DUNDAS GLOBAL INVESTORS

DUNDAS GLOBAL EQUITY GROWTH

Q1 2026 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	2,403
Global strategies	1,995
International strategy	198
International ADR strategies	210

Strategy data	
Holdings (#)	51
Sectors (#)	8
Countries (#)	13
Average Market Cap	$263bn
Median Market Cap	$106bn
P/E (next 12 months)	20.0x
Forward dividend yield	1.7%
Active share	90%

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.

Source: Dundas, Bloomberg. Data as of 31 March 2026. Firm assets inclusive of ADR model portfolios. Note: AUM may not sum due to rounding.

DIVIDEND DECLARATIONS

Excludes special dividends and buy backs

Stock	Change (%)	Stock	Change (%)	Stock	Change (%)
Hannover Re	38.9	DBS Group	10.8	Novonesis	4.8
Hong Kong Exchanges	35.2	AIA Group	10.0	Dassault Systemes	3.9
Lonza	25.0	Ross Stores	9.9	L'Oreal	2.9
ASML	17.2	Ametek	9.7	Novo Nordisk	2.6
American Express	15.9	Booking Holdings	9.4	EssilorLuxottica	1.3
Applied Materials	15.2	Thermo Fisher Scientific	9.3	LVMH	0.0
MSCI	13.9	Assa Abloy	8.5	Atlas	0.0
Air Liquide	12.1	Salesforce	5.8	Alcon	0.0
Equifax	12.0	Straumann Holding	5.3		
Analog Devices	11.1	Deutsche Boerse	5.0		
Quarterly Average	**10.6**				
YTD Average	**10.6**				

QUARTERLY TRANSACTIONS

Purchases	Sector	Listed	Sales	Sector	Listed
GTT	Energy	France	BioMerieux	Health Care	France
Siemens Energy	Industrials	Gemany	Sysmex	Health Care	Japan

Source: Bloomberg, Dundas.

PERFORMANCE

Global Equity Growth Composite	Quarter	1 Year	3 Years	5 Years	10 Years	Since inception
Composite return (gross)	-7.88	3.70	8.36	5.45	10.61	9.65
Composite return (net)	-8.01	3.15	7.79	4.88	10.04	9.11
MSCI ACWI	-3.20	20.01	16.58	9.49	11.33	10.51

Source: Morningstar, MSCI, Dundas. All data shown is percentage total return in US Dollars to 31 March 2026. 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

Global equity markets were weaker over the quarter, with the MSCI ACWI falling 3.2% in US Dollars. Beneath the headline, dispersion across styles was significant. Growth stocks fell 7.6% while Value rose by 1.1%, a near 9% divergence. This continues a pattern of markets being driven more by shifts in sentiment and valuation than by underlying fundamentals, with style and positioning dominating shorter-term outcomes.

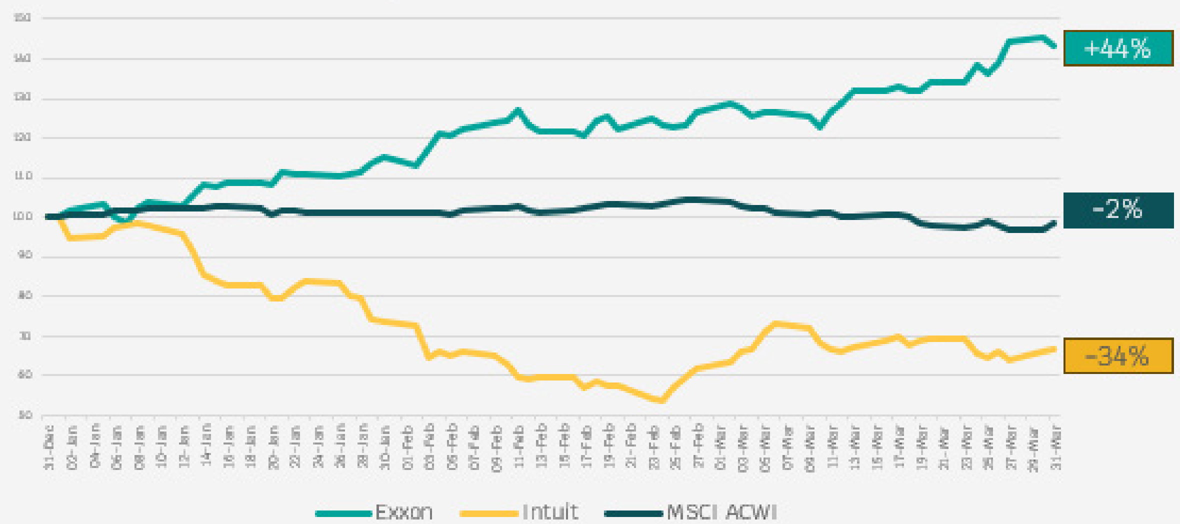
Two events shaped the quarter. First, the release of Anthropic's Claude tools triggered a sharp reassessment of software valuations. Markets moved quickly to price in more disruptive outcomes for traditional business models, particularly across white-collar and service-based industries. This led to a broad de-rating across the sector, despite limited immediate change in underlying earnings. The MSCI ACWI Software index fell 26%, highlighting how quickly expectations can reset when new technologies challenge existing assumptions.

Second, geopolitical tensions escalated following conflict involving the US, Israel and Iran. The Strait of Hormuz, a critical artery for global energy supply, became functionally impaired. While not fully closed, shipping has continued only in limited and high-risk conditions, with access increasingly dictated by geopolitical decisions rather than market forces. As a result, energy markets have been driven by uncertainty rather than fundamentals. The Energy sector was the clear outperformer over the quarter, rising 34%, while losses were most pronounced in Communication Services (-8%), Consumer Discretionary (-11%) and Information Technology (-7%), as measured by the MSCI ACWI in US$ terms.

The quarter can be simplified into three clear lines, shown in the chart below:

(1) Exxon Mobil benefitting from higher energy prices;
(2) Intuit, the US accounting software firm, which was sharply re-rated in February before partially recovering; and
(3) the MSCI ACWI index, which was broadly unchanged beneath the surface volatility.

Chart that illustrates the quarter



Source: Bloomberg, MSCI. Data as at 31 March 2026

This backdrop drove a sharp rise in oil prices, with a geopolitical risk premium now embedded in the market. Price moves reflected fears of disruption rather than realised shortages, reacting quickly to developments in the conflict. Elevated prices have reinforced concerns around inflation, given energy's importance across supply chains and consumer costs.

Interest rate markets were pulled in opposing directions. Yields initially fell as investors sought safety but subsequently rose as higher oil prices fed into inflation expectations. The result has been increased volatility rather than a clear trend, highlighting the tension between weaker growth expectations and more persistent inflation pressures.

Software: Market Overreaction or Long-Term Impairment?

The latest phase of AI disruption has led to a sharp re-rating of software companies. Markets have priced in a scenario where AI-native entrants materially disrupt existing business models. This has created a clear divergence between infrastructure beneficiaries and software providers. In our view, this reflects a shift in sentiment rather than a change in fundamentals.

Across holdings such as Intuit, Sage, Booking and Accenture, share prices have fallen materially while operational performance remains strong. Revenues continue to grow, margins are resilient and cash generation remains robust. Importantly, we have spent significant time engaging directly with management teams across our software holdings to assess the real impact of AI. The consistent message has been one of opportunity rather than disruption, with AI being embedded into existing products to enhance functionality, improve customer outcomes and deepen competitive advantages. As Sage highlighted, "what's happening in AI favours incumbents… you get the best outcome when you combine large language models with your own data, built up over many years." They also noted no evidence of customer churn, with strong adoption and productivity gains of 5–10 hours per week being reported by users, reinforcing that AI is enhancing rather than undermining their proposition.

Booking Holdings provides a particularly clear example of why the market may be misreading this disruption. The company continues to deliver strong operational performance, yet its share price has been caught up in the broader de-rating as investors speculate that AI-driven concierge models could bypass traditional platforms. The reality is more nuanced. As CEO Glenn Fogel highlighted, almost 90% of Booking's accommodation supply comes from independent hotels, alternative accommodation providers and smaller chains. These are not sophisticated operators with the infrastructure to manage global distribution, payments, customer service and pricing dynamically.

This is where Booking's value sits. It is not simply a search layer; it is the infrastructure that enables the transaction. While an AI agent may help a customer find the perfect family-run guesthouse in Puglia, that guesthouse cannot process the booking, handle payments across multiple currencies and methods, manage cancellations or provide 24/7 support in multiple languages. Booking does all of this, across 4.4 million properties in over 220 countries. The AI agent still needs a platform to complete the transaction. In most cases, that platform is Booking.

REVIEW

History reinforces this point. Booking has faced repeated predictions of disintermediation over the past two decades — from hotel chains pushing direct bookings, to metasearch platforms, to voice assistants and even Google itself. The launch of “Book on Google” in 2015 was perhaps the most credible threat, aiming to keep the entire booking process within Google’s ecosystem. Yet it failed and was ultimately shut down in 2022, with users preferring to complete transactions on trusted platforms that manage the full booking lifecycle. This highlights a consistent pattern: discovery may change, but transaction infrastructure is far harder to displace.

We have also undertaken detailed work on software providers within the legal industry. While AI tools are clearly changing workflows and improving productivity, our conclusion is that these solutions are not going away, but equally they are not accelerating growth in a way that meets our investment criteria. As a result, we will not be progressing these opportunities from our candidate list. This reflects our discipline in focusing only on businesses where we see clear and sustained growth potential.

Overall, the market reaction appears premature. The narrative of disruption has driven a broad de-rating, but underlying business performance remains intact. In many cases, companies are adapting and continuing to deliver, using AI to strengthen rather than weaken their competitive positions.

Source: Dundas

OUTLOOK

Periods like this reinforce the importance of discipline. In times of uncertainty and volatility, it is essential to lean on a clear and consistent investment philosophy. Our approach focuses on companies that deliver sustained revenue growth, convert this into profit and free cash flow, and return it to shareholders through rising dividends. It is this compounding of dividend growth that drives long-term returns.

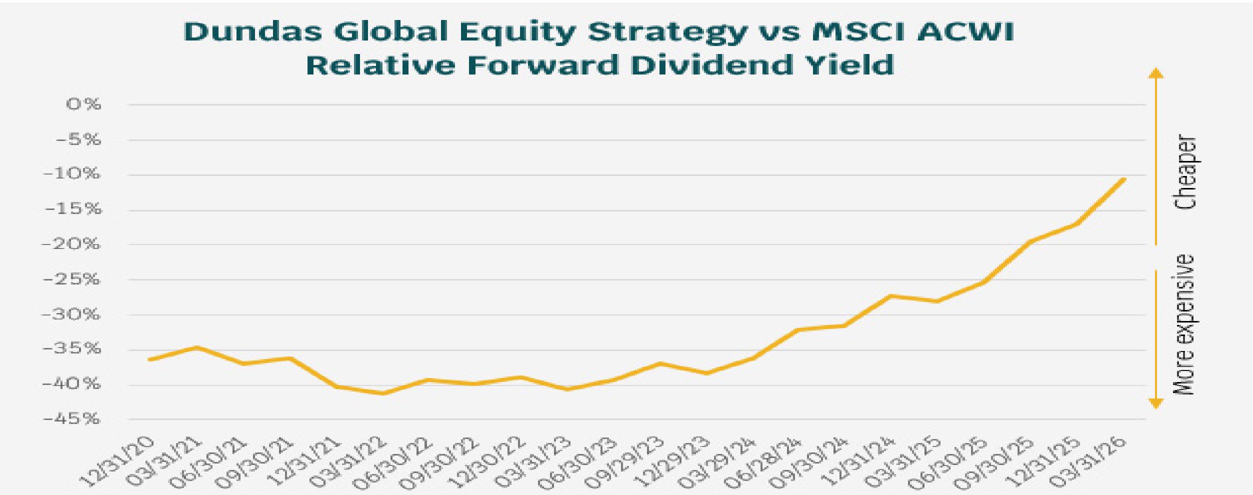
Over time, share prices follow business performance. While valuation can drive short-term divergence, it is not a permanent driver of returns. Periods where share prices move away from fundamentals are a normal feature of markets, but they tend to correct.

We believe the current environment reflects such a period. The Strategy continues to deliver strong underlying growth, with dividend growth of 11%, supported by resilient revenues and margins. At the same time, valuations have become more attractive relative to the market. In simple terms, investors are now able to access high-quality growth at a more reasonable price.

Importantly, the Strategy is exposed to many diverse themes - demographics, AI innovators, consumer tastes, budget retail, emerging middle-class savings amongst others. We have meaningful exposure to AI through infrastructure businesses, where earnings growth has supported returns. We also retain positions in software companies where we believe disruption risks are overstated and where AI adoption is likely to enhance, rather than impair, long-term prospects.

History provides useful perspective. Share prices and fundamentals can diverge for extended periods, but they tend to reconnect as business performance compounds. This is why we remain focused on business delivery rather than short-term market sentiment.

In conclusion, the recent gap between dividend growth and total return is primarily a valuation issue, not a reflection of weaker fundamentals. The Strategy continues to own high-quality businesses with strong competitive positions and consistent growth. With valuations now more supportive, we believe the Strategy is well positioned to deliver improved returns over time. Below is the chart of relative forward dividend yield relative to the MSCI ACWI index.



Source: Bloomberg, MSCI. Data as at 31 March 2026

Source: Dundas

QUARTERLY ATTRIBUTION

The Strategy faced a challenging quarter on both an absolute and relative basis, declining 8.01% on a net basis, compared with a 3.20% fall for the MSCI ACWI Index. This has been frustrating given the continued strength of the underlying businesses. Portfolio companies delivered strong operational performance, with dividend growth of 11%, materially ahead of the index at approximately 4%.

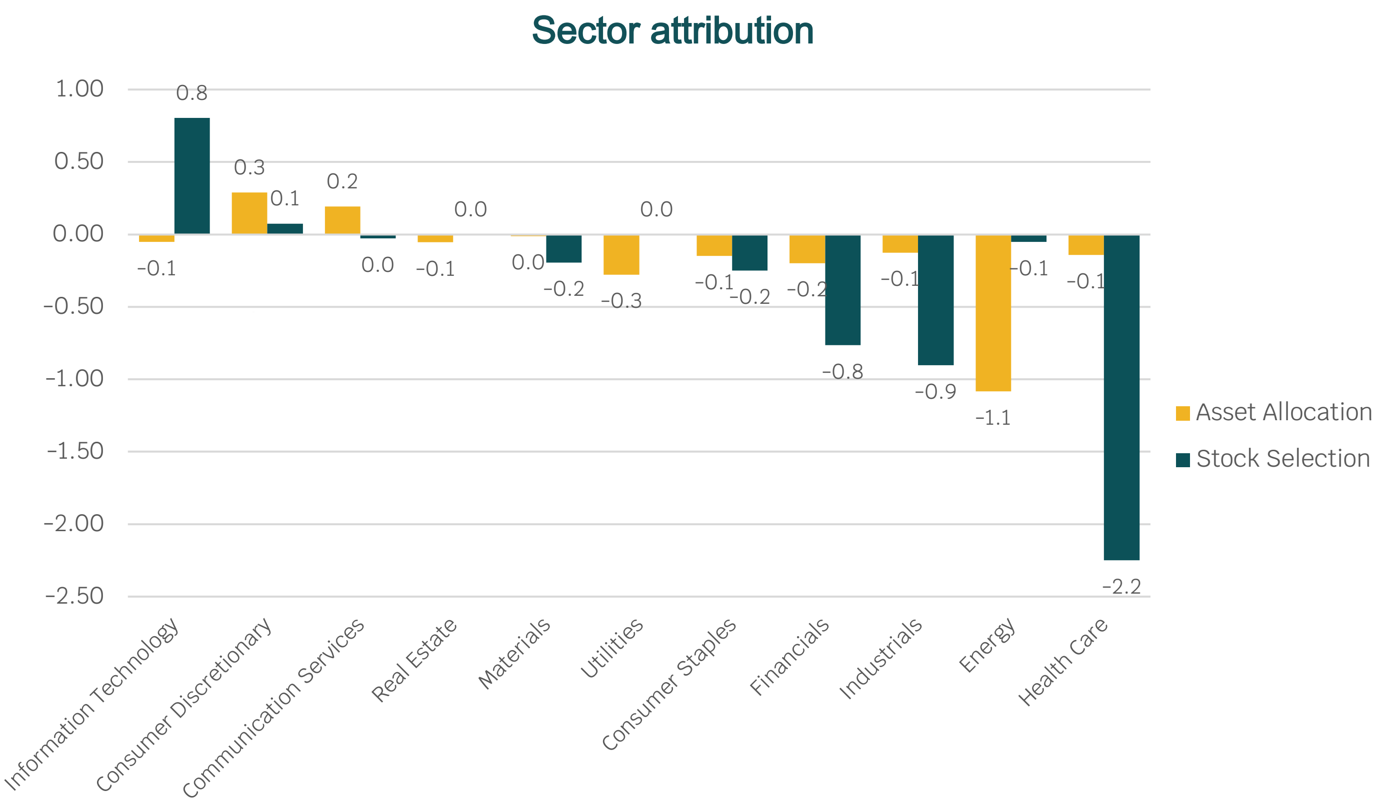
The underperformance was concentrated within a two-week period from 27 January to 13 February. It was primarily driven by a sharp re-rating of software companies, which sit across both the IT and Financials sectors.

While our style typically provides downside protection, this period was characterised by a swift market reaction rather than a deterioration in fundamentals. Importantly, we believe our holdings remain well positioned to navigate these challenges.

The primary driver of underperformance was valuation compression rather than any deterioration in fundamentals. While this has weighed on short-term returns, it has improved the long-term opportunity set. In our view, the Strategy is now better positioned, with stronger prospective returns as fundamentals continue to compound.

Performance was supported by companies benefitting from the ongoing capital expenditure cycle driven by hyper-scalers. Key contributors included Applied Materials, TSMC, ASML and Analog Devices. It was also beneficial to have no exposure to NVIDIA and Tesla during the period.

On the negative side, several holdings (including EssilorLuxottica, LVMH, Sage Group and HDFC Bank) experienced significant share price declines, largely driven by sentiment rather than fundamentals.



Source: Dundas, Bloomberg. Data as of 31 March 2026. 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	104	Applied Materials critical equipment and services sit at the centre of the AI and technology revolution built on semiconductors. Recent results have started to show an acceleration in growth as the broadening economic expansion drives demand for semiconductors outside of the AI ecosystem and capacity deployed through the pandemic is increasingly fully utilised. Building on 4% sales growth in 2025, Applied Material expect greater than 20% sales growth through 2026.
TSMC	51	TSMC is the world's leading semiconductor foundry and is focused on the most advanced technologies making it indispensable to our modern economy. The business continues to prosper from booming demand for AI related products and has raised their capital spending programme on the expectation of persistent demand growth. 2025 saw sales rise 36%.
Ross Stores	49	Ross Stores is a US based off price retailer focused on providing a broad assortment on a wide range of brand name apparel and home fashions at 20% to 60% below department store prices. Their model resonates with US value focused consumers with same store sales growth of mid-single digits with a significant store growth runway ahead.
Analog Devices	47	Analog Devices is a semiconductor and electronics business focused on industrial and commercial markets. Their technology bridges the gap between the analog world we live in and the digital world of computers. Recent results have been very strong with sales rising 17% in the most recent quarter. US industrial indicators such as the ISM Manufacturing have also showed recent strength which has been driving performance of industrial holdings such as Analog Devices.
ASML Holding	40	ASML is the leading lithography manufacturer for the semiconductor industry. It continues to benefit from demand for additional leading-edge capacity across the globe. 2025 revenues rose 15%, margins increased, and earnings rose 28%. The Board has proposed a 17% increase in its annual dividend per share.

Source: Dundas, Bloomberg. Data as of 31 March 2026. 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
EssilorLuxottica	-71	EssilorLuxottica is the leading manufacturer and distributor of optical lenses and frames. Their focus on novel technologies such as Stellest for myopia, technology partnerships with Meta to develop smart glasses, and fashion forward frames have been driving growth. 2025 saw full year sales rise more than 11%, with continued strong growth expected. Shares have been weak on profit taking after a strong year but also due to concerns regarding growing competition in smart glasses and the potential margin implication of this new revenue stream. We have been engaging with the business to better understand.
Sage Group	-46	Sage Group is a UK based developer of business management software focused on finance workflows such as accounting and payroll. Recent results showed 10% revenue growth and 18% earnings per share growth, driven by new customers and expansion within existing ones. The company is well positioned in AI with its Safe CoPilot offering insights at attractive costs. Despite this, shares have weakened amid AI disruption concerns. Sage's regulated solutions, conservative clients, and private data create strong moats. With a 2.8% dividend yield, total distribution near 10%, and 13.6x cash flow valuation, it appears attractively priced for long term investors today.
LVMH	-46	LVMH, the world's largest luxury goods group, owns iconic brands like Louis Vuitton and Dior. Demand has weakened after a pandemic-driven surge and consumer pushback on high prices. The company is focusing on brand investment and disciplined cash flow management despite three years of declining revenue. Recent results suggest a fragile recovery across the sector. With a 2.7% dividend yield and a 14.5x price to cash flow, LVMH appears attractively valued.
American Express	-42	American Express is a US bank and payments company focused on affluent, high-credit-quality customers. It benefits from higher interest rates through expanding loan margins and strong cardholder spending. In 2025, revenue grew 10% and earnings per share rose 15%. Shares have weakened due to profit taking and concerns about slowing demand. However, its resilient model supports performance. With a 16.8x price to earnings ratio and 3.7% total distribution yield, it appears attractively valued
Intuit	-38	Intuit reported a strong fiscal Q2 with 17% total revenue growth, reinforcing momentum in Assisted Tax and mid-market accounting/services. Management also raised share repurchases by ~40% vs. last year (with additional insider buying) amid share-price weakness and secured a March US appeals-court ruling permitting continued advertising of TurboTax as "free" despite eligibility limitations for many customers.

Source: Dundas, Bloomberg. Data as of 31 March 2026. 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	7.6	6.8
MSCI ESG Rating	AA	A
ESG Ratings Distribution		
Leaders	63%	49%
Average	36%	48%
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 March 2026.

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	17.82
$100bn – $500bn	21	43.66
$50bn – $100bn	7	9.98
$10bn – $50bn	17	26.27
$2bn – $10bn	1	1.08
Cash		1.19

Top 10 Holdings	Wgt (%)	Sector	Country
Applied Materials	4.60	I.T.	USA
TSMC	4.32	I.T.	Taiwan
Alphabet	4.14	Comms. Services	USA
Amphenol	3.43	I.T.	USA
Microsoft	3.31	I.T.	USA
Analog Devices	3.18	I.T.	USA
ASML	3.09	I.T.	Netherlands
Visa	2.96	Financials	USA
AIA	2.89	Financials	Hong Kong
Ross Stores	2.84	Cons. Disc.	USA
TOTAL	**34.74**		

Source: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 31 March 2026. 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	29.29	26.41	2.89
Financials	24.00	16.88	7.12
Health Care	17.93	8.89	9.04
Industrials	9.77	11.28	-1.50
Consumer Discretionary	6.19	9.39	-3.21
Communication Services	4.14	8.44	-4.30
Materials	3.93	4.03	-0.10
Consumer Staples	2.49	5.42	-2.93
Energy	1.08	4.65	-3.57
Real Estate	0.00	1.77	-1.77
Utilities	0.00	2.85	-2.85

Country Exposure	Strategy	Index	Active*
United States	56.50	61.95	-5.45
France	10.47	2.21	8.26
Taiwan	4.32	2.56	1.76
Hong Kong	4.17	0.90	3.27
Switzerland	4.12	2.45	1.66
Germany	3.35	2.01	1.34
Sweden	3.18	0.80	2.38
Netherlands	3.09	1.28	1.82
Denmark	3.04	0.37	2.68
Singapore	2.61	0.41	2.20
United Kingdom	2.04	3.39	-1.35
Japan	0.97	5.05	-4.08
India	0.95	1.43	-0.48

Source: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 31 March 2026. 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 March 2026

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)
2026[(a)]	-7.9	-8.0	-3.2	12.5	11.7	2	1,980	2,192
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

(a) Returns are for the period 1 January 2025 to 31 March 2026.

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 2025. 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 2,500 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 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, 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 Dunda Global Investors website (www.dundasglobal.com).

Further information can be found in the Consumer Facing Disclosures for the Heriot Global and Heriot Global Smaller Companies Fund.

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