Bell Global Equities Fund

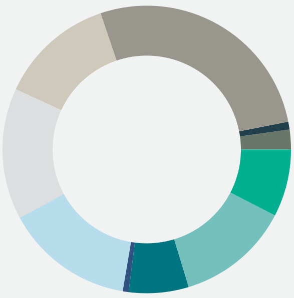
Platform Class Fund Summary - Period Ending 28 February 2025

Net Performance^

Returns in AUD	Fund	Index*
1 Month	-1.6%	-0.4%
3 Months	4.2%	5.0%
6 Months	10.5%	14.2%
1 Year	14.4%	21.3%
3 Years (pa)	10.7%	16.2%
5 Years (pa)	11.3%	14.9%
Inception (pa)^	9.0%	8.8%

*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



Communication Services	7.5%
Consumer Discretionary	12.9%
Consumer Staples	6.7%
Energy	0.6%
Financials	14.5%
Health Care	14.7%
Industrials	13.1%
Information Technology	27.0%
Materials	0.8%
[Cash]	2.3%

Geographic Exposure

Africa/Mideast	0.7%
Asia/Pacific Ex Japan	3.4%
Europe	20.9%
Japan	2.9%
North America	69.8%
[Cash]	2.3%

Top 10 Holdings

Company	Sector	Geography	Weight
Microsoft Corporation	Information Technology	US	4.9%
Alphabet Inc.	Communication Services	US	4.5%
NVIDIA Corporation	Information Technology	US	4.4%
Amazon.com, Inc.	Consumer Discretionary	US	3.4%
Apple Inc.	Information Technology	US	2.1%
Fiserv, Inc.	Financials	US	1.8%
Novo Nordisk A/S	Health Care	DK	1.8%
PepsiCo, Inc.	Consumer Staples	US	1.6%
Unitedhealth Grp	Health Care	US	1.5%
Nestle S.A.	Consumer Staples	CH	1.5%

Best & Worst Performers - 1 Month

Top 5 - Relative Contribution		**Bottom 5** - Relative Contribution	
Tencent Holdings Ltd.	0.21%	Alphabet Inc. Class A	-0.55%
Nestle S.A.	0.18%	Zebra Technologies…	-0.13%
Fiserv, Inc.	0.14%	TSMC	-0.12%
Hong Kong Exchanges…	0.14%	HOYA CORPORATION	-0.12%
Aon Plc Class A	0.09%	Arista Networks, Inc.	-0.12%

Investment Metrics#

	Portfolio	Index	Relative
Risk			
Total Risk	10.26	10.25	
Number of Stocks	97	1,341	
Active Share	70.3		
Value			
P/E (Fwd 12M)	22.2	19.2	116%
EV / EBITDA	18.9	16.7	113%
Growth (%)			
Sales Growth	14.6	13.4	109%
EPS Growth	19.0	20.2	94%
Quality			
Return on Equity	30.1	15.7	192%
Net Debt / EBITDA	0.5	0.6	73%
ESG			
MSCI ESG Overall Score	7.4	6.7	110%
Carbon Emissions*	21.0	93.2	23%

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

Andrew Gowen PM / Director of Research

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 ex-Australia Index fell 0.4% over February, whilst the Bell Global Equities Fund (Platform Class) returned -1.6%, underperforming the MSCI World ex-Australia Index by 1.2%.

Performance Attribution

February's decline in portfolio value was primarily due to struggles felt amongst Communication Services, Information Technology, Industrials and Consumer Discretionary holdings, which unfortunately more than offset the strong results achieved within Financials and Consumer Staples. Geographically, the portfolio's European holdings were the strongest contributors, whilst APAC and North American exposures hindered performance. Although our overweight to Health Care and stock picking within Consumer Discretionary and Financials were additive, other factors led to portfolio underperformance. Notable among these were the underweight to Energy, the overweight to Consumer Discretionary, and selection effects in Communication Services, Health Care, Industrials and Information Technology sectors.

Regarding individual exposures, Tencent Holdings was one of the strongest performers in the portfolio for the month. While Chinese equities broadly performed well, Tencent saw particularly strong earnings momentum, with profits surging 47% in the last quarter, driven by robust advertising revenue and an acceleration in new video game launches. In February, Tencent also integrated DeepSeek's AI chatbot into WeChat, its "super app" with over 1 billion users worldwide. This further bolstered optimism on the perception that Tencent could leverage AI to both drive user engagement and initiate new revenue streams. Although we have pared back our position sizing given the sharp rally in the name, we maintain conviction in Tencent primarily because of our belief that their platforms offer further monetisation opportunities that are yet to be explored.

Additionally, our investment in Swiss food and beverage company Nestlé also proved additive. Nestlé performed strongly in February after reporting solid FY24 earnings, which were in-line to slightly ahead of street expectations across most key metrics. The outlook was also consistent with the long-term plan discussed at the capital markets day late last year. With sentiment towards the stock having been very negative leading into the result, the report provided some reassurance and has driven a re-rating of the valuation. We still see further upside for the stock and continue to like the defensive characteristics in an uncertain environment, although we have reduced our position size into recent strength. Other notable performers during February included Hong Kong Exchanges & Clearing (Financials), Fiserv (Financials) and our non-exposure to Tesla (Consumer Discretionary), which posted a sharp decline.

In terms of stock-specific headwinds, one of the biggest drags was our holding in Alphabet. The name struggled in February as investor enthusiasm from 2024 gave way to concerns about Cloud growth and infrastructure spending. The trigger for this was Alphabet's quarterly earnings report, which, whilst solid in absolute terms, underwhelmed relative to lofty analyst expectations. Revenue fell just short of forecasts, marking a rare miss for the company. More notably however, management announced an ambitious US $75 billion capital expenditure plan for 2025 (~40% higher than 2024) that is heavily focused on AI projects. This figure was dramatically above market expectations, fuelling worries that

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Alphabet's push to fend off AI rivals will both squeeze its free cash flow and compress margins. Irrespective of this, we remain confident in the long-term prospects of the company based on its dominance in Search, Advertising and service subscriptions (YouTube Premium, etc.), and believe its "quality" profile is still among the highest of all internet companies. Noteworthy detractors elsewhere also included Zebra Technologies (Information Technology), Hoya (Health Care), TSMC (Information Technology) and Arista Networks (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 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

In February, we introduced two new names to the portfolio and exited one, in addition to some adds and trims to existing positions to take advantage of the market volatility. Manhattan Associates was one of the new additions, 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 second new name introduced to the portfolio was Caterpillar. While there is no doubt that Caterpillar has some cyclical end market exposure, we believe the company has a strong franchise and good structural growth opportunities to capitalise on. We opportunistically entered the name following the sell-off post its Q4 results as we see opportunities for a potential recovery in the construction and resource industry segments over the next couple of years, along with continued growth in the energy and transportation segment. Whilst we are optimistic about the company's long-term prospects and believe now is an opportune time to establish a position, we have initiated with a modest position reflecting some of the external uncertainties around tariffs and potential trade wars but would look to build the holding if we saw further share price weakness.

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 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	• 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.