

FUND UPDATE

Wingate Global Equity Fund - Hedged

31 July 2016

A high conviction, long-only, value-biased fund with a unique implementation process

The Wingate Global Equity Fund – Hedged (Hedged Fund) invests into the Wingate Global Equity Fund – Wholesale Units (the Underlying Fund). Foreign currency exposure, as a result of its investment in the Underlying Fund, is hedged back into Australian dollars.

Hedged Fund Performance at 31 July 2016

Period	Hedged Fund Total Return (%)	Hedged Benchmark ¹ (%)
1 month	3.84	4.11
3 months	2.70	4.88
6 months	9.19	9.81
1 year	-1.21	-0.13
3 years	5.51	10.55
Since inception ² p.a.	8.04	14.14

Total Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

¹ Hedged Benchmark is MSCI World (ex Aust) \$A Hedged Net Dividends Reinvested.

² Inception date for performance calculation is 31 December 2012.

The Underlying Fund has a unique approach that aims to deliver more consistent returns, while providing a buffer against losses.

Underlying Fund performance at 31 July 2016

Period	Underlying Fund Total Return (%)	Benchmark ³ (%)
1 month	1.99	2.00
3 months	2.23	4.00
6 months	2.29	3.61
1 year	-5.51	-3.93
3 years p.a.	8.77	12.83
5 years p.a.	13.81	16.39
Since inception ⁴ p.a.	6.03	7.30

Total Returns are calculated after fees and expenses and assume the reinvestment of distributions. Past performance is not a reliable indicator of future performance.

³ Benchmark is MSCI World (ex Aust) \$A Net Dividends Reinvested.

⁴ Inception date for performance calculation is 18 August 2008.

Rating summary



Contact Details

Australian Unity Investments

A 114 Albert Road, South Melbourne 3205

T 13 29 39

W australianunityinvestments.com.au

E investments@australianunity.com.au

Paul Ramsay, Senior Investment Specialist

T 03 8682 4453

E pramsay@australianunity.com.au

Performance & Market Commentary - July 2016

- After the shock of Brexit late in June, markets rebounded in July as the pre-vote worst case scenarios failed to materialise. Economic data was largely benign as stronger US employment numbers were offset by weaker than expected GDP. US interest rates were kept on hold. Gold rallied 2% while Oil fell 15% giving back much of last quarter's gains.
- All major markets rose over the month with the S&P 500 gaining 3.6% and reaching fresh all-time highs. In Europe, Germany rallied 6.8%, France rose 4.8% while the UK gained 3.4%. Japan rose 6.4% on a weakening Yen and China added 1.7%.
- Information Technology and Financial sectors drove the market higher while Energy lagged on a weaker oil price. Consumer Staples were a notable underperformer as 10 year bond yields rallied off their lows.
- The Hedged Fund returned 3.84% in July compared to the Hedged Benchmark's 4.11% return. Our portfolio fully participated in the market recovery despite an approximate 58% market exposure.
- The underlying portfolio's Financials including Bank of America, Citigroup and ING Group benefitted as long bond rates rose from post-Brexit lows. Attractive valuations, strong capital ratios and a focus on returning capital to shareholders continues to make selected Financials a compelling investment.
- Healthcare stocks Allergan and Teva gained after completing their Actavis Generics deal. The deal allows Allergan to focus on its branded pharmaceutical business while bringing global scale to Teva's generics portfolio. Global recruitment firm Adecco staged a strong recovery from its Brexit sell off.
- Canadian Natural Resources and ENI declined on the back of the oil price's retreat.
- Attractive investment opportunities exist in less crowded sectors of the market despite a subdued outlook for broader index level returns. We maintain our cautious outlook for bond proxies in the equity market, which are prevalent within the Consumer Staples, Telecoms and Utilities sectors.

Underlying Portfolio contributors⁵

Bank of America

Allergan

Adecco

ING Group

Underlying Portfolio detractors⁵

Canadian Natural Resources

Pearson

Anthem

^{5, 6} Portfolio contributors and detractors in the Underlying Fund are based on absolute contribution to return, including option positions.

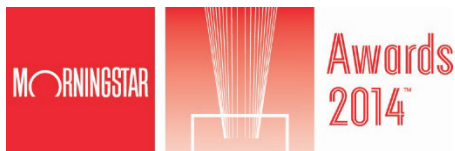
Commentary courtesy of Wingate Asset Management Pty Limited

ABN 67 130 534 342, AFSL No. 333732

STRENGTHENED BY



Wingate Asset Management (Wingate Global Equity Fund) was an Undiscovered Manager Category Finalist in the Morningstar Awards 2014, Australia



Morningstar Awards 2014(c). Morningstar, Inc. All Rights Reserved. Awarded to Wingate Asset Management (Wingate Global Equity Fund) Undiscovered Manager Finalist, Australia.

About the Morningstar Awards™

The Morningstar Awards™ honour those fund managers that have added the most value for investors, within the context of a relevant peer group, over the past year and the longer term. The Awards are determined by a combination of fund research analyst conviction, risk-adjusted medium- to long-term track record, and performance in the 2013 calendar year.

About the Undiscovered Manager Category

The Morningstar Undiscovered Manager Finalist Award identifies and recognises the Australia-domiciled fund manager which, in Morningstar's opinion, has excelled in its sector in the year for which the award has been made.

The Morningstar Undiscovered Manager Category finalist is the fund manager that, while possessing strong investment management capabilities has not yet achieved wide market recognition, or which Morningstar's fund analysts believe has the ability and opportunity to build a successful long-term track record through its performance and investment management capabilities. The funds eligible for this award will not necessarily have a three-year track record. Finalists are determined from an assessment of their investment capabilities and quantitative data.

The Underlying Fund's asset allocation	
Asset class	(% weight)
Global equity	63.71
Cash - put option cover	16.96
Cash	19.33
Total	100.00

The Underlying Fund's top 10 Holdings ⁷			
Company name	(% weight)	Company name	(% weight)
Citigroup	5.17	Praxair	3.46
Bank of America	4.92	Teva Pharmaceutical Industries	3.45
McKesson	4.68	Canadian Natural Resources	3.43
Allergan	4.64	Zimmer Biomet	3.34
Adecco	3.75	ING Group	3.32

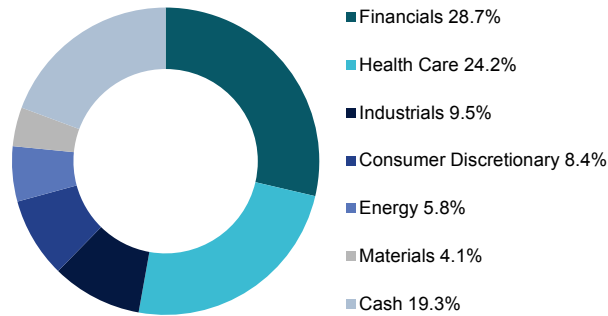
⁷ The weightings include option positions held and cash—put option cover. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the cash portfolio or may be used to cover further put options.

Underlying Fund and Hedged Fund snapshot		
	Underlying Fund	Hedged Fund
APIR code	AUS0035AU	WFS0547AU
Inception date	18 August 2008	18 December 2012
Fund size (net asset value)	\$144.2m	\$23.0m
	Total: \$185.5m ⁸	
FUM strategy	\$222.1m	
Exit price	\$0.9127	\$1.0026
Distributions	Quarterly	
Minimum initial investment	\$5,000	
Management Fees	1.1608% p.a.	1.2108%
Estimated Recoverable Expenses	0.1045% of net asset value of the Underlying Fund for each financial year ending 30 June.	0.1045% of net asset value of the Hedged Fund for each financial year ending 30 June.
Buy / Sell spread	0.25% / 0.25%	0.25% / 0.25%
Advice fee	Available	
Fund Switch ⁸	Available monthly	

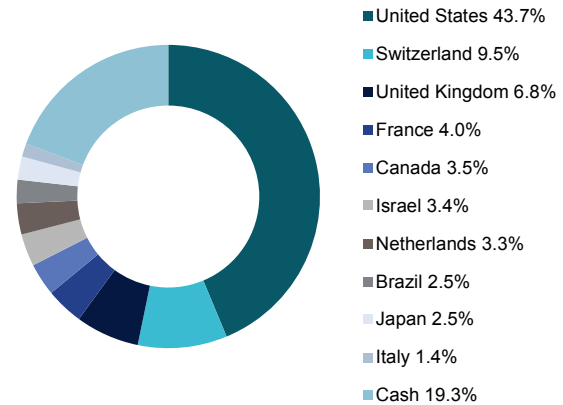
⁸ Includes Wingate Global Equity Fund – Foundation Units.

⁹ Refer to the PDS for more information about the Fund Switch.

The Underlying Fund's sector allocation¹⁰



The Underlying Fund's country allocation¹¹



^{10, 11} The weightings include option positions held and cash – put option cover. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the cash portfolio or may be used to cover further put options.

Important Information

Wholesale Units in the Wingate Global Equity Fund and units in the Wingate Global Equity Fund - Hedged are issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454. The information in this document is general information only and is not based on the financial objectives, situation or needs of any particular investor. In deciding whether to acquire, hold or dispose of the product you should obtain a copy of the current Product Disclosure Statement (PDS) for the Wholesale Units and consider whether the product is appropriate for you. A copy of the PDS for Wholesale Units is available at australianunityinvestments.com.au or by calling our Investor Services team on 13 29 39. Investment decisions should not be made upon the basis of the Fund's past performance or distribution rate, or any ratings given by a rating agency, since each of these can vary. In addition, ratings need to be understood in the context of the full report issued by the rating agency itself. The information provided in the document is current at the time of publication.

The Lonsec Rating (assigned February 2016) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold Australian Unity Funds Management Limited's (Fund Manager) product(s), and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.beyond.lonsec.com.au/intelligence/lonsec-ratings>

The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned December 2015) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>.