Insync Global Quality Equity Fund

March 2025

INSYNC

Fund Overview

The Insync Global Quality Equity Fund is a high-conviction, concentrated portfolio purpose-built to harness growth from transformative global mega-trends spanning both technology and non-technology sectors.

Our focused approach targets companies with exceptional quality, growth potential, and resilience, enabling sustainable capital growth through economic shifts.

Monik Kotecha

Portfolio Manager

BSc (Hons), MSc
34 years of funds management experience across international and Australian equity markets.
Previously senior portfolio manager at Bankers Trust & IML with experience working from London, New York & Sydney.

Identifying tomorrow's winners requires a deep understanding of the **key drivers of quality growth**—and at the heart of this is **Return on Invested Capital (ROIC).**

At Insync, we remain extremely focused on finding companies that can **sustainably grow their ROIC over time,** ensuring longterm value creation.

This disciplined approach is reflected in our portfolio, where the **average ROIC stands at 50% — approximately five times the market average.**

Fund Performance[1]

	1 Month	3 Months	1 Year	Rolling 3 Year Average*	3 Years	Rolling 5 Year Average*	5 Years	Inception p.a.
Fund (%)	-2.96	0.97	7.88	9.65	12.38	11.71	12.84	12.20
Benchmark (%)^	-4.16	-1.94	12.34	11.10	13.90	11.90	14.78	12.28
Active Return (%)	1.20	2.91	-4.46	-1.45	-1.52	-0.19	-1.94	-0.08

^ Benchmark used - MSCI All Country World ex-Australia Net Total Return Index in Australian Dollars.
* The rolling average measures the average of all monthly-calculated, annualised, 3-year and 5-year returns.

Growth of AUD $100,000[1]

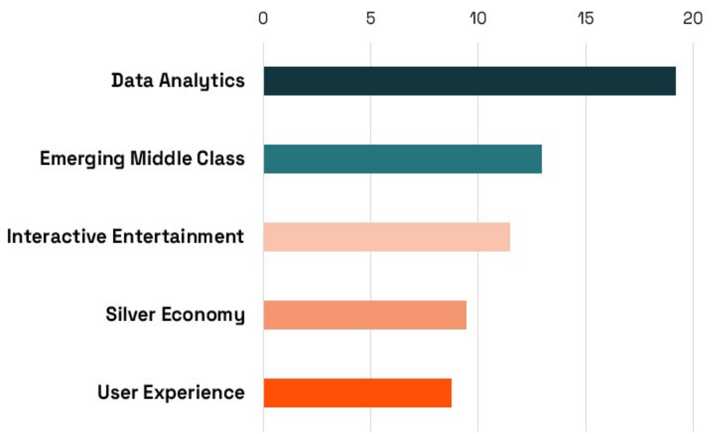
Accumulative value of $100,000 invested since inception at 3 July 2018.

1. Past performance is not a reliable indicator of future performance. Returns are calculated after fees and costs, and assume all distributions reinvested. No consideration is made for individual tax. Performance Inception Date (exclusive): 3/07/2018.

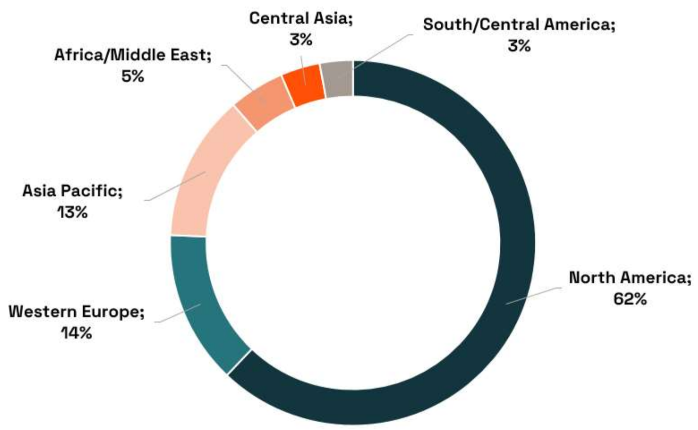
Insync Global Quality Equity Fund

March 2025

Top 5 Megatrend Exposure (%)[2]



Geographical Exposure[3]



Key Portfolio Holdings

Google — Data Analytics

Mastercard — User Experience

Nintendo — Interactive Entertainment

Tencent — Emerging Middle Class

McKESSON — Silver Economy

Fund Information

APIR Code	ETL5510AU
Inception Date	July 2018
Number of Holdings	20 - 40
Management Fee[4]	0.98% p.a.
Buy / Sell Spread	+0.20% / -0.20%
Frequency of Distributions	Annually

2. Megatrends are internally defined based on portfolio holdings excluding Cash.
3. Source: Insync. Geographical exposure is calculated excluding cash and is based on the location of senior management of each company within our portfolio.
4. Management fee is inclusive of GST. Transaction costs may also apply - refer to the Product Disclosure Statement for additional information.

Investment Enquiries - Insync Funds Management
| Ph: 02 8094 1255 | E: info@insyncfm.com.au

Investor Services - Apex Fund Services
| Ph: 1300 133 451 | E: registry@apexgroup.com

Insync Global Quality Equity Fund

March 2025

INSYNC

Manager Commentary

The Insync Global Quality Equity Fund returned **0.97%** in the three months to March 2025, outperforming the benchmark by **2.91%.**

Key contributors to performance included our **overweight position in Tencent and a zero allocation to NVIDIA**. NVIDIA's share price declined 20% following the release of the DeepSeek model, which demonstrated strong performance with seemingly lower hardware requirements. This raised concerns among investors that demand for NVIDIA's high-end chips may be overstated if future AI models can be trained and deployed more efficiently.

On the other hand, Alphabet continued to disappoint in March, making it the biggest detractor from Fund performance for the March quarter. **The broader "Magnificent 7" cohort faced significant selling pressure in March**, as investors rotated out of richly valued stocks in anticipation of tariff announcements and amid rising market volatility. Pleasingly, Alphabet remains focused on strengthening its Cloud business, **announcing a deal in March to acquire Wiz, a fast-growing cybersecurity firm, to bolster its enterprise offerings.**

The start of 2025 proved to be more volatile than many had anticipated, with policy uncertainty quickly becoming the dominant force behind market movements. **In the U.S., a wave of tariff-related announcements weighed on market returns**, while consumer sentiment declined for three consecutive months. U.S. equities, as measured by the S&P 500, dropped 5.6% in March alone, driven by growing concerns that tariffs could exacerbate inflationary pressures and weigh on growth by driving up costs and constraining consumption.

Uncertainty surrounding U.S. trade policy also reverberated across global markets, with the MSCI AC World ex Australia Index (AUD) falling -4.16% in the month. For investors closely tracking global developments, the relatively subdued first quarter was quickly overshadowed in early April by President Trump's announcement of sweeping reciprocal tariffs. If anything, it validated investor caution heading into April 2nd, as the Trump administration unveiled the most significant tariff hike since the 1930 Smoot-Hawley Act — legislation widely remembered for igniting a global trade war and exacerbating the Great Depression.

Looking ahead, **the upcoming U.S. reporting season will be critical in helping investors assess how companies are navigating the evolving macro environment**, including the potential impact of trade disruptions, margin pressures, and shifting consumer behaviour. With volatility likely to persist, earnings guidance and management commentary will play a key role in shaping market expectations for the remainder of the year.

We continue to anticipate heightened market volatility, as the imposition of tariffs presents significant challenges to the global economy. During the March quarter, **we proactively reduced our exposure to U.S. equities**, selectively adding to positions we believe are more attractively valued. We also **modestly increased our cash holdings** to manage ongoing uncertainty, and will look to deploy capital opportunistically as greater clarity emerges around trade policy developments.