

Bell Global Emerging Companies Fund

Class A Fund Summary - Period ending 30 April 2023

Net Performance[^]

Returns in AUD	Fund	Index*
1 Month	2.2%	1.6%
3 Months	6.1%	2.5%
6 Months	9.7%	4.7%
1 Year	10.4%	5.9%
3 Years (pa)	12.0%	11.8%
5 Years (pa)	11.7%	7.4%
Inception (pa)[^]	11.3%	9.7%

* 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).

Best & Worst Performers - 1 Month

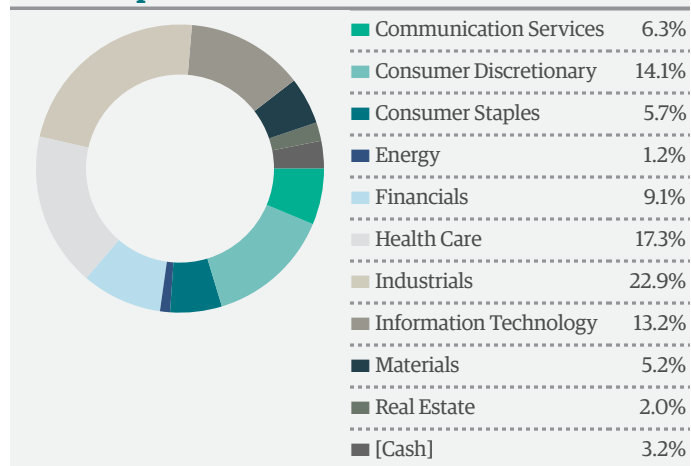
Top 5 - Relative Contribution

Thule Group AB	0.23%
Church & Dwight Co.,	0.22%
Fortune Brands	0.19%
Coloplast A/S Class B	0.17%
Croda International Plc	0.17%

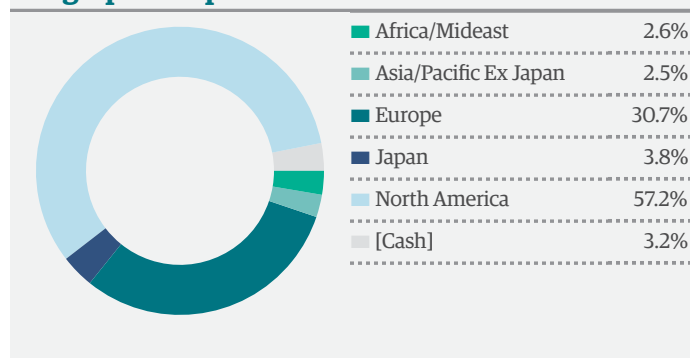
Bottom 5 - Relative Contribution

ICON Plc	-0.29%
Zebra Technologies	-0.22%
Keysight	-0.20%
Fox Factory Holding	-0.15%
HOYA CORPORATION	-0.12%

Sector Exposure



Geographic Exposure



Top 10 Holdings

Company	Sector	Geography	Weight
Amerisourcebergen	Health Care	US	3.2%
Broadridge Financial	Information Technology	US	3.1%
Kroger Co.	Consumer Staples	US	3.1%
Partners Group	Financials	CH	2.6%
Church & Dwight Co., Inc.	Consumer Staples	US	2.6%
Check Point Software	Information Technology	IL	2.6%
ICON plc	Health Care	US	2.6%
Cognizant Tech Solutions	Information Technology	US	2.6%
Genpact Ltd	Industrials	US	2.5%
HOYA CORPORATION	Health Care	JP	2.4%

Investment Metrics[#]

	Portfolio	Index	Relative
Risk			
Total Risk	12.72	13.26	
Number of Stocks	50	5,219	
Active Share	98.4		
Value			
P/E (Fwd 12M)	20.9	15.2	137%
EV/EBITDA	12.5	10.2	122%
Growth (%)			
Sales Growth	10.0	12.0	84%
EPS Growth	12.1	13.5	90%
Quality			
Return on Equity	23.7	9.9	239%
Net Debt / EBITDA	1.1	2.7	41%
ESG			
MSCI ESG Overall Score	7.5	6.4	118%
Carbon Emissions*	22.5	185.1	12%

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

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Ned Bell CIO / Portfolio Manager



Adrian Martuccio Portfolio Manager

Contact Details

Bell Asset Management: Investment Manager
www.bellasset.com.au
Level 30, 101 Collins Street, Melbourne Victoria 3000.

Unitholder Enquiries Telephone: 03 9616 8619
Email: bellasset@unitregistry.com.au

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: Head of Key Accounts and Platforms
M: +61 400 592 592
Email: byron.slessar@channelcapital.com.au

Luke Mandekic: Head of Research and Consulting
M: +61 466 772 444
Email: luke.mandekic@channelcapital.com.au

Phelim O'Neill: Distribution Director
ACT | NSW
M: +61 436 029 775
Email: phelim.oneill@channelcapital.com.au

James Biggins: Distribution Director
VIC | SA | WA | TAS
M: +61 419 093 082
Email: james.biggins@channelcapital.com.au

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

Performance

Equity markets had another strong month with the MSCI World Small & Mid Cap Index rising 1.6% in April. The Bell Global Emerging Companies Fund (Class A) rose 2.2%, outperforming the MSCI World Small & Mid Cap Index by 0.6%. Over the last year, the rally has seen the MSCI World Small & Mid Cap Index rise 5.9% and the Fund (Class A) rallying 10.4%, an outperformance of 4.5%.

Performance Attribution

Outperformance was driven by strong stock selection across most sectors. Alpha generation was quite diversified with most stocks rallying, and with the top contributors all jumping over 10% including consumer facing companies such as Thule (+20%) and Fortune Brands Innovation which drove good alpha generation in the Discretionary sector. Consumer Staples company Church & Dwight rallied as investors have been attracted to the company's defensive earnings qualities, plus improving sentiment pushed up medical product company Coloplast and speciality chemicals company Croda.

Some uncertainty for the outlook of spending at clinical research organisations ICON plc and Charles River meant they fell during the period and the Health Care sector in general was a drag on alpha, however both companies look like compelling value here and ICON remains one of the portfolio's largest positions. Although some of the technology related names such as Zebra Technologies, Keysight and Hoya were weak during the month, the Technology sector was a source of alpha overall. Other alpha producing sectors were Communication Services, Materials and Industrials which has the largest allocation at just over 22% of the portfolio.

From a regional perspective, allocation was a small positive and again, quite diversified across Europe including the UK. The Asia Pacific and North American regions were neutral from an allocation perspective. Overall, we were pleased with the diversified alpha generation with a strong 'batting average' and contributions from many stocks across many industries.

Market Commentary

The recent banking crisis continues with the failure of First Republic Bank. Thankfully, the portfolio has no exposure to the sector, but these issues have highlighted that liquidity and credit risk management has become increasingly critical and something we continuously monitor. Although the banking crisis has been a dark cloud over equity markets, investors shrugged off this bad news being buoyed by positive economic data. Global economic growth remains resilient with China continuing to rebound with 1Q GDP beating expectations and even the Japanese economy and market has been more resilient recently. In the US, the PMI index remains strong with a broad acceleration in the economy which was also seen in Europe where the PMI rose for the 11th straight month, both regions saw strong service sector growth, however manufacturing was softer as many companies worked through higher inventories. Interest rates remain elevated, but there has been some relief with inflation tapering off as oil prices continue to weaken. Our view is that while the contribution from energy prices will help reduce inflation, overall, it will remain stubbornly high until there is more broad relief from rising prices, especially in what remains a very tight labour market.

On the back of the economic news, the resultant moves in the market were interesting where value, growth and quality all performed in a similar manner during April. Small and mid-cap stocks did

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lag since the rally was driven by many large and mega-cap index constituents, but that makes the SMID-cap subset even more attractive from a valuation perspective, being 7.7% cheaper than all-caps. What is most interesting is that we have seen more bifurcation at a stock level where the market is penalising companies that lack quality characteristics and also those that have lost momentum and are going through a devaluation phase. The second bucket is most interesting to us as stock pickers, since many high-quality names on our watchlist are now becoming more attractively valued.

Research

The results period has highlighted the more predictable nature of the earnings streams of the portfolio companies. Not every company has produced stellar results, but across the portfolio, earnings are still growing and reductions to forecasts have been less than 1% on average. We continue to review our thesis on companies that miss our expectations and the opportunity cost of holding companies that lag. These are always challenged by names on our watchlist that we are keen to buy.

We have spent more time refreshing our view on other high-quality names that are not currently owned given we have seen weaker correlations in the market. Some of the stocks we monitor have lagged and it may be an opportune time to consider introducing some of these names into the portfolio in the near future.

Trading

April was a very quiet month from a portfolio activity perspective. We have been happy with portfolio positioning in the current uncertain environment and therefore did not see any compelling reasons to adjust our positioning during

the month.

Outlook & Positioning

The generally positive economic data in April underpinned the rally, bouncing back from a volatile month in March. The market has adopted a more balanced approach to risk and opportunities in the near term, without becoming overly enthusiastic about longer term prospects given the risks from persistent inflation and higher interest rates. Valuations are trading at close to longer term averages with the all-cap MSCI World Index trading on a 12-month forward price to earnings ratio of 16.4x, in-line with its 10-year average, and the MSCI World SMID cap Index at 15.2x, which is reasonably attractive and below the longer-term average.

While valuations are reasonable, the fundamental underpinnings of the global economy do remain fragile and ultimately, we may not be able to avoid a recession. However, the magnitude of the inherent risks seem somewhat less than 6-9 months ago, so we would expect any setback to be fairly shallow and short lived.

This environment will likely continue to favour disciplined, active stock picking of companies with resilient earnings streams. The 'quality' companies where we focus our attention have been relatively stable compared to the broader index and this has helped the portfolio generate positive absolute and relative returns in the year to date and we expect this trend to continue.

Key Features

Investment Objectives	Outperform the index over rolling three year periods
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	<ul style="list-style-type: none">• 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• Diversified portfolio structure• 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	35 - 55

Fund Terms

Fund Inception Date	November 2012
Strategy Inception Date	27 June 2016
Product Structure	Registered Managed Investment Scheme
Investment Manager	Bell Asset Management
Responsible Entity	Bell Asset Management
Custodian	National Australia Bank
mFund Code	Code: BLM01
Unit Pricing & Liquidity	Daily Published on www.bellasset.com.au & market data services Applications using application form attached to the PDS Redemptions typically paid out within 10 days
Minimum Investment	Minimum investment - \$10k Minimum transaction - \$5k
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	<p>This Fund is likely to be appropriate for a consumer seeking long term capital growth through exposure to a diversified portfolio of global small and mid cap listed securities within a portfolio where the consumer has at least a 5 year investment timeframe, high risk/return profile and needs infrequent access to capital.</p> <p>BAM considers that the risk level of the Fund is high. The likelihood of the value of your investment going up or down over the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash. However, the Fund has the potential to produce higher or lower returns over the longer term (5 years or longer).</p>

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