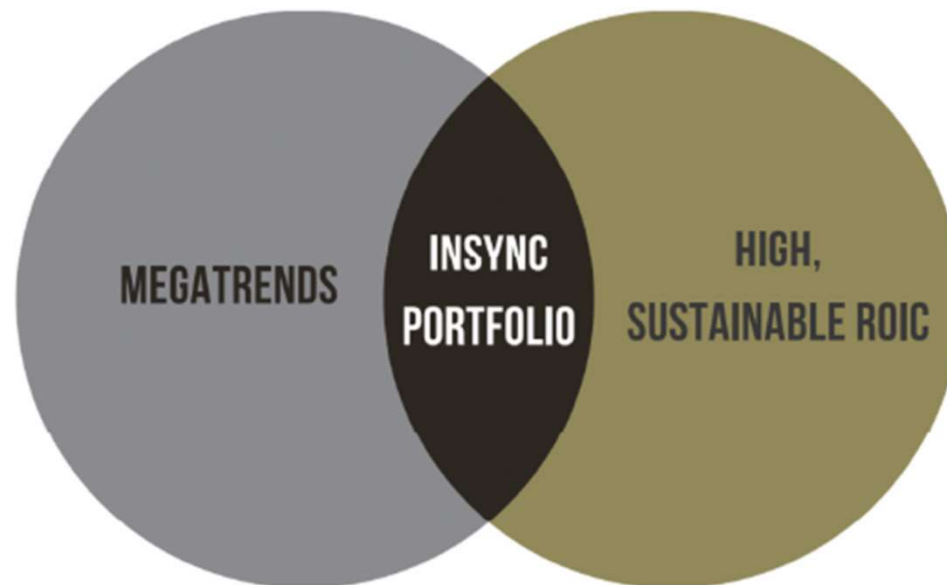


# Megatrend investing

Monik Kotecha - Insync Funds Management



Identify very well-run companies exhibiting high sustainable levels of ROIC\*  
backed by long-run Megatrends



Part A of Process

Part B of Process

# Long Term Price follows Earnings

Our process is built around identifying stocks most likely to sustainably produce compounding earnings ahead of their peers

Growth of US Market Price Level and Earnings: 1871 - 2019



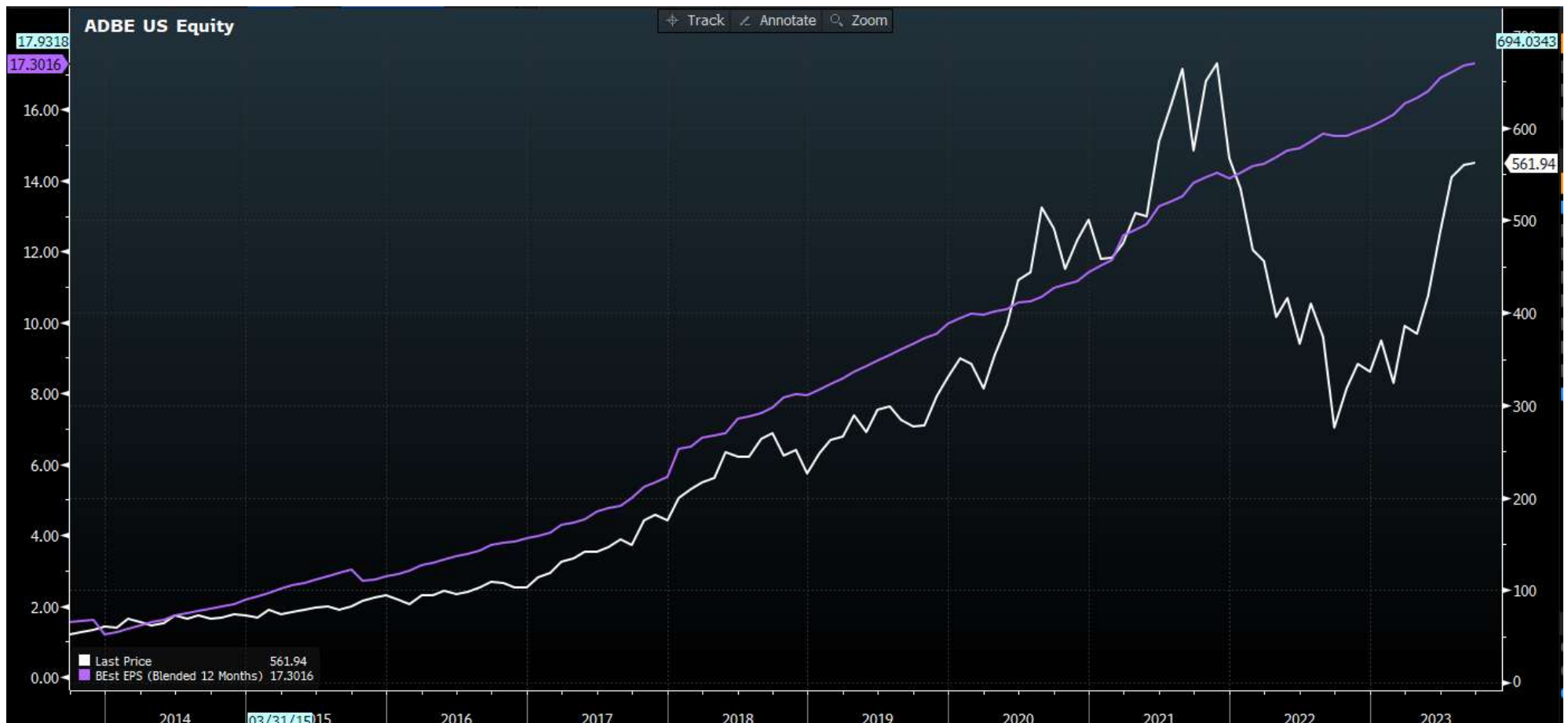
# Booking Holdings – Experience Megatrend

Long term share price follows the growth in earnings

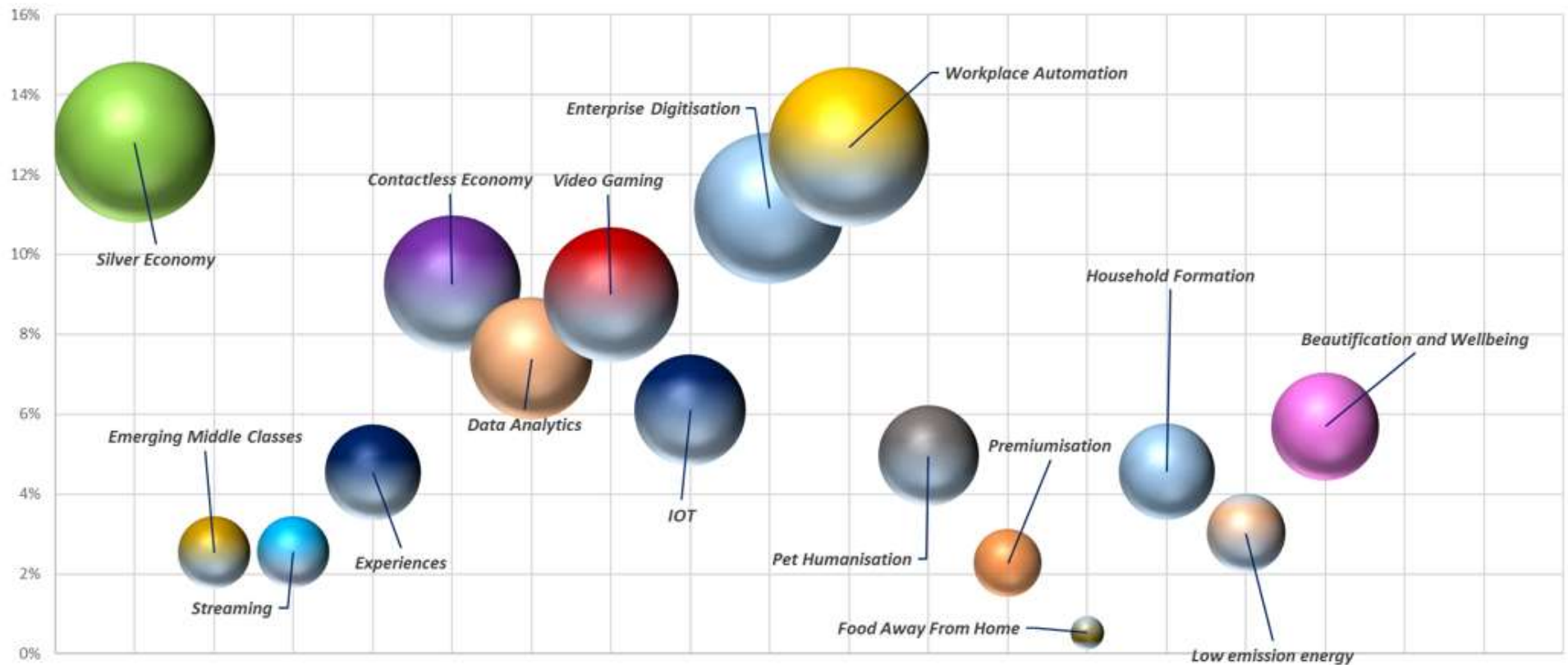


# Adobe – Enterprise digitisation megatrend

Long term share price follows the growth in earnings



# Megatrends underpin long term sustainable growth



# Portfolio Gross Returns (30/06/2023)



*Long term outperformance against the benchmark through all market conditions and stages of the economic cycle typifies the investor experience.*

	5 Year Rolling average	3 Year Rolling average	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception
Gross Return Equities only	16.31	16.24	7.13	21.76	26.30	9.61	11.74	13.86
MSCI ACWI (ex AUS) NTR (AUD)	12.93	12.77	6.95	16.30	20.49	12.25	10.44	11.03
Insync Global Portfolio Active Performance*	3.38	3.47	0.18	5.46	5.82	-2.64	1.30	2.83

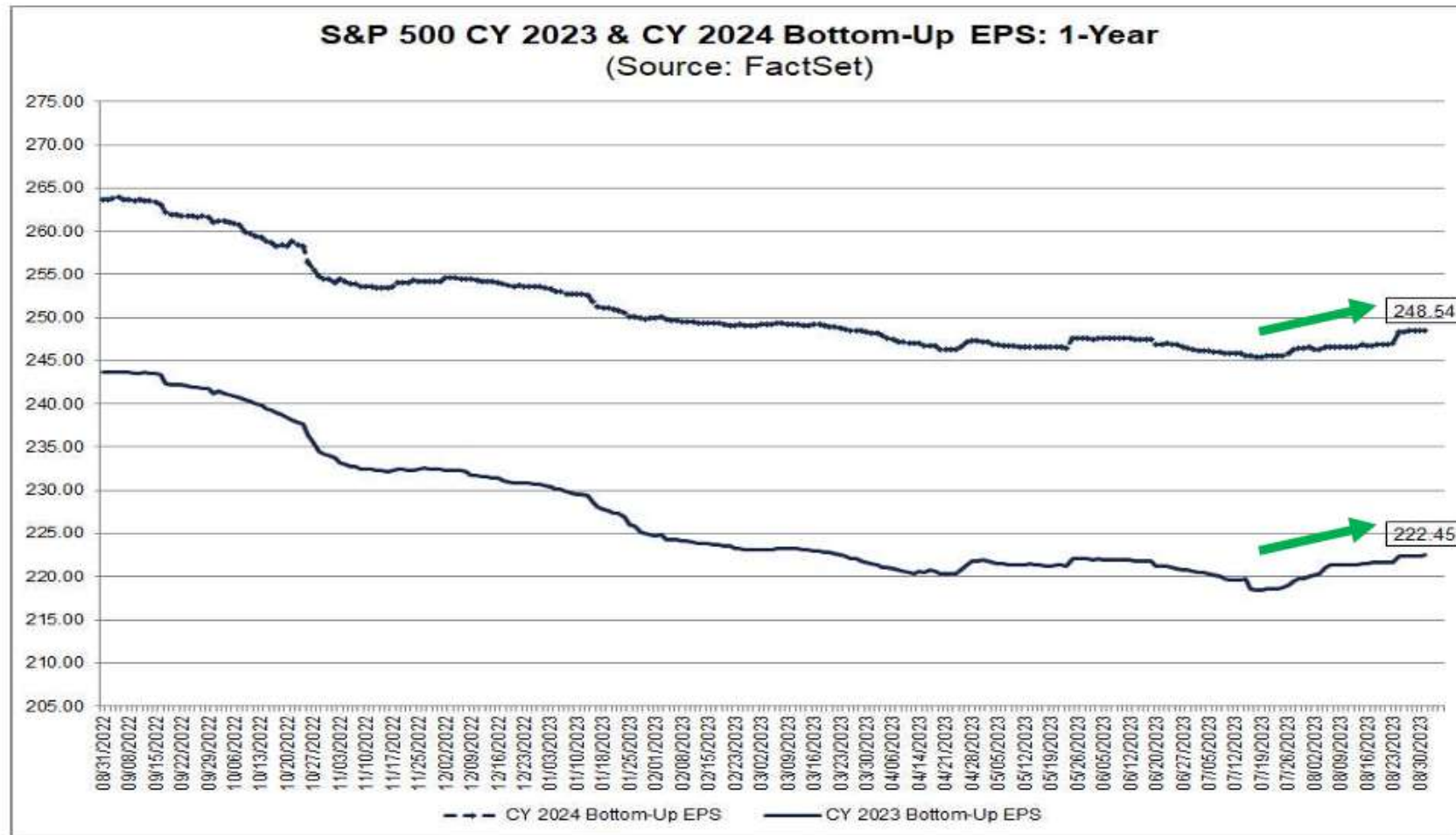
Source: Insync Funds Management – Past Performance is not a reliable indicator of future performance, assumes all distributions reinvested. ^Returns prior to July 2018 represent the underlying Insync Global portfolio (including cash). No Performance Fee Included. ~ MSCI All Country World ex-Australia Net Total Return Index in Australian Dollars. # Inception date 9/10/2009. Above

**Given the aim of the fund.** and the asset class invested, we focus on ‘**Rolling Periods**’ of 3 and 5 years (measured monthly). This better represents the typical investor experience of returns than calendar month ending. We have provided both methods above.



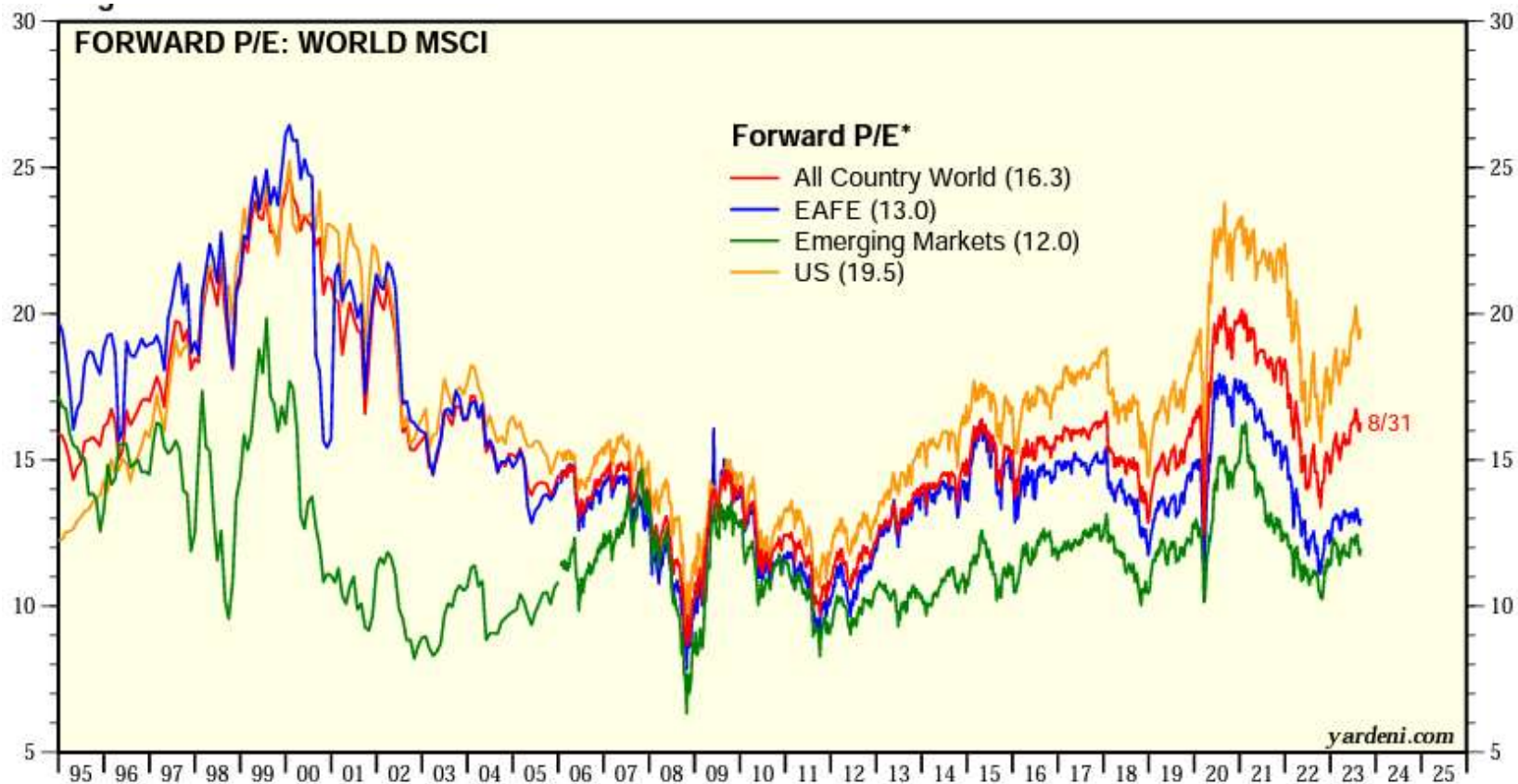
# Earnings Expectations

Investors had already discounted a slowdown in the economy





# Valuations



\* Price divided by 12-month forward consensus expected operating earnings per share. Monthly through December 2005, weekly thereafter.  
Source: I/B/E/S data by Refinitiv.

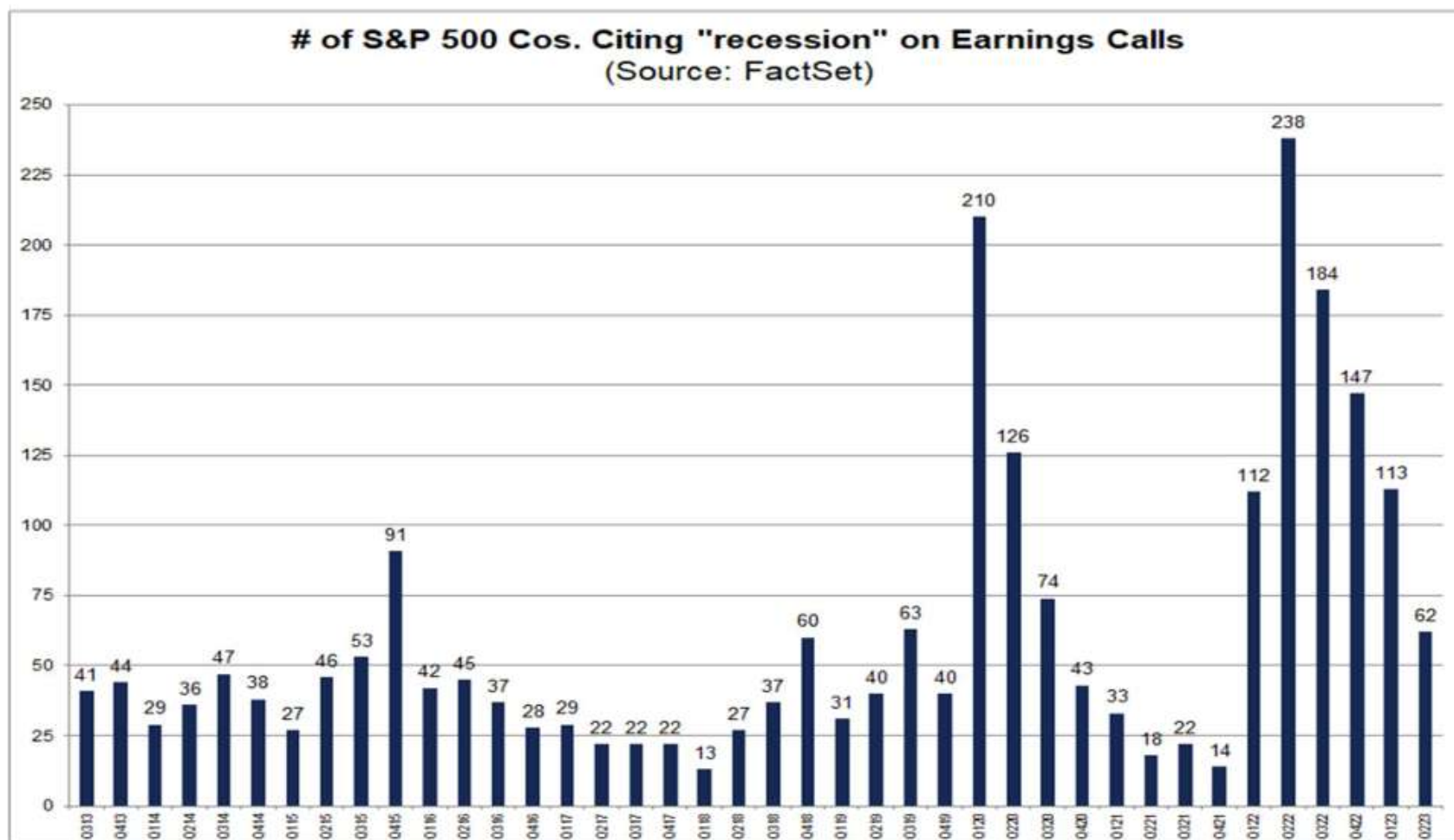
Source: Yardeni Research

## Points of Debate

Impact on markets and investment styles?

- Will inflation continue to remain sticky
- Will the lagged effects of high interest rates lead to a hard landing
- Impact of China slowdown

# Fewer S&P 500 Companies Discussing “Recession” on Earnings Calls for 4th Straight Quarter



# Insync Outlook– Set-up for strong returns



- Megatrends have low sensitivity to economic cycles and grow at multiples of GDP
- Portfolio compounding earnings at 11% over next 3 year and valuation discount now sits at >50%
- Secular growth companies with high levels of profitability are relatively well positioned in an environment of higher inflation, high interest rates and slowing economic growth

Insync Funds Management Pty Ltd  
AFSL 322891  
website: [www.insyncfm.com.au](http://www.insyncfm.com.au)

#### Disclaimer

EQT Responsible Entity Services Limited ("EQT") (ABN 94 101 103 011), AFSL 223271, is the Responsible Entity for the Insync Global Capital Aware Fund and the Insync Global Quality Fund. EQT is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This information has been prepared by Insync Funds Management Pty Ltd (ABN 29 125 092 677, AFSL 322891) ("Insync"), to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information.

Neither Insync, EQT nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

The repayment of capital and performance in the Fund is not guaranteed by Insync or any other party. Opinions constitute our judgment at the time of issue and are subject to change. Investment guidelines are internal only and are subject to change without notice.

Past performance is not an indicator of future performance.

