

# Apostle Dundas Global Equity Fund – Class D Active ETF

ASX: ADEF ARSN 093 116 771

Monthly Report – March 2025



## Investment Objective

- The target is to exceed the MSCI All Country World ex Australia Index by 2.5% p.a. after all fees and expenses on a rolling 5-year basis.
- Long term dividend growth and capital appreciation.
- To achieve lower volatility than the benchmark.

## Investment Firm

Established in 2010, Dundas Global Investors (“Dundas”) is an independent Investment Management firm based in Edinburgh that manages a single investment strategy, global equities.

Dundas can best be categorised as Quality Growth, with a focus on companies with strong and sustainable returns on equity and a growing dividend stream.

## Key Advantages

- Pro-active management of both components of total return (capital and dividends)
- Fee minimisation and alignment of incentives
- Lower cost base
- Enhanced research that capitalises on technology

## Investment Style

Dundas invests for capital and income growth. The team uses fundamental, bottom-up research to find companies capable of real long-term wealth generation that will lead to sustainable capital and dividend growth. While dividends are an important part of the investment proposition, Dundas places greater emphasis on future income streams as opposed to current payout ratios. The resulting portfolio is globally diversified, has an average holding period of more than five years, with satisfactory upside and good downside capture statistics.

## Characteristics

<b>Unit Price (NAV)</b>	AUD\$6.0093
<b>Fund Size (AUD)</b>	AUD\$2,652.74M
<b>Class D Size</b>	AUD\$19.62M
<b>Tax Losses Available (As at last distribution period)</b>	AUD\$215.36M
<b>Portfolio Inception Date</b>	September 2012
<b>Inception Date – Class D</b>	February 2021
<b>Companies in Portfolio</b>	Targeting 50–65 holdings
<b>Investment Manager</b>	Dundas Global Investors
<b>Management Fee</b>	0.90% p.a. (incl. GST & RITC)
<b>Portfolio Management Team</b>	Alan McFarlane – Chair David Keir – Managing Partner James Curry – Partner Gavin Harvie – Partner Andrew Brown – Partner
<b>Responsible Entity</b>	K2 Asset Management Ltd
<b>Custodian</b>	State Street Australia Limited
<b>Unit Registry</b>	Boardroom Limited

Source: Dundas Global Investors as at 31/03/25

## Performance

Return (%)	1 mth	3 mth	6 mth	1 yr	2 yr (p.a.)	3 yr (p.a.)	Incep. (p.a.)	<sup>^</sup> Portfolio Incep. p.a.
<b>Total (gross)</b>	-4.30	-0.84	6.23	6.52	14.91	11.84	12.10	11.77
<b>Total (net)</b>	-4.37	-1.06	5.76	5.57	13.89	10.85	11.10	10.78
<b>Relative (gross)*</b>	-0.18	1.12	-2.63	-5.72	-4.44	-2.10	-1.21	0.64
<b>Relative (net)**</b>	-0.25	0.90	-3.10	-6.67	-5.47	-3.10	-2.20	-0.36

Source: State Street Performance & Analytics Australia. Fund performance calculated using exit prices for Class D and shown on a total return basis (net dividends reinvested). Class D commenced on 24 February 2021. \*Relative (gross) calculated as the difference between the Fund's gross (of fees) return and that of the Solactive GBS Global Markets ex Australia Large & Mid Cap AUD Index. \*\*Relative (Net) calculated as the difference between the Fund's net (of fees) return and that of the Solactive GBS Global Markets ex Australia Large & Mid Cap AUD Index. Past performance is not a reliable indicator of future performance. <sup>^</sup> Portfolio Inception pa returns refers to Class C of the Apostle Dundas Global Equity Fund from its inception date of 4th June 2015. Class C has the same management fee, hence the information would be comparable for Class D. Different future expenses and other factors between the classes may impact the returns of each class.

## Portfolio Characteristics

<b>No of Holdings</b>	56
<b>Dividend Yield</b>	1.30
<b>Turnover* (last 12 months)</b>	14.86%
<b>Price/Earnings</b>	29.86
<b>Price/Cash Flow</b>	22.64
<b>Price/Book Value</b>	5.51x
<b>Beta (ex-ante)</b>	4.80
<b>Average market capitalisation</b>	\$270.74bn
<b>Median market capitalisation</b>	\$87.71bn
<b>Tracking error (1 year)</b>	0.93

\* Turnover calculated as ((Purchases + Sales)/2) / average assets during the period. Source: Dundas Global Investors and Apostle Funds Management as at 31/03/25

## Market Cap Exposure (% weight by capital)

Range	Fund
>US\$ 500bn	12.00
US\$ 100 - 500bn	36.12
US\$ 50 - 100bn	12.47
US\$ 10 - 50bn	38.59
US\$ 2 - 10bn	0.00

Source: Dundas Global Investors as at 31/03/25

## Top Ten Holdings by Capital (% weight)

Stock	Fund
<b>WR Berkley</b>	3.81
<b>WW Grainger</b>	3.55
<b>Microsoft</b>	3.36
<b>Essilorluxottica</b>	3.01
<b>Brown &amp; Brown</b>	2.98
<b>Visa</b>	2.94
<b>Atlas Copco</b>	2.55
<b>Sage Group</b>	2.54
<b>Alphabet</b>	2.26
<b>American Express</b>	2.23
<b>TOTAL</b>	29.23

\* Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/03/25

## Regional Allocation (%)

Country	Fund	Active Weight*
United States	58.92	-3.72
France	11.38	9.06
Switzerland	6.13	3.74
Sweden	5.79	4.87
Denmark	4.08	3.56
United Kingdom	2.54	-0.98
Japan	2.31	-3.38
Taiwan	2.13	0.24
Hong Kong	1.71	1.10
Netherlands	1.57	0.57
Singapore	1.56	1.08
India	1.08	-1.13
Other Countries	0.00	0.00

\* Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/03/25

## Sector Exposure (%)

Sector	Fund	Active Weight*
Information Technology	24.48	0.83
Financials	24.17	6.57
Health Care	21.87	11.08
Industrials	13.20	2.44
Consumer Discretionary	6.29	-3.96
Consumer Staples	4.04	-2.30
Materials	2.87	-0.49
Communication Services	2.26	-6.12
Energy	0.00	-4.18
Real Estate	0.00	-1.97
Utilities	0.00	-2.71
Cash	0.82	0.82

\* Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/03/25

## Performance and Portfolio Comment

### Market overview

The month was one of heightened market volatility, as the combination of trade uncertainty, inflation fears, and declining consumer sentiment led to broad declines across global equity markets. The key catalyst was the announcement of comprehensive tariffs imposed by the Trump administration, which were seen as potentially igniting a global trade war. In March the US imposed a 25% tariff on imports from Canada and Mexico, and increased tariffs on Chinese goods from 10% to 20%, leading to immediate retaliatory measures from these countries.

US equities sold off over the month, and the S&P 500 suffered its biggest monthly decline since December 2022. The Nasdaq Composite, heavily weighted towards technology stocks, suffered an even steeper drop. Growth and momentum factors fared much worse than value. The Magnificent 7 group was an outsized drag on the technology, communications services and consumer discretionary sectors.

European equity markets fell sharply in the first negative performance since December and the biggest fall since October. Trade tensions dominated, with the US implementing steel and aluminium tariffs and Trump proposed a 25% levy on imports of foreign-made vehicles as well as car parts. The White House is due to unveil tariffs on major trading partners, potentially reaching 20% on 2 April. While the EU is reportedly willing to make concessions to limit retaliation, it has also made it clear that it will retaliate in kind if no solution is found (the UK has refrained from reciprocal actions). Substantial economic damage is anticipated for export-driven economies like Germany, particularly in the automotive and mechanical sectors, and France's wine industry. Smaller economies, especially Ireland, are also at risk due to high US export volumes in pharmaceuticals. Elsewhere, geopolitical tensions remained elevated with Russian President Putin rejecting a broader ceasefire with Ukraine and only agreed to a limited 30-day pause on attacks against Ukrainian energy infrastructure. In cross asset markets, bond yields increased, euro and sterling strengthened, Brent crude gained, European natural gas prices declined, and gold hit a record high.

Asian markets were relatively stable compared to Western counterparts, with investors focusing on value stocks and companies with strong fundamentals. There was improving sentiment towards Chinese technology companies following DeepSeek's AI breakthrough in January, and hints of a more supportive policy stance from Beijing.

### Performance overview

Over the past 12 months, the Fund has posted a total return net of fees of 5.57%, while the market returned 12.24%\*. In March, the Fund returned -4.37% net of fees underperforming the market by 0.25%. The relative underperformance was predominately driven by the Fund's holdings in the Health Care and Industrials sectors and having no exposure to the Energy and Utilities sectors. The Fund's holdings in the IT and Financials sectors were the most significant relative contributors. Regionally, North America added value, Europe and Asia Pacific detracted.

The top five contributors were WR Berkley, Brown & Brown, Apple, Marsh & McLennan and HDFC Bank. The bottom five detractors were Novo Nordisk, LVMH, Analog Devices, American Express and Accenture.

### Dividends

The monthly dividend average increase was 11.0% and the announcements consisted of: American Express 17.1%, Applied Materials 15.0%, Dassault Systemes 13.0%, Ross Stores 10.2%, AIA Group 8.7%, Lindt 7.1% and Biomerieux 5.9%.

### Portfolio changes

There were two purchases during the month, MSCI which engages in the provision of investment decision support tools including indices, portfolio risk and performance analytics and corporate governance products and services and Intuit, the global financial technology platform. Walt Disney, the family entertainment and media enterprise was sold.

\*Solactive GBS Global Markets ex Australia Large & Mid Cap AUD Index.

## Contact us

### Apostle Funds Management Pty Ltd

Level 14, 50 Pitt Street Sydney NSW 2000  
 T: +61 2 8278 9554 F: +61 2 9247 9976  
[www.apostlefm.com.au](http://www.apostlefm.com.au)

[apostleclientservice@apostlefm.com.au](mailto:apostleclientservice@apostlefm.com.au)

### K2 Asset Management Ltd

Level 44 101 Collins Street Melbourne VIC 3000  
 T: +61 3 9691 6111  
[www.k2am.com.au](http://www.k2am.com.au)

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