Bell Global Emerging Companies Fund

Bell ASSET MANAGEMENT

Class A Fund Summary - Period ending 28 February 2025

Net Performance^

Returns in AUD	Fund	Index*
1 Month	-2.3%	-1.9%
3 Months	2.8%	0.3%
6 Months	8.6%	10.3%
1 Year	9.5%	14.7%
3 Years (pa)	6.9%	9.7%
5 Years (pa)	9.2%	10.4%
Inception (pa)^	10.9%	10.9%

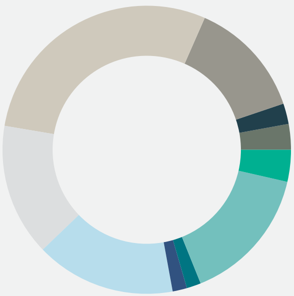
* Index is the MSCI World SMID Cap Index. ^ The Bell Global Emerging Companies Fund was established in November 2012 under a different name and with a different investment strategy. The fund has operated under its current name and strategy since 27 June 2016 (Inception). Past performance is not indicative of future performance.

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution	
Hong Kong Exchanges…	0.29%
Genpact Ltd	0.22%
Euronext NV	0.22%
Moncler SpA	0.22%
Deutsche Boerse AG	0.17%

Bottom 5 - Relative Contribution	
HOYA CORPORATION	-0.34%
Zebra Technologies…	-0.28%
BE Semiconductor…	-0.25%
Verra Mobility Corp.…	-0.23%
CGI Inc. Class A	-0.21%

Sector Exposure



Communication Services	3.6%
Consumer Discretionary	15.3%
Consumer Staples	1.6%
Energy	1.6%
Financials	15.6%
Health Care	14.8%
Industrials	29.1%
Information Technology	13.2%
Materials	2.1%
[Cash]	3.0%

Geographic Exposure

Africa/Mideast	2.0%
Asia/Pacific Ex Japan	3.7%
Europe	27.0%
Japan	7.4%
North America	57.0%
[Cash]	3.0%

Top 10 Holdings

Company	Sector	Geography	Weight
HOYA CORPORATION	Health Care	JP	2.9%
Service Corporation…	Consumer Discretionary	US	2.6%
Tractor Supply	Consumer Discretionary	US	2.5%
Amadeus IT Group SA	Consumer Discretionary	ES	2.5%
Cencora, Inc.	Health Care	US	2.4%
Deutsche Borse AG	Financials	DE	2.4%
Broadridge Financial…	Industrials	US	2.4%
Euronext N.V.	Financials	FR	2.4%
Clean Harbors, Inc.	Industrials	US	2.4%
Bunzl Plc	Industrials	GB	2.4%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	10.24	10.88	
Number of Stocks	49	4,759	
Active Share	97.6		
Value			
P/E (Fwd 12M)	22.8	16.3	140%
EV / EBITDA	17.0	13.5	126%
Growth (%)			
Sales Growth	12.3	13.9	88%
EPS Growth	16.1	14.7	110%
Quality			
Return on Equity	24.4	9.4	260%
Net Debt / EBITDA	0.2	1.6	14%
ESG			
MSCI ESG Overall Score	7.7	6.6	117%
Carbon Emissions*	22.0	163.2	13%

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

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Bell ASSET MANAGEMENT

Ned Bell CIO / Portfolio Manager

Joel Connell Portfolio Manager

Matt Saddington Portfolio Manager

Performance

Global equity markets cooled in February after a strong start to the year, showing a slight decline over the course of the month. The MSCI World SMID Cap Index fell 1.9% over February, while the Bell Global Emerging Companies Fund (Class A) returned -2.3%, underperforming the MSCI World SMID Cap Index by 0.4%.

Performance Attribution

February's decline in portfolio value was primarily due to struggles felt amongst Health Care, Information Technology & Industrials holdings, which unfortunately more than offset the strong results achieved within Financials and both consumer sectors. Geographically, our European holdings continued to be the strongest contributors, whilst APAC and North American exposures hindered performance. Although stock picking in Consumer Discretionary, Energy, Consumer Staples and Financials contributed positively, other factors led to portfolio underperformance. Notable among these were the underweights to Real Estate & Utilities and an overweight to Health Care, alongside selection effects in Information Technology sector.

At a stock level, Hong Kong Exchanges & Clearing (HKEX) was a standout performer, benefiting from improving sentiment toward Chinese equities. The rally in February was fuelled by strength in major tech names such as Alibaba and Tencent which are two of the most actively traded stocks on the exchange, as well as solid earnings results toward the end of the month. Following an increase of more than 60% from September 2024 lows, we have trimmed our position to lock in some gains but continue to hold, given the potential for further upside. Key catalysts include a stronger IPO pipeline, additional Chinese stimulus measures, and improved cash flow generation driven by higher trading volumes. Other notable performers across February included Euronext (Financials) and Moncler (Consumer Discretionary).

Meanwhile, Hoya was a detractor during the month. The Japanese company specialises in optical products such as eyeglass lenses, medical devices, and imaging technology, along with a technology segment producing EUV mask blanks and glass substrates for hard drives. Despite delivering solid earnings early in the month, driven by strong performance in its technology division and an expanded share buyback program, the stock retraced. This pullback was largely due to cooling sentiment around AI-exposed stocks and softer demand from Chinese customers in its life care business. Having previously trimmed into strength in January, we view the recent weakness as an opportunity to rebuild our position. Noteworthy detractors elsewhere also included BE Semiconductors (Information Technology), Verra Mobility (Industrials), and CGI (Information Technology).

Market Commentary

Dispersion was a key theme in February, both regionally and from a sector, style, and size perspective. European equities continued their recent rally, rising more than 3%, whilst North American and developed market Asia-Pacific stocks depreciated. From a sector lens, Communication Services, Information Technology and Consumer Discretionary drove the market lower, whereas Consumer Staples, Financials, Utilities, Real Estate and Energy performed strongly. From a style and size perspective, Value outperformed at the expense of Growth and Quality, and Large caps outperformed Small and Mid-caps.

Much of the volatility experienced through the month can be attributed to investors weighing up the possible imposition of tariffs by the US, following the conclusion

Contact Details

Bell Asset Management: Investment Manager
www.bellasset.com.au
Level 30, 101 Collins Street, Melbourne Victoria 3000.
Unitholder Enquiries Telephone: 1300 133 451.
Email: registry@apexgroup.com

Xanthe Virtue: Head of Wholesale & Platforms
T: +61 2 8000 8872. M: +61 413 450 163.
Email: xvirtue@bellasset.com.au

Channel Capital: Distribution Partner
www.channelcapital.com.au

Byron Slessar: Co-Head of Distribution
M: +61 400 592 592
Email: byron.slessar@channelcapital.com.au

Luke Mandekic: Co-Head of Distribution
M: +61 466 772 444
Email: luke.mandekic@channelcapital.com.au

Phelim O'Neill: Head of Key Accounts
ACT | NSW | QLD
M: +61 436 029 775
Email: phelim.oneill@channelcapital.com.au

James Biggins: Head of Key Accounts
VIC | SA | WA | TAS
M: +61 419 093 082
Email: james.biggins@channelcapital.com.au

Sam Mirls: Distribution Director
QLD
M: +61 422 777 909
Email: sam.mirls@channelcapital.com.au

of their 30-day delay. It was not until early March that President Trump ended the speculation, confirming that 25% tariffs on Canadian & Mexican imports, along with an additional 10% on Chinese goods, would proceed, only to swiftly postpone many of them again. Given the current uncertainties surrounding US economic resilience, the introduction of prohibitive trade policies could raise concerns. Nonetheless, we are of the view that high quality companies trading at reasonable valuations are well-positioned for relative outperformance should such challenges materialise. Additionally, the uncertainty could create material disconnects between fundamentals and valuations which active managers should be able to capitalise on.

Another significant theme in February was the rising pessimism over the sustainability of earnings growth amongst mega-cap tech names, particularly those in the AI space. The strong momentum that many of these companies had enjoyed waned further, as DeepSeek's release continued to cast a shadow over their massive AI expenditure. Investors began to question whether the "law of diminishing returns" was starting to take effect, especially since some of these companies were priced for perfection. A testament to this was the decline in NVIDIA's share price since reporting an earnings beat and 78% surge in quarterly revenue.

Chinese stocks listed in Hong Kong were arguably the standout performers, continuing their strong ascent from late January with double-digit gains in February for the Hang Seng Index. While concerns about the Chinese economy remain, optimism about the prospects for the Chinese tech sector, fuelled by the release of DeepSeek, spurred valuation expansion. One key difference in this rally is that it has primarily been local investor capital driving the market to three-year highs, rather than flowing in from abroad, as has often been the case prior. With the potential for increased allocations from foreign momentum driven investors, prevailing tariff risks, and an uncertain domestic consumer and real estate environment, it will be interesting to see whether this rally can sustain itself as we move further into 2025.

In the US, bond yields were volatile throughout the month as bond traders navigated a rapidly evolving environment under President Trump, ultimately closing lower as scepticism over economic growth and consumer confidence took hold. In Australia, the Reserve Bank of Australia made the decision to undertake their first cut to policy rates since the aggressive easing undertaken in 2020.

Hard assets had a mixed performance overall. Gold continued to creep higher, benefitting from the growing risk aversion in February, while Copper also appreciated as investors anticipated tariffs on the metal. Conversely, crude oil declined due to demand concerns, and arabica coffee hit all-time highs through the period. In the cryptocurrency market, Bitcoin fell ~9% over the month, which paled in comparison to the ~32% and ~36% losses experienced by Ether and Solana respectively.

Portfolio Activity

February saw one new addition to the portfolio alongside one exit, in addition to some adds and trims to existing positions to take advantage of the market volatility. Manhattan Associates was the new stock purchased, following its pull back from lofty valuations. The company has been a quality compounder for several years driven by secular spending on warehouse modernisation. Its software solutions are considered best-of-breed, and its asset-light business model has enabled ongoing reinvestment into R&D, which has assisted in them further extending competitive advantages over their competitors. As long-term investors, we opportunistically entered the name given our view that the sell-off was overdone and that the risk-reward profile had subsequently pivoted to the upside. Our bottom-up analysis suggests that the company should return to strong double-digit earnings growth in 2026 and beyond.

The only name exited during the period was Fortune Brands, the American security and home product manufacturer. An important driver of our thesis for the name had been the expectations for a recovery in the US housing market, especially in renovation and refurbishment markets driven by existing home sales (EHS). A key catalyst for US EHS recovery was falling interest and mortgage rates. Whilst these had initially fallen from June to September last year, persistently high inflation and the risk that Trump's policies could reignite inflation have meant mortgage rates have remained stubbornly high. This has stalled the EHS recovery and therefore we decided to exit the name.

Key Features

Investment Objectives	Outperform the index 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 small and mid cap equities, no gearing, no derivatives
Investment Style	Fundamental bottom up approach "Quality at a reasonable price"
Investment Highlights	• A diversified portfolio of small and mid cap (SMID) global stocks • 'Quality' focus - consistently high returning companies • Long-term horizon - typically 3-5 year holding periods • Benchmark agnostic • Maximum cash position 10% • Highly experienced investment team
Benchmark	MSCI World SMID Cap Index
Currency Exposure	Unhedged
Investment Timeframe	At least 5 years
Number of Holdings	30 - 60

Fund Terms

Fund Inception Date	November 2012
Strategy Inception Date	27 June 2016
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	BLM01
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services
Minimum Investment	Minimum investment - $10,000
Indirect Cost Ratio	1.34% p.a No performance fees, No entry or exit fees
Buy / Sell Spread	+/-0.10%
Reporting	Transaction confirmations upon transacting, annual periodic statement, tax statement, distribution statement and 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.