



HERIOT GLOBAL FUND

Q3 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.

About Dundas Global Investors

- Single strategy focus
- Experienced team, independent, co-investors
- High conviction, long-term approach
- All research conducted in-house

Fund data

Holdings (#)	57
Sectors (#)	9
Countries (#)	14
Average Market Cap	\$291bn
Median Market Cap	\$75bn
P/E (next 12 months)	19.4x
Forward dividend yield	1.7%
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.

DIVIDEND DECLARATIONS

Excludes special dividends and buy backs

Stock	Change (%)	Stock	Change (%)	Stock	Change (%)
Keyence	57.1	Equifax	12.0	Salesforce	5.8
Hannover Re	38.9	Analog Devices	11.1	Straumann Holding	5.3
Hong Kong Exchanges	35.2	WR Berkley	11.1	Deutsche Boerse	5.0
TSMC	29.4	DBS Group	10.8	Novonesis	4.8
Lonza	25.0	WW Grainger	10.2	Alphabet	4.8
HDFC Bank	18.2	AIA Group	10.0	Dassault Systemes	3.9
ASML	17.2	ResMed	10.0	L'Oreal	2.9
American Express	15.9	Ross Stores	9.9	Novo Nordisk	2.6
Safran	15.5	Ametek	9.7	EssilorLuxottica	1.3
Applied Materials	15.2	Booking Holdings	9.4	LVMH	0.0
Intuit	15.0	Thermo Fisher Scientific	9.3	Atlas	0.0
Nasdaq	14.8	Assa Abloy	8.5	Alcon	0.0
MSCI	13.9	Microsoft	7.7		
Air Liquide	12.1	Sonova	6.8		
Quarterly Average	10.9				
YTD Average	12.4				

PERFORMANCE

Fund performance	Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Since inception
Heriot Fund A Acc	0.57	7.02	9.90	5.06	8.32	10.08	9.75
MSCI ACWI	1.51	18.32	18.34	11.91	12.33	12.13	11.91
IA Global	0.46	13.37	13.86	7.63	9.59	9.93	9.81
Quartile	3	4	3	3	3	2	3

Source: Morningstar Direct as at 30 September 2026. Total Teturn in GBP, Bid to Bid, Tax UK Net. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested.

Returns over one year are annualised.
Inception date of Fund is 20 March 2013.

QUARTERLY TRANSACTIONS

New Purchases	Sector	Listed	Complete Sales	Sector	Listed
n/a			n/a		

REVIEW

When money and energy cost more

The third quarter ended with a reminder that growth comes at a price. Oil and other commodity prices rose, inflation expectations followed and government bond yields moved higher. More expensive energy puts pressure on company margins and household budgets. More expensive money raises the cost of investment, particularly for businesses reliant on outside capital.

This makes the funding of growth as important as growth itself. The companies owned by the Heriot Global Fund are, for the most part, highly profitable businesses with strong balance sheets and good cash generation. They can fund investment from their own operations, rather than returning regularly to lenders or shareholders for more capital. This gives them greater control over their decisions and allows them to keep investing when conditions become less accommodating.

These qualities are easily overlooked when money is cheap and readily available. They matter more when interest rates rise and lenders become selective. A company that generates the cash needed to fund its own growth can take a longer view. It can invest through the cycle, strengthen its competitive position and continue to grow its dividend. Less well-financed competitors may instead have to cut investment, refinance debt or raise new capital on unattractive terms.

July also provided a useful illustration of the value of diversification. Companies benefiting from investment in artificial intelligence have become a large influence on global equity indices. The Fund owns several of these businesses and continues to find attractive opportunities in semiconductor equipment, industrial technology, data centres and power systems. Their long-term prospects remain encouraging, but July showed that even a powerful investment theme will not move in a straight line. AI-related holdings fell as a concentrated investor reduced its positions, while the Fund as a whole held up well.

The reason was straightforward. The Fund has more than one source of growth. Healthcare demand, financial activity and demographic change continued to support progress elsewhere in the Fund. These companies operate in different industries and grow for different reasons. Alongside selective exposure to AI investment, they provide a broader base from which earnings, cash flows and dividends can compound.

That is what diversification should achieve. It is not a matter of owning as many companies as possible. It is about combining good businesses whose prospects are not all dependent on the same economic outcome or market theme.

If energy and capital remain expensive, the next quarter may not be an easy one. We believe the best defence is to own companies with resilient demand, sound finances and the ability to fund their own growth. They can continue investing while others reconsider their plans. Over time, that financial independence, together with several distinct sources of dividend growth, should continue to serve shareholders well.

OUTLOOK

The quarter-end result was disappointing, but it does not tell the whole story.

Over the four months to the end of September, the Fund remained approximately 300 basis points ahead of the benchmark. The pattern of returns was also instructive. When market leadership broadened between 1 June and 24 August, the Fund participated strongly. The Fund does not need an unusually favourable market in which to perform. It does, however, benefit from one that rewards a reasonably broad range of companies for growing their earnings, cash flows and dividends. For much of the recent past, market returns have been dominated by a small number of companies associated with artificial intelligence. History suggests that market leadership does not remain this narrow forever.

The businesses in the Fund continue to make good progress. They are profitable, earn attractive returns on capital and, in most cases, have the balance sheets and cash flows to fund their own growth. Dividend growth has accelerated to 12% in 2026. This is important. Dividends provide evidence of the cash being produced by the companies and of management's confidence in their prospects.

Valuations are also supportive. Many of the Fund's healthcare, financial, industrial and consumer companies are considerably less highly valued than the market's most popular AI beneficiaries. This does not mean that the AI opportunity is without merit. The Fund owns a number of companies benefiting from it. It does mean that there are other good businesses available at more modest valuations, with prospects that do not depend upon the same source of growth.

The Fund's yield relative to the benchmark offers some historical perspective. Everything is cyclical, including investment styles and relative performance. The Fund's relative yield is approximately 93% of the index. When the relative yield was last at a similar level, the Fund's subsequent rolling five-year return averaged 14% per annum between 2017 and 2022. No two periods are the same, but starting valuation matters. This suggests that we may be nearer the beginning than the end of a cycle favouring quality growth companies.

We do not know when market leadership will broaden again. Nor do we need to predict it. Share prices can become detached from the cash flows that support them, but not indefinitely. In the meantime, the Fund owns companies that are continuing to grow, invest and pay higher dividends.

The Fund remains positioned for a broader market, supported by dividend growth, sensible valuations, strong balance sheets and resilient businesses. These qualities have served shareholders well over time. We believe they will do so again

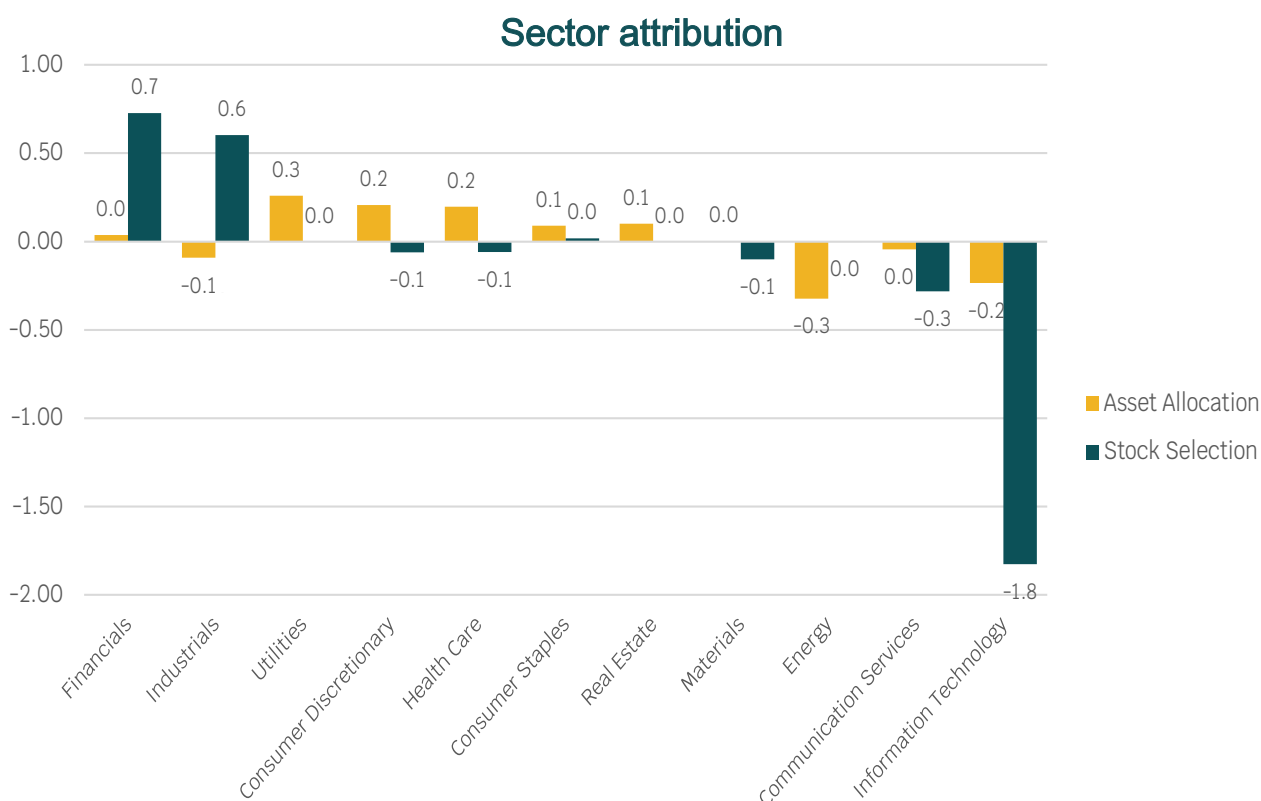
QUARTERLY ATTRIBUTION

The Heriot Global Fund returned 0.57% during the quarter, compared with a 1.51% rise in the benchmark. Strong contributions from Thermo Fisher Scientific, DBS and Salesforce were more than offset by weakness among several semiconductor holdings, notably Applied Materials, ASML and TSMC. Information Technology was the principal sector headwind, while Industrials and Financials contributed positively. North America and Western Europe detracted from relative returns, partly offset by Asia Pacific.

The quarter contained two distinct periods. From July until late August, market participation broadened and the Fund performed strongly as investors recognised the attractive fundamentals and valuations available across healthcare, financials and industrials. This reversed in September, when returns again became concentrated in a small number of large companies. Despite this setback, the Fund outperformed the benchmark by approximately 3% over the four months to the end of September.

Market concentration remains unusually high. The equal-weighted S&P 500 fell 5.2% in September and underperformed the market-cap-weighted index by approximately 470 basis points, demonstrating that the experience of the average company was considerably weaker than the headline index suggested. Passive flows continue to reinforce this narrow leadership. Such periods can persist, but valuation, cash generation and dividend growth ultimately matter.

Fund activity reflected this discipline. We became more selective where expectations had risen and redirected capital towards holdings offering a more attractive balance of return and risk. Additions were made to established non-AI holdings where the long-term case remained intact. We also continued building positions in MonotaRO and International Container Terminal Services, both of which possess strong competitive positions, attractive reinvestment opportunities and the capacity to support long-term dividend growth.



TOP 5 STOCK CONTRIBUTORS

Stock	Total Return (%)	Attribution (bps)	Sector	Country
Thermo Fisher Scientific	34.55	78	Health Care	USA
DBS Group	21.16	57	Financials	Singapore
Salesforce	46.60	36	Information Technology	USA
Nasdaq	16.97	33	Financials	USA
Sonova Holding	26.65	24	Health Care	Switzerland

BOTTOM 5 STOCK CONTRIBUTORS

Stock	Total Return (%)	Attribution (bps)	Sector	Country
Applied Materials	-29.29	-171	Information Technology	USA
TSMC	-4.36	-39	Information Technology	Taiwan
ASML	-7.99	-37	Information Technology	Netherlands
EssilorLuxottica	-12.08	-27	Health Care	France
Booking Holdings	-8.51	-22	Consumer Discretionary	USA

ESG METRICS

ESG Metrics	Heriot Global Fund	MSCI ACWI
ESG Quality Score	7.6	6.8
MSCI ESG Rating	AA	A
ESG Ratings Distribution		
Leaders	64%	50%
Average	36%	47%
Laggard	0%	3%

Ratings & metrics from MSCI ESG Research LLC as of 30 September 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).

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DIVERSIFICATION

Market Cap (USD)	Number of Stocks	Fund (%)
> \$500bn	5	19.36
\$100bn - \$500bn	20	39.66
\$50bn - \$100bn	12	16.50
\$10bn - \$50bn	17	20.86
\$2bn - \$10bn	3	2.98
Cash		0.64

Top 10 Holdings	Wgt (%)	Sector	Country
TSMC	4.33	I.T.	Taiwan
Alphabet	4.11	Comms. Services	USA
Applied Materials	3.86	I.T.	USA
ASML	3.81	I.T.	Netherlands
Microsoft	3.56	I.T.	USA
Visa	3.55	Financials	USA
Thermo Fisher Scientific	3.47	Health Care	USA
Analog Devices	3.13	I.T.	USA
DBS Group	3.05	Financials	Singapore
AIA Group	2.70	Financials	Hong Kong
TOTAL	35.58		

Source: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 30 September 2026. Weight (%) is by capital allocation.
 *Active weight is the difference between the Fund and Index weights which may not calculate exactly due to rounding.

Sector Exposure	Fund	Index	Active*
Information Technology	28.83	33.22	-4.38
Financials	24.16	16.17	7.99
Health Care	18.27	8.42	9.84
Industrials	11.58	10.26	1.32
Consumer Discretionary	4.47	8.24	-3.77
Communication Services	4.11	8.02	-3.90
Materials	4.05	3.51	0.54
Consumer Staples	2.68	4.51	-1.83
Energy	1.21	3.96	-2.74
Utilities	0.00	2.25	-2.25
Real Estate	0.00	1.45	-1.45

Country Exposure	Fund	Index	Active*
United States	51.66	63.17	-11.51
France	11.90	1.76	10.14
Taiwan	4.33	3.46	0.87
Switzerland	4.14	2.21	1.92
Hong Kong	4.10	0.72	3.37
Netherlands	3.81	1.44	2.37
Japan	3.31	5.21	-1.90
Germany	3.28	1.80	1.48
Singapore	3.05	0.41	2.64
Denmark	3.01	0.33	2.68
United Kingdom	2.68	3.00	-0.33
Sweden	2.57	0.70	1.87
India	0.96	1.27	-0.31
Philippines	0.57	0.03	0.55

Source: Bloomberg, Dundas, MSCI. Index is the MSCI ACWI. Data as of 30 September 2026. Weight (%) is by capital allocation.
*Active weight is the difference between the Fund and Index weights which may not calculate exactly due to rounding.

DISCLOSURES

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.

This document is a financial promotion and intended for professional, eligible counterparty and institutional investors only. The information presented is for the intended recipient(s) and is not to be shared or disseminated without our prior approval. This material has not been prepared for retail clients.

Investors are reminded that the price of shares and the income derived from them is not guaranteed and may go down as well as up. Past performance is not a reliable indicator of future results. This document contains information produced by Dundas and sourced from others where stated. The images used are for illustrative purposes only. The views expressed are those of Dundas and are based on current market conditions. They do not constitute investment advice or a recommendation to buy any security which has been highlighted in this material. Although this communication is based on sources of information that Dundas believes to be reliable, no guarantee is given as to its accuracy or completeness.

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](#).

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 CO₂ 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.
- Variable Interest Entities where the listed entity is in a different country to the operating assets.
- 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 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 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).

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