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## August 2024 Monthly Update

August witnessed volatility in markets due to concerns over a weaker US job market and a strengthening Japanese yen, triggering a sell-off early in the month. However, falling inflation and expectations of central bank rate cuts spurred a rebound later on. Markets closed the month lower largely because of a rising Australian dollar. As one would expect interest rate-sensitive sectors such as real estate and utilities outperformed; sectors that Insync deliberately has zero exposure to due to their lower profitability. Some of the higher profitability sectors we invest in temporarily underperformed such as information technology, communications, and consumer discretionary. As we often emphasize, sector rotations are common as investors respond to short-term economic trends, but over the longer term, it is highly profitable, sustainable growth businesses that perform best over a full investment cycle.

Since 2017, our portfolios have outperformed their benchmarks in six of the past seven years, underscoring Insync's disciplined, data-driven approach (see table below). Over five-year rolling periods, our funds continue to consistently meet their stated objectives after fees.

Interestingly, many investors continue to worry about various macroeconomic factors, from recession risks to geopolitical tensions and US presidential elections. Predicting the outcome of these events is difficult, but it is clear that earnings have driven stock market performance year-to-date. Over the long term, there is a strong correlation between earnings growth and stock market returns. In the second quarter of 2024, the S&P 500 posted 12% earnings growth despite economic risks, which is the main reason behind the strong market performance particularly in the US. It is often overlooked that the economy is *not* the stock market.

	1 Month	3 Month	1 Yr	Rolling 3-Yr Av	3 Yrs	Rolling∞ 5-Yr Average	5 Yrs	Since Incep#
Insync Global Quality Equity Fund ^	-1.09%	2.45%	15.30%	12.42%	3.56%	13.33%	9.94%	12.53%
Insync Global Capital Aware Fund*	-1.44%	1.92%	14.10%	11.79%	2.17%	12.13%	9.17%	10.74%
MSCI ACWI (ex AUS) NTR (AUD)~	-1.34%	4.38%	17.86%	11.86%	8.42%	12.13%	12.05%	11.61%
Global Quality Equity Fund Out-Performance	0.26%	-1.93%	-2.56%	0.57%	-4.86%	1.21%	-2.11%	0.92%
Global Capital Aware Fund	-0.10%	-2.45%	-3.76%	-0.07%	-6.25%	0.00%	-2.89%	-0.87%

## **Real Investing** is about identifying businesses with sustainable earnings growth

2018, the company was already one of the sustained growth in its customer base, world's most profitable with earnings and its revenue, and EPS since our initial investment. user base growing at a healthy rate. Fast Meta's recent quarterly results continue this forward 6 years, and despite periods of trend. It reported a 22% increase in revenues negative headlines and significant price and a 73% rise in net income. Despite market volatility, including a 75% drop in 2022, Meta noise, the company continues to grow its user has emerged stronger than ever. Meta now base and expand core operations with strong trades at \$565, a threefold increase from our margins. \$185 average cost basis, delivering a 21% annualized return.

The key takeaway here is that stock prices ultimately follow earnings. During times of negative market sentiment or gloomy

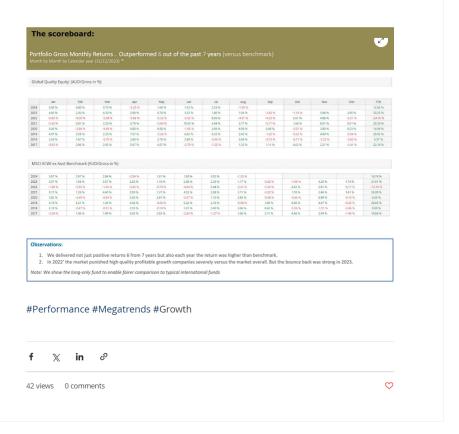
When we first invested in Meta Platforms in This table highlights Meta's impressive and

[	2018	2024E	Cumulative Return	Annual Return
Daily Active Users (Billions)	2.03	3.3	61%	8%
Revenues (Billions)	55.8	161	189	19
EPS	5.27	17	224	21

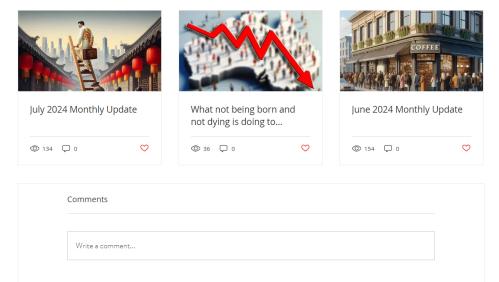
Meta benefits from several megatrends including the rise of mobile and social internet usage, the growth of social commerce, and

narratives it's essential to focus on the fundamentals. Companies like Meta, which consistently grow their revenues, earnings, and sustainable growth drivers—companies with free cash flow, see their stock prices align with high ROIC and an ability to profitably reinvest their performances over time. Short-term volatility can offer excellent buying megatrends, Insync avoids being distracted by opportunities if a company's long-term earnings growth remains intact.

increasing reliance on Al and machine learning. By staying focused on long-term cash flows into opportunities within ever changing market narratives.



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