	A\$'000	A\$'000
<b>As at 30 June 2018</b>				
Cash and cash equivalents	10	2	4	-
Receivables	2	-	-	-
Financial assets held at fair value through profit or loss	23,529	3,088	3,580	-
<b>Net exposure</b>	<b>23,541</b>	<b>3,090</b>	<b>3,584</b>	<b>-</b>
Net increase/(decrease) in exposure from forward currency contracts	-	-	-	-
<b>Net exposure including foreign currency forward contracts</b>	<b>23,541</b>	<b>3,090</b>	<b>3,584</b>	<b>-</b>
<b>As at 30 June 2017</b>				
Cash and cash equivalents	23	2	4	-
Receivables	14	-	-	2
Financial assets held at fair value through profit or loss	18,307	6,710	2,089	924
<b>Net exposure</b>	<b>18,344</b>	<b>6,712</b>	<b>2,093</b>	<b>926</b>

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by 10% (2017: +/-10%) against the material foreign currencies to which the Fund is exposed.

##### (iii) Interest rate risk

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk.



### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders			
	Price risk		Foreign exchange risk	
	-10%	+10%	-10%	+10%
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2018	(3,020)	3,020	(3,117)	3,117
As at 30 June 2017	(2,810)	2,810	(2,807)	2,807

#### (c) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Fund is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and amounts due from brokers.

##### (i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

##### (ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of P-1 (as determined by the Moody's) or higher.

##### (iii) Other

The Fund is not materially exposed to credit risk on other financial assets.

#### (d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests.

##### (i) Maturities of non-derivative financial liabilities

Liquidity risk is managed by the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash, as the majority are listed on recognised exchanges. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2018 and 2017.

### 3 Financial risk management (continued)

#### (d) Liquidity risk (continued)

##### (i) Maturities of non-derivative financial liabilities (continued)

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

As at 30 June 2018	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
Distributions payable	2,449	-	-	-	2,449
Payables	68	-	-	-	68
Due to brokers - payable for securities purchased	903	-	-	-	903
<b>Contractual cash flows (excluding derivatives)</b>	<b>3,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,420</b>
As at 30 June 2017					
Distributions payable	655	-	-	-	655
Payables	193	-	-	-	193
Net assets attributable to unit holders – liability	27,991	-	-	-	27,991
<b>Contractual cash flows (excluding derivatives)</b>	<b>28,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,839</b>

### 4 Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

#### (a) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### 4 Fair value measurement (continued)

##### (b) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2018.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2018</b>				
<b>Financial assets</b>				
Financial assets held for trading:				
Options	314	-	-	314
Financial assets designated at fair value through profit or loss:				
Listed equities	29,883	-	-	29,883
<b>Total financial assets</b>	<b>30,197</b>	<b>-</b>	<b>-</b>	<b>30,197</b>

As at 30 June 2017

Financial assets				
Financial assets held for trading:				
Options	70	-	-	70
Financial assets designated at fair value through profit or loss:				
Listed equities	28,029	-	-	28,029
<b>Total financial assets</b>	<b>28,099</b>	<b>-</b>	<b>-</b>	<b>28,099</b>

##### (c) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

##### (d) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current or prior year.

#### 5 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and liabilities held at fair value through profit or loss:

	Year ended	
	30 June 2018 \$'000	30 June 2017 \$'000
<b>Financial assets</b>		
Net gain/(loss) on financial assets held for trading	(549)	(1,262)
Net gain/(loss) on financial assets designated as at fair value through profit or loss	5,407	3,704
Net gains/(losses) on financial assets held at fair value through profit or loss	<b>4,858</b>	<b>2,442</b>
Net realised gain/(loss) on financial assets at fair value through profit or loss	3,084	812
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	1,774	1,630
Net gains/(losses) on financial assets held at fair value through profit or loss	<b>4,858</b>	<b>2,442</b>
<b>Total net gains/(losses) on financial instruments held at fair value through profit or loss</b>	<b>4,858</b>	<b>2,442</b>

## 6 Financial assets held at fair value through profit or loss

	As at	
	30 June 2018 \$'000	30 June 2017 \$'000
<b>Held for trading</b>		
Options	314	70
Total held for trading	314	70
<b>Designated at fair value through profit or loss</b>		
Listed equities	29,883	28,029
Total designated at fair value through profit or loss	29,883	28,029
<b>Total financial assets held at fair value through profit or loss</b>	30,197	28,099

## 7 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivatives:

### (a) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Fund are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The Fund's derivative financial instruments at year end are detailed below:

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
<b>As at 30 June 2018</b>			
Options	20,302	314	-
<b>Total derivatives</b>	20,302	314	-
<b>As at 30 June 2017</b>			
Options	-	70	-
<b>Total derivatives</b>	-	70	-

## 8 Net assets attributable to unit holders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Fund classified its net assets attributable to unit holders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund has elected into the AMIT tax regime. The Fund's Constitution has been amended on the same date and it no longer has a contractual obligation to pay distributions to unit holders. Therefore the net assets attributable to unit holders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unit holders from liabilities to equity, the Fund's distributions are no longer classified as finance costs in the statement of comprehensive income, but rather as dividends paid in the statement of changes in equity.

Movements in number of units and net assets attributable to unit holders during the year were as follows:

	Year ended		Year ended	
	30 June 2018 Units '000	30 June 2018 \$'000	30 June 2017 Units '000	30 June 2017 \$'000
Opening balance	16,140	27,991	19,966	32,381
Applications	2,171	3,969	3,521	5,696
Redemptions	(3,001)	(5,366)	(7,347)	(12,058)
Reinvestment of distributions	25	44	-	-
Increase/(decrease) in net assets attributable to unit holders	-	-	-	1,972
Distributions paid and payable	-	(2,449)	-	-
Profit/(loss) for the year	-	4,535	-	-
<b>Closing balance</b>	<b>15,335</b>	<b>28,724</b>	16,140	27,991

Net assets attributable to unit holders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to Note 1 for further details.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

### Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability until 30 June 2017. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

## 9 Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2018 \$'000	30 June 2018 CPU	30 June 2017 \$'000	30 June 2017 CPU
June (payable)	2,449	15,9688	655	4,0572
<b>Total distributions</b>	<b>2,449</b>	<b>15,9688</b>	655	4,0572

## 10 Cash and cash equivalents

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Cash at bank	97	717
<b>Total cash and cash equivalents</b>	<b>97</b>	<b>717</b>

These accounts are earning a floating interest rate of 1.00% as at 30 June 2018 (30 June 2017: 0.15%).

## 11 Reconciliation of net profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June	30 June
	2018	2017
	\$'000	\$'000
<b>(a) Reconciliation of net profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) for the year	4,535	-
Increase/(decrease) in net assets attributable to unit holders	-	1,972
Distributions to unit holders	-	655
Proceeds from sale of financial instruments held at fair value through profit or loss	17,470	16,389
Purchase of financial instruments held at fair value through profit or loss	(15,650)	(13,948)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(4,858)	(2,442)
Effect of exchange rate fluctuations on cash	(4)	(43)
Net change in receivables	16	4
Net change in payables	(125)	148
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,384</b>	<b>2,735</b>
<b>(b) Non-cash financing activities</b>		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan.	44	-
<b>Total non-cash operating and financing activities</b>	<b>44</b>	<b>-</b>

## 12 Receivables

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Dividends receivable	2	12
Withholding tax receivable	-	-
GST receivable	5	7
<b>Total receivables</b>	<b>7</b>	<b>19</b>

## 13 Payables

	As at	
	30 June	30 June
	2018	2017
	\$'000	\$'000
Management fees payable	68	33
Performance fees payable	-	160
<b>Total payables</b>	<b>68</b>	<b>193</b>



## 15 Related party transactions (continued)

### (c) Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2018 (30 June 2017: nil).

### (d) Key management personnel compensation

Key management personnel were paid by OneVue RE Services Limited up until 29 March 2018. From 29 March 2018, key management personnel were paid by EQT Services Pty Ltd. Payments made from the Fund to EQT Services Pty Ltd. do not include any amounts directly attributable to the compensation of key management personnel.

### (e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

### (f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel of the Responsible Entity and the Investment Manager have entered into a material contract with the Fund during the year and there were no material contracts involving directors' interests subsisting at year end.

### (g) Responsible Entity and Investment Manager's fees and other transactions

In accordance with the Fund's Constitution, the Responsible Entity is entitled to receive management and performance fees and reimbursement of certain Fund expenses incurred by the Responsible Entity or on behalf of the Fund.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	Year ended	
	30 June 2018	30 June 2017
	\$	\$
Investment management fees for the year	378,013	422,073
Performance fees for the year	-	159,969
Total fees payable to the Investment Manager at year end	<b>68,468</b>	192,568

### (h) Related party unit holdings

Parties related to the Fund (including EQT Responsible Entity Services Ltd, its related parties and other schemes managed by EQT Responsible Entity Services Ltd and the Investment Manager) held no units in the Fund as at 30 June 2018 (30 June 2017: nil).

### (i) Investments

The Fund did not hold any investments in EQT Responsible Entity Services Ltd or its related parties during the year (2017: nil).

## 16 Events occurring after the reporting date

The existing class of units within the Insync Global Titans Fund has been renamed as the Global Capital Aware Fund and a second class of units has been issued in July 2018 under a separate PDS named the Global Quality Equity Fund.

No other significant events have occurred since the reporting date which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2018 or on the results and cash flows of the Fund for the year ended on that date.

## 17 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2018 and 30 June 2017.



### Directors' declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 23 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirement; and
  - (ii) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- (c) Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of EQT Responsible Entity Services Ltd through a delegated authority given by the EQT Responsible Entity Services Ltd's Board.



Philip D Gentry  
Chairman

Melbourne  
26 September 2018

**Independent Auditor's Report  
To the Unitholders of Insync Global Titans Fund  
ARSN 165 786 390**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Insync Global Titans Fund ("the Fund"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the Directors' declaration.

In our opinion:

- a. the financial report of the Fund has been prepared in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
  - ii. complying with Australian Accounting Standards and *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independent Auditor's Report  
To the Unitholders of Insync Global Titans Fund  
ARSN 126 118 189**

*Other information*

The Directors of EQT Responsible Entity Services Ltd, the Responsible Entity of the Fund, are responsible for the other information. The other information comprises the information in the Fund's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Directors' of the Responsible Entity's Responsibility for the Financial Report*

The Directors of the Responsible Entity of the Fund, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. In Note 2(a), the Directors of the Responsible Entity also state, in accordance with applicable Australian Accounting Standards and Interpretations that the financial statements comply with International Financial Reporting Standards. The Directors of the Responsible Entity's responsibility also include such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Responsible Entity either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

**Independent Auditor's Report**  
**To the Unitholders of Insync Global Titans Fund**  
**ARSN 126 118 189**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the Fund or business activities within the Fund to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Fund audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



C I Chandran  
Partner



Pitcher Partners  
Sydney

26 September 2018