



# DUNDAS INTERNATIONAL EQUITY GROWTH

Q2 2025 Update

## FIRM SUMMARY

Dundas Global Investors is a partnership based in Edinburgh, Scotland. We manage investments for institutional and professional clients across the UK, USA, Australia, and New Zealand.

Founded in 2010, we have a single strategy of investing in global equities for long-term dividend growth. We work as one team, focused on one goal. Our philosophy remains unchanged since inception.

Our guiding principles of alignment and independence manifest in our structure. By co-investing in the strategy, the team is aligned with the firm's philosophy and the objectives of our clients.

| Assets                       | \$M   |
|------------------------------|-------|
| Firm                         | 2,725 |
| Global strategies            | 2,258 |
| International strategy       | 216   |
| International ADR strategies | 251   |

| Strategy data        |        |
|----------------------|--------|
| Holdings (#)         | 37     |
| Sectors (#)          | 9      |
| Countries (#)        | 14     |
| Average Market Cap   | \$92bn |
| Median Market Cap    | \$32bn |
| P/E (next 12 months) | 26.1x  |
| Dividend yield*      | 1.6%   |
| Active share         | 94%    |

## INVESTMENT BELIEFS

- 1 LONG TERM EQUITY RETURNS CAN BE LARGELY ATTRIBUTED TO GROWTH IN DIVIDENDS:**  
 We aim to outperform by investing in companies that can deliver higher dividend growth than the market.
- 2 REINVESTMENT AND DIVIDEND GROWTH GO HAND IN HAND:**  
 We focus on owning the few special companies that we believe can reinvest in R&D, M&A and capital expansion to drive long term dividend growth.
- 3 OWNING DIVIDEND-PAYING COMPANIES CAN REDUCE RISK:**  
 Dividends are typically less volatile than both share prices and earnings, whilst the discipline of paying a growing dividend leads to superior capital allocation.
- 4 DIVIDEND GROWTH PROVIDES DISCIPLINE:**  
 We invest globally in the companies with the best dividend growth opportunities, regardless of size, domicile or sector. This leads to significant differentiation from benchmarks.

Sources: Dundas, Bloomberg. Data as of 30 June 2025. Firm assets inclusive of ADR model portfolios. Note: AUM may not sum due to rounding. \*Trailing 12 month dividend yield.

## DIVIDEND DECLARATIONS

Excludes special dividends and buy backs

| Stock                    | Change (%)  | Stock            | Change (%) |
|--------------------------|-------------|------------------|------------|
| GTT                      | 72.0        | Assa Abloy       | 9.3        |
| Disco Group              | 35.0        | AIA Group        | 8.7        |
| DBS Group                | 27.2        | Hexagon          | 7.1        |
| Novo Nordisk             | 21.3        | Atlas Copco      | 7.1        |
| MonotaRO                 | 18.8        | Lindt            | 7.1        |
| Alcon                    | 16.7        | Halma            | 7.0        |
| Keyence                  | 16.7        | L'Oreal          | 6.1        |
| Obic                     | 16.7        | bioMérieux       | 5.9        |
| Nemetschek               | 14.6        | TMX Group        | 5.3        |
| Air Liquide              | 13.4        | ASML             | 4.9        |
| Dassault Systemes        | 13.0        | Spirax Group     | 3.1        |
| HDFC Bank                | 12.8        | Sonova           | 2.3        |
| Straumann Holding        | 11.8        | LVMH             | 0.0        |
| Sysmex                   | 11.6        | Lonza            | 0.0        |
| Scout24                  | 10.0        | Essilorluxottica | 0.0        |
| <b>Quarterly Average</b> | <b>12.3</b> |                  |            |
| <b>YTD Average</b>       | <b>14.6</b> |                  |            |

## QUARTERLY TRANSACTIONS

| Purchases       | Sector         | Listed      | Sales  | Sector      | Listed |
|-----------------|----------------|-------------|--------|-------------|--------|
| Deutsche Boerse | Financials     | Germany     | Spirax | Industrials | UK     |
| Euronext        | Financials     | Netherlands |        |             |        |
| Halma           | IT             | UK          |        |             |        |
| Obic            | IT             | Japan       |        |             |        |
| Rightmove       | Comm. Services | UK          |        |             |        |

# PERFORMANCE

| International Equity Growth Composite | Quarter | 1 Year | 3 Years | 5 Years | Since inception |
|---------------------------------------|---------|--------|---------|---------|-----------------|
| Composite return (gross)              | 10.55   | 11.69  | 13.04   | 8.46    | 8.89            |
| Composite return (net)                | 10.44   | 11.25  | 12.59   | 8.03    | 8.46            |
| MSCI EAFE + Canada                    | 12.05   | 18.70  | 15.73   | 11.51   | 8.21            |
| MSCI ACWI ex USA                      | 12.03   | 17.72  | 13.99   | 10.13   | 7.85            |

Sources: Morningstar, MSCI, Dundas. All data shown is percentage total return in US Dollars to 30 June 2025. Periods over one year are annualised. Dundas International Strategy inception date 1 June 2016. International Equity Growth GIPS® composite report is included at the end of this document. Past performance is not an indicator of future results.

# REVIEW

## Markets

The Global market, as measured by MSCI ACWI in USD, delivered 11.53% in Q2. Regional returns were similar, with the EAFE index rising 11.78% and the USA up 11.25%. When added to the first quarter of the year, this shows a positive return for all markets in the year – remarkable considering the news flow. The path to these strong returns this quarter has been far from smooth. Understanding the key events and how markets reacted is essential to making sense of the outcome.

The second quarter of 2025 began with a jolt on “Liberation Day,” when the US announced sweeping new tariffs. This sparked a sharp sell-off, particularly among US growth stocks. However, sentiment shifted quickly as trade tensions eased and a pause in tariffs was announced, markets rebounded strongly, rallying through May and June.

By the end of the quarter, investor confidence had surged. The MSCI USA Growth Index highlighted this dramatic reversal. After falling 10.2% by April 4, it rallied 34.75% to end the quarter up an extraordinary 19.22%—a rebound that may rank among the sharpest ever in such a short timeframe.

Among key style and factor indices, MSCI USA Growth was the clear leader, returning 19.22% for the quarter. It was followed by MSCI EAFE Growth at 13.54%, EAFE Value at 10.11%, and MSCI USA Value lagging behind with just 3.26%. Notably, EAFE Quality outperformed USA Quality—up 9.98% versus 8.20%—marking a rare reversal after a decade of U.S. Quality leadership.

## Currencies

For the past decade investors have taken for granted that the US Dollar reigns supreme. Simply, it paid to own US denominated assets. Since the clocks struck midnight on 1 January 2025, it has not. Consider the remarkably divergent experiences of USD and EUR denominated investors: a US investor with US liabilities ought to be pretty happy with a 10.05% return from the MSCI ACWI year-to-date, whilst a Euro-based investor will undoubtedly be disappointed by a return of –2.92% in EUR. This is especially the case when they could have owned MSCI EAFE and returned 5.37% in EUR. What we can clearly see is that whilst equities have continued to broadly perform well, currencies have borne the brunt of rising geopolitical tension and an erosion of trust.

Ultimately, this FX volatility reinforces a broader truth: currency exposure matters. The diversification of geography, business model, and cash flow base within portfolios—particularly those focused on global dividend growth—can help mitigate some of these risks over time.

In our Strategy, the companies we hold generate revenues in multiple currencies, across continents, and often with natural hedges embedded in their cost bases. While we cannot avoid FX entirely, we aim to ensure it doesn't dictate outcomes.

### MSCI Index Performance 2025 – Currencies

|            | Q1 2025 | Q2 2025 | H1 2025 |
|------------|---------|---------|---------|
| ACWI (USD) | -1.32%  | 11.53%  | 10.05%  |
| ACWI (EUR) | -5.41%  | 2.63%   | -2.92%  |
| EAFE (USD) | 6.86%   | 11.78%  | 19.45%  |
| EAFE (EUR) | 2.44%   | 2.86%   | 5.27%   |

Source: MSCI. Total Returns, net of taxes

# REVIEW

## Q2 Returns

The Dundas International Equity Growth Strategy returned 10.55% in Q2, trailing the MSCI ACWI ex-USA benchmark return of 12.03% (USD). Over the past year, however, the strategy outperformed both the Growth and Quality sub-indices of the benchmark—despite lagging the Value segment, which remains dominated by banks, mining, and energy companies outside the USA. Pleasingly, the Strategy demonstrated strong downside protection in the early part of the quarter, delivering outperformance amid market turbulence. However, the subsequent valuation-driven rally typically does not favour companies with high-quality fundamentals.

## Dividends

Our motto is where dividends grow, share prices follow. That's why we consistently believe in the value of highlighting the dividend growth of our holdings, and the competitive, commercial and industrial forces supporting this growth.

This year so far, 30 of the Strategy's stocks have made their annual dividend declaration. The average increase (in local currency) for 2025 is 13%, The average since inception is 11%. Special dividends and buybacks are not included.

Of the 7 stocks that announced in Q2, Disco and Keyence led in dividend growth with increases of 35% and 16% respectively. Disco continues to benefit from booming AI-driven demand for its highly advanced machine tools used in semiconductor fabrication and integrated circuit processing. Japanese factory automation specialist Keyence also delivered robust growth, underpinned by the skill and innovation of its high-end engineering team.

At the other end of the spectrum, Sonova and Halma recorded the lowest dividend growth at 2% and 7% respectively. Swiss hearing aid maker Sonova maintained modest growth, aligned with its fixed 40% payout ratio, while facing currency headwinds from a strong Swiss franc. Halma operates in mission-critical sectors—medical safety, environmental monitoring, industrial safety, and infrastructure protection—backed by stable, long-term growth. The company generates strong cash flow and pursues strategic M&A. Its recent 7% dividend increase reflects a clear focus on reinvesting in value-accretive acquisitions.

## A Time for Patience and Conviction

Our investment returns to date have been driven primarily by focusing on the most important factor: dividend growth. Over the past five years, the Strategy has achieved an average dividend growth rate of 15%, alongside an average dividend yield of 1.8%, with only modest valuation increases. In comparison, the index has delivered 8% dividend growth, a higher average yield of 3.2%, but experienced significant valuation expansion—largely due to the repricing of 'value' stocks.

While we acknowledge that the companies we invest in tend to trade at a premium due to their substantial competitive advantages, it's important to note that this premium has diminished over the past four years as lower-quality stocks have been re-rated (see chart right). Consequently, we believe the Strategy is attractively valued relative to its own historical levels.

# OUTLOOK

Clearly, the outlook is very uncertain. We would encourage investors to remember three D's:

**Dividend growth:** over the long term, share prices are very highly correlated to their underlying dividend growth. During a period of market volatility, dividends are your friend; they tell you the mood of the boardroom and convey a signal of how confident (or otherwise) a business is. Year-to-date dividend announcements from our holdings have been very positive, reflecting a set of businesses that are highly cash generative, well capitalised and with boards of directors that are signalling a belief in their bright prospects through growing dividend streams.

**Diversification:** our portfolios are diversified, without being overly focused on any one theme or country. We also believe our portfolios look cheap, trading around valuation levels that historically have represented good entry points for our clients.

**Disciplined long term investing:** yield-seeking behaviour amidst near term uncertainty reflects a growth in short-termism, and pessimism. That typically presents an opportunity for disciplined, long-term investors in growth companies with wide economic moats.

## QUARTERLY ATTRIBUTION

From a sector perspective, the strongest contributors to performance were Energy (+1.00%), Consumer Staples (+0.82%), and Communication Services (+0.56%)—all of which delivered total returns above 20%. On the other hand, Industrials (-1.90%) and Healthcare (-1.25%) detracted the most, with both sectors delivering only mid-single-digit returns. Financials (-0.59%) also detracted, but this was primarily due to an underweight position. Regionally, the Strategy's overweight to Europe was the main drag on performance (-0.95%).

The top contributor for the quarter was Scout24, a German online real estate platform, which added 0.74%. The company delivered strong organic revenue growth and announced a 10% increase in its dividend. TSMC attributed 0.73% due to their dominant foundry position was reinforced by a forecast of 20% revenue growth in 2025, driven by booming AI and advanced node leadership.

In contrast, the largest detractor was French eyewear giant EssilorLuxottica (-0.60%), which gave back some of the gains achieved in Q1. Despite this, the company continues to innovate in smart glasses and hearing technology, positioning it well for long-term growth. Japanese diagnostics firm Sysmex also weighed on performance (-0.51%), primarily due to weakness in the yen.

| Sector                 | Main factor                  | Attribution (bps) |
|------------------------|------------------------------|-------------------|
| Energy                 | Allocation                   | 100               |
| Consumer Staples       | Stock selection              | 82                |
| Communication Services | Stock selection              | 56                |
| Consumer Discretionary | Allocation                   | 43                |
| Materials              | Allocation                   | 17                |
| Real Estate            | Allocation                   | -2                |
| Utilities              | Allocation                   | -4                |
| Information Technology | Stock selection              | -41               |
| Financials             | Allocation / Stock selection | -59               |
| Health Care            | Allocation                   | -125              |
| Industrials            | Stock selection              | -190              |

Sources: Dundas, Bloomberg. Data as of 30 June 2025. Dundas International Equity Growth Strategy performance attribution represented by the first funded account in the composite relative to the MSCI ACWI ex USA Index.

## TOP 5 STOCK CONTRIBUTORS

| Stock      | Attribution (bps) | Comment                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Scout24    | 75                | Scout24 is Germany's leading real estate classifieds platform. The stock performed well during the quarter, buoyed by positive results showing an acceleration in organic growth and positive operating leverage. The dividend was increased by 10%.                                                                                                                                                                            |
| TSMC       | 73                | Taiwan Semiconductor continues to be one of the key enablers of technological change. During the quarter that view was reinforced by the forecast of 20% revenue growth in 2025, with AI accelerator revenues doubling. This enviable situation has been driven by successful reinvestment at the advanced nodes which leaves the company in a dominant market position, with its leadership in foundry seemingly unchallenged. |
| GTT        | 50                | GTT is a monopolistic designer of membranes used to transport LNG in very large natural gas carrying ships (known as VLGC vessels). As the dominant supplier, the company enjoys very high cashflow margins and returns on capital which translate into attractive dividend streams. The business is enjoying increasing visibility as the backlog of orders for VLGC vessels builds out beyond the end of this decade.         |
| Nemetschek | 35                | Nemetschek performed well as the German software company continued to benefit from its shift to subscription products, which are higher margin over the long term. Growth was very strong, with revenues up 26% in Q1 2025 whilst the outlook appears strong with the company set to benefit from ongoing investments in digital twins, AI and increasing internationalisation.                                                 |
| Disco Corp | 34                | Disco manufactures dicing and grinding machines used to cut and finish semiconductor wafers. The company is dominant in these areas, with c75% market share in each. Recent results reflected a strong demand environment with revenue surging 38% y/y and net income up 49% y/y, driven by secular tailwinds from AI and high bandwidth memory.                                                                                |

Sources: Dundas, Bloomberg. Data as of 30 June 2025. Dundas International Equity Growth Strategy performance attribution represented by the first funded account in the composite relative to the MSCI ACWI ex USA Index.



## BOTTOM 5 STOCK CONTRIBUTORS

| Stock             | Attribution (bps) | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EssilorLuxottica  | -60               | EssilorLuxottica is a global leader in the design, manufacture and distribution of eyewear and ophthalmic lenses. The shares had performed very strongly in the previous six months and were subject to some profit taking during the quarter. The company announced 7% organic revenue growth for Q1 and we remain optimistic about future growth aided by its Ray-Ban Meta smart glasses partnership, its Nuance technology hearing solution which is a new category of hearing aid software combining stylish frames and its open-ear hearing solution, without the stigma of existing hearing technologies, and Stellest lenses slowing the progression of myopia in children in China. |
| Sysmex Corp       | -51               | Sysmex is a Japanese company that develops and sells diagnostic instruments, reagents, and software used primarily for blood and urine testing in clinical laboratories. Sysmex announced solid results for their FY ending 31 March 2025 with sales up 10%, operating profit up 12% and announced a 14% increase in the full year dividend. The shares fell as the outlook for FY 26 was impacted by the recent Yen strength.                                                                                                                                                                                                                                                              |
| Hexagon           | -50               | Hexagon sells hardware and software that help companies collect and use data more efficiently —improving how things are built, measured, and managed in industries like construction, factories, and mining. Organic growth was flat during the quarter due to the macro-economic backdrop with trade tensions and potential tariffs creating investment delays among customers in key markets. We remain believers in Hexagon's diversified portfolio anchored by higher margin software growth. The shares are now trading on a significant discount to the market.                                                                                                                       |
| Dassault Systemes | -46               | Dassault Systemes, a global leader in software solutions and consultancy services helping companies to improve products and processes, increased revenue by 4% in the quarter and re-iterated full year guidance of 6-8% revenue growth and 8-10% earnings growth despite the slower backdrop in Europe and its Life Sciences division. The long-term outlook remains attractive. The shares have de-rated significantly over the last 4 years and now trade on a market multiple.                                                                                                                                                                                                          |
| Alcon             | -45               | Alcon, makes surgical devices and consumer vision products to treat eye diseases and disorders. The company reported 3% constant currency sales growth in Q1 with weaker demand from the US market. This is expected to stabilise in coming quarters, whilst demand from international markets and new products should support further growth and operating leverage.                                                                                                                                                                                                                                                                                                                       |

Sources: Dundas, Bloomberg. Data as of 30 June 2025. Dundas International Equity Growth Strategy performance attribution represented by the first funded account in the composite relative to the MSCI ACWI ex USA Index.

# ESG METRICS

| ESG Metrics              | International Equity Growth Strategy | MSCI ACWI ex USA |
|--------------------------|--------------------------------------|------------------|
| ESG Quality Score        | 8.1                                  | 7.1              |
| MSCI ESG Rating          | AA                                   | AA               |
| ESG Ratings Distribution |                                      |                  |
| Leaders                  | 77%                                  | 57%              |
| Average                  | 23%                                  | 39%              |
| Laggard                  | 0%                                   | 3%               |

Ratings & metrics from MSCI ESG Research LLC as of 30 June 2025.

MSCI ESG Quality Score is measured on a scale of 0 to 10 (worst to best). It measures the ability of underlying holdings to manage key medium to long-term risks and opportunities arising from environmental, social, and governance factors.

ESG Ratings Distribution shows the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA & AA), Average (A, BBB, & BB), and Laggards (B & CCC).

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# DIVERSIFICATION

| Market Cap (USD)  | Number of Stocks | Strategy (%) |
|-------------------|------------------|--------------|
| > \$500bn         | 1                | 3.79         |
| \$100bn - \$500bn | 8                | 24.83        |
| \$50bn - \$100bn  | 4                | 8.67         |
| \$10bn - \$50bn   | 19               | 47.63        |
| \$2bn - \$10bn    | 5                | 13.71        |
| Cash              |                  | 1.36         |

| Top 10 Holdings  | Wgt (%)      | Sector          | Country   |
|------------------|--------------|-----------------|-----------|
| Scout24          | 4.73         | Comms. Services | Germany   |
| MonotarRO        | 4.36         | Industrials     | Japan     |
| DBS Group        | 4.23         | Financials      | Singapore |
| L'Oreal          | 3.96         | Cons. Staples.  | France    |
| TSMC             | 3.79         | I.T.            | Taiwan    |
| EssilorLuxottica | 3.71         | Health Care     | France    |
| Sage Group PT    | 3.63         | I.T.            | UK        |
| Biomerieux       | 3.56         | Health Care     | France    |
| RB Global        | 3.54         | Industrials     | Canada    |
| GTT              | 3.28         | Energy          | France    |
| <b>TOTAL</b>     | <b>38.80</b> |                 |           |

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI ex USA. Data as of 30 June 2025. Weight (%) is by capital allocation.  
 \*Active weight is the difference between the Strategy and Index weights which may not calculate exactly due to rounding.  
 Dundas International Equity Growth Strategy represented by a live portfolio.

| Sector Exposure        | Strategy | Index | Active* |
|------------------------|----------|-------|---------|
| Information Technology | 24.04    | 13.27 | 10.77   |
| Health Care            | 21.19    | 8.00  | 13.19   |
| Financials             | 19.23    | 25.12 | -5.89   |
| Industrials            | 12.15    | 14.82 | -2.66   |
| Communication Services | 7.74     | 6.38  | 1.37    |
| Consumer Staples       | 6.47     | 6.65  | -0.18   |
| Energy                 | 3.28     | 4.57  | -1.29   |
| Materials              | 3.00     | 6.20  | -3.20   |
| Consumer Discretionary | 1.52     | 10.14 | -8.62   |
| Real Estate            | 0.00     | 1.68  | -1.68   |
| Utilities              | 0.00     | 3.17  | -3.17   |

| Country Exposure | Strategy | Index | Active* |
|------------------|----------|-------|---------|
| France           | 21.62    | 6.78  | 14.84   |
| Japan            | 11.95    | 13.66 | -1.71   |
| Switzerland      | 10.54    | 6.21  | 4.33    |
| Germany          | 10.00    | 6.49  | 3.51    |
| United Kingdom   | 8.89     | 8.85  | 0.03    |
| Canada           | 6.63     | 7.96  | -1.34   |
| Sweden           | 6.17     | 2.29  | 3.89    |
| Singapore        | 4.23     | 1.20  | 3.03    |
| Netherlands      | 4.15     | 3.09  | 1.06    |
| Taiwan           | 3.79     | 5.52  | -1.74   |
| India            | 3.10     | 5.30  | -2.20   |
| Hong Kong        | 2.98     | 1.66  | 1.32    |
| Denmark          | 2.67     | 1.44  | 1.23    |
| Australia        | 1.92     | 4.24  | -2.32   |

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI ex USA. Data as of 30 June 2025. Weight (%) is by capital allocation.  
\*Active weight is the difference between the Strategy and Index weights which may not calculate exactly due to rounding.  
Dundas International Equity Growth Strategy represented by a live portfolio.

# INTERNATIONAL COMPOSITE

|                            |                                           |
|----------------------------|-------------------------------------------|
| <b>Composite:</b>          | <b>Dundas International Equity Growth</b> |
| <b>Benchmark:</b>          | <b>MSCI EAFE + Canada Index</b>           |
| <b>Reporting currency:</b> | <b>USD</b>                                |
| <b>Report as at:</b>       | <b>30 June 2025</b>                       |

| Period              | Composite gross of fees return (%) | Composite net of fees return (%) | Benchmark return (%) | Composite 3yr St Dev (%) | Benchmark 3yr St Dev (%) | Number of portfolios | Composite Dispersion St Dev (%) | Total composite assets (million) | Total firm assets (million) |
|---------------------|------------------------------------|----------------------------------|----------------------|--------------------------|--------------------------|----------------------|---------------------------------|----------------------------------|-----------------------------|
| 2025 <sup>(a)</sup> | 14.4                               | 14.2                             | 19.0                 | 18.2                     | 15.3                     | 4                    | -                               | 216                              | 2,474                       |
| 2024                | 0.6                                | 0.2                              | 4.7                  | 20.9                     | 16.8                     | 4                    | -                               | 245                              | 2,369                       |
| 2023                | 19.7                               | 19.2                             | 17.9                 | 20.9                     | 16.9                     | 4                    | -                               | 240                              | 2,136                       |
| 2022                | (26.6)                             | (26.9)                           | (14.3)               | 20.9                     | 20.4                     | 12                   | 0.24                            | 378                              | 1,922                       |
| 2021                | 21.5                               | 21.0                             | 12.6                 | 14.1                     | 17.4                     | 11                   | 0.58                            | 501                              | 1,925                       |
| 2020                | 19.6                               | 19.1                             | 7.6                  | 15.5                     | 18.4                     | 11                   | 1.03                            | 451                              | 1,498                       |
| 2019                | 30.3                               | 29.8                             | 22.5                 | 11.5                     | 11.0                     | 12                   | 0.76                            | 478                              | 1,283                       |
| 2018                | (10.2)                             | (10.6)                           | (14.1)               | -                        | -                        | 15                   | 0.96                            | 420                              | 1,011                       |
| 2017                | 30.6                               | 30.1                             | 24.2                 | -                        | -                        | 14                   | 0.44                            | 431                              | 890                         |
| 2016 <sup>(b)</sup> | (3.5)                              | (3.7)                            | 2.7                  | -                        | -                        | 8                    | -                               | 251                              | 947                         |

(a) Returns are for the period 1 January 2025 to 30 June 2025.

(b) Returns are for the period 1 June 2016 to 31 December 2016

1. Dundas Global Investors claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Dundas Global Investors has been independently verified for the period 1 September 2012 to 30 September 2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not ensure the accuracy of any specific composite presentation.
2. For the purposes of the GIPS standards, the Firm is defined as an independent investment management firm authorised and regulated in the United Kingdom by the Financial Conduct Authority. Dundas Global Investors manage equity portfolios on behalf of institutional investors, with total assets under management of \$2.4 billion as at 31 December 2024.
3. The Dundas International Equity Growth Composite includes all fee-paying, fully discretionary accounts which invest in international equities with the goal of delivering long term capital and dividend growth. A typical portfolio will consist of approximately 35 – 50 companies with a market capitalisation greater than \$2bn, which demonstrate sustainable cash generation that can fund both business expansion and dividend increases.
4. The benchmark for the composite is the MSCI EAFE + Canada Index. The MSCI EAFE + Canada Index is an equity index which captures large and mid-cap representation across Developed Markets countries around the world including Canada. With around 1,000 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Benchmark performance is presented after the deduction of withholding taxes.
5. Transaction costs, administrative fees and non-reclaimable withholding taxes are deducted before the calculation of gross of fee and net of fee performance. Additionally, net of fee performance is calculated after the deduction of actual investment management fees.
6. All performance return calculations and market values have been denominated in USD.

7. The representative fee schedule for investment advisory services for portfolios is 0.40% p.a. for accounts up to \$250 million, 0.30% for the next \$250 million and 0.25% thereafter. The portfolios contained within the composite may include additional fees for fund administration and custody services.
8. The Dundas International Equity Growth Composite was created and inceptioned on 1 June 2016.
9. A list of all composites and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy.
10. The firm's policies for valuing investments, calculating performance and preparing GIPS Composite Reports are available upon request.
11. Dundas manages the effect of a significant cash flow by removing the portfolio from the relevant composite for the month of the cash flow. A significant cash flow is defined as the greater of 100% of the market value of the fund immediately prior to the cash flow or \$100m, effective May 2016.
12. Gross-of-fee returns are used to calculate the three-year annualized standard deviation which measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented when monthly returns were not available throughout the full 36-month period.
13. Internal dispersion of individual portfolio returns is not presented. The Dundas International Equity Growth Composite contains fewer than five portfolios for the full year, so the internal dispersion measure is not applicable.

# DISCLAIMER

## Sustainability Disclosures

- **Sustainability label.** The Financial Conduct Authority (FCA) has issued standards governing the use of sustainability vocabulary in the promotion and description of fund and asset management services. Funds may adopt one of four FCA labels describing their approach, or they may opt not to have a label. For reasons discussed below, Dundas has decided for the present to operate without a label for its two UK domiciled funds – Heriot Global and Heriot Global Smaller Companies.
  - Dundas makes investment decisions in large part based upon audited annual reports which in recent years have expanded to address wider sustainability matters. Disclosure on CO<sub>2</sub> emissions and sustainability has improved but remains incomplete, inconsistent, and heavily reliant on estimation. In response new IFRS Sustainability accounting standards were issued in 2023 (now out for adoption across the world outside the USA, where GAAP standards are moving in the same direction) effective 1 January 2024. Dundas welcomes the new standards. They are thorough, stringent and, when fully adopted, will raise and level the playing field for corporate sustainability reporting.
  - Dundas is already engaged with the companies in which it invests about the new standards. We will reevaluate the appropriateness of adopting a label once our analysis of improved sustainability reporting is complete.
  - **Sustainability Goal:** to invest in companies with long-term growth potential that are simultaneously becoming more environmentally and socially sustainable. Progress will be measured largely via reporting under the new IFRS Sustainability standards. Dundas believes that companies which shoulder these responsibilities and communicate effectively will gain competitive advantage which is why we advocate for sustainable practices by those we invest in.
  - **Investment Policy and Strategy:** Dundas invests in global equities for dividend and capital growth with an investment horizon of five years or more. Where dividend growth leads, share prices follow. Sustained dividend growth is produced by well managed companies that respect all their stakeholders' interests. The case for responsible investment in sustainable businesses is readily made by its opposite. A portfolio of irresponsible companies with unsustainable businesses will not meet clients' long-term investment needs. The actions of the companies Dundas invests in (i.e. the enterprise contribution) are the main driver of sustainability metrics.
  - **Stocks we decline to own on principle because their** principal activity is one of the following:
    - Manufacture, production or distribution of tobacco products;
    - Manufacture of controversial and indiscriminate weapons (including cluster bombs or similar anti-personnel weapons);
    - Corporate structures that deny investors title to the underlying operating business assets, such as Variable Interest Entities;
    - State-owned or controlled companies where minority shareholders' interests are not respected.
    - Thermal coal mining or its use in power generation.
  - **Relevant Metrics:** Dundas monitors the progress of the businesses it invests in on behalf of clients against metrics such as: carbon footprint, carbon intensity, weighted average carbon intensity (all for Scope 1 and 2 emission), MSCI ESG ratings, board independence, workforce pay & conditions, employee turnover, productivity. We rely upon MSCI and Bloomberg reports whose accuracy will improve as IFRS Sustainability standards are applied.
- Progress on these metrics will be covered in our annual Stewardship Report and TCFD document along with discussion on quality and availability of data from audited sources.
- **Resources and Governance:** The firm's Investment Committee is responsible for all aspects of its investment activities, including sustainable investment policy. Within the investment committee, a partner has lead responsibility for Sustainability, supported by other team members.
  - **Voting / associations:** Dundas' investor contribution includes voting all proxies aided by a proxy advisor. Its PRI report is available on the firm's website. The firm's Stewardship Report sets out how it upholds the UK Stewardship Code and the EU's Shareholder Rights Directive II.
  - **Lexicon:** The FCA's labels tighten up how the word 'sustainable' can be used in fund marketing. Whilst agreeing that greenwashing needed to be confronted, Dundas may use 'sustained' in reports and communications in its plain English sense of 'something continuing into the future'. We'll take care not to use it inappropriately.
  - **Accessing other relevant information:** the sustainability disclosures section of the Dundas website discloses all relevant information.

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