

Apostle Dundas Global Equity Fund – Class C



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

Monthly Report – May 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\$2.5019
Fund Size (AUD)	AUD\$2,721.80M
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 31/05/25

Performance

Return (%)	1 mth	3 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	7 yr (p.a.)	Incep (p.a.)
Total (gross)	4.10	-1.63	12.96	14.73	12.15	13.33	11.87
Total (net)	4.02	-1.85	11.96	13.71	11.15	12.32	10.88
Relative (gross)*	-1.10	-0.79	-4.61	-1.90	-1.91	0.71	0.56
Relative (net)**	-1.18	-1.01	-5.62	-2.93	-2.91	-0.30	-0.43

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	55
Dividend Yield	1.28
Turnover* (last 12 months)	11.46%
Price/Earnings	30.44
Price/Cash Flow	22.91
Price/Book Value	8.93x
Beta (ex-ante)	0.83
Average market capitalisation	\$238.67bn
Median market capitalisation	\$98.42bn
Tracking error (1 year)	5.31

*Turnover calculated as ((Purchases + Sales)/2) / average assets during the period. Source: Dundas Global Investors and Apostle Funds Management as at 31/05/25

Market Cap Exposure (% weight by capital)

Range	Fund
>US\$ 500bn	12.66
US\$ 100 - 500bn	37.99
US\$ 50 - 100bn	14.32
US\$ 10 - 50bn	31.78
US\$ 2 - 10bn	0.00

Source: Dundas Global Investors as at 31/05/25

Top Ten Holdings by Capital (% weight)

Stock	Fund	Active Weight*
Microsoft	3.89	3.90
WR Berkley	3.78	3.78
WW Grainger	3.69	3.70
Visa	2.89	2.89
Essilorluxottica	2.76	2.76
Brown & Brown	2.55	2.55
Sage Group	2.53	2.53
Amphenol	2.53	2.53
Alphabet	2.36	2.36
TSMC	2.34	2.34
TOTAL	29.32	29.34

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/05/25

Regional Allocation (%)

Country	Fund	Active Weight*
United States	56.96	55.20
France	10.93	10.94
Switzerland	6.18	6.19
Sweden	4.51	4.51
Denmark	4.07	4.07
United Kingdom	2.53	2.53
Taiwan	2.34	2.34
Japan	2.13	2.13
Hong Kong	1.79	1.79
Netherlands	1.69	1.69
Singapore	1.47	1.47
India	1.16	1.16
Germany	0.98	0.99
Other	0.00	0.00

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/05/25

Sector Exposure (%)

Sector	Fund	Active Weight*
Financials	24.53	24.56
Information Technology	24.44	24.46
Health Care	20.60	20.62
Industrials	11.13	11.14
Consumer Discretionary	6.20	6.21
Consumer Staples	4.37	4.37
Materials	3.11	3.11
Communication Services	2.36	2.36
Energy	0.00	0
Real Estate	0.00	0
Utilities	0.00	0
Cash	3.25	3.17

*Active Weight relative to the Index. Source: Dundas Global Investors and Apostle Funds Management as at 31/05/25

Performance and Portfolio Comment

Market overview

In May 2025, global equity markets experienced a notable rebound following a tumultuous April characterised by significant declines due to escalating US - China trade tensions and the introduction of sweeping tariffs by President Trump. Investor sentiment improved as progress in US trade negotiations with the EU and a temporary delay to planned tariff hikes reduced fears of a global recession and fuelled broad-based gains across risk assets.

US equities surged, with the S&P 500 and Nasdaq recording their strongest gains since November 2023. Big tech, led by Nvidia and Tesla, outperformed alongside semiconductors and consumer names. Despite bullish momentum from strong earnings and resilient consumer confidence, bond yields spiked amid fiscal concerns, slowing rate cut expectations, and hawkish Federal Reserve rhetoric. Trade volatility persisted as legal challenges to Trump's tariff policies played out. Nvidia's blockbuster results, M&A activity, and stable margins further supported sentiment, though Treasury yields and inflation remain key headwinds.

European equities also performed strongly, buoyed by easing US - China trade tensions and strong quarter one corporate earnings. Optimism was tempered by fragile macro data and lingering US - EU tariff threats, especially targeting autos and digital trade. Central banks maintained cautious stances, the Bank of England cut rates, while the European Central Bank signalled a likely June move. The UK and EU reached a partial post-Brexit reset deal, though structural challenges continue to limit economic upside and integration. In geopolitics, Ukraine and Russia held the first face-to-face talks in three years but failed to reach a peace agreement.

Asian equities posted broad gains in May, driven by tech strength and the temporary US - China tariff relief. Taiwan and South Korea led on chip stock rallies and easing regional tensions. However, sentiment waned late in the month after new US tech export restrictions. China's economic data disappointed, prompting a wave of monetary easing. Japan saw rising bond yields amid fiscal supply concerns.

Performance overview

Over the past 12 months, the Fund has posted a total return net of fees of 11.96%, while the market returned 17.57%. In May, the Fund returned 4.02% net of fees underperforming the market by 1.18%.

The Fund's holdings in the Health Care, Consumer Staples and Materials were the most significant relative contributors. The Consumer Staples and Financial sectors also added value. Having no exposure to the Energy sector was positive.

Fund performance was negatively impacted by the overweight position in the Health Care sector, as well as holdings in the Consumer Discretionary, IT and Industrials sectors.

Regionally, the Asia Pacific and North America contributed positively to performance, whereas Europe was the largest detractor.

The top five contributors were Apple, Amphenol, TSMC, AIA Group and Intuit.

The bottom five detractors were Alcon, Essilorluxottica, Coloplast, Sysmex and L'Oréal.

Dividends

The monthly dividend average increase was 5.9% and the announcements consisted of Sysmex 11.6%, Factset 5.8%, Apple 4.0% and Sonova 2.3%.

Portfolio changes

During the month both Nordson Corporation, the American multinational corporation that designs and manufactures dispensing equipment for consumer and industrial adhesives, sealants and coatings, and the tech conglomerate Apple were sold. There were no new investments.

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

Contact us

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