Insync Global Quality Equity Fund

June 2026

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.**

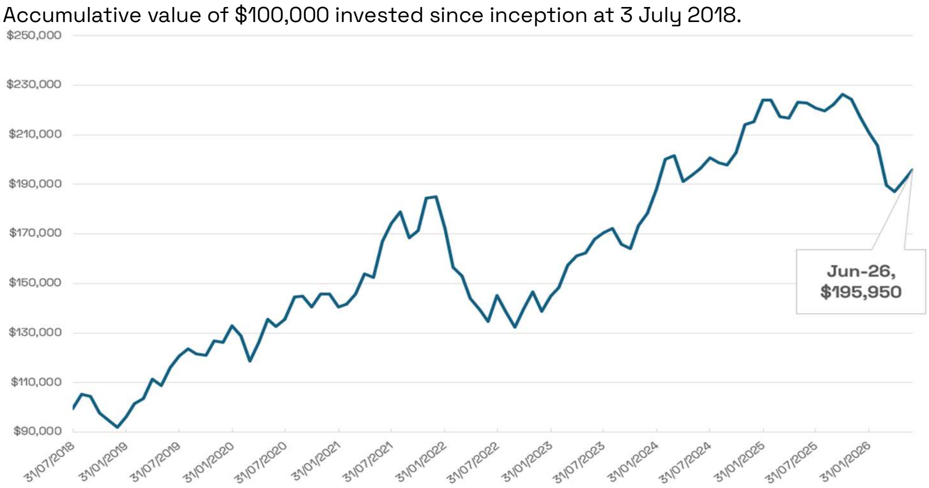
Fund Performance[1]

	1 Month	3 Months	1 Year	Rolling 3 Year Average*	3 Years	Rolling 5 Year Average*	5 Years	Inception p.a.
Fund (%)	2.15	3.38	-12.09	10.49	5.31	10.25	3.24	8.78
Benchmark (%) ^	3.05	13.77	17.17	12.95	18.24	12.79	12.86	13.29
Active Return (%)	-0.90	-10.39	-29.26	-2.45	-12.93	-2.54	-9.62	-4.52

^ 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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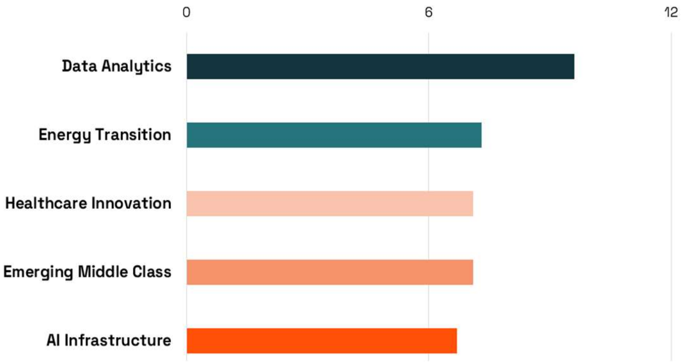
Top 5 Megatrend Exposure (%)[2]



Geographical Exposure[3]

Key Portfolio Holdings

Microsoft — Data Analytics

Amphenol — AI Infrastructure

ICICI Bank — Emerging Middle Class

VINCI — Energy Transition

RP — Healthcare Innovation

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

Market Overview

Global equity markets delivered another strong quarter, driven by continued enthusiasm around artificial intelligence and the companies positioned at the centre of the AI infrastructure build-out.

Regional leadership remained highly concentrated. Asia ex-Japan was among the strongest-performing regions, with Korea and Taiwan delivering exceptional gains as investors continued to favour semiconductor and AI-related exposures. In the United States, the S&P 500 advanced as earnings expectations remained resilient and AI investment continued to support technology leadership. European equities also performed positively as sentiment improved.

The strength of the quarter was undeniable. However, periods of exceptional market performance are also the moments when investors should look beyond what has already happened and ask an even more important question: **what comes next?**

The question that matters now

The question is no longer whether artificial intelligence will be transformative. It will be.

The more important investment question is **where sustainable shareholder value will accrue** as this technology becomes increasingly embedded across the economy.

This distinction is important because investment returns are rarely determined simply by identifying the most exciting technological trend. They are determined by identifying the businesses that can convert that trend into durable earnings growth while avoiding paying too high a price for future expectations.

Importantly, our confidence in artificial intelligence has never been stronger. We believe AI will become one of the defining technologies of our generation. The key investment challenge is determining **who ultimately captures the long-term economic value created by that transformation.**

The lesson from history is not that transformative technologies fail to create value. Quite the opposite. Technological revolutions reshape industries, transform business models and create significant wealth over time.

However, **Amara's Law** - that we tend to overestimate the impact of technology in the short term while underestimating its impact over the long term - provides an important investment lesson for today's market.

The greatest long-term beneficiaries of technological change are not always those that benefit most during the initial investment cycle. Over time, value tends to accrue to businesses that successfully apply technology to strengthen competitive advantages and convert innovation into durable earnings growth.

This is where the discipline of quality investing becomes particularly important.

Manager Commentary

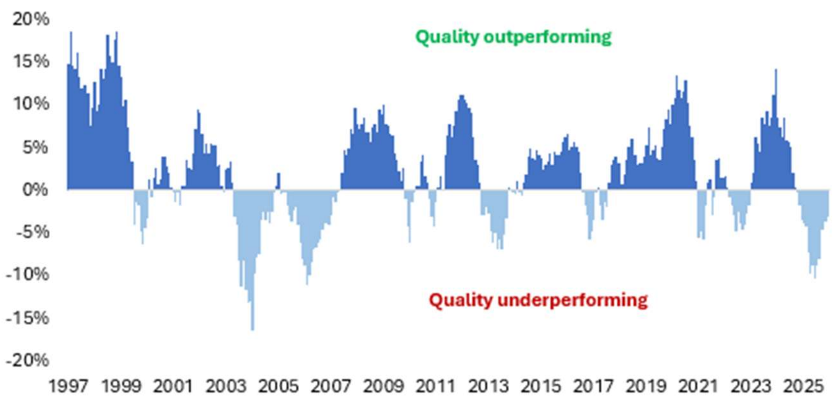
A rare setup for quality investors

Many investors have understandably asked whether today's market environment changes the case for quality investing. **History suggests otherwise.**

Quality investing does not outperform in every quarter or every year. This is not a flaw in the approach - **it is a feature that creates opportunity.**

As the chart below illustrates, the quality factor has experienced multiple periods of underperformance relative to the MSCI World over the past three decades, typically during environments where markets have favoured momentum, cyclicality and speculative positioning over earnings durability, strong balance sheets and high returns on capital.

MSCI Quality vs MSCI World (Annual Relative Return in USD)



The current environment represents another such period. A relatively narrow group of AI infrastructure beneficiaries has captured a disproportionate share of investor attention and capital flows, while many high-quality businesses outside this group have continued to execute well but have experienced valuation compression.

Importantly, **a broadening of market leadership does not require AI investment to reverse.** Rather, it would reflect a market increasingly recognising that the benefits of technological change extend well beyond the initial infrastructure build-out to businesses capable of applying these technologies to strengthen competitive advantages and drive sustainable earnings growth.

Historically, these periods have created attractive opportunities for patient investors.

When market leadership normalises and investors return their focus to businesses capable of compounding cash flows over many years, **quality strategies have historically recovered strongly.**

Manager Commentary

Why we remain confident

As quality investors, we believe **long-term investment returns are ultimately determined by more than the strength of current demand.** They are also determined by the price paid today, the durability of future earnings and whether the returns generated by a business can justify the expectations already embedded in its valuation.

The recent performance of SK Hynix provides a timely illustration. Despite delivering an exceptional quarter, the stock declined almost 25% from its intra-month high reached in late June to 10 July. This was not a reflection of deteriorating execution or weakening fundamentals. Rather, it demonstrated **how quickly investor sentiment can shift once expectations become elevated.**

When a stock becomes priced for near-perfect outcomes, even excellent results can struggle to generate further upside as investors begin asking a different question—not whether earnings are strong, but whether future growth can continue exceeding already demanding expectations.

This distinction matters most during periods of technological change, when investors can correctly identify a powerful structural trend but underestimate the importance of valuation and future expectations.

The AI revolution will remain one of the most important technological shifts of our generation, and we continue to seek attractive opportunities across that ecosystem.

However, successful investing requires more than simply identifying the biggest technology trends.

It requires identifying businesses capable of converting those trends into sustainable competitive advantages, durable earnings growth and attractive long-term returns on capital.

Fortinet provided a timely reminder of this dynamic last month, as improving fundamentals and stronger operational execution resulted in a significant reassessment by investors. Safran, which we discuss further below, provides another example this month—a high-quality business benefiting from long-term structural trends where operational progress is increasingly being recognised by the market.

That remains the foundation of our investment process: **owning high-quality businesses capable of compounding value over time,** while maintaining the discipline to avoid paying for perfection when expectations have already become elevated.

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Manager Commentary

Portfolio Highlights for June

Safran was the largest contributor to Fund returns during June, benefiting from improving sentiment across the aerospace sector as geopolitical concerns eased and oil prices declined.

However, the investment case for Safran has always extended well beyond short-term market movements. Safran is **a high-quality business positioned behind enduring structural trends,** including rising global air travel demand, fleet renewal and the transition towards more fuel-efficient aircraft. Its technological leadership, critical position within the aerospace supply chain and attractive aftermarket business continue to provide durable competitive advantages and long-term cash flow visibility.

Safran is a good example of why we focus on owning high-quality companies rather than reacting to short-term market noise. While investor sentiment will inevitably fluctuate, businesses with strong competitive positions and exposure to enduring structural growth trends have the potential to compound value over many years.

Indra Sistemas was the largest detractor from Fund returns during June, as improving sentiment surrounding the Iran–U.S. conflict prompted a rotation away from defence-related companies. We continue to view this as a short-term sentiment-driven move rather than a change to the underlying investment case.

Our investment thesis extends well beyond any individual geopolitical event. **Indra remains positioned at the centre of a structural shift in Europe's approach to defence,** national security and technological sovereignty - a transformation driven by decades of underinvestment that predates recent conflicts and is likely to take many years to address.

The company's exposure to defence modernisation, battlefield digitisation, electronic warfare, space systems and advanced command-and-control infrastructure continues to provide a compelling long-duration growth opportunity.

Short-term market rotations are inevitable. However, the structural drivers underpinning our investment thesis remain firmly intact.