

Apostle Dundas Global Equity Fund – Class D Active ETF

ASX: ADEF ARSN 093 116 771

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\$6.1673
Fund Size (AUD)	AUD\$2,721.80M
Class D Size	AUD\$18.78M
Tax Losses Available (As at last distribution period)	AUD\$215.36M
Portfolio Inception Date	September 2012
Inception Date – Class D	February 2021
Companies in Portfolio	Targeting 50-65 holdings
Investment Manager	Dundas Global Investors
Management Fee	0.90% p.a. (incl. GST & RITC)
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	State Street Australia Limited
Unit Registry	Boardroom Limited

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

Performance

Return (%)	1 mth	3 mth	6 mth	1 yr	2 yr (p.a.)	3 yr (p.a.)	Incep. (p.a.)	^Portfolio Incep. p.a.
Total (gross)	4.07	-1.63	3.12	13.03	14.91	14.88	12.32	11.87
Total (net)	3.99	-1.86	2.66	12.02	13.88	13.86	11.32	10.88
Relative (gross)*	-1.12	-0.79	-1.31	-4.54	-4.00	-1.75	-1.32	0.56
Relative (net)**	-1.20	-1.02	-1.77	-5.55	-5.02	-2.78	-2.32	-0.43

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. ^ 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

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	11.57
US\$ 100 - 500bn	35.03
US\$ 50 - 100bn	16.44
US\$ 10 - 50bn	35.86
US\$ 2 - 10bn	0.00

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

Top Ten Holdings by Capital (% weight)

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

*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

*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 12.02%, while the market returned 17.57%. In May, the Fund returned 3.99% net of fees underperforming the market by 1.20%.

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

Apostle Funds Management Pty Ltd

Suite 2, Level 26, 6 O'Connell Street Sydney NSW 2000
T: +61 2 8278 9554 F: +61 2 9247 9976

www.apostlefm.com.au

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

This document has been prepared by Apostle Funds Management Pty Limited ("Apostle") (ABN 16 129 922 612) (AFSL No. 458375). The Apostle Dundas Global Equity Fund (ARSN 093 116 771) is issued by K2 Asset Management Ltd ("K2") (ABN 95 085 445 094) (AFSL No. 244393), a wholly owned subsidiary of K2 Asset Management Holdings Limited (ABN 59 124 636 782). This material and the content of any offer document for the investment are principally governed by Australian rather than New Zealand law. This material may contain information provided directly by third parties which include Dundas Partners, LLP (AFSL No. 527238).

This material is for information purposes only. Offers to invest will only be made in the product disclosure statement ("PDS") and this material is not intended to substitute the PDS which outlines the risks involved and other relevant information. You should also consider the Target Market Determination ("TMD") when ascertaining if the product is appropriate for your needs. Both the PDS and the TMD are available from <https://www.k2am.com.au/forms-apostle-Dundas>. It is not an offer or a recommendation to invest and it should not be relied upon by investors in making an investment decision. Offers to invest will only be made in the relevant offer document and this material is not intended to substitute suitable disclosure documents which will outline the risks involved and other relevant information. Any investment carries potential risks and fees which are described in the relevant offer document. An investor should, before deciding whether to invest, consider the appropriateness of the investment, having regard to both the relevant offer document in its entirety and the investor's objectives, financial situation and need. This information has not been prepared taking into account your objectives, financial situation or needs. Please note that past investment performance is not a reliable indicator of future investment performance. No representation is made as to future performance or volatility of the investment. In particular, there is no guarantee that the investment objectives and investment strategy set out in this presentation may be successful. Any forward-looking statements, opinions and estimates provided in this material are based on assumptions and contingencies which are subject to change without notice and should not be relied upon as an indication of the future performance. Persons should rely solely upon their own investigations in respect of the subject matter discussed in this material. No representations or warranties, expressed or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this material. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available to Apostle. To the maximum extent permitted by law, all liability in reliance on this material is expressly disclaimed.

This document is strictly confidential and is intended solely for the use of the person to whom it has been delivered. It may not be reproduced, distributed or published, in whole or in part, without the prior approval of Apostle. Third party distributors may be used to market the investment to New Zealand investors. Where this occurs, this material can only be provided to New Zealand persons that the New Zealand distributor is authorised to deal with under New Zealand law and is not available to any person to whom it would be unlawful to make such offer or invitation.