

Bell Global Equities Fund

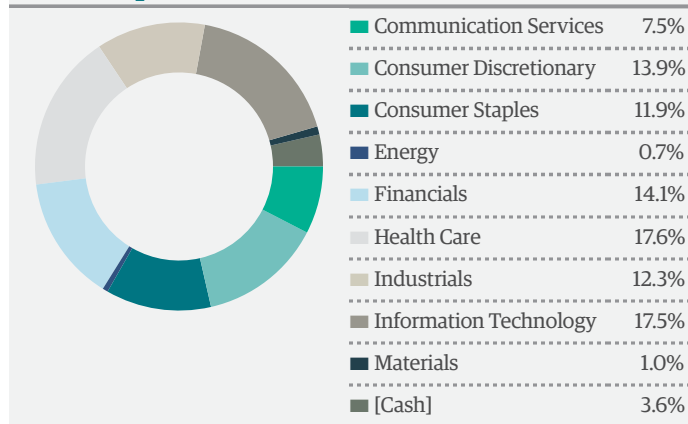
Platform Class Fund Summary - Period Ending 30 April 2024

Net Performance[^]

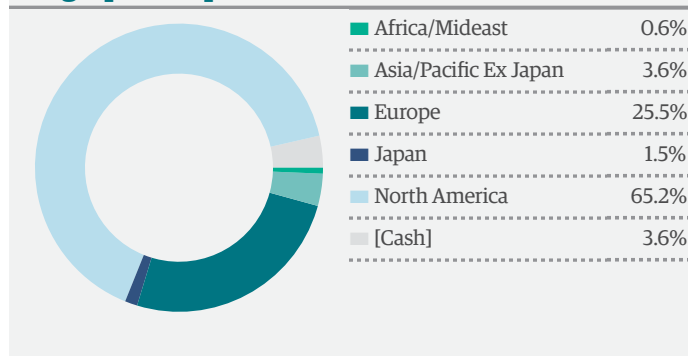
Returns in AUD	Fund	Index*
1 Month	-3.8%	-3.3%
3 Months	1.8%	5.6%
6 Months	11.2%	17.3%
1 Year	8.2%	20.7%
3 Years (pa)	8.2%	12.0%
5 Years (pa)	10.1%	12.3%
Inception (pa)[^]	8.6%	8.2%

*Index is the MSCI World ex Australia in \$A Unhedged with net dividends reinvested. [^] Inception date of the Platform Class is 7 May 2015. Returns are based on the Platform redemption price and are net of fees. The Bell Global Equities Fund - Platform Class has been operating since May 2015. To give a longer-term view of our performance in the asset class, we have shown longer term returns for a representative global equities strategy managed by Bell Asset Management with an inception date of 1 Jan 2003. We have adjusted the returns to reflect fees representative of the Bell Global Equities Fund - Platform Class units. Past performance is not indicative of future performance.

Sector Exposure



Geographic Exposure



Top 10 Holdings

Company	Sector	Geography	Weight
Alphabet Inc.	Communication Services	US	4.5%
Microsoft Corporation	Information Technology	US	3.7%
Apple Inc.	Information Technology	US	3.3%
Unitedhealth Grp	Health Care	US	2.6%
Nestle S.A.	Consumer Staples	CH	1.9%
Diageo plc	Consumer Staples	GB	1.9%
PepsiCo, Inc.	Consumer Staples	US	1.7%
NIKE, Inc.	Consumer Discretionary	US	1.6%
Starbucks Corporation	Consumer Discretionary	US	1.5%
Roche Holding	Health Care	CH	1.5%

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution		Bottom 5 - Relative Contribution	
Alphabet Inc. Class A	0.33%	Aon Plc Class A	-0.16%
Tencent Holdings Ltd.	0.20%	Charles River...	-0.11%
Hong Kong Exchanges...	0.15%	Neste Corporation	-0.09%
Tractor Supply	0.08%	Humana Inc.	-0.08%
Unilever Plc	0.07%	MSCI Inc. Class A	-0.08%

Investment Metrics[#]

	Portfolio	Index	Relative
Risk			
Total Risk	9.06	9.66	
Number of Stocks	96	1,407	
Active Share	77.3		
Value			
P/E (Fwd 12M)	19.2	17.8	108%
EV / EBITDA	15.9	17.7	90%
Growth (%)			
Sales Growth	10.8	12.8	85%
EPS Growth	13.5	17.9	75%
Quality			
Return on Equity	29.8	15.4	193%
Net Debt / EBITDA	0.8	1.1	72%
ESG			
MSCI ESG Overall Score	74	6.9	107%
Carbon Emissions*	16.1	97.4	16%

[#] Investment Metrics calculated using FactSet database
* Scope 1+2 CO2 and equivalents per US\$ mil. of revenue

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Performance

We saw a pullback in global equity markets during April, with the MSCI World ex Australia Index falling 3.3% during the month. The Bell Global Equities Fund (Platform Class) declined 3.8%, underperforming the MSCI World ex Australia Index by 0.5%.

Performance Attribution

The soft portfolio performance during April was driven by declines across all GICS sectors except Communication Services. The portfolio's holdings in the Asia Pacific region generated a positive return that was offset by declines across North America and Europe. Currency had minimal impact on returns during the month.

Relative to the benchmark, the modest underperformance was mainly attributable to stock picking within the Health Care and Financials sectors, along with being underweight to the only two sectors in positive territory (Energy and Utilities). This was partially offset by good stock picking within the Communication Services sector (including owning Alphabet and Tencent and not owning Meta Platforms) along with the overweight to Consumer Staples, which proved more resilient in a softer market. At a regional level, positive stock picking impacts in Asia Pacific, especially in the Hong Kong listed names such as Tencent, Techtronic and Hong Kong Exchanges, were offset by negative stock picking effects in North America and Europe. We saw relatively little dispersion in returns from a style and market cap size perspective, with each bucket of the market down approx. 3-5%.

In terms of individual stocks, the best performers were Alphabet and Tencent. Alphabet (the portfolio's largest holding) had excellent results as their market-leading products continue to capture more advertising spend share. Recent results were bolstered by an impressive 28% growth in their cloud business (GCP) and 21% growth across the YouTube platform which in addition to traditional user-created videos, now has over 100 million paying subscribers for Music and Video and over 8 million for TV. Beneath the healthy organic growth, Alphabet also posted impressive profitability

improvements, including 750bps operating margin expansion compared to the same period in 2023 supported by better cost control. While the capital expenditure outlook is a touch higher than we previously forecasted, we are comfortable with the company investing in critical infrastructure that can propel success in machine-learning applications. We also applauded the dividend program initiation (20c per share) and authorisation of US\$70 billion for share repurchases. Overall, we continue to see healthy upside for the stock and believe the current valuation at ~22x forward P/E ratio is attractive.

Tencent Holdings was brought into the portfolio in mid-January and is a good example of how an opportunistic entry point can bolster returns with a rally of over 25% in just over three months. This Chinese technology company reported solid results driven by continued growth in Fintech and Business Services with the payment business growing at around 14% versus a year ago. The regulatory environment looks more balanced in the gaming space with many new games being approved in China during the first four months of the year. Being able to refresh their gaming titles will ensure engagement remains robust, underwriting the company's largest division which accounts for about 35% of revenue. Finally, very strong growth continues in advertising, which is now 19% of the revenue mix and continues to expand as Tencent monetises the WeChat platform through mini-games and video content. For the most part, these strong results were in-line with expectations, and has reinvigorated investor sentiment. This has been further supported by the extension of the share buyback and dividend program, which equates to a capital return of almost 5% this year. With strong fundamentals and investors starting to turn more favourable on the Chinese equities market, we continue to see good upside for the stock.

Additionally, not owning Meta Platforms (Communication Services) and Intel (Information Technology) had a positive impact on relative performance as both names pulled back after issuing guidance that disappointed the market.

The main detractor at a stock level was Aon Plc. Aon is a professional services firm

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that specializes in risk mitigation, with key businesses including insurance broking, reinsurance and human capital consulting. The stock sold off during April following slightly disappointing 1Q24 earnings results and concerns over near-term dilution associated with the acquisition of NFP, a leading risk, health and wealth broker. While the price paid for NFP is a little higher than we would typically expect for such an acquisition, we still expect it to be accretive over the long term and the deal is well within Aon's areas of competence. It also gives the company greater presence in the faster growing middle market segment. We view the recent sell-off as a good buying opportunity and have therefore added to the position.

Other stock specific performance detractors in April included Charles River Labs (Health Care), Nestle (Energy) and MSCI (Financials).

Market Commentary

After five straight months of gains, the global equity market rally took a breather in April as investors digested the prospect of stickier than expected inflation and higher for longer interest rates, as well as risks associated with escalating tensions in the Middle East. Market softness was broad-based across most sectors and regions, with only a few bright spots including Utilities and Energy from a sector perspective and Hong Kong and the UK at a country level.

Bond yields remain a key focal point, with the 10-year yields of many treasuries rising during the month, including the US (+50bps to 4.7%), EU (+30bps to 2.6%) and the UK (+40bps to 4.3%). In the US, the market now only expects a single 25bp cut to the federal funds rate in 2024, after expecting at least 6 cuts at the start of the year.

On the commodity front, oil prices dipped in April (WTI Crude Oil -1.5%) but we saw positive moves across other commodities, including Gold +4%, Silver +6%, Copper +14%, Aluminium +11%, Zinc +20% and Nickel +15%. At a currency level, the biggest move came from the Japanese Yen, which fell to its lowest level versus the US dollar in 34 years (and lowest versus the

Australian dollar since 2013), pressured by widening interest rate differentials between Japan and many other countries.

In recent weeks, the Q1 corporate reporting season has become the main driver of individual stock performance. Of the companies that have reported so far, over 75% have exceeded expectations on earnings, similar to historical averages. Of the Magnificent Seven, only Alphabet and Tesla posted a positive return in April, while Meta Platforms (-11%) was the main laggard after issuing guidance that failed to live up to heightened expectations.

Portfolio Activity

We initiated a position in Apple during April when sentiment was very negative given the recent slowdown in China and a broader deceleration in sales over the last two years, after what was a stellar period of growth through the pandemic. With the iPhone still driving the majority of sales, there is potential for AI driven functionality to drive a new wave of demand from consumers. Management recently talked about the opportunities for new innovation to spur an upgrade cycle, which would be a positive surprise relative to current expectations of only around 5% growth over the next 12 months. On the cost side, the company is focusing on efficiency which bodes well in terms of defending and potentially expanding operating margins that are currently around 30%. While predicting the next cycle is difficult, the stock looks well supported since the company recently increased their share buyback authorisation by a whopping \$110 billion and reiterated plans to continue increasing the dividend on an annual basis. A new product refresh resulting in an acceleration of sales would be a positive for sentiment and should drive a valuation re-rating and solid upside for the stock.

We also initiated small new positions in Rockwell Automation (a global leader in industrial automation and digital transformation) and Lululemon Athletica (athletic apparel retailer), as well as adding to a number of existing holdings such as UnitedHealth (Health Care), Booking Holdings (Consumer Discretionary), Adobe (Information Technology) and Tencent (Communication Services).

On the sell side of the equation, we exited Colgate-Palmolive (Consumer Staples), Lowe's (Consumer Discretionary) and Verizon (Communication Services). For Colgate-Palmolive, the main driver of our decision to exit was the valuation and our view that further upside potential may be limited. Having performed well recently (30%+ since the October 2023 trough), the stock now trades close to long term peak levels at ~26x forward P/E. We sold Lowe's after holding it in the portfolio since 2015 and watching the share price more than triple in that time. We still like the company but have some concerns around the nearer term business drivers for the home improvement industry which we don't think is factored into consensus earnings estimates, therefore made the decision to take profit and redeploy into higher conviction names.

We also reduced the position size of existing holdings such as BJ's Wholesale Club (Consumer Staples), Tractor Supply (Consumer Discretionary), Kroger (Consumer Staples), HCA Healthcare (Health Care) and Techtronic (Industrials).

Research

Our investment team has been intently focused on quarterly earnings season over the past few weeks. Broadly speaking, results have been solid, with over 80% of companies in the portfolio and over 75% of companies in the MSCI World Index, beating consensus expectations. Interestingly, companies have generally been able to maintain or increase margins in what has been an environment of stubborn inflation. This bodes well for the ongoing resilience of the economy, even without the prospect of near-term interest rate cuts. While the manufacturing sector in some regions around the world has been difficult, we are seeing stability in Europe and some visibility returning in China. The story is mostly positive on the consumer front, supported by the strong job market, especially in the US, but also in Japan where wage inflation is underwriting spending patterns and consumer confidence. The ongoing positive corporate earnings outcomes and macro resilience should bode well for a continued broadening of positive contributors to market performance over the remainder of

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the year, especially in some of the small and mid-cap stocks which have been ignored in favour of their mega cap counterparts.

we see excellent upside potential for many names in the portfolio, coming from a combination of strong earnings growth, dividends and valuation expansion.

Outlook

The outlook and positioning remain consistent with what we have outlined in recent months. We continue to be broadly constructive on conditions for equity markets but expect there could be greater divergences in underlying drivers moving forward. In particular, if interest rates remain higher for longer then there are parts of the market that could potentially be more at risk, including companies with higher levels of debt and also some of the growth or compounder type names that have benefitted from material expansion in their valuations. Our process is designed to mitigate such risks, so we feel very comfortable with how the portfolio is positioned in this respect.

As we have discussed previously, our relative returns in the strong market conditions over the past year have been disappointing. We underestimated the extent to which the market might rally in the face of stubborn inflation and higher interest rates. Our cautious approach to the growing valuation risk and view that there was less upside potential in certain stocks after the rally, led us to steer away from such exposure and rotate capital into names that we viewed as being temporarily out of favour and offering excellent long-term upside potential. In a growth and momentum driven rally like we have seen recently, this strategy has arguably worked against us as we have often seen the names that have positive momentum continuing to push higher irrespective of valuations, while many out of favour quality stocks have been ignored. As much as this has weighed on relative returns recently, momentum driven rallies don't last forever (like we saw at the end of 2021) and we strongly believe our 'Quality at a Reasonable Price' strategy is the best approach to deliver long term alpha and therefore expect to be rewarded in time.

We continue to believe there is plenty of good value to be found for discerning investors who are willing to do the work to identify quality companies trading at attractive valuations. As we look forward,

Key Features

Investment Objectives	Outperform the benchmark over rolling three year periods while maintaining an ESG Quality Score of the Fund's portfolio above the ESG Quality Score which applies to the Benchmark and the carbon intensity (tonnes CO2 equivalents/\$ million revenue) of the Fund's portfolio remaining at least 25% lower than the carbon intensity of the Benchmark.
Asset Allocation	Long only global equities, no gearing, no derivatives
Investment Style	Fundamental bottom up approach 'quality at a reasonable price'
Investment Highlights	<ul style="list-style-type: none">• Global equity portfolio• 'Quality' focus - consistently high returning companies• Long-term horizon - typically 3-5 year holding periods• Benchmark agnostic• Diversified portfolio structure• Maximum cash exposure 10%• Fund inception 2007 (strategy inception 2003)• Highly experienced investment team
Benchmark	MSCI World (ex Australia) Index
Currency Exposure	Unhedged
Investment Timeframe	At least 5 years
Number of Holdings	80-110

Fund Terms

Fund Inception Date	December 2007. Inception date of BGEF Platform is 7 May 2015.
Product Structure	Registered Managed Investment Scheme
Investment Manager	Bell Asset Management Limited
Responsible Entity	The Trust Company (RE Services) Limited
Custodian	Apex Fund Services Pty Ltd
mFund Code	BLL01
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services
Minimum Investment	Minimum investment - \$50,000
Indirect Cost Ratio	0.85%p.a
Buy / Sell Spread	+/-0.10%
Reporting	Transaction confirmations upon transacting, annual periodic statement, tax statement, distribution statement & Annual Financial Report
Income	Annual distribution of taxable income
Target Market	This product is intended for use as a core component for a long only exposure to global equities for a consumer who is seeking capital growth, with an ability to absorb potential loss and not looking for income returns and has a high to very high risk and return profile for that portion of their investment portfolio. It is likely to be consistent with the financial situation and needs of a consumer with a minimum 5 year investment timeframe and who is unlikely to need to withdraw their money on less than 7 Business Days' notice.

Important Information: The Trust Company (RE Services) Limited (Trust Co) ABN 45 003 278 831, AFSL 235150 is the responsible entity and issuer of units for the Bell Global Equities Fund (the Fund). Bell Asset Management Limited (BAM) ABN 84 092 278 647, AFSL 231091 is the investment manager for the Fund. This report has been prepared and issued by BAM for information purposes only and does not take into consideration the investment objectives, financial circumstances or needs of any particular recipient and it contains general information only. Before making any decision in relation to the Fund, you should consider your needs and objectives, consult with a licensed financial adviser and obtain a copy of the product disclosure statement, which is available by calling our Client Services Team on 1300 133 451 or visiting www.bellasset.com.au. Trust Co has issued a Product Disclosure Statement and a Target Market Determination for the Fund and it is available at www.bellasset.com.au. No representation or warranty, express or implied, is made as to the accuracy, completeness or reasonableness of any assumption contained in this report and none of Trust Co, BAM and its directors, employees or agents accepts any liability for any loss arising, including from negligence, from the use of this document. Past performance is not necessarily indicative of expected future performance. Total returns shown for the Fund have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation.