

Insync Global Titans Fund

ARSN 165 786 390

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

**OneVue RE Services Limited
Level 5, 10 Spring Street
Sydney, NSW 2000
ABN 94 101 103 011**

**INSYNC GLOBAL TITANS FUND
GENERAL PURPOSE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

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These half-year financial statements cover the Insync Global Titans Fund as an individual entity.

The Responsible Entity of the Insync Global Titans Fund is OneVue RE Services Limited (ABN 94 101 103 011 AFSL 223271). The Responsible Entity's registered office is Level 5, 10 Spring Street, Sydney, NSW 2000.

Directors' report

The directors of OneVue RE Services Limited (ABN 94 101 103 011, AFSL 223271), the Responsible Entity of Insync Global Titans Fund ("the Fund"), present their report together with the condensed interim financial statements of the Fund, for the half-year ended 31 December 2016.

Directors

The following persons held office as directors of the Responsible Entity during or since the end of the half-year and up to the date of this report:

Director	Period of directorship
Nigel Cameron Stokes	Appointed 8 October 2014
Brett Marsh	Appointed 13 February 2015
Karen Nita Gibson	Appointed 23 March 2016
Robert Joseph Brown	Appointed 23 March 2016

Fund Information

The Fund is an Australian Registered Scheme. OneVue RE Services Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 5, 10 Spring Street, Sydney, NSW 2000.

Principal activities

The Fund is a registered managed investment fund domiciled in Australia.

The Fund invests in shares of companies listed on stock exchanges around the world. The Fund may also hold cash, derivatives (like 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.

The Fund aims to provide income distributions to investors, combined with long-term capital growth through investment in international shares and other securities.

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

Review of operations

The net loss attributable to unitholders for the half-year ended 31 December 2016 was \$636,048 (31 December 2015: net profit \$238,791).

Distributions

No distributions were paid or payable by the Fund for the half-year ended 31 December 2016 (31 December 2015: \$nil)

Significant changes in state of affairs

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

Matters subsequent to the end of the financial half-year

Since 31 December 2016, there has been no matter or circumstance not otherwise dealt with in the financial statements that has significantly affected or may significantly affect the Fund.

Rounding of amounts to nearest dollar

In accordance with [ASIC Corporations (rounding in Financial/ Directors' reports) *Investment 2016/191*], the amounts in the directors' reports and in the financial reports have been rounded to nearest dollar.

Directors' report (continued)

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.



Brett Marsh
Director, OneVue RE Services Limited

Sydney
28 February 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ONEVUE RE SERVICES LIMITED
AS RESPONSIBLE ENTITY OF INSYNC GLOBAL TITANS FUND**

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Insync Global Titans Fund during the half-year period.



C I CHANDRAN
Partner

PITCHER PARTNERS
Sydney

28 February 2017

Statement of comprehensive income

	Notes	31 December 2016 \$	31 December 2015 \$
Investment income			
Interest income		2,437	10,113
Dividend/trust distribution income		228,646	179,120
Net (losses) on financial instruments held at fair value through profit or loss		(542,140)	491,021
Net losses on foreign exchange		(59,928)	(177,504)
Other income		-	1,810
Total investment income		(370,985)	504,560
Expenses			
Management fees		218,794	198,208
Performance fees		-	9,753
Withholding tax expense		18,294	14,929
Transaction costs		27,452	35,953
Other operating expenses		523	6,926
Total expenses		265,063	265,769
Operating (loss) / profit for the half-year		(636,048)	238,791
Finance costs attributable to unitholders			
Distributions to unitholders		-	-
Decrease/(increase) in net assets attributable to unitholders	3	636,048	(238,791)
		636,048	(238,791)
Profit for the half-year		-	-
Other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		-	-

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

Statement of financial position

	Notes	As at 31 December 2016 \$	As at 30 June 2016 \$
Assets			
Cash and cash equivalents		592,925	4,301,435
Receivables		511,783	26,682
Financial assets held at fair value through profit or loss	4	30,572,249	28,097,938
Total assets		<u>31,676,957</u>	<u>32,426,055</u>
Liabilities			
Payables		36,051	45,202
Total liabilities (excluding net assets attributable to unitholders)		<u>36,051</u>	<u>45,202</u>
Net assets attributable to unitholders - liability	3	<u>31,640,906</u>	<u>32,380,853</u>

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

Statement of changes in net assets attributable to unitholders

	31 December 2016 \$	31 December 2015 \$
Total equity at the beginning of the financial half-year	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
Total comprehensive income for the half-year	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	<u>-</u>	<u>-</u>
Total equity at the end of the financial half-year	<u>-</u>	<u>-</u>

In accordance with AASB 132: *Financial Instruments: Presentation*, net assets attributable to unitholders is classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

Changes in net assets attributable to unitholders are disclosed in Note 3.

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

Statement of cash flows

	31 December 2016	31 December 2015
	\$	\$
Cash flows from operating activities		
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss	5,084,706	7,682,308
Purchase of financial instruments held at fair value through profit or loss	(8,563,788)	(9,099,855)
Dividend/trust distributions received	188,183	194,649
Interest received	2,446	10,114
Other income received	-	1,807
Net losses on foreign exchange activities	(90,937)	(94,984)
Management and performance fees paid	(227,948)	(641,154)
Transaction costs paid	(27,452)	(35,953)
Other expenses paid	(826)	(8,431)
Net cash outflow from operating activities	(3,635,616)	(1,991,499)
Cash flows from financing activities		
Proceeds from applications by unitholders	3,581,941	7,368,154
Payments for redemptions by unitholders	(3,685,844)	(1,675,802)
Distributions paid	-	(724,870)
Net cash (outflow)/ inflow from financing activities	(103,903)	4,967,482
Net increase/(decrease) in cash and cash equivalents	(3,739,519)	2,975,983
Cash and cash equivalents at beginning of the half-year	4,301,435	1,679,655
Effect of exchange rate fluctuations on cash	31,009	(82,520)
Cash and cash equivalents at end of the half-year	592,925	4,573,118

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

1 General information

This condensed half-year financial report covers the Insync Global Titans Fund (the "Fund") as an individual entity and the financial report is presented in the Australian currency. The Fund was constituted on 31 August 2009 and commenced operations on 7 October 2009.

The Responsible Entity of the Fund is OneVue RE Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 5, 10 Spring Street, Sydney, NSW 2000.

The Responsible Entity is incorporated and domiciled in Australia.

The Custodian of the Fund is BNP Paribas.

The Fund invests in shares of companies listed on stock exchanges around the world. The Fund may also hold cash, derivatives (like 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.

The Fund aims to provide income distributions to investors, combined with long-term capital growth through investment in international shares and other securities.

The financial statements were authorised for issue by the directors on 28 February 2017. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

2 Statement 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 periods presented, unless otherwise stated in the following text.

Basis of preparation

The condensed half-year financial report is a general purpose financial report, which has been prepared in accordance with the Trust Deed and AASB 134 *Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of the *Corporations Act 2001*.

The half-year financial report does not include all notes of a type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the income and expenses, financial position and cash flows of the Fund as the full financial report. The half-year financial report should be read in conjunction with the 30 June 2016 financial report and any public announcement in respect of the Fund during the interim reporting period.

The half-year financial report has been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets held for trading at fair value with changes in fair value recognised through the Statement of Comprehensive Income.

The accounting policies of the Fund are consistent with those of the most recent annual financial statements.

Rounding of amounts to nearest dollar

In accordance with [ASIC Corporations (Rounding in Financial/ Directors' reports) *Investment 2016/191*], the amounts in the directors' reports and in the financial reports have been rounded to nearest dollar.

3 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

As stipulated within the Trust Deed, each unit represents a right to an individual share in the Fund and does not extend to a right to 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.

	31 December 2016 No.	31 December 2016 \$	31 December 2015 No.	31 December 2015 \$
Net assets attributable to unitholders				
Opening balance	19,966,036	32,380,853	15,477,708	24,858,775
Applications	2,249,110	3,581,941	4,420,912	7,368,471
Redemptions	(2,346,511)	(3,685,840)	(995,918)	(1,676,003)
Units issued upon reinvestment of distributions	-	-	49,015	78,698
(Decrease)/increase in net assets attributable to unitholders	-	(636,048)	-	238,791
Closing balance	19,868,635	31,640,906	18,951,717	30,868,732

3 Net assets attributable to unitholders (continued)

Capital risk management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy was to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and listed equities. Under the terms of the Trust Deed, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

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 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).

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and 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 Fund values its investments in accordance with the accounting policies set out in Note 2 of the 30 June 2016 financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction from estimated future selling costs. Prior to 1 July 2013, the quoted market price used for financial assets held by the Fund was the current bid price and the quoted market price for financial liabilities was the current asking price. The Fund adopted AASB 13 from 1 July 2013 and has changed its valuation inputs for listed financial assets or liabilities to last sale price consistent with its unit pricing policy.

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.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

4 Fair Value Measurement (continued)

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

(c) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2016 and 30 June 2016.

At 31 December 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
<i>Designated at fair value through profit or loss</i>				
Listed equities	29,907,739	-	-	29,907,739
Currency contracts	481,250	-	-	481,250
<i>Held for trading</i>				
Derivatives (options)	183,260	-	-	183,260
Total assets	30,572,249	-	-	30,572,249
At 30 June 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
<i>Designated at fair value through profit or loss</i>				
Listed equities	27,377,168	-	-	27,377,168
<i>Held for trading</i>				
Derivatives (options)	720,771	-	-	720,771
Total assets	28,097,939	-	-	28,097,939

(d) 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.

(e) 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 period.

5 Distributions paid and payable

The Fund did not have any distributions paid/payable during the half-year ended 31 December 2016 (31 December 2015: \$nil).

6 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2016 and 30 June 2016.

7 Events subsequent to balance date

Since 31 December 2016, there have been no matters or circumstances not otherwise dealt with in the Financial Report that have significantly affected or may significantly affect the Fund.

Directors' declaration

The Directors of OneVue RE Services Limited, the Responsible Entity of Insync Global Titans Fund 'the Fund', declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the financial position and performance of the Fund for the half-year ended on that date.

Signed in accordance with a resolution of the Directors of the Responsible Entity, made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Brett Marsh
Director

Sydney
28 February 2017

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS OF INSYNC GLOBAL TITANS FUND
ARSN 165 786 390**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Insync Global Titans Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2016, statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the responsible entity.

Directors' Responsibility for the Half-Year Financial Report

The directors of the responsible entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Insync Global Titans Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half-year financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Insync Global Titans Fund is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



C I CHANDRAN
Partner



PITCHER PARTNERS
Sydney

28 February 2017