APOSTLE FUNDS MANAGEMENT

Australian PDS and New Zealand Clients

Apostle Dundas Global Equity Fund – Class C

THE NAME BEHIND THE NAMES

Monthly Portfolio Information Sheet as at 30 November 2023

Apostle Dundas Global Equity Fund

Investment Objective

- The target is to exceed the MSCI All Country World ex Australia Index by 2.5% p.a. after all fees and expenses on a rolling 5-year basis.
- Capital and income growth to exceed the benchmark and inflation
- To achieve lower volatility than the benchmark

Investment Firm

Dundas Global Investors ('Dundas') started in 2010 as an independent Investment Management firm based in Edinburgh that manages a single investment strategy, global equities.

Dundas can best be categorised as Defensive Growth, with a focus on companies with strong and sustainable returns on equity and a growing dividend stream.

Key Advantages

- Pro-active management of both components of total return (capital and dividends)
- Fee minimisation and alignment of incentives
- Lower cost base
- Enhanced research that capitalises on technology

Investment Style

Dundas invests for capital and income growth. The team uses fundamental, bottom-up research to find companies capable of real long-term wealth generation that will lead to both capital and dividend growth. While dividends are an important part of the investment proposition, Dundas places greater emphasis on future income streams as opposed to current payout ratios. The resulting portfolio is globally diversified, has an average holding period of more than five years, satisfactory upside and good downside capture statistics.

Characteristics

Unit Price – Class C (NAV)	AUD$2.0194
Fund Size	AUD$2,138.98M
Tax Losses Available (As at last distribution period)	AUD$285.95M
Portfolio Inception Date	August 2012
Inception Date – Class C	June 2015
Companies in Portfolio	Targeting 60–100 holdings
Investment Manager	Dundas Global Investors
Management Fee	0.90%
Buy/Sell Spread	15/15 (bps)
Portfolio Management Team	Alan McFarlane – Senior Partner Russell Hogan - Partner James Curry – Partner Gavin Harvie – Partner David Keir – Partner Andy Brown – Investment Manager
Responsible Entity	K2 Asset Management Ltd
Custodian/Registry	State Street Australia Limited

Performance (%)

AUD return	1 mth	3 mths	1 yr	3 yr Pa	5 yr Pa	7 yr pa	Incep pa
Total (gross)	6.09	0.49	10.87	9.34	13.47	14.13	11.00
Total (net)	6.02	0.26	9.88	8.37	12.45	13.11	10.01
Relative*	1.82	1.17	-2.86	-0.19	2.26	2.71	1.36

*Source: State Street Performance & Analytics Australia. Fund performance calculated using exit prices and shown on a total return basis (net dividends reinvested). Performance inception date is 4th June 2015. *Relative calculated as the difference between the Fund's gross (of fees) return and that of the Solactive GBS Global Markets ex Australia Large & Mid Cap AUD Index. Past performance is not a reliable indicator of future performance.*

Portfolio Characteristics

No of Holdings	60
Dividend Yield	1.21%
Turnover* (last 12 months)	9.91%
Price/Earnings	26.42
Price/Cash Flow	18.97x
Price/Book Value	4.89x
Beta (*ex-ante*)	1.01
Average market capitalisation	$223.45bn
Median market capitalisation	$62.33bn
Tracking error (1 year)	4.21

**Turnover calculated as ((Purchases + Sales)/2) / average assets during the period.*

Market Cap Exposure (% weight by capital)

Range	Fund
>US$ 500bn	9.45
US$ 100 - 500bn	26.45
US$ 50 - 100bn	20.56
US$ 10 - 50bn	37.41
US$ 2 - 10bn	3.56

Top Ten Holdings by Capital (%)

Stock	Fund	Active Weight*
Microsoft Corp	3.85	-0.65
WW Grainger	3.29	3.24
Novo Nordisk	2.87	2.35
Sage Group	2.51	2.49
Accenture	2.34	1.98
Atlas Copco	2.31	2.25
WR Berkley	2.31	2.29
Ross Stores	2.22	2.15
Alphabet	2.16	1.04
Costco Wholesale	2.09	1.67
TOTAL	25.95	18.81

**Active weight relative to the Index*.*

Top Five Holdings by contribution to Dividend Yield (%)

Holding	Fund
DBS Group	5.24
Home Depot	3.85
Sage Group	3.49
Analog Devices	3.15
Diageo	3.12
TOTAL	18.85

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Regional Allocation (%)

Country	Fund	Active Weight*
United States	56.57	-4.25
France	9.64	7.00
Switzerland	7.51	5.05
Denmark	5.23	4.42
Sweden	5.20	4.32
United Kingdom	3.85	0.30
Japan	3.13	-3.14
Netherlands	1.62	0.45
Taiwan	1.45	-0.40
Hong Kong	1.43	0.72
Singapore	1.13	0.77
India	0.67	-1.33
Other Countries	0.00	0.00

**Active Weight relative to the Index*.*

Sector Exposure (%)

Sector	Fund	Active Weight*
Information Technology	26.19	2.98
Health Care	20.45	9.09
Financials	17.30	1.78
Industrials	14.43	3.95
Consumer Discretionary	6.50	-4.66
Consumer Staples	6.07	-0.89
Communication Services	3.45	-4.27
Materials	3.04	-0.99
Energy	0.00	-4.70
Real Estate	0.00	-2.14
Utilities	0.00	-2.70
Cash	2.57	2.57

**Active Weight relative to the Index*.*

Performance and Portfolio Comment –November 2023

Market overview

Equity markets around the world rebounded in November. U.S. equities rose, with the S&P 500 and Nasdaq both posting their biggest monthly gains since July 2022. Rates were the key tailwind this month as the US aggregate bond index rose nearly 5% in November, the biggest monthly gain since 1985. Treasuries saw one of the best monthly performances on record, with a big rally across the curve with some curve flattening. The rate rally also played into a significant easing of financial conditions, on growing optimism around the peak Fed, soft/no landing, and disinflation traction narratives. November also saw a sharp dollar selloff as the dollar index fell by the most in a year.

Commodity prices contracted from their October peaks. Despite the ongoing conflict in the Middle East, the price of a barrel of Brent crude oil fell to $80, in part thanks to an increase in US supply and OPEC+ members' failure to adhere to production quotas. Falling energy prices meant that WTI crude fell more than 6%, extending October's near-11% decline and falling to the lowest levels since July.

European equity markets were also sharply higher in November, ending three consecutive months of weaker levels. Rate sensitive sectors, such as real estate and technology, were the best performers amid a big bond rally as central bank rate hiking cycles now seen at the peak and focus turned to the timing of rate cuts.

China macro data was more positive than expected, however, the housing market remains a notable drag on growth, and new home sales continued to fall on a year-over-year basis. The People's Bank of China injected liquidity into the Chinese banking system once again and a new required reserve ratio cut could arrive before year end. However, more fiscal stimulus is likely needed to support consumer sentiment and alleviate deflation headwinds. The meeting between the Chinese and US presidents culminated in various agreements on energy transition and climate change. This could hint at lower tensions between the two superpowers, with potentially positive implications for global markets.

Performance overview

Over the past 12 months, the Fund has posted a total return gross of fees of 10.87% while the market returned 13.73%*. In November, the Fund gained by 6.09%, outperforming the market by 1.82%.

Similar to last month, the outperformance for the Fund was primarily as a result of strong stock selection, while allocation had a smaller additive element. Positive stock selection was seen in all sectors invested in by the Fund bar Consumer Discretionary and Financials. Stock selection within the Health Care sector was the biggest contributor to performance, although the Fund's overweight to the sector had a small negative effect. There was benefit from the Fund's IT stock selection as well as the overweight to the sector. On an overall basis, the Energy sector was the worst performing and having no exposure lifted performance for the Fund.

On a regional basis, stock selection within the three regions of Europe, North America and Asia Pacific aided performance, and there was also a bonus from the Fund's overweight to Europe and underweight to North America. Within Europe the Fund's holdings in Switzerland, Sweden, the UK, Denmark and France all performed well.

Top of the list of best contributors was UK based accounting software firm **Sage,** followed by the global data, analytics and technology company **Equifax** and Swiss-listed hearing aid maker **Sonova.** Also on the list were two Swedish companies**, Altas Copco** which provides sustainable productivity solutions and the measurement technology group **Hexagon.**

On the list of bottom five detractors was multinational beverage firm **Diageo,** three financial stocks:- the Singapore based **DBS Group,** the US-listed **Marsh & Mclennan** and **Factset Research** and finally the Danish multinational pharmaceutical firm **Novo Nordisk.**

Dividends
There were three dividend announcements in November, with an average increase of 7.0%. **Auto Data Processing** announced a dividend increase of 12.0%, **Coloplast** declared a dividend increase of 5.0%, while **Sage Group's** dividend rose by 4.9%.

Portfolio changes
There were no new investments or complete sales made in November.

**Solactive GBS Global Markets ex Australia Large & Mid Cap AUD Index*

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