

## 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%
<b>Total</b>	<b>16.85%</b>	<b>20.63%</b>	<b>20.71%</b>

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	<b>60.27%</b>	62.70%	<b>62.78%</b>
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](http://www.apostlefm.com.au/dundas-global-investors)**

This document has been prepared by Apostle Funds Management Pty Limited ("Apostle") (ABN 16 129 922 612) (AFSL No. 458375). The Apostle Dundas Global Equity Fund (ARSN 093 116 771) is issued by K2 Asset Management Ltd ("K2") (ABN 95 085 445 094) (AFSL No. 244393), a wholly owned subsidiary of K2 Asset Management Holdings Limited (ABN 59 124 636 782). This material and the content of any offer document for the investment are principally governed by Australian rather than New Zealand law. This material may contain information provided directly by third parties which include Dundas Partners, LLP (AFSL No. 527238).

This material is for information purposes only. Offers to invest will only be made in the product disclosure statement ("PDS") and this material is not intended to substitute the PDS which outlines the risks involved and other relevant information. You should also consider the Target Market Determination ("TMD") when ascertaining if the product is appropriate for your needs. Both the PDS and the TMD are available from <https://www.k2am.com.au/forms-apostle-Dundas>. It is not an offer or a recommendation to invest and it should not be relied upon by investors in making an investment decision. Offers to invest will only be made in the relevant offer document and this material is not intended to substitute suitable disclosure documents which will outline the risks involved and other relevant information. Any investment carries potential risks and fees which are described in the relevant offer document. An investor should, before deciding whether to invest, consider the appropriateness of the investment, having regard to both the relevant offer document in its entirety and the investor's objectives, financial situation and need. This information has not been prepared taking into account your objectives, financial situation or needs. Please note that past investment performance is not a reliable indicator of future investment performance. No representation is made as to future performance or volatility of the investment. In particular, there is no guarantee that the investment objectives and investment strategy set out in this presentation may be successful. Any forward-looking statements, opinions and estimates provided in this material are based on assumptions and contingencies which are subject to change without notice and should not be relied upon as an indication of the future performance. Persons should rely solely upon their own investigations in respect of the subject matter discussed in this material. No representations or warranties, expressed or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this material. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available to Apostle. To the maximum extent permitted by law, all liability in reliance on this material is expressly disclaimed.

This document is strictly confidential and is intended solely for the use of the person to whom it has been delivered. It may not be reproduced, distributed or published, in whole or in part, without the prior approval of Apostle. Third party distributors may be used to market the investment to New Zealand investors. Where this occurs, this material can only be provided to New Zealand persons that the New Zealand distributor is authorised to deal with under New Zealand law and is not available to any person to whom it would be unlawful to make such offer or invitation.