# Insync Global Quality Equity Fund

April 2025

## 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 long-term 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 (%)** | -0.34 | -3.31 | 13.32 | 9.75 | 14.56 | 11.70 | 11.43 | 11.98 |
| **Benchmark (%)^** | -1.79 | -6.10 | 13.56 | 11.16 | 14.31 | 11.98 | 13.60 | 11.83 |
| **Active Return (%)** | 1.45 | 2.79 | -0.24 | -1.41 | 0.25 | -0.28 | -2.17 | 0.15 |

^ 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.

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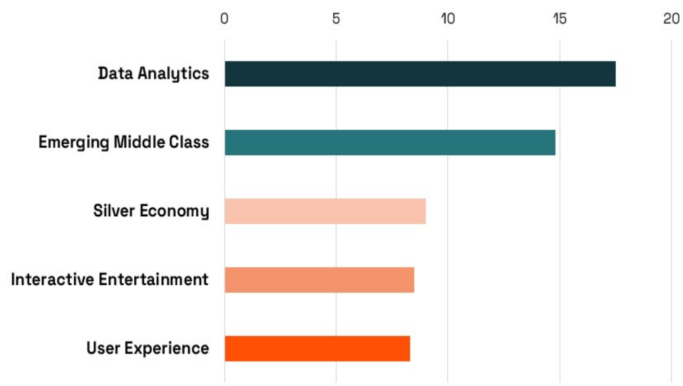
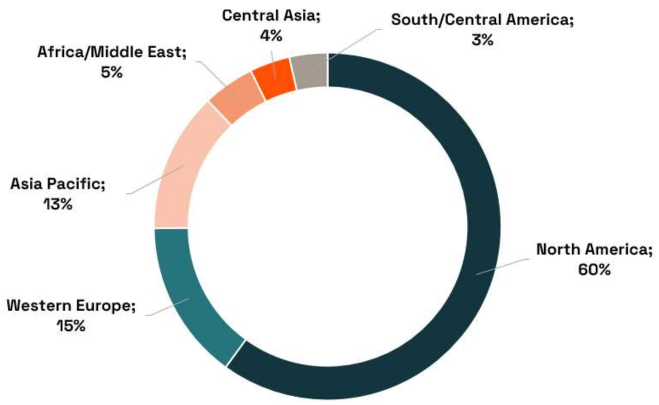
## Top 5 Megatrend Exposure (%)[2]




## Geographical Exposure[3]




## Key Portfolio Holdings

| Google | Mastercard | Nintendo | Tencent | McKESSON |
|---|---|---|---|---|
| Data Analytics | User Experience | Interactive Entertainment | Emerging Middle Class | 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.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## Manager Commentary

The Insync Global Quality Equity Fund returned -0.34% in April, outperforming the benchmark by **1.45%.**

Nintendo was the largest contributor to performance during the month. Initial market skepticism around the pricing and timing of the Switch 2 launch was understandable, as the new console was unveiled amid heightened geopolitical tensions following the U.S. announcement of sweeping reciprocal tariffs. However, these concerns quickly faded as **global pre-order demand far exceeded expectations**. In Japan alone, Nintendo received over 2.2 million lottery applications for the Switch 2, while pre-orders sold out rapidly across major retailers in the U.S. and U.K. We continue to see **meaningful upside in Nintendo's strong brand equity**, its portfolio of iconic gaming IP, increasing engagement with third-party developers, and the continued expansion of its higher-margin software business.

The biggest detractor from Fund performance in April was Marsh & McLennan, a global professional services firm. The company reported results that fell slightly short of market expectations, primarily due to a moderation in organic growth and softer margins in its core Risk & Insurance Services segment. While near-term performance was weighed down by restructuring and fiduciary-related headwinds, **management is actively repositioning the business to support future margin expansion.** MMC remains a global leader in both insurance and reinsurance brokerage, with the scale and market presence to sustain favorable pricing power even in periods of economic uncertainty.

**April was a volatile month even by historical standards.** The constantly evolving trade policy backdrop, combined with investor repositioning around interest rate cut expectations, triggered sharp reversals in market sentiment. Intra-day volatility surged across global equity markets, with the S&P 500 briefly entering bear market territory on April 7, before rallying 9.5% on April 9 following President Trump's announcement of a 90-day pause on reciprocal tariffs.

Volatility also spiked across bond and currency markets, just as companies began reporting their financial performance for the first quarter of 2025. **Mentions of tariffs surged to an all-time high**, as management teams attempted to quantify their exposure and revise earnings guidance accordingly.

While the U.S. earnings season has thus far reflected strong underlying momentum heading into the latest round of tariff uncertainty, **we remain cautious on both the macroeconomic and company-specific risks that existing tariffs may pose.** With valuations in the U.S. still elevated, we believe the balance of risk remains to the downside. We have identified a broad range of high-quality opportunities outside the U.S. and **continue to believe this diversified positioning will support Fund performance going forward.**