DUNDAS GLOBAL INVESTORS

DUNDAS GLOBAL 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 (#)	54
Sectors (#)	8
Countries (#)	13
Average Market Cap	$251bn
Median Market Cap	$99bn
P/E (next 12 months)	24.9x
Dividend yield*	1.3%
Active share	88%

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 (%)	Stock	Change (%)
Equifax	28.2	Straumann Holding	11.8	L'Oreal	6.1
DBS Group	27.2	Sysmex	11.6	bioMérieux	5.9
Novo Nordisk	21.3	Ametek	10.7	Factset	5.8
American Express	17.1	Thermo Fisher Scientific	10.3	Alphabet	5.0
Alcon	16.7	WW Grainger	10.2	ASML	4.9
Keyence	16.7	Ross Stores	10.2	Apple	4.0
Applied Materials	15.0	Booking Holdings	9.7	Sonova	2.3
Air Liquide	13.4	Assa Abloy	9.3	Home Depot	2.2
Dassault Systemes	13.0	AIA Group	8.7	Novonesis	0.0
HDFC Bank	12.8	Hexagon	7.7	LVMH	0.0
Nasdaq	12.5	Analog Devices	7.6	Lonza	0.0
WR Berkley	12.5	Atlas Copco	7.1	EssilorLuxottica	0.0
Costco	12.1	Lindt	7.1		
Quarterly Average	**11.1**				
YTD Average	**9.9**				

QUARTERLY TRANSACTIONS

Purchases	Sector	Listed	Sales	Sector	Listed
Deutsche Boerse	Financials	Germany	Apple	IT	US
			Nordson	Industrials	US
			Coloplast	Health Care	Denmark

Source: Bloomberg Dundas.

PERFORMANCE

Global Equity Growth Composite	Quarter	1 Year	3 Years	5 Years	10 Years	Since inception
Composite return (gross)	8.03	10.85	14.37	11.19	10.37	10.60
Composite return (net)	7.89	10.27	13.77	10.60	9.82	10.05
MSCI ACWI	11.53	16.17	17.35	13.65	9.99	10.53

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 Global Strategy inception date 1 September 2012. Global Equity Growth GIPS® composite report is included at the end of this document. Past performance is not an indicator of future results.

REVIEW

History doesn’t repeat itself, but it often rhymes

Dividend growth is the foundation upon which our investment strategy rests. Dividends keep us focused on corporate fundamentals – business progress, profitability, cash flow and governance – and doing so helps us avoid the extremes of greed and fear which make share prices so much more volatile.

The challenge comes in periods when share prices rise faster than long run dividend growth.

The chart below shows the MSCI ACWI’s index price and dividend series over the past 30 years, both in US Dollars. Looking at it, those conditions applied vividly in the late 1990’s TMT bubble and burst.

And they apply today.

Source: Bloomberg, MSCI. Index MSCI ACWI

In the past five years, we’ve experienced COVID-related shutdown and recession, interest rates at 300-year lows (and their subsequent rise), and the arrival of AI, a revolutionary technology that is already transforming – and destroying – existing ways of doing business.

Stock markets rallied from their COVID-induced lows faster than global dividend growth, whilst the so-called Magnificent Seven (and others) soared as appreciation of AI’s potential widened.

Where are we today?

Of the three factors cited as driving recent market performance, COVID’s impact on five-year returns will drop as time passes.

Rising interest rates have boosted bank shares but not their businesses. Net Interest margins were crushed since the GFC, especially during the COVID recession and associated monetary policy, hence a return towards ‘normal’ interest rates has boosted profits but not transformed their unattractive business models. Most banks remain off the radar for dividend growth investors, despite a respite from their post-GFC NIM torture. Returns on equity remain low, their products highly regulated and commoditised, while having a poor record of sustaining dividend growth.

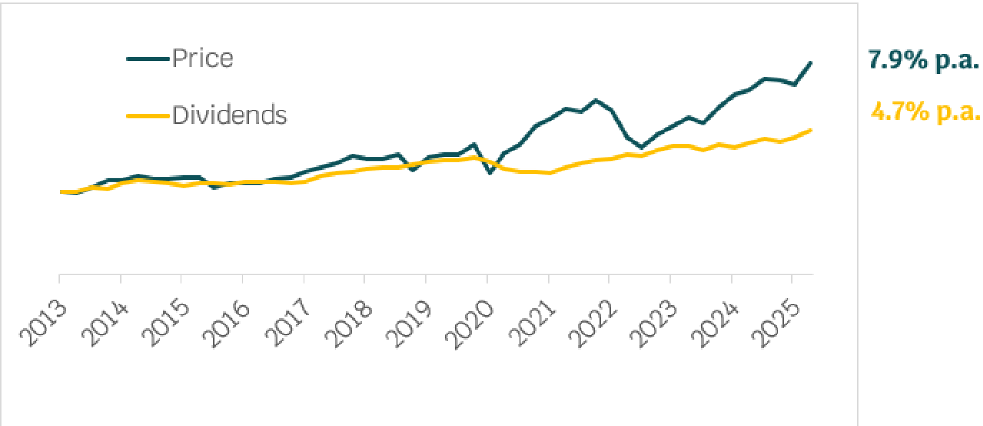
AI is a transformational technology but, as many times before, investors drive share prices up way too far in advance of future profits and cash flows. Extrapolation isn’t a sound investment discipline.

REVIEW

Five years ago, the Strategy's dividend yield represented 60% of the MSCI ACWI's yield. Today, thanks to the Strategy's continued strong dividend growth and the rapid increase in the index, it is 75%. Most of us aren't used to thinking in terms of valuation via dividend yield, but the 60% to 75% shift means that the Strategy is much cheaper relative to its benchmark than it was five years ago – without any reduction in the Strategy's underlying dividend growth.

History keeps rhyming, markets are always volatile. But we beg to differ from Mark Twain, author of the quote "*History doesn't repeat itself, but it often rhymes".* Investment history has at least one very clear lesson. Dividend growth is a sure guide to long term returns, and a portfolio of stocks that keep growing their businesses and dividends has good prospects of above-index returns.

The chart below shows the Index along with the same data since the strategy's launch in March 2013. Over the past five years — following the initial decline driven by global lockdowns — markets have largely been valuation-driven.



Source: Bloomberg, MSCI. Index MSCI ACWI

Two major forces have significantly influenced this trend:

1. The surge in enthusiasm around artificial intelligence, led by the rise of the so-called "Magnificent 7" mega-cap tech companies.
2. A broader re-rating of 'Value' stocks, particularly outside the United States. Banks now playing a prominent role following the bounce in net interest margins based on the increase of interest rates from the 300-year low.

REVIEW

While short-term market returns are inherently difficult to predict, it is possible to form reasonable expectations over the medium to long term using a structured return framework. One common approach breaks down total return into four components: dividend yield, dividend growth, changes in valuation, and currency effects. By applying this framework to both the Strategy and its benchmark index—alongside a few simplifying assumptions over a five-year horizon—we can construct a useful, illustrative comparison.

Assuming the Strategy's dividend growth continues in line with its long-term trend of 11%, and the Index reverts to its historical average of around 6%, a differentiated return profile begins to emerge. With the Strategy's current dividend yield and valuation premium at five-year relative lows, the scope for further de-rating appears limited. In contrast, the index may have more room to normalise, potentially detracting around 2% per annum from returns over the period. Given that both the Strategy and the index are broadly diversified across currencies, we assume FX to be a neutral factor. Collectively, these assumptions suggest a hypothetical scenario in which the Strategy could have a return advantage over the index.

This is not investment advice, nor should it be interpreted as a forecast. The analysis is purely illustrative and based on assumptions that may or may not materialise. Amid ongoing geopolitical tensions, trade uncertainty, and currency volatility, markets are likely to remain unpredictable. In such an environment, our focus continues to be on high-quality businesses with durable growth potential—those that can compound returns over time—rather than chasing areas of the market that have already outperformed.

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

The Strategy returned a net return of 7.89%, compared to 11.53% for the MSCI ACWI Index. Over five years, the Strategy delivered an annualised return of 10.60%, while the Index returned 13.65%.

Despite the underperformance in share price terms, the Strategy's underlying fundamentals remained strong. Average dividend growth (in local currencies) was 12% per annum over the period, compared to 7% for the Index (measured in USD).

The Strategy continues to deliver on its philosophy that long-term total returns are driven by dividend growth. The consistency of dividend growth, supported by strong fundamental metrics, provides reassurance about the returns delivered to date and reinforces our confidence in future performance.

The Strategy's approach also depends on the ability to remain resilient during periods of market turbulence — something clearly demonstrated in the early part of the quarter, when tariff-related volatility emerged and the Strategy delivered strong relative outperformance. The second quarter of 2025 began with "Liberation Day," when the US imposed sweeping new tariffs, triggering a sharp sell-off—particularly in US growth stocks. However, as trade tensions eased and a tariff pause was announced, markets staged a powerful rally through May and June.

By quarter-end, investor confidence appeared to have soared. The MSCI USA Growth Index exemplified this dramatic turnaround: after falling 10.2% by April 4, it surged 34.75% to close the quarter up an astonishing 19.22%—a rally that may rank among the strongest ever seen in such a short span. The obvious question being 'is this sustainable?'

Sector	Main factor	Attribution (bps)
Consumer Staples	Stock selection	65
Energy	Allocation	60
Materials	Stock selection	29
Real Estate	Allocation	16
Utilities	Allocation	10
Consumer Discretionary	Stock selection	-24
Communication Services	Allocation	-48
Health Care	Stock selection / Allocation	-74
Information Technology	Stock selection	-106
Industrials	Stock selection	-116
Financials	Stock selection	-147

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

TOP 5 STOCK CONTRIBUTORS

Stock	Attribution (bps)	Comment
Apple	69	The shares underperformed during the quarter due to declining iPhone sales in China and quantification that anticipated tariffs could cost the company around $900m (1% of revenue) in the next quarter (given that 80-90% of iPhones are still manufactured in China). The company also announced a 4% dividend increase with their quarterly results. We sold our remaining shares as from a dividend growth perspective, the company no longer meets our criteria. The 4% dividend increase falls well below the average 10% increase delivered by the Strategy holdings so far in 2025, and the 11% per annum delivered over the life of the Strategy.
Amphenol	69	Amphenol, a global leader in connectors, cables, sensors, antennas and interconnect systems used to transmit power and data across various industries, reported record sales during the quarter up 48% and 33% organically year on year. The growth was driven by sales of high-performance interconnect solutions to data centres supporting the AI ecosystem, which is expected to continue in the coming quarters.
TSMC	52	TSMC 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.
Applied Materials	25	Applied Materials, develops, manufactures and sells capital equipment for the semiconductor fabrication and display industries and has leading market shares in its products. The company reported a 7% increase in revenues, driven by continued demand for AI chip infrastructure and earnings up 14% with Gross Margin increasing to 49% and operating margins increasing to 31%. Management expect AI to continue to drive demand over coming years and forecast 6% revenue growth for the next quarter.
Booking Holdings	19	Booking Holdings, the world's leading provider of online travel and related services, reported excellent quarterly results with revenue up 8% and earnings up 22% year over year, aided by good cost control. Revenue growth was aided by AI driven enhancements enabling personalised recommendations and continued strong growth in non-hotel revenues e.g. flight bookings increased 45% year over year. Management expects revenue growth to increase to 10-12% in Q2 highlighting the robustness of the business model.

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

BOTTOM 5 STOCK CONTRIBUTORS

Stock	Attribution (bps)	Comment
Brown & Brown	62	US based insurance broker Brown & Brown's shares underperformed primarily due to reporting softer-than-expected organic revenue growth which slowed from 14% to 7% quarter on quarter. We continue to own Brown and Brown shares due to the recurring and non-cyclical nature of its fees and commissions, the mid to high single digit organic growth supplemented with bolt on M&A and the structural tail winds that insurance brokers enjoy from issues such as rising risk complexity.
Thermo Fisher Scientific	43	Thermo Fisher Scientific is a global leader in scientific instruments, lab equipment, diagnostics, and life sciences tools that help researchers, hospitals, and pharmaceutical companies develop and produce new medicines, vaccines, and diagnostic. Its shares fell during the quarter as organic growth remains subdued given reduced R&D spending and slower-than-expected recovery in demand for lab equipment and diagnostics post-pandemic. The company will also be impacted by US – China tariffs and US spending cuts impacting US academic and government customers.
Marsh & McLennan	-41	Marsh & McLennan, a global professional services firm that provides advice and solutions in risk, strategy and people, reported a slowdown in organic revenue growth to 4% and an 11% increase in operating expenses which resulted in net income below market expectations. We continue to invest in the company due to its resilient business model, strong financials, and market positioning in a world increasingly focused on risk management and human capital.
EssilorLuxottica	-40	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.
LVMH	-37	LVMH, the world's largest luxury good company, had a difficult quarter due to falling consumer demand and the potential impact of tariffs on the business. Revenue declined 3% on an organic basis in the quarter with Fashion & Leather and Wines and Spirits down the most and sales in both US and Asia declined. However, we remain optimistic given LVMH's unmatched diversification by brand and geography which provides resilience in a weaker consumer environment. History also shows that LVMH uses such moments to expand – backed by its strong cashflow and solid balance sheet.

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

ESG METRICS

ESG Metrics	Global Equity Growth Strategy	MSCI ACWI
ESG Quality Score	7.4	6.6
MSCI ESG Rating	AA	A
ESG Ratings Distribution		
Leaders	63%	43%
Average	36%	54%
Laggard	1%	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).

DIVERSIFICATION

Market Cap (USD)	Number of Stocks	Strategy (%)
> $500bn	5	12.96
$100bn - $500bn	22	39.25
$50bn - $100bn	6	8.59
$10bn - $50bn	21	35.97
$2bn - $10bn	0	0.00
Cash		3.23

Top 10 Holdings	Wgt (%)	Sector	Country
Microsoft	4.10	I.T.	USA
WR Berkley	3.62	Financials	USA
WW Grainger	3.44	Industrials	USA
Visa	2.74	Financials	USA
Amphenol	2.70	I.T.	USA
TSMC	2.67	I.T.	Taiwan
EssilorLuxottica	2.64	Health Care	France
Sage Group	2.57	I.T.	UK
Brown & Brown	2.44	Financials	USA
American Express	2.43	Financials	USA
TOTAL	**29.35**		

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. 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 Global Equity Growth Strategy represented by a live portfolio.

Sector Exposure	Strategy	Index	Active*
Information Technology	25.30	25.93	-0.64
Financials	24.42	17.84	6.58
Health Care	20.27	8.87	11.40
Industrials	10.85	10.92	-0.07
Consumer Discretionary	5.92	10.39	-4.47
Consumer Staples	4.26	5.83	-1.57
Materials	3.40	3.48	-0.08
Communication Services	2.36	8.60	-6.24
Energy	0.00	3.56	-3.56
Real Estate	0.00	1.96	-1.96
Utilities	0.00	2.62	-2.62

Country Exposure	Strategy	Index	Active*
United States	57.11	64.04	-6.93
France	10.51	2.42	8.10
Switzerland	6.38	2.41	3.97
Sweden	4.35	0.81	3.54
Denmark	3.53	0.51	3.02
Taiwan	2.67	1.97	0.70
United Kingdom	2.57	3.31	-0.74
Japan	2.06	4.87	-2.81
Hong Kong	1.87	0.59	1.28
Netherlands	1.76	1.17	0.59
Singapore	1.66	0.43	1.23
India	1.34	1.89	-0.55
Germany	0.97	2.31	-1.34

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. 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 Global Equity Growth Strategy represented by a live portfolio.

GLOBAL COMPOSITE

Composite:	**Dundas Global Equity Growth**
Benchmark:	**MSCI All Country World Index**
Reporting currency:	**USD**
Report as at:	**30 June 2025**

Period	Composite gross of fees return (%)	Composite net of fees return (%)	Benchmark return (%)	Composite 3yr St Dev (%)	Benchmark 3yr St Dev (%)	Number of portfolios	Total composite assets (million)	Total firm assets (million)
2025[a]	8.1	7.8	10.1	16.6	14.8	2	2,237	2,474
2024	9.8	9.2	17.5	18.8	16.4	2	2,102	2,369
2023	20.4	19.8	22.2	19.0	16.5	2	1,883	2,136
2022	(21.9)	(22.3)	(18.4)	20.2	20.1	2	1,530	1,922
2021	25.2	24.5	18.5	14.5	17.1	2	1,407	1,925
2020	22.5	21.8	16.3	15.8	18.4	2	1,047	1,498
2019	32.6	31.9	26.6	11.0	11.4	2	804	1,283
2018	(5.5)	(6.0)	(9.4)	10.7	10.6	2	591	1,011
2017	29.2	28.5	24.0	11.4	10.5	2	459	890
2016	3.3	2.9	7.9	11.8	11.2	4	562	947
2015	(4.6)	(5.0)	(2.4)	11.5	10.9	4	721	721

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

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 Global Equity Growth Composite includes all fee-paying, fully discretionary accounts which invest in global equities with the goal of delivering long term capital and dividend growth. A typical portfolio will consist of between 50 – 65 companies(b) 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 All Country World Index. The MSCI ACWI captures large and mid-cap representation across 23 Developed Market and 24 Emerging Market countries. With around 3,000 constituents, the index covers approximately 85% of the global investable equity opportunity set. 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.

(b) The number of companies typically held in accounts within this composite changed on 3 December 2024. The previous range was 60-100 and was applicable to account composite since its inception in September 2012.

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, the maximum fund expense ratio for portfolios within this composite is 0.74%.

8. The Dundas Global Equity Growth Composite was created on 1 September 2015 and has a composite inception date of 1 September 2012.

9. A list of all composite 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 August 2012.

12. Gross-of-fees returns are used to calculate the three-year annualized standard deviation of the composite, 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 Global 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_2 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.

DUNDAS
GLOBAL
INVESTORS

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