

# November 2024 Monthly Update

**Trump’s victory and Republican control** of Congress drove US market performance in November as expectations for tax cuts, deregulation, and expansionary fiscal measures rose. US stocks overall rose 6% significantly outperforming other markets. Financials, energy, and industrials benefited most whilst a strong Q3 earnings season added support (9% EPS growth YoY). Growth stocks outperformed Value as healthcare lagged. Global equities overall gained 4.3%, but trade policy risks, a strong dollar, and fears of less supportive US monetary policy weighed on emerging markets with Latin American and Asian equities underperforming.

**Since 2017, the portfolio has outperformed** annual index returns in six of the past seven years, underscoring Insync’s disciplined and data-driven approach (see next page). Importantly, over 5-year rolling periods, the funds have consistently met their stated benchmark objectives after fees.

**We are in the midst of a significant investment regime shift** reinforced by Trump's election. Higher rates, trade wars, re-shoring, and supply chain shifts signal greater volatility. Dispersion in returns across sectors and geographies will rise, complicating macro forecasting and emphasizing the importance of active stock picking for attractive returns. Insync remains committed to investing in highly profitable businesses strategically positioned to capitalize on megatrends, with reduced exposure to economic cycle fluctuations.

After Fees	1 Month	3 Month	1 Yr	Rolling 3-Yr Av	3 Yrs	Rolling* 5-Yr Average	5 Yrs	Since Incep#
<b>Global Quality Equity Fund ^</b>	5.57%	7.83%	23.47%	12.14%	5.09%	<b>13.11%</b>	1106%	12.87%
<b>Global Capital Aware Fund*</b>	5.24%	7.10%	21.63%	11.79%	3.57%	<b>12.13%</b>	10.39%	11.05%
MSCI ACWI (ex AUS) NTR (AUD)~	4.31%	8.13%	28.45%	11.86%	10.76%	12.13%	12.27%	11.98%
Global Quality Equity Fund Out-Performance	1.26%	-0.30%	-4.98%	0.29%	-5.67%	0.98%	-1.21%	0.89%
Global Capital Aware Fund Out-Performance	0.93%	-1.03%	-6.82%	-0.07%	-7.19%	0.00%	-1.89%	-0.93%

Source: Insync Funds Management - Past Performance is not a reliable indicator of future performance. \* **Stated objective of the Fund.** ^Represents net of fees and costs performance, assumes all distributions reinvested. ^Returns prior to July 2018 represent the underlying Insync Global portfolio (including cash) inclusive of a 0.98% p.a. MER. ~MSCI All Country World ex-Australia Net Total Return Index in Australian Dollars. # Inception date 9/10/2009

## Video Gaming Megatrend: A Leading Entertainment Force

**Gaming** continues to lead as a cultural and economic powerhouse. With expected growth of 6% p.a. for the next 5+ years it will outpace global GDP. Revenues now surpass streaming and box-office sales combined, having established itself as the dominant media industry worldwide

Gaming combines technology, social interaction, and entertainment. Companies that innovate and deepen engagement most effectively will thrive, and Insync invests in these when they demonstrate excellence in profitability, financial performance, and management. This is just one of 17 megatrends in the portfolio.

Younger generations (especially aged 2-18) spend about 30% of their entertainment time in game environments. To play, socialize, and consume media of all sorts. Women and older adults are increasingly embracing gaming, signalling a broader consumer reach.

A major emerging trend driving broader engagement are games that enable players to co-create, like *Minecraft* and *Roblox* with almost 79% of gamers participating in this format. This is accelerated by ‘generative AI’ as it enhances personalization and creativity of gaming experiences.

**The Psychology Behind the Joystick**  
Why People Love Gaming

- **Emotional Escape:** Gamers find relief from stress through gaming.
- **Cognitive Boost:** Enhances cognitive functions, problem-solving skills, and skill acquisition.
- **Social Bonds:** Use gaming to combat isolation, fostering closeness with others via multiplayer use.
- **Creative Freedom:** sparking creativity and enabling unique self-expression

Sources include  
<https://www.ox.ac.uk/news/2020-11-16-groundbreaking-new-study-says-time-spent-playing-video-games-can-be-good-your-well>

### The scoreboard:

Outperformed the MSCI 6 out of the past 7 years  
 Gross Monthly Returns (31/12/2023) ^

Global Quality Equity (AUD/Gross in %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	5.00%	6.00%	0.70%	-5.20%	1.60%	1.52%	2.32%	1.06%	-0.25%	2.67%	5.93%	2.05%	22.21%
2023	4.60%	2.30%	6.30%	2.60%	0.70%	3.53%	1.80%	1.54%	-1.63%	-1.16%	5.68%	2.05%	30.25%
2022	-6.66%	-5.06%	-2.06%	-5.86%	-3.32%	-3.02%	8.05%	-4.57%	-4.35%	5.91%	4.88%	-5.31%	-24.10%
2021	-1.60%	0.81%	3.20%	5.79%	-0.84%	10.01%	4.44%	2.77%	-5.71%	1.66%	8.01%	6.21%	28.29%
2020	5.40%	-2.84%	-8.59%	4.88%	6.90%	-1.05%	2.05%	6.90%	0.45%	-3.21%	3.80%	6.22%	14.05%
2019	4.97%	5.58%	2.35%	7.57%	-2.28%	6.52%	4.32%	2.42%	-1.62%	-0.23%	4.99%	-0.24%	35.93%
2018	3.56%	1.67%	-0.70%	2.89%	2.78%	3.90%	-0.46%	5.84%	-0.73%	-6.71%	-3.25%	-2.83%	5.37%
2017	-0.23%	2.96%	2.93%	5.07%	6.87%	2.79%	-1.25%	1.35%	3.11%	4.42%	2.21%	-1.41%	22.16%

MSCI ACWI ex Aust Benchmark (AUD/Gross in %)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	3.07%	5.97%	2.94%	-2.04%	1.61%	1.60%	3.92%	-1.34%	0.05%	3.63%	4.31%	1.74%	26.24%
2023	3.07%	1.58%	3.87%	2.81%	1.10%	2.88%	2.39%	1.17%	-3.82%	-1.09%	4.26%	1.74%	21.61%
2022	-1.80%	-1.55%	-1.44%	-2.81%	-0.73%	-4.44%	5.44%	-2.01%	-3.54%	6.63%	2.81%	-5.17%	-12.76%
2021	0.11%	1.39%	4.40%	2.90%	1.31%	4.52%	2.66%	3.11%	-3.02%	1.10%	3.48%	1.41%	26.00%
2020	3.82%	-4.45%	-8.64%	3.43%	2.91%	-0.57%	1.10%	2.02%	-0.08%	-0.46%	6.96%	-0.10%	6.65%
2019	4.19%	6.71%	1.43%	4.38%	-1.63%	6.71%	3.16%	4.78%	1.98%	-0.60%	4.97%	-0.35%	36.95%
2018	2.19%	-0.47%	-0.31%	2.55%	-0.14%	1.81%	2.40%	3.66%	0.41%	-5.59%	-1.51%	-3.66%	8.69%
2017	-2.04%	3.46%	1.99%	3.65%	2.85%	-2.69%	-1.27%	1.06%	3.11%	4.48%	2.99%	-1.44%	14.94%

#### Observations:

1. We delivered not just positive returns 6 from 7 years but also each year the return was higher than benchmark.
2. In 2022' the market punished high quality profitable growth companies severely versus the market overall. But the bounce back was strong in 2023.

Note: We show the long-only' Quality Equity Fund' to enable fairer comparison to typical international funds