



# DUNDAS GLOBAL EQUITY GROWTH

Q4 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	2,670
Global strategies	2,225
International strategy	210
International ADR strategies	235

Strategy data	
Holdings (#)	51
Sectors (#)	8
Countries (#)	13
Average Market Cap	\$294bn
Median Market Cap	\$104bn
P/E (next 12 months)	23.8x
Dividend yield*	1.3%
Active share	89%

## 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, we believe, leads to superior capital allocation.

Sources: Dundas, Bloomberg. Data as of 31 December 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 (%)
Amphenol	51.5	Straumann Holding	11.8	Sage Group	6.8
Equifax	28.2	Sysmex	11.6	Abbot Labs	6.8
DBS Group	27.2	TSMC	11.1	Zoetis	6.0
Novo Nordisk	21.3	Ametek	10.7	L'Oreal	6.1
American Express	17.1	ADP	10.4	bioMérieux	5.9
Alcon	16.7	Thermo Fisher Scientific	10.3	Factset	5.8
Keyence	16.7	WW Grainger	10.2	Alphabet	5.0
Intuit	15.4	Ross Stores	10.2	ASML	4.9
Applied Materials	15.0	Accenture	10.1	Stryker	4.8
Mastercard	14.5	Brown & Brown	10.0	Apple	4.0
Visa	13.6	Booking Holdings	9.7	Sonova	2.3
Air Liquide	13.4	Microsoft	9.6	Home Depot	2.2
ResMed	13.2	Assa Abloy	9.3	LVMH	0.0
Dassault Systemes	13.0	AIA Group	8.7	Lonza	0.0
HDFC Bank	12.8	Hexagon	7.7	Novonesis	0.0
Nasdaq	12.5	Analog Devices	7.6	EssilorLuxottica	0.0
WR Berkley	12.5	Atlas Copco	7.1		
Costco	12.1	Lindt	7.1		
<b>Quarterly Average</b>	<b>13.8</b>				
<b>YTD Average</b>	<b>10.8</b>				

## QUARTERLY TRANSACTIONS

Purchases	Sector	Listed	Sales	Sector	Listed
Hong Kong Exchanges	Financials	Hong Kong	Hexagon	IT	Sweden

# PERFORMANCE

<b>Global Equity Growth Composite</b>	<b>Quarter</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since inception</b>
Composite return (gross)	3.02	12.63	14.18	7.80	11.53	10.52
Composite return (net)	2.89	12.03	13.58	7.22	10.96	9.97
MSCI ACWI	4.57	22.34	20.65	11.19	11.72	10.99

Sources: Morningstar, MSCI, Dundas. All data shown is percentage total return in US Dollars to 31 December 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

In Scotland, the New Year is marked by “bringing in the bells”. It is a moment of reflection, of closing one chapter and opening another. As we do that this year, it feels an appropriate way to reflect on markets and on what we believe truly matters for long-term investors.

Three bells stand out from the year just passed.

The first is the bell that marks a new year and a new cycle. Headline equity returns in 2025 were strong, yet the journey beneath the surface was far from smooth. Performance was narrow, driven by a relatively small group of companies, and valuation expansion played a larger role than fundamentals. Confidence shifted quickly, often on little more than sentiment. Markets can move faster than businesses.

The second bell is the one that matters most. It is not rung by markets at all. It is the sound of the cash register.

Revenue growth is the foundation of durable returns. Dividends grow because revenues grow. Cash flows strengthen because revenues grow. Over time, share prices follow.

Over the past 12 months, the companies held in the Strategy delivered exactly that. Revenues across companies held throughout the year grew by 11%. This was not a one-off outcome. It reflects businesses that grow sales year after year.

Cha ching. Cha ching. Cha ching.

That repetition matters. Proven companies reinvest continuously to keep the register ringing. Much of that reinvestment goes into research and development, product improvement and innovation. These are decisions designed to protect relevance, defend margins and sustain growth over time.

That revenue growth flowed through to cash generation and dividends. The Strategy delivered 11% dividend growth over the year, consistent with its 11% annual dividend growth over the full 12-year history of the Strategy. This has not been driven by leverage, financial engineering or unusually favourable conditions. It has been earned.

The third bell is an alarm bell, and it is ringing at the index level.

## REVIEW

Market concentration remains high, with a small number of stocks accounting for a large share of returns. Valuation expansion has done much of the heavy lifting. Expectations for future growth, particularly in capital-intensive areas such as artificial intelligence, have risen faster than proven revenues.

In 2025, leadership also shifted towards EAFE value companies. Many were rewarded because they were deemed cheap, rather than because they delivered stronger underlying revenues. History suggests rallies driven primarily by valuation tend to be fragile.

A useful way to frame the divergence between market rewards and business progress is to compare Automatic Data Processing (ADP), a holding in the Fund, with Roche, the largest stock in the value index.

ADP is a leading provider of payroll and workforce management software, supported by recurring revenues and long-term client relationships. Over the past year it delivered around 7% revenue growth and 10% dividend growth, yet the share price fell 12%. With a strong track record, including dividend growth of roughly 12% per annum over five years, we view the weakness as improving the entry point into a high-quality compounder.

Roche is a Swiss healthcare leader spanning Pharmaceuticals and Diagnostics. Over the last 12 months the shares delivered roughly a 29% total return in CHF, despite revenue growth of around 1% and a 1% dividend increase. That gap suggests the bulk of the move has been driven by valuation uplift, leaving the stock less “cheap” than it was a year ago.

As we enter the new year, our focus remains unchanged: consistent, growing revenues, supported by sensible reinvestment and disciplined capital allocation that leads to dividend growth. Where dividends go, share prices follow.

John Donne wrote that we should “never send to know for whom the bell tolls; it tolls for thee”, a reminder that periods of excess and stress are never confined to one corner of the market. They spill over into confidence, liquidity, and the real economy. It is why we keep our focus on businesses that strengthen the system through essential products and services, steady employment, and consistent cash generation.

We will use the dividend bell as our guide for the year ahead and beyond.

# REVIEW

## How can 11% growth turn into 4% for share prices?

In short, we delivered strong fundamentals, but two headwinds reduced the outcome for AUD based investors. First, valuations compressed, meaning the market paid a lower multiple for our holdings. Second, currency movements detracted when translated into AUD.

A simplified breakdown is as follows:

Dividend growth: 11%

Dividend yield: 1.5%

Valuation change: -4.0%

Currency impact: -4.6%

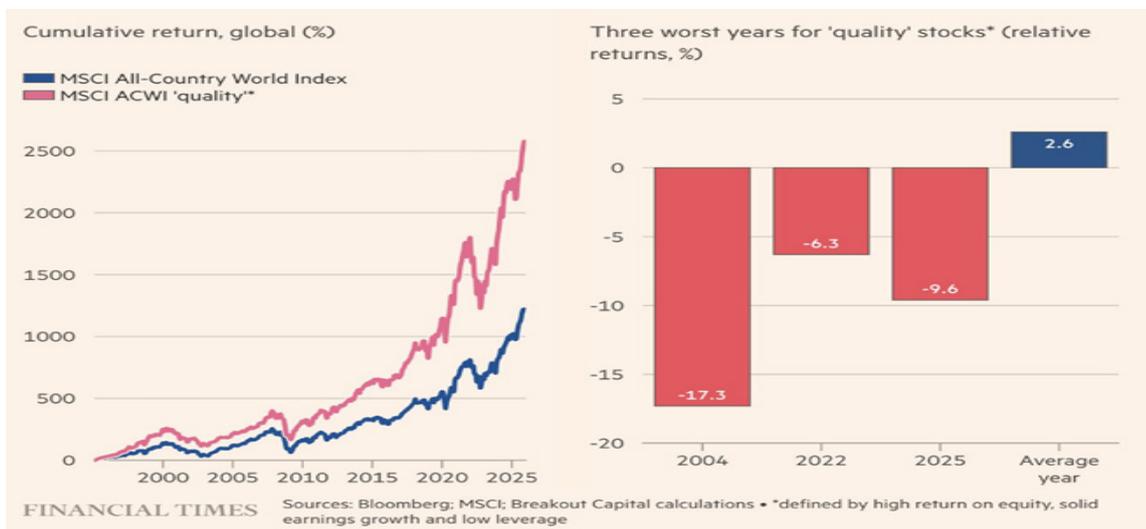
Total return: 5%

Our philosophy rests on a simple conviction: over time, fundamentals drive returns. Dividend growth, in particular, remains one of the most consistent indicators of lasting value creation. Yet markets do not always reward fundamentals in the short run. Over periods of a year or less, sentiment and valuation shifts often dominate outcomes.

The Fund has delivered 12.0% per annum, net of fees, over the past ten years, supported by dividend growth of 11%. In other words, the Strategy is doing exactly what it was designed to do. A 2022 MSCI study underlines this dynamic showing that while valuation changes can explain roughly half of annual market returns, their impact falls to around 10% when measured over twenty years.

In 2025, markets de-rated quality companies businesses that consistently grow revenues and profits while reinvesting for the future. Instead, performance was concentrated at the extremes: value stocks benefited from renewed investor interest, while high-growth, AI-related names surged on lofty expectations.

History suggests such patterns rarely endure. As the Financial Times recently observed, quality companies have historically outperformed by around 2.5% per year over the long term. 2025 was simply a year when that enduring advantage faced a strong, but temporary, headwind.



Source: Financial Times

# REVIEW

## 2025 Comparison to the index

The MSCI componentry was quite different to the Strategy. The index was led by valuation largely from two areas EAFE value and US ultra high growth. The breakdown of the 14% total return is shown below, and highlights the large element of valuation expansion, the largest area of difference with a relative 13% tailwind for the Strategy.

Index (AUD)

Dividend growth: 3.3%

Dividend yield: 1.7%

Valuation change: 9%

Total return: 14.0%

## Fiscal Expansion and the Flight to high-yielding equities

A profound driver of market action in 2025 was the acceleration of unfunded fiscal expansion. With major economies loosening deficit rules to fund both domestic stimulus and a massive "re-arming" of the West, the threat of currency debasement became a central theme.

- *Precious Metals as a "Fiscal Hedge"*: Gold emerged as a premier asset class, surging over 60% to reach record highs above \$4,300. This was more than a safe-haven trade; it was a structural move by central banks and private investors to diversify away from fiat currencies amidst ballooning global debt.
- *European banks surge*: While central banks struggled to manage "higher-for-longer" yield curves, the banking sector—particularly in Europe—benefited from resilient net interest income which led the sector to being one of the best performing globally.

## The Re-Arming of Europe

Geopolitics transformed the defence industry's fortunes, with the European defence sector rising by approximately 77% in USD, (as measured by Aerospace & Defence sub sector of the MSCI ACWI ex USA index, over the year) as governments reprioritised security amidst shifting international alliances. National defence budgets surged across the continent. Poland led with a spend of 4.5% of GDP, while Germany saw a 28% increase, as the €100 billion special fund became fully operational. Companies like Rheinmetall, Leonardo, and Thales were fundamentally re-rated. No longer viewed as cyclical laggards, they are now treated by the market as high-growth technology companies, with order backlogs extending well into the 2030s.

# REVIEW

## Healthcare: Regulatory Shifts and the Novo Nordisk "Pivotal Moment"

The healthcare sector staged a recovery in late 2025, driven by a crucial easing of the policy overhang towards the end of the year. Large-cap pharma stalwarts like Roche and Novartis benefited from a landmark drug-pricing agreement with the US in late 2025 that removed the immediate threat of aggressive price controls, providing much-needed earnings clarity.

- *The China Challenge:* Beyond the US, Chinese Value-Based Procurement (VBP) has fundamentally altered the landscape for many healthcare companies operating there. China's aggressive centralised bidding process, which favours domestic "local champions," has forced overseas companies to accept deep price cuts (often exceeding 50%) to maintain market access. This protectionist shift has made "in-country" manufacturing an operational necessity for Western firms hoping to remain relevant in the Chinese healthcare market. This has impacted holdings of ours, such as Sysmex.

However, the narrative for Novo Nordisk was more complex. The company's shares struggled throughout 2025 and into the final quarter as it faced a "perfect storm" of slowing US demand, market share losses to Eli Lilly, and high-profile clinical failures—most notably in Alzheimer's. By November, shares had hit a four-year low as growth projections were repeatedly trimmed.

- *The "Pill" as a Catalyst:* The sentiment began to shift in late December following the FDA approval of Novo's oral Wegovy pill. By removing the "needle barrier" and offering a more affordable, mass-market delivery method, the pill is viewed as the essential catalyst for a 2026 recovery.

## The AI Infrastructure Dichotomy: Strategic Defence vs. Return on Invested Capital (ROIC)

Artificial Intelligence sits at the centre of market debates, given the world's largest technology companies are currently engaged in a capital spending race with no modern precedent. Hyperscalers committed over \$400 billion to AI infrastructure in 2025. This is strategic defence; these firms are spending because the risk of being second is viewed as existential, making immediate returns a secondary consideration. The challenge has been balancing these concerns alongside the clear opportunity AI presents as a general purpose technology.

- *The Revenue Gap concern:* Capital expenditure is rising at nearly triple the rate of incremental revenue growth. To justify this, the industry must generate extraordinary sales simply to preserve existing returns on capital.
- *Focusing on "pinch points":* To manage these risks, we have focused our exposure on the "pinch points" of the value chain where monopolies and duopolies exist. By targeting companies such as TSMC and ASML - with dominant market positions conveying high pricing power - we believe we lower the risk of capital misallocation.

Our focus remains on these structural "picks and shovels" providers. Customers have little choice but to use their services, conveying significant market power and insulating the Strategy from the volatility of

# OUTLOOK

## Share price dislocation

Our outlook is unchanged, we remain focused on substance, not speculation. Dividend growth is the most reliable marker of business progress and the strongest long-term driver of equity returns.

Markets continue to swing between optimism and anxiety. AI is reshaping the future, while wars, tariffs and geopolitical tensions keep sentiment fragile. In that environment, the best compass is still fundamentals. Over time, share prices follow dividends, because dividends follow cashflows.

The only notable change is that the dislocation between share prices and underlying dividend growth has widened. Valuations have moved faster than fundamentals, creating a bigger gap that history suggests is unlikely to persist. If anything, that widening spread increases the long-term opportunity for investors willing to stay disciplined.

# QUARTERLY ATTRIBUTION

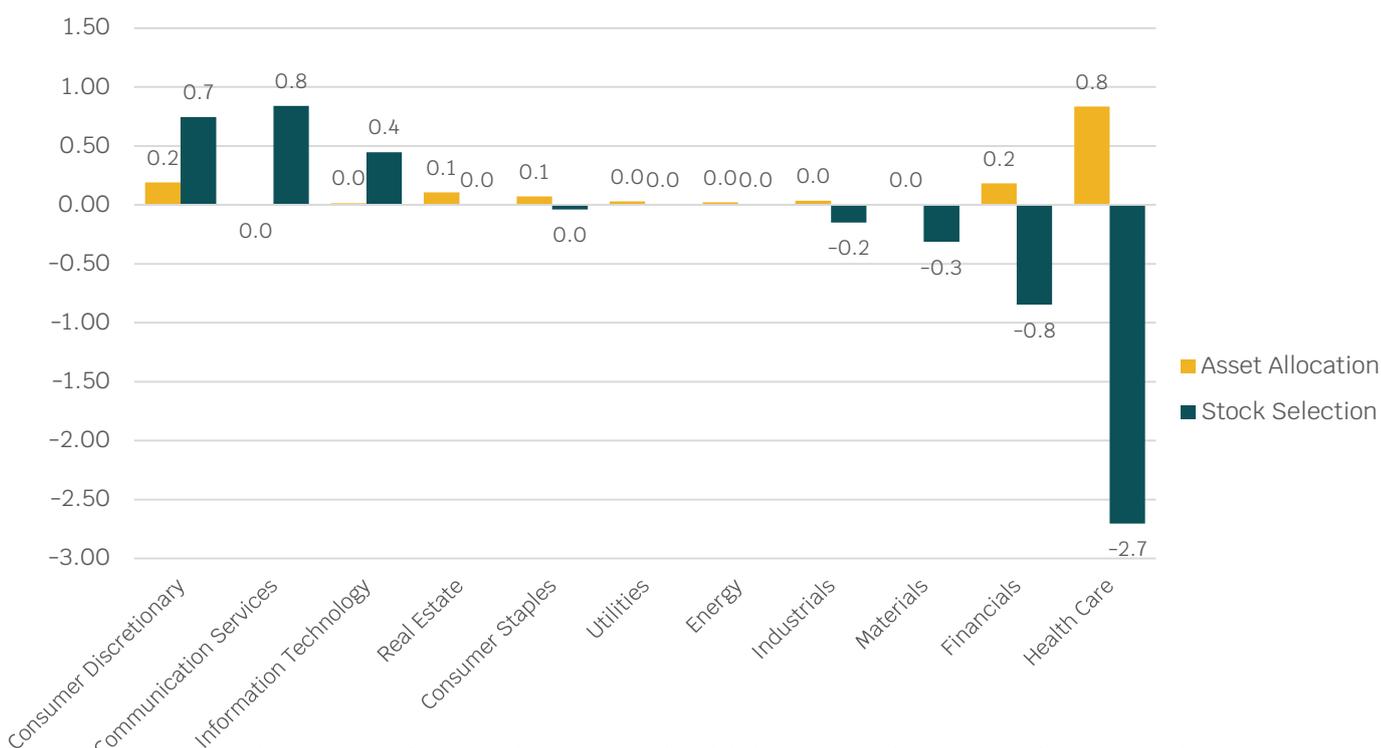
The Strategy returned a net return of 2.89%, compared to 4.57% for the MSCI ACWI Index.

Sector performance during the quarter was mixed, with strength in selected growth areas offset by weakness in more defensive and cyclically challenged sectors.

The best-performing sector was Consumer Discretionary, supported by strong stock selection. LVMH and Ross Stores were the key contributors. LVMH benefited from a valuation re-rating as sales trends improved across most regions and divisions, excluding Europe. Ross Stores delivered a positive earnings surprise, driven by robust holiday-related like-for-like sales and an upgrade to guidance. Communication Services also added value, led by Alphabet. Shares rallied as the introduction of AI Mode increased search engagement, while Google Cloud growth accelerated to 34%. Ongoing investment in proprietary AI chips supported margin confidence, prompting upgrades to revenue and earnings expectations and a sharp valuation re-rating. Information Technology delivered modest positive performance in the quarter, despite remaining a drag on relative returns for the year. Gains were driven by exposure to AI data-centre beneficiaries, including Applied Materials, ASML, Amphenol and TSMC.

On the downside, Health Care was the weakest sector, reflecting portfolio positioning. Returns lagged as market leadership favoured large pharmaceutical stocks that benefited from a value-style re-rating, an area where exposure was limited. Novo Nordisk detracted following a meaningful valuation de-rating despite strong long-term fundamentals. Financials underperformed, largely due to insurance holdings, while limited exposure to the rally in non-US banks weighed on relative returns. Materials (-0.3%) detracted modestly, primarily due to Air Liquide, as weaker European and Asian industrial conditions offset strength in the US and contributed to a share price de-rating.

## Sector attribution



Sources: Dundas, Bloomberg. Data as of 31 December 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
Applied Materials	54	Applied Materials provides equipment, services, and software to the semiconductor and display industries. The company delivered a significant beat on both the top and bottom lines as AI-driven demand remained robust, leading to earnings upgrades and a share re-rating.
Alphabet	50	Alphabet, parent company of Google and YouTube; a leader in search, online advertising, and cloud computing. The shares performed strongly as AI Mode in Search boosted user engagement and 34% growth in Cloud revenue, powered by their own custom AI chips exceeded revenue expectation leading to earnings upgrades and a significant share re-rating.
Thermo Fisher Scientific	31	Thermo Fisher Scientific provides analytical instruments, equipment, software, and services for research, manufacturing, and clinical diagnostics. Market share gains and a solid 2025 growth forecast led to a share re-rating.
LVMH	30	LVMH is a global luxury goods conglomerate spanning fashion, wines, and cosmetics. The shares performed strongly as sales improved across all business groups and all regions with the exception of Europe leading to the shares re-rating.
Ross Stores	27	Ross Stores is an off-price apparel and home fashion retailer. Ross's LFL stores sales exceeded expectations due to strong holiday sales. The company raised its guidance, resulting in earnings upgrades and a share price re-rating.

Sources: Dundas, Bloomberg. Data as of 31 December 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	-48	As a leading US insurance broker, Brown & Brown has historically driven growth through a mix of strategic acquisitions and organic pricing power. However, recent signs of a softening market—marked by slowing premium inflation and a surplus of capital—have dampened near-term earnings expectations, leading to a de-rating of the stock's valuation.
WR Berkley	-43	WR Berkley is a premier commercial underwriter specialising in complex risks where technical expertise commands premium pricing. While shares were bolstered in 2025 by Mitsui Sumitomo Insurance's accumulation of a 12.5% stake, the stock has recently softened as investors weigh the impact of a cooling insurance pricing cycle on future earnings.
ResMed	-35	ResMed is the dominant developer of hardware and masks for treating obesity-related respiratory conditions like obstructive sleep. While the rising efficacy of GLP-1 weight-loss drugs has raised concerns regarding a potential shrinkage of ResMed's long-term addressable market, management contends that these medications actually improve patient identification. However, despite strong operational results, shares faced a valuation 'de-rating' in late 2025 as the market weighed immediate growth against long-term disruption risks.
Zoetis	-34	Zoetis is the world's largest animal health company, focusing on medicines, vaccines and diagnostics for both pets and farm animals. In its Q3 earnings Zoetis cut its full year revenue guidance as demand for livestock products softened and growth for key pet products began to moderate. Alongside this, growing concerns around pain medications Librela (dogs) and Solensia (cats) intensified, leading to reductions in the long term growth profile. We continue to believe the company enjoys favourable end markets, with relatively inelastic demand and a strong pipeline of new products.
Dassault Systemes	-33	Dassault Systemes is a French leader in 3D design and Product Lifecycle Management (PLM), specialising in 'virtual twins' that allow industries to simulate and test products or entire cities before construction. In its Q3 results, the company lowered its full-year revenue growth guidance from 6-8% to 4-6%, primarily due to a slowdown in Life Sciences as clinical trial activity remains sluggish post-pandemic. Additionally, industrial weakness in France and Germany has delayed high-end software contracts. While we are monitoring the position closely, the stock's historically low valuation and 86% recurring revenue base suggest we may be approaching a bottom.

Sources: Dundas, Bloomberg. Data as of 31 December 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	7.5	6.7
MSCI ESG Rating	AA	A
ESG Ratings Distribution		
Leaders	56%	45%
Average	43%	53%
Laggard	0%	3%
Not Covered	1%	0%

MSCI Inc is a holding within the Strategy. In accordance with its ESG & Climate Methodology, MSCI does not assess or rate itself, and therefore it is excluded from the ESG metrics reported in this document.

Ratings & metrics from MSCI ESG Research LLC as of 31 December 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	5	15.90
\$100bn - \$500bn	21	44.68
\$50bn - \$100bn	6	9.06
\$10bn - \$50bn	18	28.33
\$2bn - \$10bn	1	0.57
Cash		1.46

Top 10 Holdings	Wgt (%)	Sector	Country
Alphabet	4.12	Comms. Services	USA
Microsoft	3.94	I.T.	USA
WR Berkley	3.64	Financials	USA
TSMC	3.54	I.T.	Taiwan
Amphenol	3.34	I.T.	USA
Applied Materials	3.15	I.T.	USA
American Express	3.12	Financials	USA
EssilorLuxottica	3.03	Health Care	France
Visa	2.80	Financials	USA
Thermo Fisher Scientific	2.59	Health Care	USA
<b>TOTAL</b>	<b>33.26</b>		

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 31 December 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	27.15	27.22	-0.07
Financials	25.88	17.63	8.25
Health Care	20.86	9.04	11.83
Industrials	8.46	10.63	-2.17
Consumer Discretionary	6.07	10.21	-4.14
Communication Services	4.12	8.84	-4.71
Materials	3.58	3.66	-0.08
Consumer Staples	2.42	5.09	-2.67
Energy	0.00	3.40	-3.40
Real Estate	0.00	1.75	-1.75
Utilities	0.00	2.54	-2.54

Country Exposure	Strategy	Index	Active*
United States	57.55	63.72	-6.17
France	11.51	2.28	9.23
Switzerland	4.44	2.43	2.00
Taiwan	3.54	0.11	3.43
Hong Kong	3.44	0.92	2.52
Denmark	3.11	0.42	2.69
Sweden	2.89	0.81	2.08
United Kingdom	2.46	3.29	-0.83
Netherlands	2.36	1.23	1.14
Singapore	2.36	0.42	1.94
Germany	2.13	2.13	0.00
Japan	1.49	4.85	-3.36
India	1.26	1.68	-0.41

Sources: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 31 December 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:	31 December 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	12.6	12.0	22.3	12.4	11.3	2	2,205	2,435
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

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 2025.
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 Disclosure

- **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 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, 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). Dundas welcomes the new standards. They are thorough, stringent and, when fully adopted, will raise and level the playing field for corporate sustainability reporting.

- 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. Sustained dividend growth is produced by well managed companies that respect all their stakeholders' interests. As a result, we believe that these companies will meet our clients' long-term needs.

- **Stocks we decline to own on principle:**

- Companies whose principal activity is the manufacture, production, or distribution of tobacco
- Manufacturers of 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.
- Companies whose principal activity is 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/Climate Report documents 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 Stewardship, 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:** other disclosures can be found on the Dundas Global Investors website ([www.dundasglobal.com](http://www.dundasglobal.com)).

Further information can be found in the Consumer Facing Disclosures for the [Heriot Global](#) and [Heriot Global Smaller Companies Fund](#).

Dundas Global Investors is the trading name of Dundas Partners LLP. Dundas Partners LLP is authorised and regulated by the Financial Conduct Authority (FCA) in the UK, the Securities and Exchange Commission (SEC) in the USA, and the Australian Securities and Investment Commission (ASIC) in Australia. The Authorised Corporate Director for the Heriot Investment Funds is Waystone Management (UK) Limited which is also authorised and regulated by the Financial Conduct Authority.

Dundas Partners LLP provides investment management services to clients in the UK, USA, Australia, and New Zealand. In this communication Dundas Partners LLP may be referred to as DGI, Dundas or Dundas Global Investors.

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In relation to FCA handbook ESG 4.3, Dundas does not market these funds as a 'sustainability product'. Use of any sustainability related terms in describing the characteristics of the strategy, or inclusion of any third party information which measures sustainability of our portfolios are for information purposes only.

For full information on fund risks and costs and charges, please refer to the Key Investor Information Documents, Annual & Interim Reports, and the Prospectus, which are available on our website (<https://www.dundasglobal.com>). Recent performance information is also shown on factsheets, available on the website.



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