Insync Global Capital Aware Fund

December 2025

Fund Overview

The Insync Global Capital Aware Fund is a high-conviction, concentrated portfolio designed to capture growth from transformative global megatrends across both technology and non-technology sectors.

It employs proactive hedging strategies to cushion the impact of significant market downturns, offering investors a smoother investment journey.

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** — 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.**

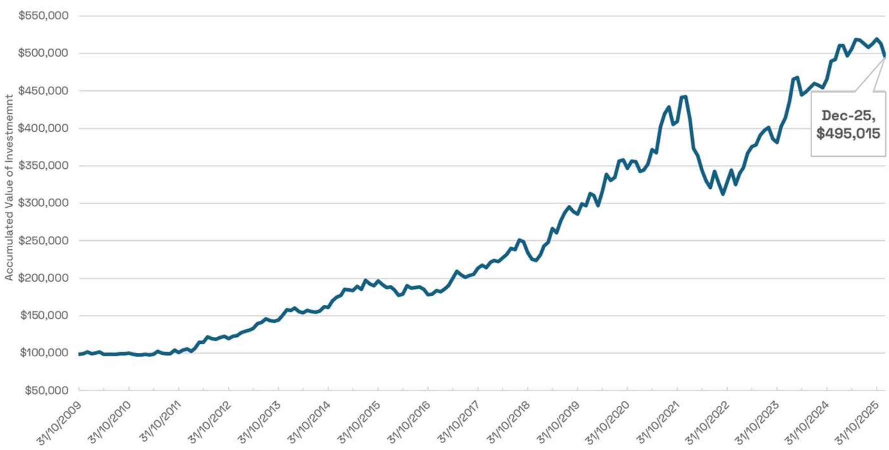
Fund Performance[1]

	1 Month	3 Months	1 Year	Rolling 3 Year Average*	3 Years	Rolling 5 Year Average*	5 Years	Inception p.a.
Fund (%)	-3.58	-3.53	0.66	11.78	15.01	11.79	6.83	10.35
Benchmark (%)^	-0.66	2.72	13.70	12.93	21.52	12.91	14.56	12.20
Active Return (%)	-2.92	-6.25	-13.04	-1.15	-6.51	-1.12	-7.73	-1.86

^ 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 7 October 2009.

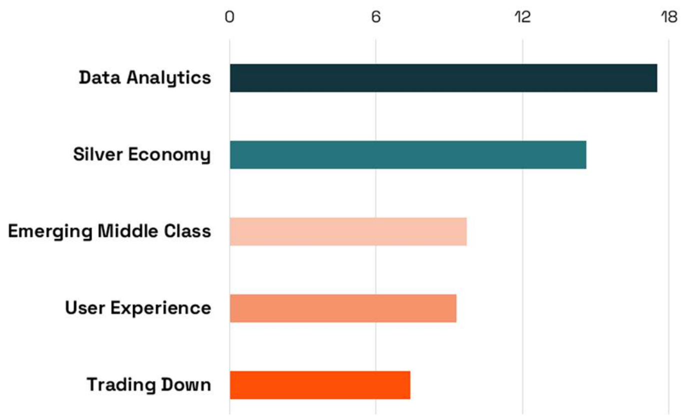


1. Past performance is not a reliable indicator of future performance. Returns are calculated after fees and costs, and assume all distributions reinvested. No consideration is made for individual tax. Performance Inception Date (exclusive): 7/10/2009.

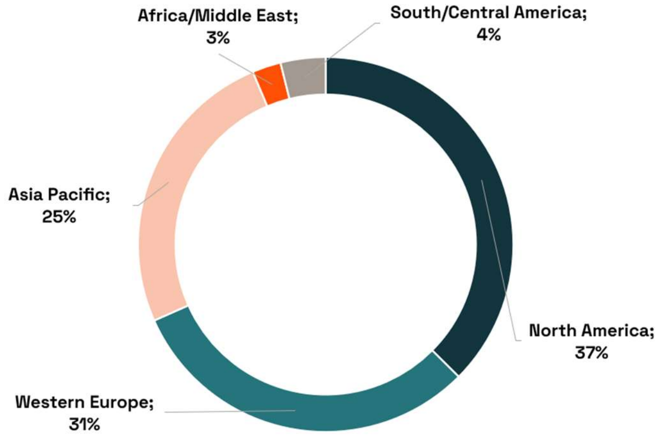
Insync Global Capital Aware Fund

December 2025

Top 5 Megatrend Exposure (%)[2]



Geographical Exposure[3]



Key Portfolio Holdings

User Experience

Interactive Entertainment

Emerging Middle Class

Silver Economy

Trading Down

Fund Information

APIR Code	SLT0041AU
Inception Date	October 2009
Number of Holdings	20 - 40
Management Fee[4]	1.30% p.a.
Buy / Sell Spread	+0.20% / -0.20%
Frequency of Distributions	Annually

2. Megatrends are internally defined based on portfolio holdings excluding Cash and portfolio hedges.
3. Source: Insync. Geographical exposure is calculated excluding cash and portfolio hedges 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

Manager Commentary

Over more than sixteen years, **Insync has delivered annualised returns in the 10–12% range** by investing in high-quality, highly profitable businesses with enduring competitive advantages, exposure to long-term structural growth trends, and purchased at sensible valuations. **This is a long-term outcome of Insync's investment process.**

We do not focus on indices but rather focus on stock selection. While recent returns have been more muted, it is important to view this period within the broader context of the market environment and the Fund's long-term objectives.

A market shaped by unusual concentration and momentum

Equity market returns in 2025 were dominated by an unusually narrow group of large technology stocks, reinforced by **strong passive fund inflows** and an exceptional run in **momentum-driven strategies**. Research highlights that a small cohort of mega-cap stocks accounted for a disproportionate share of index returns, while momentum strategies delivered some of their strongest relative performance outside of the late-1990s period.

In such environments, **portfolios that are deliberately diversified, valuation-aware, and risk-conscious** can lag headline indices in the short term. We do not view this as a flaw in the process, but rather as a natural consequence of remaining disciplined when markets reward concentration over fundamentals. Importantly, this discipline also means remaining mindful of downside risks and protecting capital when valuations and market positioning become more stretched. As at the end of December 2025, **the Capital Aware Fund maintained approximately 69% protection.**

Looking through 2025 as a whole

Relative underperformance was **largely concentrated in the second half of 2025**, rather than persistent throughout the year. From January to June, the Fund returned 10.23%, compared with 13.89% for the benchmark, during a highly volatile period.

The divergence later in the year reflected three key factors:

- Tariff-related volatility proved shorter-lived than expected, with markets rotating rapidly back toward higher-beta and momentum exposures.
- **Our deliberate underweight to the "Magnificent 7",** based on high valuations, detracted as leadership remained narrowly concentrated for longer than anticipated.
- We expected leadership in markets to spread to a wider range of attractively priced sectors and regions, but this has taken longer than anticipated.

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 Capital Aware Fund

December 2025

Manager Commentary

These positioning decisions were intentional and consistent with our philosophy. Ahead of tariff-related shocks, the portfolio was positioned defensively, which helped protect capital during periods of market stress. As markets rebounded quickly, we chose not to chase momentum, preferring instead to maintain valuation discipline and risk control. This approach contributed to more stable outcomes during this period, reflected in a Sharpe ratio* of 2.35 over the year to June 2025.

Why we continue to invest this way

We do not manage the portfolio with reference to index weights. Nor do we seek to replicate momentum strategies that are heavily influenced by passive flows. As recent research has highlighted, passive investing can amplify market concentration and momentum, **often disconnecting prices from underlying fundamentals for extended periods.**

Instead, we construct the portfolio to be **diversified across regions, sectors, and long-term megatrends,** with capital allocated to businesses that generate strong cash flows, earn high returns on capital, and can compound value through the cycle. Our top contributors over 2025 demonstrate this diversification in practice:

- **Alphabet** – Data & Digital Infrastructure (United States)
- **Tencent** – Digital Platforms & Consumer Ecosystems (Asia / China)
- **Indra Sistemas** – Defence & Security (Europe)
- **McKesson** – Healthcare Infrastructure & the Silver Economy (United States)
- **Ferguson** – Re-shoring & Housing Shortage (United States)

Positioned for the next phase

While 2025 was characterised by narrow leadership and momentum dominance, **history suggests such periods do not persist indefinitely.** Many of the companies we own continue to grow earnings and free cash flow sustainably, and valuations across parts of the portfolio remain attractive relative to the broader market.

We remain confident that staying disciplined - focusing on quality, valuation, and diversification across a diversified group of enduring structural themes - is the most reliable way to deliver strong long-term outcomes for our investors. Over time, **earnings growth and cash generation, not momentum, are what ultimately drive returns.**

As always, we appreciate your continued trust and partnership.

* This means that investors were rewarded with more than twice the return typically expected for the level of risk taken, reflecting smooth and high-quality returns without excessive volatility. **This is consistent with the fund's experience across seven of the eight major market drawdowns since the strategy began in 2009.** Strong risk-adjusted returns matter because they protect capital during downturns, improve investor behaviour, and ultimately lead to superior long-term compounding.