# Insync Global Quality Equity PIE Fund

**December 2025**

## Fund Overview

The Insync Global Quality Equity PIE Fund invests in 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]

| Global Quality Equity PIE Fund | 1 Month | 3 Months | 6 Months | 1 Year | Rolling 3 Year Average | 3 Years | Inception p.a. |
|---|---|---|---|---|---|---|---|
| **Fund (%) NZD (after fees and before taxes)** | -1.73 | -0.58 | - | - | - | - | 4.05 |
| **Benchmark (%)^** | 0.83 | 4.36 | - | - | - | - | 11.35 |
| **Active Return** | -2.56 | -4.94 | - | - | - | - | -7.30 |

^ Benchmark used - MSCI All Country World ex-Australia Net Total Return Index in New Zealand Dollars.
1. As the PIE Fund was only established on 12 August 2025, performance for longer periods is not applicable. 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.

## Strategy Track Record - Long Term performance of the underlying Australian Fund since its inception on 3 July 2018

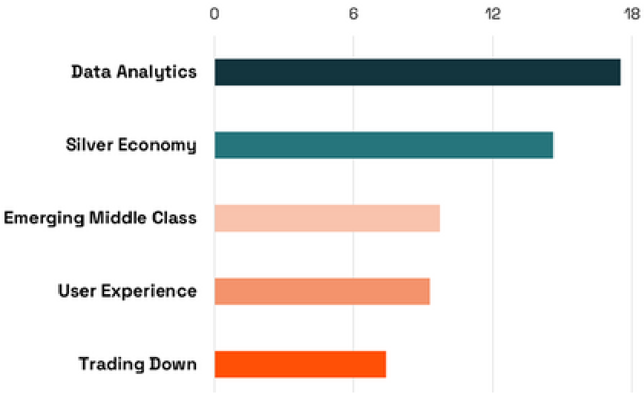
| Global Quality Equity Fund | Rolling 3 Year Average* | Rolling 5 Year Average* | Inception p.a. |
|---|---|---|---|
| **Fund (%) AUD (after fees and before taxes)** | 10.78 | 11.16 | 10.89 |
| **Benchmark (%)^** | 12.41 | 12.75 | 13.19 |
| **Active Return** | -1.63 | -1.60 | -2.31 |

^ 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.

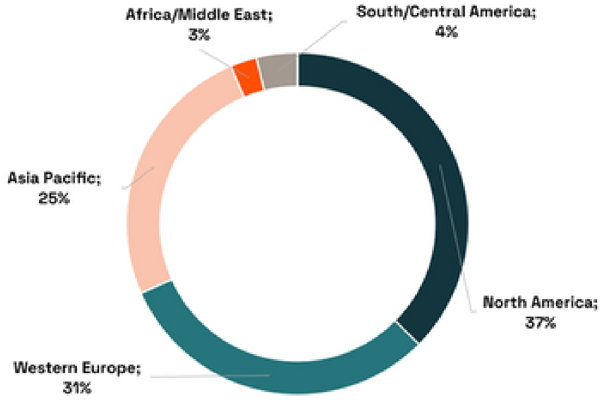
# Insync Global Quality Equity PIE Fund

**December 2025**

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




## Geographical Exposure[3]




## Key Portfolio Holdings

User Experience

Interactive Entertainment

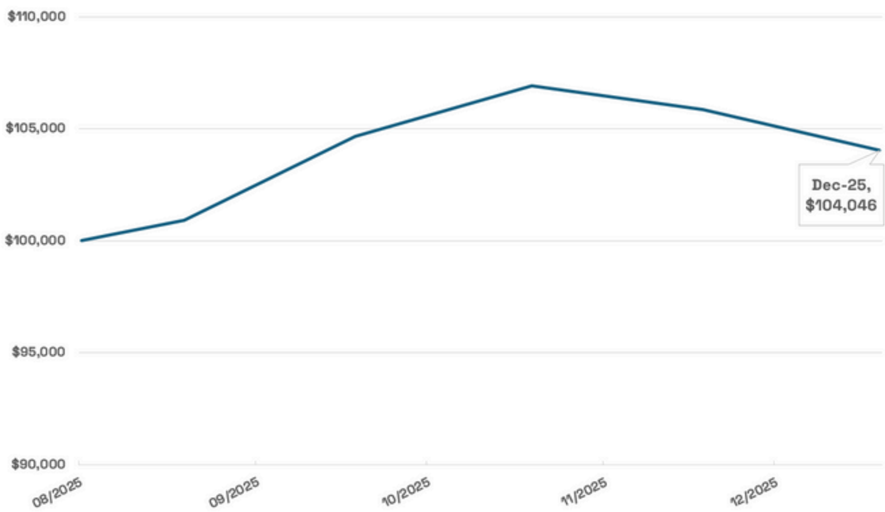
Emerging Middle Class

Silver Economy

Trading Down

## Growth of $100,000* - in the PIE Fund from 13 August 2025.

Accumulative value of $100,000 invested since inception on 13 August 2018.




* Numbers are calculated after fees and costs, and assume all distributions reinvested. No consideration is made for individual tax.

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.


**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

The Insync Global Quality Equity PIE Fund returned -1.73% over the month and 4.05% since its inception on 13 August 2025.

Dollar General was a key contributor to portfolio returns during the month. The company is a U.S. discount retailer operating small-format stores focused on everyday essentials at low prices, primarily serving rural and lower- to middle-income communities. Its **business model remains structurally defensive and counter-cyclical,** particularly in the current environment where lower-income consumers continue to face cost-of-living pressure and are increasingly trading down. Importantly, improving execution — including cleaner stores, better in-stock availability, clearer navigation, and enhanced merchandising — is translating into higher sales conversion rates and more consistent customer traffic, and **improving confidence in the sustaiability of earnings.**

Nintendo was the largest detractor in December, with share price weakness primarily driven by ongoing concerns around rising memory chip costs. While higher memory costs affect the broader electronics industry, we believe the potential impact on Nintendo is materially overstated. The company is relatively insulated due to its highly favourable profit mix, with **software and services accounting for a significantly larger share of profits** and therefore largely unaffected by higher hardware costs. At the same time, concerns about potentially slowing sales momentum overlook the strength of the Switch 2 launch, which is tracking ahead of the original Switch on a like-for-like basis. Even before the recent share price pullback, valuations remain relatively undemanding and **do not fully reflect the potential upside** from a richer pipeline of franchise game releases and new movie launches expected through 2026 and 2027.

More broadly, global equity markets ended the year on a firmer footing in December, with the MSCI All Country World ex Australia Index rising 0.8%, **supported by stronger performance outside the U.S.** In contrast, U.S. equities were more subdued. Market leadership in December highlighted an important rotation theme that has been developing into year-end, with non-U.S. markets outperforming as **investors increasingly sought diversification away from crowded U.S. exposures.** At the same time, debates around a potential “AI bubble” continued to intensify, with sentiment shifting from broad enthusiasm toward more rigorous scrutiny of spending plans, free cash flow generation, returns on investment, and balance sheet resilience.

# Insync Global Quality Equity PIE Fund

**December 2025**

## Manager Commentary

Looking across 2025 as a whole, equity market returns 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.**

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.