APOSTLE

DUNDAS GLOBAL INVESTORS

Dundas Global Investors: delivering stability through turbulent times

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Prepared by
Apostle Funds Management

As recent history has shown us, equity markets will continue to rise and fall. The ability to cut through the noise and invest in strong stable businesses that are growing will ensure capital stability and consistent returns into the future.

The last few weeks have seen volatility in equity markets, ongoing economic and political uncertainty and fears of a recession in the US. It has been a reminder to investors on the importance of diversification, valuation discipline and efficient capital allocation.

In times like these, what retiree investors need is:

- Consistent total returns
- Sustainable capital growth
- Regular stable income
- Diversification
- Downside protection

This is where the Apostle Dundas Global Equity Fund shines. The Fund has provided downside protection and ballast to portfolios over a full market cycle, whilst delivering a consistent total return of 11 to 12 % p.a. net of fees.

Performance – Class C

	1 Month	Quarter	1 year	3 years p.a.	5 years p.a.	7 years p.a.	Since inception p.a.
Gross Total Return	-0.81	4.81	12.60	12.86	13.21	14.38	12.39
Net Total Return	-0.88	4.58	11.60	11.86	12.20	13.36	11.39
Relative Gross*	-0.57	-0.50	-7.80	-2.11	-0.40	1.32	0.67
Relative Net**	-0.64	-0.73	-8.80	-3.11	-1.41	0.30	-0.33

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 4 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.

Data as at 28 February 2025.

How do they achieve this?

- Dundas invest in quality companies that are growing. Growing their revenue, net profit, cashflows and are reinvesting back into the business.
- The most consistent metric across these quality companies? Dividend Growth - they are paying a dividend and growing that dividend year on year in dollar terms.
- This is overlayed with a sensible valuation discipline and a long-term investment horizon.

Dividend growth – its more about stability than income

Companies that are paying a dividend and growing the dividend in dollar terms year on year, have:

- A strong, sustainable business model and confidence in future cashflows
- Established, flexible supply chains allowing them to pivot when needed
- Pricing power, thanks to stronger market positioning than competitors
- Essential products and services – needed rather than wanted by customers
- Superior fundamentals – strong balance sheet and consistent growth in revenue, earnings & cashflows
- Disciplined executives and strong management teams who are good capital allocators
- Shareholder loyalty

What about tariffs?

- With tariffs an ongoing conversation that is constantly changing, investing in companies that have disciplined management teams, a strong balance sheet and a sustainable business model, ensure they can withstand potential headwinds, and adapt efficiently to changing economic conditions.
- The portfolio is well positioned amidst tariff uncertainty - a recent assessment as of 21st March 2025 suggests around 80% of the portfolio will be unaffected directly via tariffs and around 85% have pricing power and are needed by customers.

How was Dundas positioned prior to the market turmoil starting 31 March 2025?

- Underweight US stocks 5.25%
- Underweight to Mag7 stocks 11.95%

Valuations are volatile, earnings are volatile. Retirees should look to consistent dividend growth to ensure they are well positioned for capital stability & capital growth into the future.

We focus on managing real people's money in a prudent fashion for the long term.

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