
Insync Investment Funds

Statement of Investment Policy and Objectives

Effective date: 25 June 2025
Issued by FundRock NZ Limited



A. Description of the managed investment scheme

Insync Investment Funds ("Scheme") is a managed investment scheme. The Scheme offers one single sector investment fund, the Insync Global Quality Equity PIE Fund ("Fund") which provides investors with exposure to global equity securities by investing into an underlying fund. The underlying fund invests in a concentrated portfolio of what the Investment Manager believes to be a high-quality portfolio of global companies benefitting from powerful structural megatrends.

The Fund, or any underlying investment portfolio, is actively managed. The Fund may invest through other managed investment schemes or in direct securities and currencies (including derivatives).

B. Roles and responsibilities

FundRock NZ Limited ("FundRock") is the licensed manager ("Manager") of the Scheme. The Manager's key roles and responsibilities are:

- Preparation of disclosure material.
- Establishing, reviewing and maintaining this Statement of Investment Policy and Objectives ("SIPO").
- The ongoing management and oversight of the Scheme and Fund. This includes appointing, managing and monitoring specialist providers for:
 - fund administration; and
 - investment management.
- Monitoring investment performance and outcomes.

Insync Funds Management Pty Limited ("Investment Manager" or "Insync") is the Scheme's investment manager and is responsible for making recommendations and decisions about what the Fund invests in, in accordance with this SIPO. The Fund is invested in accordance with Insync's investment philosophy and process. Currently the Fund invests substantially all its assets in the Insync Global Quality Equity Fund ("Underlying Fund"), which is a class of the Insync Global Titans Fund, a registered Australian managed investment scheme and is also managed by the Investment Manager.

Insync also participates in reviewing this SIPO.

Key administration functions, being registry, fund accounting and unit pricing, are currently performed by Apex Investment Administration (NZ) Limited.

Public Trust is the Scheme's supervisor ("Supervisor"). The Supervisor is responsible for supervision of the Manager and the Scheme, including:

- acting on behalf of the Fund's investors in relation to the Manager and any contravention of the Manager's issuer obligations;
- supervising the performance by the Manager of its functions and the financial position of the Manager and the Scheme; and
- holding the Fund's assets or ensuring that the assets are held in accordance with applicable legislative requirements. BNP Paribas Fund Services Australasia Pty Ltd has been appointed by the Supervisor as custodian for the Scheme.

C. Investment philosophy

Insync's investment approach is underpinned by the following philosophies:

- only a small number of companies are truly exceptional with persistently high returns on invested capital and consistent growth in dividends and/or share buybacks;
- high quality stocks outperform over time; and

- exceptional companies are often mispriced as the market underestimates the duration of their competitive advantage.

D. Fund investment objectives and strategies

The investment objectives and strategies for the Fund are:

Objectives

The Fund seeks to outperform the MSCI All Country World ex- Australia Net Total Return Index in New Zealand dollars (after fees and before taxes) over time.

Investment strategy

Benchmark index:

- The benchmark of the Fund is the MSCI All Country World ex- Australia Net Total Return Index in New Zealand dollars.

Target asset allocation:

- 100% International equities.

Asset allocation ranges:

- 90% - 100% International equities.¹
- 0% - 10% Cash and cash equivalents.²

Appointed investment manager:

- Insync Funds Management Pty Limited.

Investment Manager strategy:

- The Fund invests substantially all its assets in the Underlying Fund.
- The Underlying Fund aims to deliver long-term returns of 10–12% per year by investing in what Insync believes to be high-quality global companies benefiting from powerful structural megatrends. While the Fund aims to outperform the MSCI All Country World Index ex Australia Net Total Return Index in New Zealand dollars (after fees and before taxes) over the long term, short-term performance may reflect some volatility. Rather than chasing daily market movements, Insync will focus on identifying exceptional businesses and growing investor wealth steadily over the long term.
- The Underlying Fund's principal investments will be in shares of companies listed on international stock exchanges (including the US, Europe, and Asia). The Underlying Fund may also hold cash, currency contracts, American Depositary Receipts, and Global Depositary Receipts. Further information on the Underlying Fund's investment objectives, strategy and policies can be found on Insync's website: <https://www.insyncfm.com.au/>.

Permitted investments:

- Cash and cash equivalents.
- International equities.
- Managed investment schemes.

¹ The Underlying Fund will be considered to be 100% International equities.

² Accrued fund expenses and other fund liabilities are not deducted from cash and cash equivalents for this range. Excludes any cash held by the Underlying Fund.

- Derivative instruments including currency hedging instruments.

Rebalancing policy:

- As a single-sector fund, there is no need for a rebalancing policy.

Currency hedging policy:

- The Fund targets a position of being unhedged, although the manager of the Underlying Fund may, at its discretion, hedge part or all of the Underlying Fund's currency exposure back to Australian dollars from time to time.

Other

- The Fund can borrow up to 5% of the aggregate value of its investments but only for the purposes of providing short-term liquidity (i.e., to temporarily fund redemptions, settle securities trades or pay expenses).

E. Investment policies

Taxation

The Fund has elected to be a Portfolio Investment Entity ("PIE") and therefore is taxed under the PIE regime.

The taxation implications of an investment method, such as holding assets directly or investing in a managed investment scheme, are taken into account when determining the most appropriate approach for the Fund. Note that taxation is not the sole consideration when choosing an investment method; other factors taken into account include cost and implementation feasibility.

Liquidity

The liquidity risk of the Fund is assessed with reference to liquidity of the underlying assets and securities. The Manager then establishes an appropriate application and redemption frequency for the Fund. The Fund invests predominantly in liquid investments and hence has daily applications and redemptions. Market conditions can, however, change resulting in some assets becoming difficult to sell. Hence if the Fund were to experience liquidity problems the Manager may defer or suspend redemptions for a period of time.

Related-party transactions

Related-party transactions, other than the types permitted under the FMC Act, are prohibited.

The Fund may enter into transactions with related parties if permitted under section 174 of the FMC Act or consented to by the Supervisor under section 173(2)(a). Examples of such transactions include:

- the Fund investing in another Insync fund;
- parties related to the Fund, including the staff and directors of Insync and their families, and the staff of FundRock and their families from time to time investing in the Fund.

The Manager will report such transactions by related parties to its Supervisor in accordance with section 173(2) of the FMC Act.

Trade allocations and transactions

The Fund invests in another managed investment scheme rather than trading directly in securities.

Other relevant policies

Summaries of the key relevant policies are set out below.

Pricing and Asset Valuation Policy

The purpose of this policy is to set out how FundRock manages its unit pricing and asset valuation obligations, and the way in which FundRock exercises its discretions authorised by the Trust Deed and the Fund's establishment documentation.

This policy also links to FundRock's Outsourcing Policy reflecting that it outsources functions including registry, fund administration and unit pricing to third parties. In particular, the policy governs how FundRock selects, monitors and undertakes ongoing due diligence on third party providers.

Within the bounds of what is reasonable and practical FundRock's goals are to:

- Have unit prices that reflect fair, realisable value of underlying assets and liabilities.
- Ensure equitable treatment of investors entering, exiting or remaining in the Fund.
- Have a consistent and objective process for determining unit prices.
- Comply with FundRock's governing documents, offer documents and the law.

Conflicts of Interest and Related Party Transactions Policy

FundRock's Conflicts of Interest and Related Party Transactions Policies set out the principles and procedures relating to the management of conflicts of interest within FundRock. The policies apply to all of FundRock's directors, relevant officers, senior management and employees.

The policy provides guidance on:

- what is meant by a conflict of interest;
- what constitutes a related party transaction; and
- how these are managed.

Investment Management Policy

This document sets out FundRock's policies and procedures in relation to appointing and monitoring investment managers. In particular the policy covers:

- Investment management governance.
- Investment manager selection and appointment.
- Investment manager monitoring and compliance.

F. Investment performance monitoring

FundRock monitors investment performance of the Fund on a monthly basis. Performance is measured and assessed on the following basis for 1, 3 and 5 year periods with due regard to the recommended investment timeframe, investment strategy and objective of the Fund:

- Gross return (before fees and before tax).
- Net return (after fees and before tax).
- Benchmark index return.
- Performance relative to benchmark.
- Annualised standard deviation of gross return.
- Annualised standard deviation of benchmark index return.
- Annualised tracking error.

FundRock reports performance to the Supervisor and to the FundRock Board.

G. Investment strategy review

The FundRock Board has responsibility for oversight of the Investment Manager's performance and aims to meet at least quarterly.

The Fund is a single sector fund that invests into international equity securities, through the Underlying Fund, with a portion allocated to cash and cash equivalents for liquidity purposes. FundRock does not intend to amend the Fund's investment strategy (including the Fund's benchmark asset allocations or ranges), although amendments may be made following recommendations by the Investment Manager.

H. SIPO monitoring and review

The FundRock Board is responsible for governance oversight of the SIPO.

The Manager's compliance processes include periodic policy reviews. The SIPO is reviewed annually by FundRock management with the outcomes of the review reported to the FundRock Board. In addition, FundRock management may initiate an ad hoc review, with examples of events that could lead to this being:

- the Investment Manager recommending changes to the SIPO;
- a change in roles and responsibilities; and
- a permanent change in risk and return characteristics of the relevant market.

SIPO reviews take into account the views of FundRock and the Investment Manager and if required the views of external experts.

The Manager can make changes to the SIPO in accordance with the Trust Deed and the FMC Act. Before making changes to the SIPO, the Manager will consider if the changes are in the best interests of investors and consult with the Supervisor. Any changes to the SIPO require FundRock Board approval. The Manager will give notice to Fund investors before implementing any material SIPO changes.

The Manager is responsible for monitoring adherence to the SIPO and reporting any breaches to the FundRock Board and the Supervisor.

The current version of this SIPO is available on the schemes register at www.companiesoffice.govt.nz/disclose.

This SIPO was approved by the FundRock Board on 25 June 2025 and takes effect on 25 June 2025.

Glossary

Benchmark index means the financial index or indices against which a Fund's performance is measured.

FMC Act means the Financial Markets Conduct Act 2013.

Fund means the investment fund offered within the Scheme, being the Insync Global Quality Equity PIE Fund, and governed by the Trust Deed, the Establishment Deed for the Insync Investment Funds, and the Fund Establishment Deed for the Insync Global Quality Equity PIE Fund dated 27 February 2025.

FundRock means FundRock NZ Limited, the Manager of the Scheme.

Insync or Investment Manager means Insync Funds Management Pty Limited.

Manager means FundRock.

Scheme means the Insync Investment Funds, a managed investment scheme governed by the Trust Deed and the Scheme Establishment Deed for the Insync Investment Funds dated 27 February 2025.

Supervisor means the supervisor of the Scheme, which is Public Trust.

Tracking error means the annualised standard deviation of the difference between the returns of the Fund and the Benchmark against which its performance is measured.

Trust Deed means the Master Trust Deed for the Establishment of Managed Investment Schemes dated 1 December 2016 as amended on 11 January 2021.

Underlying Fund means the Insync Global Quality Equity Fund, which is a class of the Insync Global Titans Fund, a registered Australian managed investment scheme also managed by the Investment Manager.