

Apostle Dundas Global Equity Fund – Class C



Australian PDS and New Zealand Clients – ARSN 093 116 771 APIR ETL0438AU

Monthly Report – July 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

| | |
|---|--|
| Unit Price (NAV) | AUD\$2.5000 |
| Fund Size (AUD) | AUD\$2,722.55M |
| Tax Losses Available (As at last distribution period) | AUD\$215.36M |
| Portfolio Inception Date | August 2012 |
| Inception Date - Class C | June 2015 |
| Companies in Portfolio | Targeting 50-65 holdings |
| Sub-Investment Manager | Dundas Global Investors |
| Management Fee | 0.90% p.a. (inc. GST and RITC) |
| Buy/Sell Spread | 15/15 (bps) |
| Portfolio Management Team | Alan McFarlane – Chair David Keir – Managing Partner James Curry – Partner Gavin Harvie – Partner Andrew Brown – Partner |
| Responsible Entity | K2 Asset Management Ltd |
| Custodian/Registry | State Street Australia Limited |

Source: Dundas Global Investors as at 31/07/25

Performance

| Return (%) | 1 mth | 3 mth | 1 yr | 3 yr (p.a.) | 5 yr (p.a.) | 7 yr (p.a.) | 10 yr (p.a.) | Incep (p.a.) |
|-------------------|-------|-------|--------|-------------|-------------|-------------|--------------|--------------|
| Total (gross) | 0.38 | 4.24 | 8.53 | 13.29 | 12.13 | 12.60 | 11.80 | 11.68 |
| Total (net) | 0.31 | 4.01 | 7.56 | 12.28 | 11.13 | 11.59 | 10.80 | 10.69 |
| Relative (gross)* | -2.84 | -7.26 | -9.22 | -5.33 | -3.17 | -0.29 | 0.20 | -0.07 |
| Relative (net)** | -2.91 | -7.49 | -10.18 | -6.34 | -4.17 | -1.30 | -0.79 | -1.07 |

Source: State Street Performance & Analytics Australia. Fund performance calculated using exit prices and shown on a total return basis (net dividends reinvested). Performance inception date is 4th June 2015. *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.

Portfolio Characteristics

| | |
|-------------------------------|------------|
| No of Holdings | 53 |
| Dividend Yield | 1.26 |
| Turnover* (last 12 months) | 18.43% |
| Price/Earnings | 30.09 |
| Price/Cash Flow | 22.40 |
| Price/Book Value | 7.55x |
| Beta (ex-ante) | 0.82 |
| Average market capitalisation | \$257.43bn |
| Median market capitalisation | \$98.21bn |
| Tracking error (1 year) | 5.36 |

*Turnover calculated as ((Purchases + Sales)/2) / average assets during the period. Source: Dundas Global Investors and Apostle Funds Management as at 31/07/25

Market Cap Exposure (% weight by capital)

| Range | Fund |
|------------------|-------|
| >US\$ 500bn | 14.58 |
| US\$ 100 - 500bn | 39.42 |
| US\$ 50 - 100bn | 9.14 |
| US\$ 10 - 50bn | 34.63 |
| US\$ 2 - 10bn | 0.00 |

Source: Dundas Global Investors as at 31/07/25

Top Ten Holdings by Capital (% weight)

| Stock | Fund | Active Weight* |
|------------------|-------|----------------|
| Microsoft | 4.68 | 0.15 |
| WR Berkley | 3.85 | 3.82 |
| Amphenol | 3.10 | 2.95 |
| EssilorLuxottica | 3.07 | 2.96 |
| TSMC | 3.03 | 3.03 |
| Visa | 2.97 | 2.27 |
| Brown & Brown | 2.74 | 2.74 |
| Alphabet | 2.73 | 1.51 |
| American Express | 2.62 | 2.42 |
| Sage Group | 2.58 | 2.56 |
| TOTAL | 31.37 | 24.41 |

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/07/25

Regional Allocation (%)

| Country | Fund | Active Weight* |
|-----------------|-------|----------------|
| United States | 55.53 | -7.52 |
| France | 11.43 | 9.24 |
| Switzerland | 6.20 | 4.07 |
| Sweden | 4.84 | 3.96 |
| Denmark | 3.05 | 2.63 |
| Taiwan | 3.03 | 0.85 |
| United Kingdom | 2.58 | -0.81 |
| Hong Kong | 2.18 | 1.23 |
| Japan | 2.04 | -3.71 |
| Germany | 1.96 | -0.23 |
| Singapore | 1.85 | 1.40 |
| Netherlands | 1.65 | 0.66 |
| India | 1.43 | -0.46 |
| Other Countries | 0.00 | 0.00 |

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/07/25

Sector Exposure (%)

| Sector | Fund | Active Weight* |
|------------------------|-------|----------------|
| Information Technology | 27.89 | 0.74 |
| Financials | 24.04 | 6.74 |
| Health Care | 21.35 | 12.92 |
| Industrials | 9.03 | -1.97 |
| Consumer Discretionary | 5.21 | -5.34 |
| Consumer Staples | 4.15 | -1.52 |
| Materials | 3.39 | 0.20 |
| Communication Services | 2.73 | -6.24 |
| Energy | 0.00 | -3.41 |
| Real Estate | 0.00 | -1.76 |
| Utilities | 0.00 | -2.58 |
| Cash | 2.23 | 2.23 |

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/07/25

Performance and Portfolio Comment

Market overview

Global equity markets rose during the month as investor sentiment strengthened, aided by a reduction in political uncertainty and increased clarity on future US trade and fiscal policy.

US equities advanced with the S&P 500 up for a third consecutive month and Nasdaq for a fourth. This rally erased the post-Liberation Day selloff, reviving the US exceptionalism narrative. Key drivers included easing tariffs and trade tensions, a strong start to earnings season, a resilient macro backdrop, positive AI growth insights, increased deal activity, and the removal of the Big Beautiful Bill overhang after its passage. The Fed held rates steady in July, but the meeting's hawkish tone, including Powell's lack of hints at a September cut and focus on looking through goods inflation, impacted market expectations. Markets now anticipate just 34 basis points of cuts through year-end. The month also saw ongoing tensions between Trump and Chair Powell, with the White House criticising Powell over Fed headquarters cost overruns, seen as a pretext for his removal. After the July meeting, Trump continued to criticise Powell on rates but stepped back from mid-month talks to fire him.

European equity markets were higher this month, driven by a US-EU trade agreement and positive corporate earnings. The trade deal, which established a 15% tariff on most EU exports to the US, including automobiles, was announced after a meeting between Trump and European Commission President von der Leyen. While the agreement removed the immediate risk of a trade war, reactions were mixed, and its impact on Eurozone growth is expected to be modest. The ECB's decision to leave policy on hold was anticipated, following a 200 bps rate cut since last summer. Investors welcomed the reduced uncertainty despite a weakened macro picture.

Asia equities posted a fourth consecutive month of gains as China benchmarks continued their surge on improved sentiment over its economy, and the US tariff picture became a little clearer. The US announced several trade deals with South Korea and Japan both securing a base 15%, with the latter allowing greater access to US agriculture and auto products. But the announcements left many questions unanswered, implying details had yet to be worked out.

Performance overview

Over the past 12 months, the Fund has posted a total return net of fees of 7.56%, while the market returned 17.74%*. In July, the Fund returned 0.31% net of fees underperforming the market by 2.91%.

The most significant performance contributions came from the Communication Services and Consumer Staples sectors.

Fund performance was negatively impacted by the holdings in the IT and Financial sectors. The overweight to Health Care also detracted.

Regionally, Asia Pacific contributed positively to performance, Europe and North America detracted.

The top five contributors were Thermo Fisher Scientific, EssilorLuxottica, Amphenol, TSMC and Hexagon.

The bottom five contributors were Brown & Brown, Novo Nordisk, WR Berkley, Novonesis and ASML Holding.

Dividends

There was one dividend announcement - ResMed declared an increase of 13.2%.

Portfolio changes

During the month, Salesforce, the American cloud-based software and the Germany-based reinsurance company Hannover Rueck were purchased. FactSet, the financial data and software company, the multinational home improvement retail corporation Home Depot and Marsh and McLennan, the insurance broking and risk management firm (all US based) were sold.

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

Contact us

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