

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**.

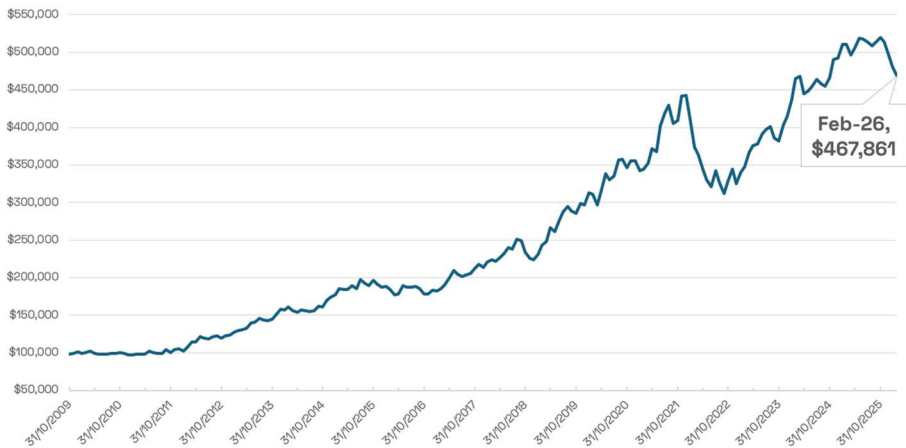
Fund Performance<sup>1</sup>

|                   | 1 Month | 3 Months | 1 Year | Rolling 3 Year Average* | 3 Years | Rolling 5 Year Average* | 5 Years | Inception p.a. |
|-------------------|---------|----------|--------|-------------------------|---------|-------------------------|---------|----------------|
| Fund (%)          | -2.49   | -8.87    | -8.35  | 11.81                   | 10.43   | 11.75                   | 6.35    | 9.89           |
| Benchmark (%)^    | -0.53   | -3.20    | 8.28   | 13.01                   | 18.65   | 12.93                   | 13.63   | 11.90          |
| Active Return (%) | -1.96   | -5.66    | -16.63 | -1.19                   | -8.22   | -1.18                   | -7.29   | -2.01          |

^ 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.

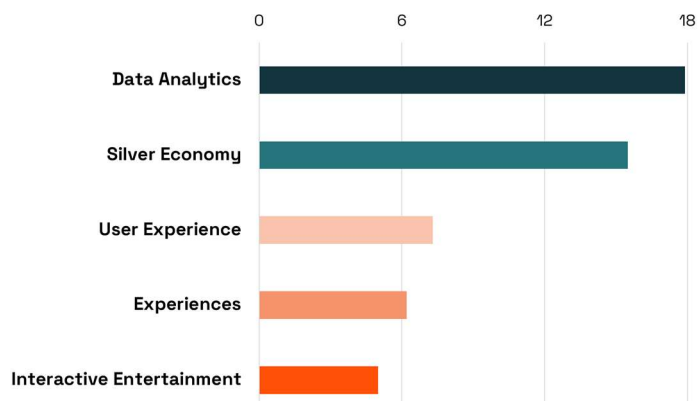
Growth of AUD \$100,000<sup>1</sup>

Accumulative value of \$100,000 invested since inception at 7 October 2009.

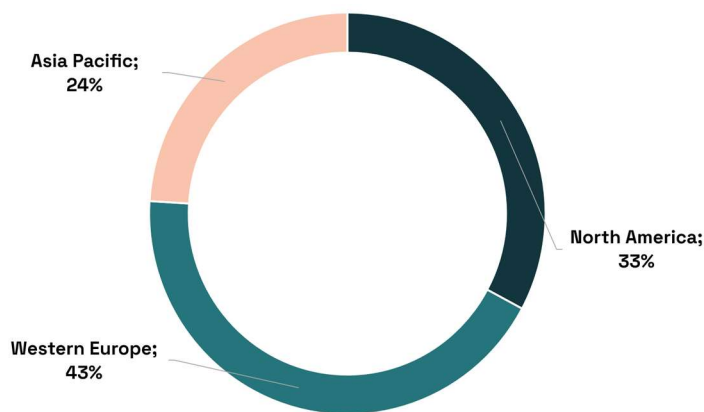


1. Past performance is not a reliable indicator of future performance. Returns are calculated after fees and costs, and assume all distributions reinvested. No consideration is made for individual tax. Performance Inception Date (exclusive): 7/10/2009.

## Top 5 Megatrend Exposure (%)<sup>2</sup>



## Geographical Exposure<sup>3</sup>



## Key Portfolio Holdings



## Fund Information

**APIR Code** SLT0041AU

**Inception Date** October 2009

**Number of Holdings** 20 - 40

**Management Fee<sup>4</sup>** 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.



## Manager Commentary

The Fund faced short-term headwinds for the month posting a negative return whilst retaining the essential longer term double-digit returns after fees.

Broadly, global equities declined modestly by 0.53% during the month (MSCI ACWI ex Australia Index (AUD)). For Australian investors, **currency movements were a key driver of this outcome**. The Australian dollar appreciated by 1.7% against the U.S. dollar following the Reserve Bank of Australia's February rate increase to 3.85%, with markets also beginning to price in the possibility of another hike in May. Non-U.S. equity markets continued to outperform the United States in February, with strong gains recorded across Europe, Japan, and emerging markets.

**Sector Rotations are afoot:** Whilst the S&P 500 declined only modestly during the month, internal rotation was significant. Large hyperscalers such as **Alphabet, Amazon** and **Microsoft** faced notable share price weakness as investors questioned whether the substantial capital expenditure being committed to AI infrastructure will translate into sustainable earnings growth, and how quickly that monetisation might occur.

Market conditions continued to be influenced by significant rotations across both sectors and investment styles, particularly as investors reassessed the sustainability of the AI-driven rally that characterised much of 2025. **This environment coincided with one of the weakest relative periods for the quality factor in nearly 25 years**. Quality tends to underperform when markets are driven more by short-term momentum - the dominant factor driving market returns rather than underlying business fundamentals. Historically, these phases have often been followed by environments where fundamentals reassert themselves.

**Software and IT services** came under even greater selling pressure amid concerns that advances in generative and agentic AI could disrupt traditional SaaS models, potentially impacting both growth and pricing power. While companies positioned as enablers of the AI ecosystem proved more resilient (particularly semiconductor, hardware, and infrastructure providers); valuations across parts of the supply chain continued to expand to historically high levels. The shift in sentiment has spilled into private markets. Shares of private credit manager Blue Owl Capital fell sharply after the firm froze redemptions on a US\$1.7 billion retail private credit fund. This fuelled concerns that private asset managers may be heavily exposed to the software sector, where public market valuations have come under pressure amid fears of AI-driven disruption.

**Early mover decision pays off:** Our long-standing underweight positions in U.S. mega-cap technology as well as software and IT services businesses, **helped cushion the portfolio** from some of the more severe drawdowns experienced across these market segments; yet many of them are amongst the most profitable companies in global equity markets and had historically been core constituents of the quality factor.



## Manager Commentary

However, the recent weakness across this group contributed to the broader headwinds of quality strategies. Importantly, developments during February **reinforced our cautious stance toward some of the more crowded areas of the AI trade**. As investors increasingly reassess the pace of monetisation and the returns on substantial AI related capital expenditure, markets have begun to differentiate more clearly between companies with durable earnings power, and those whose valuations rely heavily on long-duration growth promises.

**Tencent:** The largest detractor for February as investor sentiment softened amid perceptions that its AI rollout has been more measured relative to peers (fewer headline model releases and greater focus on tuning, deployment, and ecosystem integration). This has raised some concerns that AI-native interfaces elsewhere could shape early user behaviour before Tencent fully embeds AI into everyday workflows; yet **the company's core strengths remain**. Tencent continues to benefit from unparalleled distribution, deep user engagement, and a highly integrated ecosystem across messaging, content, gaming, and payments. This is reflected in its consistently strong operating performance. Over time and in line with its strategy, these advantages will support AI being embedded naturally into existing user journeys, supporting advertising efficiency, gaming engagement, and broader ecosystem monetisation.

**Vinci:** The largest contributor to Fund returns for February **rising close to 10% on the day** the company released its FY2025 results. This reaction was primarily driven by a significant beat in free cash flow a record €7.01 billion (compared with consensus expectations of roughly €4.8–5.0 billion). This reinforced Vinci's reputation for best-in-class cash conversion and was further supported by management guidance for around €6 billion in free cash flow in 2026 - 20% ahead of market expectations. Together, these developments strengthened investor confidence in Vinci's ability to generate resilient cash flows and the continuance of returning capital to shareholders.

**RELX:** **We took advantage of market volatility** to re-establish a position in RELX, a company we had previously exited on valuation grounds. Earlier concerns that generative AI could disrupt parts of the information and analytics industry led to a meaningful share price pullback. After reassessing the business, we believe RELX remains exceptionally well positioned given its proprietary data assets, embedded workflow solutions and strong customer relationships across legal, scientific and risk analytics markets. The recent price weakness provided an opportunity to re-enter the position. Reinvestment reflects the discipline of our investment process by selling outstanding businesses when valuations become stretched, yet equally prepared to repurchase them when temporary market concerns create an opportunity to again own them for a more attractive long-term return upside.

What we see playing out overall reaffirms our confidence that maintaining a disciplined focus on high-quality businesses with durable earnings and strong returns on capital will continue to be rewarded over full market cycles.



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