

The index has become concentrated risk.

Today's market is increasingly dominated by a few mega-cap tech stocks, known as the *Magnificent Seven*. While they've driven recent index performance, their outsized weight introduces significant concentration risk. Passive investors may be overexposed to a narrow slice of the market, reducing diversification and heightening vulnerability to sector-specific downturns.

| Magnificent 7 Weight in Solactive Global Markets Ex AUS Large & Mid Cap | | | |
|---|---------------|---------------|---------------|
| Weight as at: | 30/06/2023 | 30/06/2024 | 30/06/2025 |
| Alphabet | 2.20% | 2.78% | 2.37% |
| Amazon | 1.92% | 2.44% | 2.55% |
| Apple | 4.75% | 4.38% | 3.68% |
| Meta | 1.04% | 1.56% | 1.97% |
| Microsoft | 4.11% | 4.60% | 4.47% |
| Nvidia | 1.65% | 4.11% | 4.58% |
| Tesla | 1.18% | 0.76% | 1.09% |
| Total | 16.85% | 20.63% | 20.71% |

Source: Bloomberg.

| Country Weight in Solactive Global Markets Ex AUS Large & Mid Cap | | | |
|---|---------------|------------|---------------|
| Weight as at: | 30/06/2023 | 30/06/2024 | 30/06/2025 |
| United States | 60.27% | 62.70% | 62.78% |
| Rest of World | 39.73% | 37.30% | 37.22% |

Source: Bloomberg.

In this environment, portfolio construction is more critical than ever. A fundamentals-based approach can help manage risk, uncover value, and build portfolios positioned for long-term growth.

Dundas – A More Balanced Approach

Diversification

The Dundas portfolio is thoughtfully diversified across investment themes and global markets. This approach helps reduce risk and capture opportunities beyond the dominant index names. Today, these companies are trading at historically attractive valuation levels, offering compelling entry points.

Disciplined long-term investing

Market pessimism in the short term often creates mispriced opportunities. Dundas focuses on high-quality growth companies with durable competitive advantages, investing patiently and with conviction to build long-term wealth with low turnover.

Dividend growth

Over the long term, share prices tend to closely track the growth of underlying dividends. In periods of market volatility, dividends provide a stabilising force. Strong dividend announcements reflect boardroom confidence and signal resilient business fundamentals.

Discover how the Apostle Dundas Global Equity Fund can contribute to a resilient, fundamentals-driven portfolio. Visit www.apostlefm.com.au/dundas-global-investors

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